

Finance Committee Meeting Minutes

Heidi Rudolph, Chairperson
James John, Trustee
Grace Turi, Director of Finance
John Mastandona, Assistant Director of Finance
Alice Gallagher, Village President
Ingrid Velkme, Village Manager

Others Present:

Meeting called to order at 8:04 am

Friday, May 15, 2020

Items of Discussion:

- **Public Comment:** None
- **Minutes:** The minutes of the April 22, 2020 meeting were approved as presented.
- **Financial Forecast:** Director Turi presented budget concerns regarding COVID-19. That staff is being proactive and reducing expenses where they can to account for the anticipated reductions to revenue. Current projections is that sales tax revenue budget will be reduced by \$55,000 - \$75,000 for the 2nd quarter of 2020. Since Sales Tax is paid by the State of Illinois with a lag, staff will not be certain of the amount that will be received. Director Turi further explained that the revenue line item of LGDF, which is income tax collected and paid by the State, is projected to be reduced by 15%, or \$125,000. Staff is uncertain how much Building Permit/Timber Trails revenues will be impacted. Individual investment portfolios have been negatively impacted during the first quarter of 2020, which may translate in the deferral of housing starts. A 20% reduction in activity could result in a loss of \$145,000. The recent reduction in the interest rate has negatively impacted interest income earned from short term instruments. Current projected reduction for interest income is \$50,000. Further, we will see a reduction in revenue from fines, due to less traffic. Staff is currently projecting revenue losses could total between \$425,000 and \$500,000.
Each Director reviewed their budget to make trims/deferrals to the expenses in their respective Department. The first round of reductions was approximately \$300,000. It was noted that current services offered to residents will not be impacted with this first round of proposed cuts. A large portion of the reduction is currently deferrals of larger projects.
- **Budget Amendment:** A budget amendment for the Water Fund was presented. This is increase is to accommodate the debt service of the IEPA loan #L 17-5495. The loan is in the amount of \$2,593,014.16. It was originally projected that the loan repayment was to start after completion of Well #5, but the IEPA finalized this loan in February and remitted a payment schedule which starts June 15, 2020. \$115,764 for the IEPA Loan L17-5495 Principal (2501510 81519) and \$39,326 for the IEPA Loan L17-5495 Interest (2501510 81619) is being requested. The Finance Committee approved the request and recommended that the amendment be placed on the March 16th Board Meeting agenda.
- **Other Business:**

There being no further business, the meeting was adjourned at 8:44 am

Respectfully Submitted,
John Mastandona
Assistant Director of Finance

APPROVED: July 9, 2020