

OFFICIAL PROCEEDINGS  
FINANCE COMMITTEE

A meeting of the Finance Committee was held February 15, 2012 at 4:00 p.m. at Village Hall, 1202 4<sup>th</sup> Street, Orion, Illinois. Members present: O'Leary, Drucker, and Sampson. Absent: Newman.

The credit card statement and receipts were reviewed and found to be in order.

The 3<sup>rd</sup> quarter budget review was performed. It was noted that fine revenue and utility tax revenue were less than expected. The decrease in fine revenue is a result of fewer hours being covered by police officers, and the decrease in utility tax revenue is a result of unusually warm winter temperatures. Utility taxes are sufficient to cover loan obligations, however. Some expenditure line items exceeded budgeted amounts but explanations were given for those instances.

Clerk Sampson said the Illinois Municipal Retirement Fund recorded an investment loss for 2011, which will affect 2013 employer rates. IMRF will schedule rate meetings in the upcoming months to better inform municipalities about what to expect. The rate for the current year was determined in 2011 and set 4% lower than the prior rate.

Committee members discussed the impact on water and sewer users if \$350,000 is borrowed to pay for the sewer relief main project. Preliminary figures showed an increase of \$1.10 per thousand gallons to pay down the loan in 10 years and \$.55 per thousand gallons to pay down the loan in 20 years. This assumed a 3% interest rate. The merits of a consumption rate versus a flat rate were discussed. Due to other obligations in the sewer department, Clerk Sampson advised against applying any existing funds toward the project. She noted upcoming expenditures such as a lift station pump, a spare pump, VFD purchase and installation, building maintenance, and \$20,000 in pre-construction engineering fees for the relief main project.

Trustee Newman arrived late due to traffic congestion as a result of the arrival of a Chinese dignitary in the Quad Cities.

Trustee Newman suggested doing a five-year financial plan for the village. Trustee Drucker said it would be difficult to do because of fluctuating income, though he noted some departments such as streets and water have developed five-year improvement plans. Some of those plans have been stalled due to a lack of funding.

Trustee O'Leary will contact Scott Kammerman at Missman, Inc. to find out the process to apply for an IEPA loan. The committee decided the village should proceed with the loan process while continuing to look for grants from legislators. Trustee Drucker said the Finance Committee should make a recommendation to the board on how best to finance the relief main project.

There being no further business to come before the committee, the meeting was adjourned.

Lori A. Sampson  
Village Clerk



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