

Minutes

Village of Niles

Finance Committee Meeting

Village Hall Conference Room 218
September 19, 2018
9:00 a.m.

Call To Order

Chairman Dean Strzelecki called the meeting to order at 9:00 a.m.

Roll Call

Assistant Finance Director Laurie Nannini called the roll for Committee members:

Committee Members Present: Chairman Dean Strzelecki, Patricia Dlubala, Jack Drexler, George Van Geem

Committee Members Absent: None

Village Staff Present: Finance Director Jeff Martynowicz, Assistant Finance Director Laurie Nannini, Village Manager Steve Vinezeano, Deputy Village Manager Hadley Skeffington-Vos, Assistant to the Village Manager Kathy Thake, Deputy Village Clerk Kathryn Angell, Fire Pension Board Trustee Bob Greiner, Fire Pension Board Member Rich Scipione, Police Pension Board Trustee Mike Boba, Police Pension Board Trustee Danielle Helma

Old Business

None

Approval of Minutes

The regular minutes from the August 15, 2018 Finance Committee meeting were presented for approval, motion was made and all concurred.

Accounts Payable Approval

The Accounts Payable registers for 2018 8/10, 8/17, 8/24, 8/31 and 9/7 were presented for approval, motion was made and all concurred.

New Business

Claim Management Consultants
Workers Compensation Claims

Deputy Village Manager Hadley Skeffington-Vos requested an RFP Waiver and Contractual Agreement to continue working with Claims Management Consultants as claim administrator for outstanding Workers Compensation Claims incurred up to January 1, 2015. A motion was made for approval and all concurred.

Claim Management Consultants
Liability Claims

Deputy Village Manager Hadley Skeffington-Vos requested an RFP Waiver and Contractual Agreement to continue working with Claims Management Consultants to provide Management Services for General, Auto, and Professional Liability and Property Claims. A motion was made for approval and all concurred.

Mesirow Alliance

Deputy Village Manager Hadley Skeffington-Vos requested a Contract Extension with Mesirow Insurance Services, Inc. as the Village's Workers Compensation and Liability Insurance Broker for Calendar year 2019. A motion was made for approval and all concurred.

Police/Fire Pension Funds

Finance Director Jeff Martynowicz presented the FY2018/2019 Actuarial and Interest Rate Assumptions for the Police and Fire Pension Funds. Jeff mentioned that both Pension Funds had discussions at their quarterly meetings regarding the

rate of return and assumption for the upcoming Actuarial report. He said currently our Actuary uses the rate of 7.25%. The Police and Fire Pension Boards would like to lower their interest rate to 6.5%. An analysis was presented on the rate of return in some of the surrounding communities. Todd Schroeder from Lauterbach & Amen discussed costs associated with the proposed rates of returns. Jeff added that the effect of changing the rates is budgetary for the Village and any changes would need to be factored into the upcoming budget. If the Pension Funds go down to a lower rate, it will raise the amount the Village has to contribute to these both Pension Funds. The Village contributed 100% of the Actuarial required contributions amount over the past 5 years. Chairman Strzelecki mentioned that 75% of the Gaming Revenue and .25% of Sales Tax goes directly to the Pension Funds. Carolyn Clifford, attorney for the Police and Fire Pension Boards, spoke on the legal duty of the Village Board and the statutory minimum required by the state law. She also addressed questions and concerns on how this change will impact the Village. Tom Sawyer from Sawyer Falduto Asset Management was also present to answer questions. There was discussion on a possible transition period to phase down to a lower rate over several years. George Van Geem felt the committee needs more numbers to review. Todd Schroeder was asked to provide a projection that focuses around the 7% rate stretched out through 2040. Chairman Strzelecki said the next steps will be to review the projections and evaluate how the rate change will impact the Village now and in the future. Discussion will continue at the next Finance Committee meeting in October. Jeff said he will apply for an audit extension to provide more time to review and decide what the new percentage rate of return will be. Chairman Strzelecki asked for a motion to table this issue until next month. Motion made by George Van Geem and second by Jack Drexler, all others concurred.

Other Business

None

Public Comments

None

Executive Session

None

Adjournment

Motion to adjourn was made at 10:25 am and all concurred.

Prepared by Joy Athanasiou on October 9, 2018.