

VILLAGE OF FRANKFORT
MINUTES OF THE FINANCIAL AFFAIRS COMMITTEE MEETING
November 12, 2008

CALL TO ORDER

Chairperson Cindy Corso Heath called the Financial Affairs Committee (FAC) meeting to order at 5:00 p.m. on November 12, 2008, at the Village Administration Building, 432 W. Nebraska Street, Frankfort.

ROLL CALL

Committee members in attendance included: Mayor Jim Holland, Chairperson Cindy Heath, Trustee Dick Trevarthan, Terry Rusin, John Newton and Thaddeus Gray. Also in attendance were Trustee Mike Stevens, Administrator Jerry Ducay, Asst. Administrator Howard Sloan, Finance Director Sandy Babka, Treasurer Demetrius Karos, Auditor Ed McCormick, Supt. Terry Kestel and resident Terry Briese.

APPROVAL OF MINUTES

A motion (#1) was made by Trustee Stevens, seconded by Trustee Trevarthan, to approve the minutes for May 19, 2008, as revised with a corrected spelling of Treasurer Demetrius Karos' name. The motion was unanimously approved by all present.

AUDIT PRESENTATION

Auditor Ed McCormick made a presentation of the audit and discussed the particulars found therein. Mr McCormick reviewed the different aspects of the report and answered questions posed by individual committee members.

Trustee Trevarthan made a motion (#2), seconded by Trustee Stevens accepting the audit report as presented. The motion was approved by all present.

Mr. McCormick was thanked for his effort and Sandy Babka was congratulated on an excellent job in preparing the financial report for the Village of Frankfort.

TAX LEVY ORDINANCE

Finance Director Babka was asked to make a presentation on the proposed 2008 tax levy extension and rate. There were questions with regards to property taxes, the Appropriation Ordinance and calculation of the EAV (Equalized Assessed Valuation) and the quadrennial assessment. It was indicated that the assessor was simply catching up because there was a failure to re-assess in prior years.

Administrator Ducay stated it will be difficult to estimate new growth for this year as a result of the collapse in the building industry. Comment was made with regards to the levy that a lower EAV results in a higher tax rate. The need, therefore, for "best guess" estimates is extremely important.

The EAV in 2008 is estimated to grow by three percent (3%) with an estimated total new growth of \$20,000,000. This results in a proposed total tax levy rate of 0.3497 for 2008.

Trustee Trevarthan made a motion (#3), seconded by Member Gray, to recommend Village Board approval of the proposed tax levy. Hearing no further discussion, the motion was unanimously approved.

SPRINT LEASE AGREEMENT AMENDMENT – FRANKFORT SQUARE WATER TOWER

Jerry Ducay gave a presentation with regards to the proposed Sprint lease agreement amendment to add an additional antenna. He indicated that Sprint proposes the addition of a WiMax antenna to the site. He noted the lease was originally negotiated for \$1100 per month rent, but currently pays \$1478 due to annual increases since inception. The new agreement results in \$2100 per month rental payment to the Village.

Mr. Ducay requested the agreement as written be recommended for approval by the Financial Affairs Committee to the Village Board.

A question was raised as to whether there would be an increase to the rent as the escalator period takes effect. It was indicated that yes, the three percent (3%) escalator provision does apply to the new antenna.

During discussion, it was the recommendation of the committee that regarding the appearance, any new antenna or improvement design be subject to Village approval.

Member Rusin made a motion (#4), seconded by Member Gray, to send the agreement to the Village Board for approval with the afore-mentioned conditions.

OTHER BUSINESS

Starting in 2009, Ms. Babka reported that village water bills will be processed on laser forms and sent out in envelopes, due to an upgrade in the utility billing software.

ADJOURNMENT

A motion (#5) was made by Trustee Trevarthan, seconded by Trustee Stevens, to adjourn the Financial Affairs Committee meeting at 6:17 p.m.. The motion was unanimously approved.

Recorded by: Jerry Ducay and Howard Sloan (via tape)
Transcribed by: Debbie Cox