

VILLAGE OF MACHESNEY PARK
HELD IN THE FRANK G. BAUER MUNICIPAL HALL
Journal of Proceedings ~ Regular Meeting, September 16, 2019

The meeting was called to order at 6:00 p.m. by Mayor Steve Johnson. Trustee Aaron Wilson gave the Invocation, which was followed by the Pledge of Allegiance led by Trustee Terri Bailey.

Present: Mayor Steve Johnson, Trustees Joe Seipts, Jake Schmidt, James Kidd, Aaron Wilson, Terri Bailey and Erick Beck

Present: Village Clerk Lori Mitchell
Village Attorney Tom Green
Village Treasurer Bradley Robison
Community Development Director James Richter II
Finance and Human Resources Manager Michelle Johannsen
Village Administrator Tim Savage
Public Works Superintendent Chad Hunter
Village Engineer Chris Dopkins
Public Safety Supervisor Sgt. Tammie Stanley

The Journal of Proceedings for the Regular Board Meeting from September 3, 2019, was approved per typewritten copy submitted by the Clerk on a motion by Trustee Beck and seconded by Trustee Wilson. Motion carried by voice vote.

Treasurer Bradley Robison presented the Treasurer's Report indicating the total of all funds as of September 10, 2019, was \$15,879,530.13. He also presented the Annual Treasurer's Report for the period ending April 30, 2019, which will be published in the newspaper as required by statute. Copies of both reports are available at the back of the room. A motion was made by Trustee Wilson and seconded by Trustee Bailey to accept the Treasurer's Report and the Annual Treasurer's Report. Motion carried by voice vote.

Clerk Mitchell reported September is a five-Monday month, therefore, our next meeting will be October 7, 2019.

Trustee Terri Bailey read a Proclamation being presented by Mayor Johnson to the National Society of the Daughters of the American Revolution for Constitution Week. Clerk Mitchell will mail the proclamation to the DAR.

Trustee James Kidd read a Proclamation being presented by Mayor Johnson to Dr. Michael Belinson and Mr. Allan White, President of Vietnam2Now, for National POW/MIA Recognition Day. Dr. Belinson and Mr. White thanked the Village for its support of this POW/MIA Recognition Day.

Trustee Schmidt presented the warrant in the amount of \$975,362.68 and moved for its authorization; seconded by Trustee Beck. Motion approved. On roll call: 6 ayes (Trustees Seipts, Schmidt, Kidd, Wilson, Bailey and Beck), 0 nays, 0 absent

ADMINISTRATIVE REPORTS

Mayor Steve Johnson called for a motion to *Accept the Reappointment of Jay Alms for a five-year term to the Planning and Zoning Commission, term ending September 2024.* Motion was made by Trustee Schmidt and second by Trustee Beck. Motion approved on voice vote.

Further, Mayor Johnson reported about the diverse workforce in the Village, who make a wide variety of products from Craft Beer to Space-Telescope Components. With all the commercial and industrial growth in the Village, residents in the Rockford Region have excellent employment opportunities locally. He shared some of the things that are made in Machesney Park. They include :

- Craft Beer – Pig Minds Brewing serving many tap houses, bars and restaurants from Chicago to Galena, Illinois.
- Aeronomics - Superior Joining Technology is a specialty welding and precision machine operation that has built parts for the Hubble Telescope.

1. Minutes Approved

2. Treasurer's Report and Annual Treasurer's Report for period ending April 30, 2019

3. Communications

4. Warrant/Approved

5. Administrative Reports

6. Mayor's Report

- Spider Company has relocated to Machesney Park. The company builds high pressure metal tubing found in jet engines after-burners.
- Food Services like Little Star Plastics first created an injectable pump for ice cream machines in the 1990's and since developed parts and components for food preparation and processing machines in every major food chain.
- Back-Up Power Generation – Hennig is manufacturing back-up power generators for Microsoft and other technical companies to protect cloud-based information.
- Steel Mills – Quantum Design has been an industrial leader in producing quality cutting and grinding equipment. Quantum's central metal cut division manufactures large-scale abrasive saws and grinding operations that promote steel mills throughout the world.
- Retail Development – Numerous retailers have success in the synergy that exists along the Route 173 Corridor. Many new retailers have recently joined the Corridor including:
 - Hobby Lobby
 - Rue 21
 - Ulta Beauty
 - Ross Dress for Less
 - Old Navy
 - Dollar Tree
 - Five Below
 - Mod Pizza and many more

Additionally, Mayor Johnson thanked the Village for allowing him to attend the Illinois Municipal League Conference. He is looking forward to attending many informational sessions that will benefit the Village.

Attorney Tom Green had no report this evening.

Village Administrator Tim Savage reported that the Mayor's Ad Hoc Committee for Police Services met this afternoon and received a draft of the study from the consulting agency and law firm that has been supporting that effort. They are forwarding a resolution to the Board for consideration which will be presented at a Board Meeting in the near future.

Finance and HR Manager Michelle Johannsen reported that the Village entered into a three-year contract with Sikich LLP to conduct an independent annual audit of the financial statements through fiscal year 2020. Sikich has completed their audit covering May 1, 2018-April 30, 2019 and here tonight to present those reports is Nick Bava, Senior Manager, with Sikich.

Nick Bava, Sikich LLP, the Audit Manager for the Village of Machesney Park's Audit thanked the Village for having him at this meeting tonight to present the audit results for the Fiscal Year 2019. He indicated that as part of the Audit, they issue five separate reports. The larger report is the Annual Financial Report. Also, they issue the Auditor's Communication to Board of Trustees and Management, the Management Letter that is required through Illinois Compiled Statutes, the Tax Increment Financing Districts compliance report for the applicable Village TIF Districts that is required through Illinois Public Act 85-1142 and lastly, the annual electronic Illinois Comptrollers filing that they assist the Village with filing on a yearly basis.

Mr. Bava highlighted some of the items in the Annual Financial Report and was available for questions the Board might have. Items he summarized included:

- Pages 1, 2, and 3 of the Independent Audit's Report were reviewed by Mr. Bava indicating these three pages are the sole responsibility of the Auditors. The remainder of this report is the responsibility of Village management.

7. Attorney's Report

8. Village Administrator

9. Finance/HR Manager

Presentation of the
May 1, 2018–April 30, 2019
Audit by Nick Bava,
Sikich LLP, Senior Manager

- Page 1, first paragraph, highlights that it is management's responsibility for the preparation and fair presentation of the Village's financial statements in accordance with generally accepted accounting principles. The second paragraph is the Auditor's paragraph shows that it is the auditor's responsibility to present an opinion on those financial statements, based on procedures that guided through generally accepted auditing standards.
- At the top of Page 2 under the Opinion's Paragraph, notes that the auditor believes that the financial statements represent fairly, in all material respects, the financial position of the Village's governmental activities, each major fund and the aggregate remaining fund information of the Village as of April 30, 2019. This is what is referred to as an unmodified opinion. This is the highest level of assurance that the auditors can provide to a municipality or government; and we commend the Village on receiving this opinion.
- At the bottom of Page 3 of the report, along with Pages 4 and 5, is a little bit new as to what the Village is used to seeing in the terms of the Independent Auditor's Report. The bottom of Page 3 indicates the changes that have been required for the Village to undergo, in relation to the Grant Accountability and Transparency Act, also known as GATA. There are certain compliance requirements that the Village had to go through and testing procedures on the audit end that they had to complete in order to be compliant with GATA. So, at the bottom of Page 5, the first paragraph and last sentence, notes that the results of the audit tests discloses that there were no instances of noncompliance in relation to these procedures that the auditors were required to perform. He emphasized that this is new in comparison to 2018.
- MD&A Page 1, entitled the Management's Discussion and Analysis. This is a document that is prepared by Michelle in the Finance Department and reviewed by Administrator Savage. It is also looked at by the auditors to ensure that the numbers are reliable and consistent amongst the financial statements and they are compliant with generally accepted accounting principles. Mr. Bava stated that if he would recommend anything to be read within this entire Financial Report, he would recommend looking at these twelve (12) pages. They are very well prepared, Michelle does a very good job of fully describing what has transpired during 2019 as well as what has changed in comparison from 2018 to 2019.
- Government-wide Financial Statements on Pages 6, 7 and 8. Pages 6 and 7 represent the Statement of Net Position and Page 8 represents the Statement of Activities. These are the full government-wide Balance Sheet and Income Statements for the Village as of April 30, 2019. These statements are unique as they relate to the other statements throughout the report in that they are recorded under the full accrual basis of accounting, also known as the Economic Resources Measurement Focus. They include all the long-term activity here at the Village such as Capital Assets, Long-Term Debt, the Outstanding Bonds that are issued, notes payable and the net pension liability for IMRF that the Village is required to report. Also, on Page 8 is the change in the overall net position of about \$5.4M, which is the change in the overall performance of the governmental funds as well as capital assets that were acquired, contributed assets, and really just reflecting the overall positive change of \$5.4M, ending with a total net position as of April 30, 2019 of just above \$91M.

The next four to five pages represent the Governmental Funds pages. Pages 9 and 10 are the Balance Sheet. He directed attention to pages 12-13 which is the Governmental Funds Income Statement for the Village. These statements differ from the three pages he just covered in that they are recorded in the current resources measurement focus, so it is more of a cash basis, one year out approach. It does not include any of the capital assets, long term liability, or things of that nature. He pointed out that at the bottom of Page 13 shows an overall positive change in Fund Balance for Governmental Funds of about \$2.7M for an ending total Fund Balance of the Village's Governmental Funds of \$16.6M. This represents the overall fiscal management and fiscal responsibility that the Finance Department and Management has done here on a consistent basis.

- Page 46 represents the Village's participation in the Illinois Municipal Retirement Fund (IMRF). About four fiscal years ago, the Village was required to report the net pension liability specific to IMRF on the financial statements. At the bottom of Page 46 under the 2018 column shows that the actuarially determined pension liability is just shy of \$860K. This is measured on a calendar year end basis so the most recent information available is as of December 31, 2018. Overall the funded status for the Village is right around 80%. If you will look at the performance over the last four years, 87% to 85% to 93%, it is a very healthy funded status in comparison to other municipalities, and is right where the Village wants to be. These numbers do fluctuate regularly as actuarial assumptions and realities do change on a yearly basis.
- The last page in the report, Page 74, relates to the compliance requirements related to the new Illinois Grant Accountability and Transparency Act. The Consolidated Year-End Financial Report is required to be disclosed by the Village and submitted to GATA. This information documents all of the grant programs in which Federal, State and other grant expenditures were paid during the year. This information is prepared by Michelle and reviewed by the Auditors to ensure that it was consistent with what was tested and the total expenditures agrees to the Statement of Activities in the government-wide level.

He extended his thanks and gratitude to Michelle in the Finance Office. She is a pleasure to work with and she is extremely prepared throughout the thorough process that the Auditors do on their end. He provided an opportunity for questions from the Board. There were no questions.

Mayor Johnson thanked Nick and Michelle and Tim for all the work that went into this audit process.

Motion by Trustee Wilson and second by Trustee Bailey to accept the FY2018-2019 Audit Report and place on file. Motion approved on voice vote.

Community Development Director James Richter II had no report this evening.

Public Works Superintendent Chad Hunter had no report this evening.

Village Engineer Chris Dopkins provided updates on current projects:

Public Works Building – *The shop drawings are nearly approved and the building is set to arrive around the week of October 18. Site work has been ongoing and footing work should start next week.*

Resurfacing – *The paving is complete. The contractor needs to complete the shouldering and restoration along with a number of punch list items throughout the Village. Otherwise, that project will wind up.*

Stonehedge Improvements – *The storm sewer project is ongoing. The contractor is putting in the first run, going down Elm Avenue which will generate the most inconvenience for the project because of all the curb work being done. Most of the remainder of the work is going to be located behind the curb with a few street crossings, but for the most part, they will be out of everybody's way. The first of two water main shutdowns is going to occur tomorrow at the northwest corner of Elm and Bunting. Next week they will lower the main at the southeast corner of the same intersection. North Park Public Water District has been notifying affected residents and we appreciate that. Once the water main is lowered, the storm sewer will continue down Bunting towards Colchester and then turn south on Colchester the next week and continue down Elm towards Ashdown.*

- 10. Comm. Dev Dir
- 11. Public Works Supt.
- 12. Village Engineer

Mildred Road – The resident meeting is set for this coming Wednesday. The contractor is set to start work next Monday. The contractor plans to do Heron Drive first, get the storm sewer in and do the core out on Heron and then fill in the other storm sewers along Mildred and then do the PCC fixes.

Harlem High School Student Liaison Hannah Herrera left no report in her absence.

Public Safety Supervisor, Sgt. Tammie Stanley had no report this evening.

COMMITTEE AND TRUSTEE REPORTS

District #1 Trustee Seipts, Administration and Finance Committee Vice-Chair had no report this evening.

District #2 Trustee Schmidt, Administration and Finance Chair reported that the A&F Committee met this evening and recommended approval of two resolutions, one will go to the October 7, 2019, Board Meeting and one is on tonight's Consent Agenda.

District #3 Trustee Kidd, Planning and Economic Development Vice-Chair thanked Sgt. Stanley. He has received numerous positive phone calls regarding Officer Mary doing an outstanding job patrolling on Minns Drive.

District #4 Trustee Wilson, Planning and Economic Development Chair, had no report this evening.

District #5 Trustee Bailey, Public Improvements and Safety Vice-Chair, had no report this evening.

District #6 Trustee Beck, Public Improvements and Safety Chair, reported the Public Improvements and Safety Committee met this evening and approved two resolutions that will go to the October 7, 2019, Board Meeting with a positive recommendation.

CONSENT AGENDA - Mayor Johnson noted that the next item is the Consent Agenda. He asked Staff to introduce all items to be considered under the Consent Agenda. Village Administrator Tim Savage moved Item C, Resolution 66-R-19, to New Business.

Village Administrator Tim Savage, presented the items as follows:

- A. Ordinance 40-19, Amending the Municipal Code of the Village of Machesney Park, Illinois, Imposing a 3% Municipal Cannabis Retailers' Occupation Tax, Final Reading
- B. Resolution 61-R-19, Approving Group Health Insurance Coverage Renewal with Blue Cross Blue Shield Illinois

Mayor Johnson asked if there were any other items a Trustee would like removed from the Consent Agenda to be considered separately. There were no other items removed from the Consent Agenda. The Consent Agenda was accepted as amended.

Mayor Johnson called for a motion to approve all items under the Consent Agenda as amended. The motion was made by Trustee Bailey and seconded by Trustee Wilson. The motion was approved by roll call vote: 7 ayes (Trustees Seipts, Schmidt, Kidd, Wilson, Bailey, Beck and Mayor Johnson), 0 nays, 0 absent,

UNFINISHED BUSINESS: None

- 13. Student Liaison
- 14. Pub Safety Supervisor
- 15. Committee Reports
- 16. District #1 Report
- 17. District #2 Report
- 18. District #3 Report
- 19. District #4 Report
- 20. District #5 Report
- 21. District #6 Report
- 22. Consent Agenda
- Ord. 40-19/Final/Passed
- Res. 61-R-19/Passed
- 23. Unfinished Business - None

NEW BUSINESS:

Mayor Johnson called for a motion to approve Resolution 66-R-19, Accepting Public Improvements and Release Letter of Credit for Erickson Commercial Subdivision, Plat 3. The motion was made by Trustee Beck and seconded by Trustee Seipts. – Staff Report: Village Administrator Tim Savage indicated that the Village Engineer is recommending acceptance of the public improvements and release of the letter of credit. However, the Village does wish to add a condition to the motion that the approval is subject to final acceptance of the improvements by the Village Engineer.

Motion to amend the main motion was made by Trustee Schmidt and second by Trustee Bailey to include the language indicated by the Administrator and Attorney. The motion to amend was approved by roll call vote: 6 ayes (Trustees Seipts, Schmidt, Kidd, Wilson, Bailey, Beck and Mayor Johnson), 0 nays, 0 absent, 1 present (Trustee Kidd)

The motion to approve Resolution 66-R-19 as amended was approved by roll call vote: 6 ayes (Trustees Seipts, Schmidt, Wilson, Bailey, Beck and Mayor Johnson), 0 nays, 0 absent, 1 present (Trustee Kidd)

PUBLIC COMMENT: None

CLOSED SESSION: None

Trustee Schmidt moved to adjourn; seconded by Trustee Kidd. Motion approved by voice vote. Meeting adjourned at 6:31 p.m.

APPROVED:

Lori J. Mitchell, MMC
Village Clerk

BOARD MEETING –FIRST AND THIRD MONDAY AT 6:00 PM EXCEPT WHEN A HOLIDAY FALLS ON A BOARD MEETING MONDAY, THE MEETING IS RESCHEDULED FOR THE TUESDAY AFTER THAT HOLIDAY.

Administration and Finance Committee – First and Third Monday @ 5:45 PM prior to a regularly scheduled Board Meeting.

Planning and Economic Development Comm.- First Monday of each month at 5:30 PM

Public Improvements and Safety Comm. - Third Monday of each month at 5:30 PM

Planning and Zoning Commission – Fourth Monday of each month at 6:00 PM

These minutes are not official unless signed and sealed by the Village Clerk.

24. New Business

Res 66-R-19, As Amend.
Passed

25. Public Comment - None

26. Closed Session - None

27. Adjourn