

**MINUTES OF THE
COMMITTEE OF THE WHOLE MEETING
VILLAGE OF NORTHFIELD
TUESDAY, September 19, 2023**

The Committee of the Whole meeting was called to order by Village President Greg Lungmus on Tuesday, September 19, 2023 at 5:30 PM. Village Clerk Holly Fabbri called the roll as follows:

Committee Members Present: Absent: Trustee Todd Fowler
Trustee Barnaby Dinges
Trustee Tom Whittaker
Trustee Matt Galin
Trustee Tracey Mendrek
Trustee Charles Orth was ill and participated by telephone conference call in the meeting.

President Greg Lungmus

Others Present:
Village Attorney Mallory Milluzzi

Consideration of and possible action on any request for electronic participation in the meeting by Trustee Charles Orth

President Lungmus noted that Village Trustee Charles Orth notified the Village Manager that afternoon that he had become ill and would be unable to attend this meeting in person. He requested to participate in the meeting remotely and by telephone. Trustee Orth identified himself and the Board members confirmed that it was his voice on the telephone. Trustee Mendrek made a motion seconded by Trustee Whittaker to permit Trustee Charles Orth to participate in the meeting remotely by telephone, due to his illness. All of the trustees were in favor so the motion carried.

Approval of the July 18, 2023 Report of Proceedings

Trustee Whittaker made a motion, seconded by Trustee Dinges to approve the July 18, 2023 Report of Proceedings. Approval was unanimous.

Review and discussion of the draft FY2022/2023 Comprehensive Annual Financial Report – Baker Tilly (BT) for the fiscal year ending April 30, 2023

Joseph Lightcap from BT was present to review the Village's audit report for the fiscal year ending April 30, 2023. BT provided an unmodified opinion on the Village's financial statements. Mr. Lightcap reviewed the Village's basic financial statements. As part of the audit process, BT was required to communicate to the Board and management certain items related to the audit process and their findings. BT submitted this in a document entitled "Reporting and insights from the 2023 audit..." which communicated both BT's as well as the Village's responsibilities related to the audit process. The documents were issued in "draft" form to encourage discussion.

The Board was asked to review the documents and provide any feedback or concerns at the meeting so that BT could incorporate them into the final communication letters. Once finalized, the final report will be forwarded to the Board and included on the Village's website, and a copy made available to the public library.

Finance Director Morley gave an overview of the Core Financial reports. Morley noted the overall net position was \$21.7 million with \$16.7 million in Water/Sewer and \$4.9 million in Governmental activities. This increased overall by \$835,782 since the prior year with \$713,817 attributable to governmental activities and \$121,965 to Water/Sewer. The net investment in Capital Assets used to provide services, net of any debt used to purchase those assets, was equal to \$23.2 million (examples: police cars, water meters, fire trucks, and the administration building.) This was an increase of \$368,546 over the prior year. Morley stated that non-current liabilities increased \$7 million over the prior year with \$1.7 million due to the Willow Road liability. Work was done on Willow Road in 2012 but IDOT did not start to bill the Village until October 2022 for the no-interest loan over the last 10 years and the overall debt for this is \$2.2 million. The remainder of the non-current liabilities was due to actuarial adjustments, mostly to the IMRF pension, other post-employment benefits such as health insurance offered at cost to retirees, the \$4.2 million IMRF actuarial estimate, and the 1.4 million Police Pension liability. Cash increased \$2,011,686 over the prior year.

Morley stated within government activities, the charges for services increased by \$216,000. In the Building Department, there was an increase of \$180,000 in building permit fees and \$83,000 increase in ambulance service fees. Operating grants increased by \$815,000 and the Village received \$812,000 for Happ Road, and \$128,000 for Motor Fuel Tax. Capital grants were \$42,000 less than the prior year with Foreign Fire Insurance Tax at \$44,846, the Transportation Renewal Fund at \$103,475, and the Skokie Valley Trail at \$59,533. Property taxes were \$88,000 less than the prior year. Last year, the Village increased the taxes by 5% even though the cost of living was 7%, but the Village was limited to this self-imposed cap. The property tax estimate will be available at the October Board meeting. In other General Revenues, the interest rate increases allowed the Village to earn more on cash and investments. This year there was \$224,000 in interest versus \$18,000 in the prior year. In addition, the American Rescue plan of \$732,000 fell into this category.

Morley stated within the general government, expenses increased by \$1 million with \$509,000 spent on Happ Road and \$330,000 on GIS Utility Mapping. Public Works' expenses increased by \$823,000 with \$224,000 spent on the Bosworth Pedestrian Bridge and \$729,000 on AMI. Building/ Community Development's expenses increased by \$200,000 with \$68,000 on engineering services and \$198,000 in pension costs. The Police department's expenses increased by \$934,000 due to pension liability adjustments. The Fire/Rescue department's expenses increased by \$557,000 due to a \$150,000 pension adjustment, \$150,000 in new equipment, and \$35,000 in Risk Management insurance. For Water /Sewer, expenses increased by \$1.9 million but \$1,703,065 of the \$2.2 million Willow Road work liability is being attributed to the Water/Sewer fund.

Morley noted that the Village had expended more than \$750K on federal grants, so it would be subject to another audit to ensure the Village complies with all the grant agreements.

President Lungmus thanked Finance Director Kathleen Morley and the entire Finance department for all their work on the audit.

Review and discussion of Police Pension Actuarial Report – Lauterbach & Amen and consideration of an additional contribution

Kevin Cavanaugh, from Lauterbach & Amen (L&A), was present at the Committee of the Whole to review the draft Police Pension Actuarial report. (See Attachment A.) He stated that this year the recommended contribution is \$1,400,000, an increase of 1.14% or \$15,800.

President Lungmus thanked Kevin Cavanaugh for his presentation and ability to make a complex subject easy to understand. He noted that the Village is in better financial shape than it's been in 15 or 20 years with \$1,000,003 in the General Fund that will be in reserve. He was hopeful that the Village could contribute some to the Police Pension to continue the trend of fortifying it.

Discussion on meeting recording and streaming

Director of Administrative Services Jewett noted that the current budget includes \$26,000 to implement video recording and streaming capabilities for meetings in the Board room. She noted that staff had worked with the company that did the recent board room renovation project, Frequency Audio Visual to secure a proposal for these improvements. She stated because the Village does not have a videographer on staff to manage cameras, Frequency recommended installing two top-of-the-line autofocus cameras. These would pick up sound in trustee microphones and auto-focus on the person who is speaking. The proposed system would have the capability to live stream meetings online as well as record them for later posting. The needed hardware, equipment, and software would cost approximately \$21,000 and there would also be an annual ongoing cost of roughly \$1000 for video streaming and hosting services.

Jewett stated that she and Trustee Mendrek had met with a specialist from Frequency to discuss possible improvements and adjustments to the system to improve the audio quality in the room. The specialist informed them that the microphones are currently configured for the speaker to be very close and purposely do not pick up background noise, which is appropriate in some settings. They determined for the Village's meetings, the microphones should be reprogrammed to pick up a wider range but thankfully the Village does not need to buy new equipment. Frequency also recommended reconfiguring the audio system to increase the level of sound in the back of the room so they are proposing adding those two technology technical adjustments as well to the proposal and they said the cost would be under \$25,000. The quote was not yet available but if the final cost is under \$25,000, the Village Manager could sign off on that if the Board is comfortable with this proposal. Staff is recommending moving forward with those additional acoustical improvements. Jewett said that she and Trustee Mendrek had also discussed potentially adding acoustical tiles to help with the sound. Frequency had recommended going through the initial tweaks first and then accessing if paneling would be necessary. Staff recommended moving forward with only the streaming of the Committee of the Whole and Village Board meetings for the first year to work out kinks, train staff, and make sure everything is going well.

President Lungmus stated that as a board they made a commitment to the citizens and the caucus so he felt it was a good idea to move forward with it.

Trustee Whittaker agreed that the residents and the caucus had requested the live streaming so he wanted to move forward as well.

The Board agreed to move forward with the proposal for meeting recordings and streamings.

Adjourn to Closed Session

At 6:29 PM, Trustee Mendrek made a motion, seconded by Trustee Dinges to adjourn to Closed Session to discuss the audit internal controls and fraud risks pursuant to 5 ILCS 120/2(c)(16). Staff was not part of the Closed Session but the Village Attorney and Auditor were present to review details and to answer any questions the Board had on fraud prevention and detection.

Committee Members Present:

Absent: Trustee Todd Fowler

Trustee Barnaby Dinges

Trustee Tom Whittaker

Trustee Matt Galin

Trustee Tracey Mendrek

Trustee Charles Orth was ill and participated by telephone conference call in the meeting.

President Greg Lungmus

Upon completion of the Closed Session, President Lungmus re-opened the regular meeting session and asked for a motion to adjourn.

Trustee Galin made a motion, seconded by Trustee Dinges to return to Open Session at 6:45 PM.

Other Business

President Lungmus stated that as a Board, they had committed to the residents to go through a process of self-evaluation so they could work better together and improve their communication. He requested that the Board commit to meeting with Brad Cole from the IML, Illinois Municipal League, and Peter Burchard, who would be the facilitator. Trustee Mendrek stated that she spoke to Margo from IRMA who recommended Peter Burchard. She also spoke to Peter and found him to be a lovely gentleman who had advised lots of municipalities in and around this area, and she thought that he could help the Board. Trustee Mendrek was hopeful that the Board could get this done before the end of the year and start in 2024 in a more enlightened state. President Lungmus stressed that 100 percent participation from the entire Board was needed and noted that Trustee Fowler had already told him he was completely behind this. President Lungmus confirmed that all of the other trustees were committed to participating.

President Lungmus said that he had asked Interim Village Manager Tim Frenzer and his staff to put together a couple of names of consultants who can work with the Board and help with the Village Manager search. He said it would be great to have choices and he hoped that it would be on the next month's agenda. Trustee Mendrek asked if the Board would have the opportunity to get some general information from these consultants. She inquired if these consultants would

come to the Board and provide a sort of an overview of their business. President Lungmus replied that he was hopeful that the consultants would provide some sort of brief presentation but also information on how they have conducted Village Manager searches in the past. Trustee Mendrek said she thought it was really important at this point as the Board kicks off this search process to gain a better understanding of what works well and what will ultimately get the best Village Manager available. Interim Village Manager Tim Frenzer stated that he and the staff would like to be able to allow the Board to judge the relative qualifications of at least two providers. He stressed it was important to get them on board so that they could hear from the board about the expectations and challenges they think are coming. They can engage with the Board and the community so they can prepare the type of detailed materials needed to go out to prospective candidates. Frenzer noted that the Board is hoping to have a new Village Manager hired by May so this means they should try to have their materials ready to go after the first of the year in January. He noted that the October meeting had been moved up one week to October 10th, so the goal was to have information available for discussion at the Committee of the Whole meeting.

Interim Village Manager Tim Frenzer introduced himself and said he was grateful to the Village Board for the opportunity to help out until a new Village Manager was hired. He noted that he was an attorney by trade and spent a 40-year career in public service between working for Cook County, the State's Attorney's office, the City of Chicago, and 27 years in the Village of Wilmette where he worked 15 years as the city's attorney and 12 years as the Village Manager, from which he retired. He stated that this was the only time that he had come out of retirement and was happy to be considered by Northfield. He stated that he was very familiar with all the other managers in the area and looked forward to the opportunity to be able to help out the Village. He said it had been a pleasure meeting the Board members and residents and that the staff had been a delight to work with so far.

Public Comment

Trustee Mendrek made a motion, seconded by Trustee Galin to adjourn the meeting.

AYES: Dinges NAYS: 0 ABSTAIN: 0 ABSENT: Fowler
Whittaker
Galín
Mendrek
Orth

The meeting adjourned at 7:00 PM.