



# Village of Oak Park

123 Madison Street  
Oak Park, Illinois 60302  
www.oak-park.us

## Meeting Minutes

### Finance Committee

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Monday, June 19, 2017

6:30 PM

Room 130

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#### 1. Call to Order

Village President called the meeting to order at 6:32pm

#### 2. Roll Call

Present, Members of the Finance Committee: Finance Committee President Abu-Taleb, Trustee Andrews, Trustee Button (6:35), Trustee Taglia, Trustee Tucker.

Absent: none

Others present: Trustee Boutet, Trustee Moroney, CFO Steve Drazner, Village Manager Cara Pavlicek, Village Clerk Vicki Scaman, Deputy Village Manager Lisa Shelley, Village Attorney Paul Stephanides, and Dan Berg of Sikich LLP.

#### 3. Public Comment

Judith Alexander, representing The North Avenue District (T-NAD) spoke regarding the Ehlers Study and Revitalization of North Avenue. Judith stated that the study provides useful information but does not address a redevelopment plan; that North Avenue is the only commercial district without a redevelopment plan and that one is needed to guide and coordinate new development and business recruitment efforts. Judith provided copies of the North Avenue District, Inc. mission statement to work toward a North Avenue district from Austin to Harlem Avenues that provides a safe, inviting plan to live, work, do business, shop, dine and walk. She also provided a brief history of the group and member list.

#### 4. Approval of Minutes

Minutes from the October 24, 2016 Meeting of the Finance Committee.

It was moved by Trustee Tucker and seconded by Trustee Button to approve the minutes from October 24, 2016. A voice vote was taken and the motion was approved.

#### 5. New Business

Memo Regarding the June 12, 2017 (June 19 Rescheduled) Meeting of the Finance Committee of the Village Board.

Village Manager Cara Pavlicek provided a brief overview of the items on the agenda explained in a memo to the Board with the meeting agenda; review of the FY 2016 Comprehensive Annual Financial Report (CAFR), presentation on a report regarding Tax Increment Finance "TIF" District Return and Investment and Demographic Analysis, and presentation of reports regarding the North Avenue and Roosevelt Road Business Corridor Studies - Economic Development Financing Opportunities.

Review and Discuss the FY 2016 Comprehensive Annual Financial Report (CAFR) and Supporting Documents.

Manager Pavlicek introduced the Comprehensive Annual Financial Report for fiscal year 2016, which is due to the State of Illinois by June 30. Dan Berg, a partner at Sikich LLP, reviewed the report with the Committee. The Village Chief Financial Officer Steve Drazner was present to answer questions.

President Abu-Taleb stated that committee meetings are intended to divide the responsibilities of being a Trustee amongst members of the Board. All members of the Board are premitted to observe committee meetings but discussion and questions should be had by members of the Finance Committee only. The entire Board will have a chance to review and discuss the audit at the appropriate time.

Mr. Berg explained the value of the Management's Discussion & Analysis (MD&A), as identified in the report; it is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify Village's financial position and ability to address future challenges, (4) identify material deviations from budget, and (5) identify concerns specific to individual funds.

The Independent Auditor's Report opinion is that the Village of Oak Park financial statements present fairly and in accordance with accounting principles generally accepted.

The Village adopted GASB Statement No. 71, regarding pension contributions remains unmodified. By 2030 the Village will meet the State requirement for balancing the pension fund.

Mr. Berg reviewed the financial highlights outlined in the MD&A. President Abu-Taleb noted that the Village has a nearly 20% fund balance, which was a Board goal.

Mr. Berg described the audit process of beginning with interviewing staff and accounting procedures to evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

Trustee Boutet expressed her need to fully understand the audit and be able to ask questions in order to fulfill her responsibility as a Trustee.

President Abu-Taleb stated that staff is available to answer any questions she may have outside of the Committee meeting. That they need to respect the little time they have to review the audit as a committee and the time of the auditor.

Mr. Berg reiterated that he is available to the Board if they ever have any questions related to internal controls. The audit provides confidence that the Board can trust the monthly statements being presented to them. As the auditor for the Village of Oak Park he works with staff but for the Board. He did not have a problem working with Village Management. Some corrections were noted, mostly journal entries that required clarification. There were no disagreements in making corrections. It is not uncommon for staff to need assistance with more complicated transactions that they do not have to do often; working with bonds or pension liability.

Mr. Berg continued to walk members of the Village Board through the Independent Auditors Report, General Purpose External Financial Statements, and the Auditor's Communication to the Board of Trustees. It was noted that 3 comments from the Village of Oak Park 2015 CAFR have been implemented for 2016. There were only 23 journal entries that needed correcting compared to 31 from 2015.

President Abu-Taleb asked the Village Chief Financial Officer Steve Drazner to walk the Committee through how invoices are processed. Mr. Drazner explained the process through BS&A software, each Department is able to enter an invoice into the system electronically, which previously was a very manual process. The Department Head approves the invoice and then the Finance Department approves all invoices a second time. Invoices in excess of \$10,000 require additional approval by Village Manager Pavlicek.

Trustee Tucker thanked the auditor and staff for their hard work. He acknowledged the improvements made from 2015 to 2016 in reducing the number of journal entry errors with the help of the newer BS&A software and additional staffing improvements.

Trustee Button inquired about improvements in monitoring Grant Fund areas with a goal of grants being profit neutral. 2015 there were challenges in use of funds within the State fiscal year versus the fiscal year for the Village of Oak Park.

As part of the audit process, Sikich maintains future Government Accounting Standards Board (GASB) pronouncements that will impact the Village in the future.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; GASB Statement No. 80, *Blending Requirements for Certain Component Units*; GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, and GASB Statement No. 82, *Pension Issues* will all impact 2017.

Presentation on a Report Regarding Tax Increment Finance "TIF" District Return on Investment and Demographic Analysis

No presentation or action taken.

Presentation of Reports Regarding the North Avenue and Roosevelt Road Business Corridor Studies - Economic Development Financing Opportunities

No presentation or action taken.

## **6. Old Business**

## **7. Adjournment**

It was moved by Trustee Tucker and moved by Trustee Taglia to adjourn at 7:24p.m. A voice vote was taken and the meeting was adjourned.