

THE VILLAGE OF HAWTHORN WOODS
MINUTES - FINANCE COMMITTEE MEETING
2 LAGOON DRIVE, HAWTHORN WOODS, IL 60047
May 9, 2022
6:00 P.M. – Via Zoom Teleconference

- I. Meeting was called to order at 6:03 PM by Chairperson Jayne Kosik. Members present were Trustee Jodi McCarthy, Kurt Kolseth, Trustee Cathy Bayer, and Anne Hurst. Surinderpal Kalra and Trustee Steve Riess were absent. Also in attendance was CFO Katreina York, COO Pam Newton and Emily Shaw and Josh Wray from Northern Illinois University. Josh Wray left the meeting at 6:34pm.
- II. Chairperson Kosik asked if there were any members of the public in attendance who wished to address the Committee. There were no members of the public present. Email and Zoom were monitored throughout the meeting.
- III. A motion was made to approve the minutes from the April 11, 2022 meeting by Anne Hurst, seconded by Kurt Kolseth, and on a roll call vote that motion carried unanimously.
- IV. Chief Financial Officer York provided her CFO report for April 2022. She noted that she has been working on the 2021 audit report and Sikich will present the final report at the June meeting. The report had previously been scheduled to be presented by Sikich at the May meeting but was delayed due to scheduling conflicts by Sikich. She updated the Committee on the collection of real estate taxes from the County noting Lake County has not provided the schedule for real estate tax disbursements yet for 2022. She also noted that the food and beverage tax ordinance passed and will be implemented in August. She is also working on a fee analysis for Village building permits which will be presented to the Committee in July. CFO York discussed how she has implemented monthly meetings with department heads to review department budgets.
- V. **Presentation by NIU Students – Aquatic Center Revenue and Expenditure Analysis**
Emily Shaw from Northern Illinois University presented the final report she and her team compiled for the Aquatic Center. They presented several options to reduce the annual operating deficit including maintain the status quo, raising user fees, passing a referendum for a dedicated funding source, abandoning the Aquatic Center in favor of a new use, and privatizing the Aquatic Center. Of these five options, they recommended keeping the Aquatic Center and seeking a referendum for a dedicated property tax if a community survey finds that residents would like to keep the Aquatic Center or, abandon the Aquatic Center for a new use if a community survey finds that residents would rather have another type of recreational program. The timeframe for their analysis did not provide alternative uses for the space, so further study would need to be done to determine the costs associated with this option. Further analysis also needs to be done regarding capital expenditures and maintenance for the Aquatic Center. The Committee thanked Emily and her team for the great effort put into the analysis.

VI. New Business

- A. A motion to recommend approval of the March 2022 Financial Statements was made by Trustee Jodi McCarthy and seconded by Trustee Cathy Bayer. Revenue is 22.65% collected and expenses were 28.10% spent. Expenses were higher due to the timing of the payment of employee insurance in 2022 and police department salaries. State income tax revenue (LGDF) continues to trend higher compared to 2021. With a roll call vote, the motion carried unanimously.
- B. The Committee reviewed the Reserve Policy and discussed possible changes for a higher reserve than the current target of 35% in reserves, indicating 6-12 months of operating expenses would be preferred. The Committee will continue discussing the Reserve Policy in conjunction with the Investment Policy at future meetings.

VII. Old Business

- A. The Committee is continuing to review the Investment Policy for possible changes. The Committee also discussed various investment alternatives for cash in the main checking account and asked CFO York to look into them. CFO York reported that she reviewed state statute as requested by the Committee at the last meeting with regard to our current policy and noted there have been no significant changes that would affect us. The Committee will continue discussing the Investment and Reserve policies, investment alternatives and reporting at future meetings.

B. There was no update on SSA 4 debt.

- VIII.** With no further business to discuss, a motion was made by Kurt Kolseth and seconded by Trustee Jodi McCarthy to adjourn the meeting at 8:28 pm. The motion carried by unanimous voice acclamation.