

# VILLAGE OF ORLAND PARK

14700 Ravinia Avenue  
Orland Park, IL 60462  
[www.orland-park.il.us](http://www.orland-park.il.us)



## Meeting Minutes

Monday, April 2, 2012

6:00 PM

Village Hall

## Finance Committee

*Chairman Brad S. O'Halloran  
Trustees James V. Dodge and Patricia A. Gira  
Village Clerk David P. Maher*

**CALL TO ORDER/ROLL CALL**

The meeting was called to order at 6:19 PM.

**Present:** 2 - Chairman O'Halloran and Trustee Gira

**Absent:** 1 - Trustee Dodge

**APPROVAL OF MINUTES****2012-0155 Approval of the March 5, 2012 Finance Committee Minutes**

I move to approve the Minutes of the Regular Meeting of the Finance Committee of March 5, 2012.

**A motion was made by Trustee Gira, seconded by Chairman O'Halloran, that this matter be APPROVED. The motion carried by the following vote:**

**Aye:** 2 - Chairman O'Halloran and Trustee Gira

**Nay:** 0

**Absent:** 1 - Trustee Dodge

**ITEMS FOR SEPARATE ACTION****2012-0158 Utility Bill Outsourcing - Approval**

Director of Finance Annmarie Mampe reported that in January, 2009 Request for Proposals were sent to eleven companies that perform the service of printing, inserting and mailing utility bills as well as placing an advertisement in the local newspaper. Five companies responded to the Request for Proposals and two companies were selected for the interview process.

During the interview process, staff determined that Infosend, Inc. was the most qualified company for the utility printing service. Infosend has over 200 clients; 90 of which are municipal clients. Village bills and electronic bills are currently being printed at Infosend's state of the art, production site in Downers Grove, Illinois.

Infosend was awarded the contract for a period of three (3) years. The annual price for each printed utility bill for the three year period through March 2012 was \$0.111, \$0.115, and \$0.117, respectively. Based on printing 137,000 utility bills per year, the annual cost equates to \$15,207, \$15,755, and \$16,029. The annual price for each e-mailed utility bill for the next 3 years through March 2012 was \$0.130, \$0.134, and \$0.138, respectively.

Infosend has proven to be an excellent vendor. The customer service is excellent; any time we have questions or need help, the staff at Infosend is ready to help. Work is done in a timely manner and if a situation occurs, the Village is advised immediately.

Currently we are implementing our new software system with Harris/Innoprise and much of staff time is devoted to learning and working in the new system. This is not the best time to be looking for a new vendor.

We approached Infosend for pricing for the next two (2) years. The annual price for each printed utility bill through March 2014 is \$ 0.118 and \$0.119. Based on printing 137,700 utility bills per year, the annual cost equates to \$16,249 and 16,386 respectively.

The original contract will be extended two years at the rates stated above for each of the two years, unless 30 days written notice is given prior to the annual anniversary date of the executed contract.

I move to recommend to the Village Board to waive the bid process;

And

Recommend to extend the Infosend contract for a two year period for \$0.118 per printed utility bill for the first year and \$0.119 for the second year, also \$0.134 per emailed utility bill for the first year and \$0.135 for the second year.

**A motion was made by Trustee Gira, seconded by Chairman O'Halloran, that this matter be RECOMMENDED FOR APPROVAL to the Board of Trustees. The motion carried by the following vote:**

**Aye:** 2 - Chairman O'Halloran and Trustee Gira

**Nay:** 0

**Absent:** 1 - Trustee Dodge

#### **2012-0184 GASB 54 Policy - Approval**

In February 2009, the GASB (Governmental Accounting Standards Board) issued GASB Statement 54 Fund Balance Reporting and Governmental Fund Type Definition which provides guidance for fund balance categories and classifications. Five categories of fund balances were created and defined by GASB 54 which is applicable for financial statements beginning after June 15, 2010.

To comply with GASB 54, the Finance Department recommends the following policies for approval:

--The Village will report governmental fund balances per GASB 54 definitions in the balance sheet as follows:

- o Nonspendable (Funds not in a spendable form such as inventory, prepaid items, and assets held for resale)
- o Restricted (Funds governed by externally enforceable restrictions and enabling

legislation)

- o Committed (Funds governed by Village Board action)
- o Assigned (Funds intended for a specific purpose established by Village policy)
- o Unassigned (Funds not allotted to other categories and, therefore, not subject to any constraints)

--The Village Board will approve all commitments by formal action. A commitment can only be modified or removed by the same formal action.

--The Finance Director may assign resources and amounts of fund balance to a specific purpose. These assignments will follow Village policy.

--The Village considers restricted amounts to have been spent first when the expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, followed by committed amounts then assigned amounts. Unassigned amounts are used only after the other categories of fund balance have been fully utilized.

GASB 54 also includes changes to governmental fund type definitions. Governmental fund types include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, and Permanent Funds. The change in definition for Special Revenue Funds is the only change that will affect the Village's financial statements. GASB 54 requires Special Revenue Funds to only be used to account for proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or major capital projects. If the Village does not have a substantial portion of the revenue restricted or committed within the Special Revenue Fund then the Fund's activity is to be reported in the General Fund.

Currently, the Recreation & Parks Fund, the Home Rule Sales Tax Fund, and the Main Street Triangle Fund do not have a substantial portion of revenue sources that are restricted or committed. A Special Revenue Fund with no restricted or committed revenue sources will only be able to continue as a Special Revenue Fund under GASB 54 if there were restricted resources remaining in the fund balance. Since the Main Street Triangle Fund has a deficit fund balance and currently no restricted or committed revenue sources the fund is required to be included under the General Fund for the FY2011 financial statements. Once property tax increment is received, the Main Street Triangle Fund can be reclassified as a Special Revenue Fund on the financial statements. The Finance Department recommends committing funds for the Recreation & Parks Fund and Home Rule Sales Tax Fund so these funds can continue to be reported as Special Revenue Funds on future financial statements. The funds will be committed for the following purposes:

--Recreation program fees will be committed towards culture and recreation expenditures recorded in the Recreation and Parks Fund

--Home Rule Sales Tax will be committed towards capital project funding and rebates recorded in the Home Rule Sales Tax Fund.

The Recreation and Parks Fund will continue to be reported as a Special Revenue Fund for the FY2011 financial statements since the Fund also receives property tax revenue which is a restricted revenue source. The Home Rule Sales Tax Fund will be included under the General Fund for the FY2011 financial statements since the funds were not committed until after year end. The Fund will be reclassified back to a Special Revenue Fund on the FY2012 financial statements.

I move to recommend to the Board to approve the GASB 54 fund balance policy for incorporation into the existing fund balance policies;

And

Recommend to approve the commitment of recreation program fees towards culture and recreation expenditures;

And

Recommend to approve the commitment of home rule sales tax towards capital project funding and rebates.

**A motion was made by Trustee Gira, seconded by Chairman O'Halloran, that this matter be RECOMMENDED FOR APPROVAL to the Board of Trustees. The motion carried by the following vote:**

**Aye:** 2 - Chairman O'Halloran and Trustee Gira

**Nay:** 0

**Absent:** 1 - Trustee Dodge

### **2012-0183 Copier Purchase - Approval**

The Finance Department has budgeted \$10,000.00 for the purchase of a new black and white copier/printer/color scanner/fax machine. This copier would replace the Konica-Minolta 7075 which is over 10 years old. Maintenance has become more difficult on this copier and toner is in limited supply and may not be obtainable by year end.

The Finance Department issued an informal request for quotes to 11 contacts obtained from the subscriber list on the Village website and contacts from the Contract Administrator. Finance received 8 responses. Based on extensive review of the various copier specifications, Finance has determined that the Konica Minolta bizhub 552 Digital Copier with the console stapler finisher and fax board features will meet the needs of the Finance Department.

Gateway Business Systems, Inc. has given the best quote for this machine at a cost of \$9,852.00. This machine will be placed under the umbrella maintenance

agreement that the Village currently has with Gateway.

The Konica Minolta bizhub 552 is a multifunctional copier which includes a 55 page per minute black and white copy function, automatic-duplex, color scanner and fax board.

I move to recommend to the Board to approve the purchase of one (1) Konica Minolta bizhub 552 Digital Copier from Gateway Business Systems, Inc. 510 Progress Street, Munster Indiana 46321 at a cost not to exceed \$9,852.00.

**A motion was made by Trustee Gira, seconded by Chairman O'Halloran, that this matter be RECOMMENDED FOR APPROVAL to the Board of Trustees.**

**The motion carried by the following vote:**

**Aye:** 2 - Chairman O'Halloran and Trustee Gira

**Nay:** 0

**Absent:** 1 - Trustee Dodge

#### **ADJOURNMENT - 6:25 PM**

**A motion was made by Trustee Gira, seconded by Chairman O'Halloran, that this matter be ADJOURNED. The motion carried by the following vote:**

**Aye:** 2 - Chairman O'Halloran and Trustee Gira

**Nay:** 0

**Absent:** 1 - Trustee Dodge

/nm

APPROVED:

Respectfully Submitted,

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**David P. Maher, Village Clerk**