

VILLAGE OF ORLAND PARK

14700 Ravinia Avenue
Orland Park, IL 60462
www.orlandpark.org



Meeting Minutes

Monday, May 7, 2018

6:00 PM

Village Hall

Finance Committee

*Chairman Michael F. Carroll
Trustees Patricia A. Gira and Daniel T. Calandriello
Village Clerk John C. Mehalek*

CALL TO ORDER/ROLL CALL

The meeting was called to order at 6:23 P.M.

Present: 3 - Chairman Carroll; Trustee Gira and Trustee Calandriello

APPROVAL OF MINUTES**2018-0313 Approval of the April 2, 2018 Finance Committee Minutes**

I move to approve the Minutes of the Regular Meeting of the Finance Committee of April 2, 2018.

A motion was made by Trustee Gira, seconded by Trustee Calandriello, that this matter be APPROVED. The motion carried by the following vote:

Aye: 3 - Chairman Carroll, Trustee Gira, and Trustee Calandriello

Nay: 0

ITEMS FOR SEPARATE ACTION**2018-0305 Budget Adjustments 2nd Quarter 2018 - Approval**

I move to recommend to the Village Board to approve increasing the FY2018 revenue budget by \$11,612 and increasing the FY2018 expenditure budget by \$11,612.

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

Aye: 3 - Chairman Carroll, Trustee Gira, and Trustee Calandriello

Nay: 0

2018-0319 OPEB Trust Fund - Approval

The Village is required to implement GASB Statement No. 75, Other Post-Employment Benefits (OPEB) reporting requirements, beginning with our FY2018 audited financial statements to be issued in the spring of 2019. The Village's OPEB relates to post-retirement health, dental and vision insurance coverage provided to Village retirees (including sworn personnel). Prior to GASB 75, the Village was required to report its Net OPEB Obligation on its financial statements; the Net OPEB Obligation is the difference between past OPEB expenses and the amount actually contributed to these expenses. Beginning in 2018, the Village is required to report its full OPEB Liability on its financial statements. The OPEB Liability is the actuarially determined present value of future benefits for all retirees and their dependents, as well as active employees.

As of December 31, 2016, the Net OPEB Obligation was approximately \$2.3 million and the OPEB Liability was approximately \$14.9 million.

Director of Finance Annmarie Mampe reported that due to the fact that including this unfunded liability on the Village's financial statement may have a negative impact on the Village's unrestricted net assets, GASB recommends the establishment of an OPEB Trust Fund, much like the Orland Park Police Pension Trust Fund. One reason, among many, for establishing an OPEB Trust is that rating agencies are concerned that these large liabilities are a management issue. By establishing a Trust Fund and consistently funding it, the Village shows the rating agencies that long-term obligations are being funded and therefore not affecting our ability to make debt service payments and that management is on top of the OPEB issue.

Reserves in the amount of \$1,095,574 are currently set aside in the Insurance Fund for OPEB. These funds would be transferred from the Insurance Fund to the OPEB Trust Fund. Each year, the OPEB Trust Fund would be funded with an actuarially determined contribution amount, similar to the Police Pension Trust Fund. Investment returns on the beginning balance plus the annual contributions will assist in reducing the total liability amount.

Staff is recommending that the Board authorize the establishment of the OPEB Trust Fund. Upon approval, staff will work with the Village's legal counsel and auditors to draft the appropriate documentation. We will then bring these documents to the Board for formal approval.

Chairman Carroll, Director of Finance Mampe and Trustee Gira had comments and questions. (refer to audio file)

I move to recommend to the Village Board to approve the establishment of an OPEB Trust Fund.

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

Aye: 3 - Chairman Carroll, Trustee Gira, and Trustee Calandriello

Nay: 0

ADJOURNMENT: 6:28 P.M.

A motion was made by Trustee Calandriello, seconded by Trustee Gira, that this matter be ADJOURNED. The motion carried by the following vote:

Aye: 3 - Chairman Carroll, Trustee Gira, and Trustee Calandriello

Nay: 0

2018-0357 Audio Recording for the May 21, 2018 Committee Meetings - Public Safety, Parks & Recreation, and Finance

NO ACTION

/AS

Respectfully Submitted,

John C. Mehalek, Village Clerk