

Finance and Administrative Committee

Minutes for June 19, 2001

Present: Commissioner Zabloudil
Commissioner McConnell
Commissioner Sisul

Attendance: Martin Lyons, Director of Financial Services
Acting Manager Rick Ginex
Trisha Steele, Assistant Director of Financial Services
Mike Baker, Assistant to the Village Manager

ITEMS FOR DISCUSSION:

1. The April 30, 2001 Treasurer's Report was reviewed

Mr. Lyons discussed fund balances, Year-to-year comparisons, and Transfers. He further stated that an Unallocated Fund Balance Report will be coming in September. Discussion was also given to fund balance objective and performance for internal service funds:

Commissioner Zabloudil asked a question regarding interest accruals and why they did not include month-to-month estimates. Mr. Lyons stated that they could provide estimates and do end of the year adjustments. It would make a difference with Pension Funds but probably would not significantly impact other funds.

CBD/TIF had a positive fund balance, but this included bond proceeds, so a complete look at the balance sheet gives a better picture of CBD/TIF status. Commissioner Zabloudil requested inclusion of dollar variations in text of report to see the magnitude of the changes. Mr. Lyons discussed the Infrastructure Maintenance Fee: conversion, Escrow dollars. Mr. Lyons suggested that we use the April 30, audited IMF and telecommunications numbers to develop a comparison ratio, and then do a swap that is revenue neutral.

The Committee discussed major Village revenues including sales, income, utility and property taxes, noting that total revenue from these sources came in at 99.9 percent of budget.

The CBD/TIF Financing Report was reviewed.

Commissioner Zabloudil requested that the report outline/highlight the variable fields, in electronic version for "what ifs?". Paying less on activities by getting grants and other services. Mr. Lyons explained that the funding from the Capital Projects Fund is the Dependent Variable. Commissioner Zabloudil also asked about the Debt Service Schedule and how the future columns will work based on the age of the TIF. Mr. Lyons

said that the final report should be prepared by the end of the week and it should be in this weekend's packet.

2. Budget-Estimate-Actual Report

Staff reports Council response on Budget-Estimate-Actual Report. Commissioner Zabloudil questioned what type of tracking will be needed by staff in order to do a routine quarterly report, and if it would be possible to do the next budget based on historic spread to show seasonal changes? The Committee discussed usefulness of preparing and reviewing budget/expense information based on real cycles, instead of flat-line progressions. This would be especially useful in reviewing overtime expense. Staff will investigate how to do SCI reports showing historic month-by-month breaks. Mr. Lyons suggested, in the interim, if Committee would want Department Summaries on big things (over \$10,000) for upcoming year, departments could project what month large expenses should be expected. (Line item over \$10,000 by month) The Report will be due the July 17th for the Finance Committee.

Commissioner McConnell stated her concerns that she thinks the departments should understand that they will be held to their budgets. This year, they will need to tighten their belts if expenses are greater than anticipated because Village reserves are tight. Village needs to watch expenses with possible problems i.e., fuel and unpredictable gasoline prices. A spreadsheet error was noted in the Capital Funds. It will be corrected. Amount in "RR Improvements".

3. Variance Summary Report requested showing Budget Transfers.

Budget transfer comments can be added to report in future.

4. SCI.

An SCI Draft Report is due July 3, including the following:

1. History of implementation.
2. Rationale behind purchase.
3. Positives and negatives of SCI Systems. NOW. What are limitations? Unmet needs?
4. What is perceived in the next 3-5 years?

Mr. Lyons introduced a potential new issue: Sanitary System Joint Cooperation vs. needs to coordinate with metering system (AMR's). Better to tie billing to metering rather than to GL.

The Mayor would like to consider how system is used, i.e. centralized to decentralized system. Under the old system operating staff wrote up cover sheets for all invoice payments. Under SCI, this is input directly into the system, eliminating duplication of effort. Unfortunately, everyone knows how to write, but not all know how to do SCI,

causing some lost productivity on the part of operating staff. We will be reviewing training initiatives per the direction given at the Council Retreat and per the Village Manager.

5. Bill Payment Center/Internet – E-Mail Billing

A demo will be scheduled August 21st with Information Services.

6. The Committee requested the Director of Financial Services to set up a meeting with our new auditors in September to discuss their findings and any other items of interest, and if possible a review of the draft report.

Meeting Adjourned at 6:25 p.m.