

Finance Committee Meeting – September 4, 2001

Present: Commissioner McConnell
Commissioner Zabloudil

Attendance: Martin Lyons, Director of Financial Services
Trisha Steele, Assistant Director of Financial Services
Rick Ginex, Village Manager
Brian Pabst, Director of Redevelopment
Mike Baker, Assistant to the Village Manager
Dan Blondin, Village Attorney

Meeting called to order at 5:30 P.M.

ITEMS FOR DISCUSSION:

1. E-Mail Utility Billing.

Mr. Lyons reviewed the cost analysis of Third Millennium Proposal.

Commissioner McConnell asked about the length of the contract. Mr. Lyons stated that there is no contract in hand at this phase. Commissioner Zabloudil questioned the \$10,000 set up fee. Mr. Lyons answered that it was for programming. Commissioner McConnell asked if the set up fees were capped at \$10,000 or if they were a per-hour fee. Mr. Lyons stated that it was a flat amount. Commissioner Zabloudil asked if there would be any recoup of costs, and Mr. Lyons suggested that we could propose a Programming Recapture Provision. Commissioner McConnell suggested that the Village might negotiate for other cost reductions. Mr. Lyons said that he and staff would be reviewing a cold-call vender to compare services and costs. Ms. Steele asked about negotiation parameters; would Committee prefer to wait until others develop product if vender doesn't want to provide the service at a breakeven cost? Commissioner Zabloudil stated this should be a break-even transaction of \$10,000, or at least a recoup of the investment. Commissioner McConnell asked about the timeframe. Mr. Lyons stated that there is time to continue the discussion at next meeting and workshop it afterward.

2. Purchasing Policy.

Mr. Lyons reviewed the changes made in the documents. The document is still electronic-technology neutral. The major change involves the approval levels, as discussed previously. Ms. Steele noted that another revision was to eliminate the exceptions made for the Public Works Department. This policy revision applies to all Village purchases. Mr. Lyons would like to workshop the policy at the first meeting in October. Mr. Lyons explained that the Directors had also received the policy revisions and asked if he should send the revised versions to the rest of the Council members for

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their preview of the item. The Committee agreed to send it to the Council after first hearing from the directors.

2. Budget Calendar.

Mr. Lyons stated that he and other staff met with the Village Manager on Friday, August 31st to review the budget calendar. Mr. Ginex stated that he will be conducting a Directors' Retreat on the 15th of September and he will also ask that the directors about the process. It was suggested that directors should be asked to come prepared to discuss initiatives for the next year or two, at the conceptual level.

Commissioner McConnell asked about the budgeting process and whether the same initiative approach would be used. Mr. Ginex said that he planned some minor changes, including:

- Prioritizing the initiatives as high, medium or low
- Using the budget team to review the initiatives and detail before meeting with the Directors
- Organizing a "big picture" presentation for the Council before delving into departmental details.

Commissioner McConnell asked about guidelines, focus and the timing of Council input. Mr. Lyons suggested that staff could conduct a preliminary discussion of initiatives and, then, Council could set the final direction. Mr. Lyons stressed that the cost of various ideas will need to be understood. Commissioner McConnell stated that everyone needs to recognize that this will be a tight fiscal year; and that cost-savings need to be discussed and the need for additional services must be evaluated. Mr. Ginex suggested directors and Council members could discuss ideas; then Council can give feedback. Commissioner McConnell asked if the directors were familiar with priorities written on Village Manager's board? Mr. Ginex asked what Council would like to see during the group review of the budget? Commissioner Zabloudil stated that he would like to see trends in items of expenses; what are baseline numbers? He suggested that Committee may need to set up a meeting just to discuss the format of the budget process. Mr. Lyons asked if they were interested in comparisons with other communities; did they want history of expenses, both external and internal? Commissioner McConnell asked about potential dates of Council Review within the March 2 to April 2 time period. Ms. Steele suggested reserving the first and second Saturdays in March, (March 3 and 10). Mr. Ginex said that he would discuss 2-3 dates for Council review at the September 15th Directors' Retreat. Mr. Lyons said that he would also schedule a 6-Month Review.

3. Sales Tax/Revenue Projections.

▪ Sales Tax

Mr. Lyons reviewed the decline in sales tax payments and the steps that are being taken to correct the problem.

Commissioner McConnell asked if registered letters were mailed out? Mr. Lyons replied that none of the letters have been sent as registered mail but that a lack of response would be followed up with a registered letter. Also, Mr. Lyons stated that Sales Tax in the next month should rebound because Home Depot Expo should be coming in. Commissioner McConnell asked if Nissan will replace Bill Kay, if we need to watch reserves and, overall, are we behind projections by 1-2%? Mr. Lyons said that she was correct that Bill Kay has been out and also, we actually need to reassess almost all sales tax. Commissioner McConnell asked if Mr. Lyons recommended that the committee look at month-to-month expenses. Mr. Lyons recommended waiting one more month to see how revenues proceed. He suggested that any vehicle replacements may need to be re-evaluated. Mr. Lyons said that he would E-mail information about sales tax and utility tax to the committee members.

- Hotel Tax Fund.
 - Started off with \$800,000 fund balance, but had large, seasonal (Heritage Festival, Bike Race) expenses, but should build up over the year.
 - The IRB Revenue Bond revenue was shifted out of the Hotel Tax Fund in the last budget process but the fund's balance should be @ 60% or higher, which is very healthy.
4. New Business
- Banberry – Mr. Pabst reviewed status of this issue.

Commissioner McConnell asked what legal services were provided? Mr. Pabst said that it is not the Village's responsibility to pay the developer's legal bill. Hearsay is not an obligation made. Mr. Pabst explained that the bills may be for a lobbyist who is retained at \$3,000 per month by the vender. He asked if Council might entertain the architect's cost? Mr. Ginex questioned if a contract had been signed? Commissioner Zabloudil noted that legal expenses are a cost of doing business.

Commissioner McConnell questioned what is Attorney Dan Blondin's opinion? Commissioner McConnell also stated that she was concerned with setting a precedent and can the Village take on the responsibilities of all vendors that we talk to? Mr. Lyons stated that the Committee discussed expenses with other developers. Commissioner McConnell asked the Committee if they were of the opinion that the Village should not pay? Attorney Blondin stated that we are not contractually obligated and that he went through a lot of the information before; the numbers were "very soft" and that there are only about \$11,000 in hard costs. More detail would need to be provided. Commissioner McConnell asked if the Council should respond with the statement that we do not feel obligated. Attorney Blondin made comparisons with other vendors. To the extent that we used any architectural materials developed by them in subsequent developments, there may be copyright claims. Perhaps they provided 4-5 pages, but the Council may have discussed a lot of the basic ideas regarding Curtiss before they wrote them up. Mr. Zabloudil noted that the Village inherited them, and did not choose them.

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Next meeting, Committee will discuss the need to have a dedicated meeting for the budget process, perhaps early in the morning of a Monday or Tuesday. Next meeting on October 2nd.

Meeting was adjourned at 6:28 P.M.