

APPROVED
Finance Committee Meeting
Monday, July 25, 2011
Village Hall Room 130

Meeting Called to Order by Trustee Hedges at 6.34 p.m.

Present: Hedges, Brewer, Tucker and President Pope

Also Present: Manager Barwin, Deputy Village Manager Lisa Shelley, CFO Craig Lesner, Jim Jaworski (trib local) Todd Shields (Pioneer Press), Dan Berg- Sikich, Marty Stempniak (WJ)

Public Comment – George Lazewski discussed Springfield not having new actuarial computations with 365 fire departments to do, and suggested Tim Sharpe have August 30th date goal for new actuarial and if Mr. Sharpe cannot provide, look at other firms.

Dan Berg – discussed the pension issue is being discussed in every community and getting to 100% funding as a separate audit entry. Tim Sharpe has experience with 4 sets of numbers.

Brief updates of budget process with new calendars going out soon and direction if any, for additional full board August 1 meeting if time permits with a busy agenda taking shape.

CFO Lesner introduced draft budget.

Dan Berg reviewed his management letter and response, which will be similar to last year. February did field work and three weeks in May to do number crunching. Auditor found staff not as ready as they had hoped and provided assistance in some aspects and schedules of more complicated areas.

Spent time assisting with trial balance preparations. Left field in end of May without completing and spent interim time getting final numbers which were delivered two weeks ago. Draft is pretty solid in Sikich's views. Correction pages were handed out for page 3 and improvements in unrestricted capital positions mostly attributable to debt structure.

Dan began his overview beginning with balance sheets and fund balances, with GF at \$9.1 million, however, \$3.8 million is reserved for advances and is parking fund due-from parking fund. About 2 months of expenditures with \$42 million general fund. Capital Building Improvement Fund a negative, improved \$185 K from prior years, used for past fire hall, village hall. Filled by general fund proceed or new funds.

CFO addressing with transfers from CIP fund. Future needs are driveway improvements at Village Hall.

Ten year history of general fund, fund balance was reviewed with some talk of targeting goals and/or policies. Currently unreserved at 10%. Staff recommends 20%.

Operating Income – Reviewed Water and Sewer and Parking Fund. Discussion on long range parking system plan for income to fully cover costs/debts. \$300,000 will be able to be used in 2011 to continue to pay back general fund.

Reviewed pages 149 and 150 in self-insurance retention, to set aside reserves on settlement costs which may or may not occur and striking correct balance, also to be looked at by re-inventing government committee. Considerable portion of liability workers comp. General Liability Higher \$ 2 million, Workers Comp \$1 million +.

Police and Fire Pension Funds. Page 156 reviewed. Investments have been improved.

IRMF funded at 82%, Police at 57.9% and Fire at 48.7 %.

Dan Berg reported all documents associated with audit should be finalized by end of August.

Some discussion about budget amendment process and as we go and seasonal. CFO Lesner feels major amendments at time are helpful but variance reports help as well as management tool. Auditors have several clients who amend after years end to reflect closer than actual but are more helpful as amended to show actual changes.

Finance Committee looking at variance reviews. Policy definitions should be reviewed. Deferring costs versus cost savings a subject to be cognizant of. Quarterly variance reports should be coming to finance.

Mid-Year Financials - Committee focused on mid-year variances with discussion on real estate transfer taxes, parking fines, water sales. Distributed by CFO Lesner.

Adjourned finance at 8.02 pm