

Approved Minutes
Village of Oak Park BOT Finance Committee
Monday, January 11, 2010

Committee Called to order at 7:02 p.m.

Present – Trustee Hedges, Trustee Hale

Also Present - Manager Tom Barwin, CFO Lesner, Auditor Dan Berg
Marty Stepniak, Wednesday Journal, John Huston, Pioneer Press

Joining at 7:04 President Pope

Auditor Dan Berg was introduced and responded to board questions regarding process and delay in completing the 2008 audit.

Late completion of West Suburban Dispatch office, reconciliation of cash accounts, grant reporting, prior PeopleSoft work arounds, capital assets and staff turnover preparing vacation accrued and vacation payable were examples of work components which delayed completion of audit. GASBY 45 requirements being implemented by many municipalities created considerable work for actuarial work related to pensions.

Process improvements were discussed and Auditor and CFO feel village is making improvements in being audit ready, expect timely completion in future.

Management letter will include comments on timeliness and reconciliation issues were resolved from 07 and 08 letters, specifically parking and adjudication. Staff response may be included with board presentation in terms of corrective actions.

Village staffing size was raised by CFO Lesner.

Committee expects audit to be completed on time for budgeting purposes or if problems updates on causes or issues related to delays, and if delayed, key findings being forwarded by July.

Benchmarks and Milestones to be outlined and highlighted in audit schedule to be shared with committee. This year February and May field work. Open point list is also maintained and available to committee.

Berg presented overview of 2008 audit.

Discussion occurred over street asset depreciation calculations. 40 years for rebuilt streets, some communities use 17 years for resurfacing, some consider resurfacing to be maintenance and expended year it occurs. Vast majority of all major municipal asset investment is undertaken with bonds.

General fund down in 08, needs to be watched. Most villages now have fund balance policies, of 15% to 25%. Our fund balances improved from 07 negative to positive.

Important for cash flow needs, for example to hedge on late state and federal payments, slow county tax bills, slow downs like in current recession.

Variances were discussed and various approaches were discussed. Some villages have fund level requirements some at department levels.

Monthly budget variance reports need to be reviewed and overages or significant variances should necessitate board budget amendments and audit amended budget columns. Policy statements should include language on this.

Discussion concluded with follow up plans to be developed related to:

Timely audit completion benchmark reports, development of fund balance policy, preparation of quarterly budget variance reports on a dept by dept basis and related budget amendment policies, preparing a plan to reduce parking fund due-to to general fund, real estate transfer tax policy setting a baseline and policy when tax exceeds baseline.

The committee also requested report of department variances for 2008 budget reported in 2008 audit.

Minutes of January 4th approved, all ayes.

Motion to adjourn at 9:06 pm.