

Finance Committee of the Village Board

Thursday, October 3, 2013

7:30pm Room 101

APPROVED MINUTES

Call to Order at 7:35 pm

Present: President Abu-Taleb, Trustees Salzman and Tucker, Village Manager Pavlicek, Deputy Manager Shelley, CFO Lesner, Budget and Financial Manager Harris

Absent: Trustee Brewer

Minutes of February 25, 2013 and June 10, 2013 were approved.

There was no public comments.

Manager Pavlicek gave an overview of the draft book which is the same as the FY13 draft that resulted in a GFO Award, reviewed budget schedule for the next Finance Committee meetings and reviewed the process with full board up to Budget adoption.

Manager Pavlicek reviewed the five key areas as noted in opening letter.

President Abu-Taleb asked if expenses will be more than revenue and will that continue. Manager Pavlicek stated no.

CFO Lesner gave a broader review of revenues.

Trustee Tucker noted the turnover number, appreciate the idea but don't want to manage to it as you said, or in bad cases didn't fill and generated more money than salary, if we put it in the budget we want it.

President Abu-Taleb questioned the concept of turnover. Manager Pavlicek reviewed the methodology and best practices.

CFO Lesner stated we don't track actual as turnover but we track it in the department that's why its zero, department as reduced actuals.

President Abu-Taleb asked if it is a good practice. Manager Pavlicek indicated thinks it's positive because you are not spending it; some communities don't; Trustee Salzman asked how did you budget this 98%, trends over last few years.

Trustee Tucker- can you talk more about the vehicle stickers, Manager Pavlicek wait to parking fund

Manager Pavlicek indicated we no longer need to make our big transfer to pay Parking from General, however debt into 2026 it won't be able to pay the debt payment that the TIF fund will expire

President Abu-Taleb - doesn't support itself, parking – Manager Pavlicek stated that is correct

President Abu-Taleb- if didn't have TIF, what is total debt services? Manager Pavlicek indicated that we will get back to you.

Trustee Salzman stated that after 2018, parking will have to pay that which TIF can't, over next several years we need to save.

President Abu-Taleb asked why tax revenue going up, p. 56? CFO Lesner stated on p. 57-58 its itemized as to what goes up (TIF distribution, Madison surplus distribution, expect will), nominal growth in real estate transfer, don't want to assume too high expectations; Trustee Tucker goes up 1 million, CFO Lesner, a lot of that is pensions.

President Abu-Taleb-if don't pay property tax, cook county will extend the levy or tell them otherwise, we usually let them do their own thing 3-5%, plus they could have their evaluation increase, which would increase; Trustee Tucker stated that the vast majority is going to pensions, CFO Lesner- investing pensions way should, but market doesn't always do well.

CFO Lesner- unreserved fund balance is the focus, in perfect world should be the same but if isn't you need to focus on unreserved fund balance.

Trustee Tucker asked what is the biggest take away? Manager Pavlicek stated concerned that we don't have revenue to cover projects, substantial cuts made for employees but still majority of costs goes to salaries; workforce doing more than used to, technology changes, deliver services more efficiently, but budget bit of a rut, very strong department leadership that wants to take things forward but don't have resources to do it

Trustee Tucker asked do you see things on the horizon with initial outlay countered with long-term through savings of economies or other savings that are good for economy? Manager Pavlicek indicated see equipment replacement fund, larger software, permitting software

Trustee Salzman asked about pg. 56-personnel services, same uptick President Abu-Taleb talking about with 13-14, similar uptick in personnel services is reflective of pension CFO Lesner-in fringe benefits, more comparisons in actual in deficient in filling jobs.

Trustee Salzman asked about fund balances, more specific breakdowns and contractual, we look over-budget- are we over or under budget, in just over budget, now understand, is this just an update after looking at it again.

Manager Pavlicek asked if they wanted to go through any specific department (excluding Parking, Law with Internal Service funds).

President Abu-Taleb- if any Department Director wants to come forward, please step forward or speak from seat.

Trustee Salzman asked if this is the last opportunity, can we do this again at Board level; Manager Pavlicek stated yes, only night unless schedule a special night or full board.

Trustee Tucker- any highlights you want to note as a struggle?

Manager Pavlicek stated that Adjudication asked for additional technical and supervision to outsource, didn't have extra to fund it. Communications is status quo; based on Irving meeting about equipment so don't have to rent doesn't have benefit of mikes, etc., if board wants to go out more, invest in equipment.

President Abu-Taleb asked what can we put in landscaping for building so that it will look good for our neighbors. Staff will look into adding landscaping.

CED- Director recruitment is closed Oct 11th, someone here Dec 1st; also HR director same schedule; Manager Pavlicek stated schedule Personnel Committee, CED closes on the 11th, then start review to short list then moving to interviews, President Abu-Taleb is concerned that revenue flat, radical change on approach to ED, Director need to look again that it's what we want to do, I want a shot to discuss with whole Board, don't want taxes to go up. We need to review what the position entails. Trustee Tucker stated that a lot of thought went into this structure.

Trustee Salzman-defer to board goals night in mid-October, plus all of the partners involved should be present.

Taken some vacant positions, not funded in BPS, not desirable to staff; Business Services for staff to restore an old staff, left in 2009, didn't fund it, proposed to move clerk licensing to business services.

Tightened Partner Funds, including OPDC by \$100,000 in general funds, didn't want to fund commercial loans corresponding reduction in admin funds. They have 4 FTE in cash fund balance, will need to fund current staff with that. Next year we have better idea of where to go with ODPC.

President Abu-Taleb stated that he won't commit to defunding. Trustee Tucker that's not the explanation, its more what President Abu-Taleb said before, where are we going with Economic Development conversation.

Manager Pavlicek stated let's see how Board conversation moves forward.

Manager Pavlicek indicated that Planning has no changes, Housing has two large partner agencies, change in CDBG fiscal year, Community Relations asked for staff for mediation, didn't add it in p. 96, Finance has no change, Fire has no change, will need to address collective bargaining agreements, Part-time person requested in Human Resources, I.T. will be discussed more when you do capital, operating not much change, Law has no change, will talk when you do special fund, Police-evolve structure with Finance Committee, status quo.

President Abu-Taleb asked if we have a budget or do we need a budget for carry and conceal; Manager Pavlicek stated that the first issue is signage(late Oct-Nov)then Police Department will determine if costs, and who should bear that cost.

Manager Pavlicek stated that Health - maintain, reliance on grant funding

Public Works- status quo, exception of organizational change that Public Works would take over calls during week, the Village Hall calls used to be Community Relations, then Village Clerk. Now shift to Public Works to answer phones, one call center, extend hours with answered calls.

Village Clerk has two changes already, shift staff liaison role for liquor control review board to Law, compared to other communities reduce duplicate services since Law already does it too , supports it

President Abu-Taleb noted nice phone, excellent service.

Manager Pavlicek stated ways to improve it, accuracy of sales tax, issuance of business license, ensure handled in accordance with code.

Trustee Salzman asked Clerk Powell is she wanted to respond.

Clerk Powell stated that she didn't know if it requires movement to another area, we are well versed, we are a team, when I ran for election I thought I would do it. Clerk's Office has positive reputation, no one complains, everyone looks to our office to make sure documents are completed. I want to maintain staffing, provide additional support to Community Relations as he has requested; other creative solutions.

Trustee Salzman noted his experience, current status of name on license, collection of tax is (Manager Pavlicek)-it's Finance.

President Abu-Taleb- inquired as to statutory responsibilities.

Pg. 133- keeper of records, minutes, contracts (state law), Code-special events, liaison, etc.

Other functions are customary, etc. difference being statutory and what clerk has done customarily

Trustee Salzman indicated that he wants the Manager to be efficient with tax collection but I understand there is a lot of history-customary functions that will make this hard

Clerk Powell stated that she is only employee at village hall with professional training in elections, records. Still local elections rep – state law.

President Abu-Taleb stated that with liquor I can't talk

Trustee Tucker stated that we haven't given liquor that much talk, we did task her to review this, we need to find out how this plays out; I want to think about it

Trustee Salzman indicated that he wants to think that this is being truncated, not part-time and not less important, question of allocation of staff – more organizational staff (other colleagues weigh in)

President Abu-Taleb stated that we all need to get along, think about it.

Manager Pavlicek indicated that the Village Manager's Office has requested quarter time college intern

Motion to adjourn 9:05 by Trustee Salzman, Seconded by Trustee Tucker