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Finance Committee
Meeting Minutes - November 10, 2016
Westmont Village Hall

Call to Order: 4:06 pm - Trustee Guzzo

Pledge of Allegiance

Roll Call: **Committee** **Staff**

Committee	Staff
Trustee Guzzo (Chair) Trustee Liddle Trustee Addington Trustee Nero Trustee Barry Trustee Barker Mayor Gunter Clerk Szymski	Director Parker Manager May Chief Gunther Chief Connelly Director Ziegler Olssen Admin Assistant Jenny Babyar
Visitors	*None*

Minutes approved: The October 14, 2016 Meeting Minutes were approved by a motion from Trustee Addington and a second by Trustee Barker, all ayes.

UNFINISHED BUSINESS: Director Parker began the meeting presenting objectives of the reviewed topics:

Cigarette Tax update- Director Parker started the discussion by saying he heard back from the state. The state does not have any information as to where cigarettes are being sold at retail. Director Parker found some analysis on-line on cigarettes being sold and cigarette tax from Tobacco Free Kids Association. He is playing phone tag with the representative to see if they have any information or resources to help us estimate that tax.

Director Parker received an unsolicited call from National Association of Tobacco Outlets. They saw the cigarette tax was on our agenda. They said when another community in Illinois was looking into this also, they did research and found the community did not have the authority to pass it, so the community stopped looking into this tax. Director Parker said we are happy to look at the information from National Association of Tobacco Outlets. Director Parker's recommendation is to see what information they have before we move forward. and if there is an organization that says we cannot do it, it would be best to review their information rather than simply adopting the ordinance and risking a potential lawsuit. Director Parker will give an update at the next meeting.

NEW BUSINESS: Director Parker presented Audit Request For Proposal: Director Parker said we are at the limit of what we had in our previous audit agreement, and it is time to go out for another RFP.

Director Parker said some people say we should have a mandatory rotation of auditors, so we do not have the same auditor again. Another option is if we continue with same auditor we have to at least change partners. This way we can allow them to bid, and they may be the low bid. Director Parker asked if that kind of rotation is acceptable, where we would keep the same company, with same overall structure, but change partners and the people who are actually working on the audit, so we have a fresh set of eyes. Trustee Liddle thought that would be a good solution. Mayor Gunter asked what the auditors recommend. Director Parker said the auditors said it is fine either way. Director Parker thinks it is good to see what is out there. He likes the option to keep using the same major company, but with a new set of eyes. However, he indicated he would be fine either way. Director Parker asked permission to allow the previous company to bid again. Trustee Liddle asked when the RFP would go out for bid again. Director Parker said once the audit is on the web site and filed with the county, the RFP will go out. He estimated it would likely be next year, probably in February. The timeline would be to pick a company in March, and then start the first part of the audit in March or April.

Another question Director Parker asked is if each trustee needed a hard copy of the Comprehensive Annual Financial Report (CAFR) document or if an electronic copy would be acceptable. Right now we get them on-line, PDF, and in a paper packet. In the past we asked for 20 copies and staff only use 5 or 6 of them. Director Parker asked if we want to continue getting them and paying for them. We have to state in the RFP how many CAFR reports we want. Trustee Barker said PDF is fine, and the other trustees agreed.

Upcoming Budget: Director Parker gave the finance department's idea of the direction we are looking at going with the upcoming budget. He discussed what is similar, and what is different compared to last year's budget. The main thing is to focus on is our mission statement from the Strategic Plan with the budget process.

Before Fiscal Year 2013/14 we used Line Item budgets. This type of budget includes a separate a line for each type of thing that is purchased, such as office supplies, facility costs, etc.

Then in Fiscal Year 2013/14 we talked about the "Best Practices" being to *establish entity wide goals, develop approaches to achieve goals, develop budget consistent with approaches, and track outcomes*.

At that time we decided to do a stop gap in FY 2013/14 and implement the program based budget. This type of budget presents the services we provide, with the focus on the different things we do, such as audit, payroll, etc. This way, what we do and the services we provide for the community are represented in the budget.

Director Parker said this year, since we already established Entity Wide Goals, it make sense to move into the next phase where we are having the budget flow from the Strategic Plan. Last year we had the Strategic Plan going on at the same time as the budget and tied the two together at the end. This year, we want the budget to flow from the Strategic Plan's mission of shaping a vibrant community and future.

Director Parker presented a sample budget document. Each department would give input as to what they do and how they do it in terms of the Strategic Plan and the Strategic Plan's goal and centralization of services. Director Parker asked if this would be a good way to present the budget.Trustee Liddle says she thinks the public will understand the budget better this way, and would understand why we did the strategic plan.

Trustee Barry asked if there will be color coded items. Director Parker said it would. . Trustee Barry asked if it would be similar to last year, with a what if scenario, best case scenario, and items identified that could be cut from the budget. Director Parker said it would.

Trustee Liddle asked if we have heard any direction from state with their budget. Manager May said the State is meeting Monday November 14.

Mayor Gunter asked to hold off on certain items until we know how much annual money we are getting from the state. Director Parker said yes, we will continue to identify the items we can hold off on until we know how much money we are getting from the state.

Trustee Barry asked if auditors look at programs individually and what departments have things that are not working or not cost effective. Director Parker said that technically all the auditors are looking at are to say the financial reports we are presenting are close enough to accurate that people can make decisions based on them.

Trustee Barry asked if we could get full audits that look into all the programs? Director Parker said we can hire specific audits and program audits. He indicated that it would be a lot more money and we would have to find someone who is versed in that program, but it could be an option.

Budget Questions:

Director Parker asked if we should keep the practice of using the committees as precursors to the budget workshop. All the Trustees, Manager May and Mayor Gunter said yes.

Trustee Liddle asked if the budget has to be approved, by May 1? Director Parker said yes we like to have it in by then.

Report on Paid Time Off for Part Time Employees:
Director Parker said we are moving forward with the decision to give part time employees PTO, and to have it approved before the new time clock and scheduling software system is in place.

The Village is to give PTO based on the number of hours the part time employee works. Someone who works 20 hrs or more will be eligible, it will be on prorated basis so hours are consistent with what they usually work. They are to receive 5 PTO holidays per year, and the employee gets to pick which ones they would like to use.

The PTO is to be effective immediately. Mayor Gunther asked what the projected total dollar amount would be. Director Parker said it would not be any more money than was budgeted, but may be a few thousand dollars in productivity.

REPORTS:

Report on Purchasing Cards:

Director Parker said the plan is to start with a few changes and implement it with minimal changes to current policy. It is hard to know in advance exactly how this will impact and work with our current software. Additionally, since we are looking at new software, we will only make small changes. Right now only Finance Department employees can use p-cards and only if they cannot write a check. Only those two items will be struck at first. We will implement it for just a few people first and see what works with our software before we adopt a new policy and implement it Village wide.

Adjourn: 4:30 pm- motion by Trustee Liddle and second by Trustee Addington, all ayes.