



MEETING MINUTES

FINANCE COMMITTEE OF THE VILLAGE BOARD

TUESDAY, MAY 22, 2018

6:45 P.M.

TRAINING ROOM OF WILMETTE VILLAGE HALL

Members Present: Trustee Dan Sullivan, Chair
 Trustee Senta Plunkett
 Trustee George Pearce

Staff Present: Timothy Frenzer, Village Manager
 Mike Braiman, Assistant Village Manager
 John Prejzner, Assistant Director of Administrative Services
 Melinda Molloy, Finance Director
 John Risko, Assistant Finance Director
 Brigitte Berger-Raish, Director of Engineering and Public Works
 Dan Manis, Village Engineer

I. CALL TO ORDER

Trustee Sullivan called the meeting to order at 6:45 p.m. Committee members Sullivan, Plunkett and Pearce were present.

II. APPROVAL OF MINUTES

Trustee Plunkett moved to approve the minutes of the December 4, 2017 Finance Committee Meeting. Trustee Pearce seconded the motion. No further discussion occurred on the motion. Voting yes: Trustees Sullivan, Plunkett and Pearce. Voting no: none. **The motion carried.**

III. DISCUSSION OF FY 2019 BUDGET (IMPACT OF LOST SALES TAX)

The discussion focused on the possible loss of approximately \$500,000 (13% of sales tax receipts) in 2019 and how that might affect the 2019 Budget. While early in the Fiscal Year 2019 budget development process, staff has identified several methods to adjust the Village’s budget approach for Fiscal Year 2019 including expenditure reductions, changes in budget

philosophy, new revenue sources and property tax phase-in/reserve drawdown.

Regarding expenditure reductions, a one-time reduced IMRF employer contribution was discussed. IMRF has indicated that the 2019 employer contribution will be reduced from 11.60% to 9.10%. Based on preliminary 2019 wage projections, this indicates an estimated savings of \$170,000. This should not be considered a permanent change and may increase in future years. Also discussed was possible benefit from higher deductible levels on the Village's General Liability, Property, and Public Officials Liability insurance coverage as provided by the Intergovernmental Risk Management Agency (IRMA) and possible inclusion of annual leaf collection program under the existing residential solid waste contract with Advanced Disposal. This could possibly save \$120,000 in contractual expense currently paid to another vendor.

Changes in budget philosophy was discussed as a possible way of reducing costs. For example, current conservative philosophy assumes 100% of the personnel budget is spent each year while an average of 98.5% of the personnel budget has been spent each year (since 2013) due to employee turnover and holding open vacant positions. By readjusting the Village's personnel budget philosophy to a conservative 99.5%, FY 2019 expenses could be reduced by approximately \$100,000. In addition, to be considered is temporarily halting any additional advanced long deferred capital item purchases to preserve General Fund reserve. Also recommended was the continued replenishment and use of CERF (Capital Equipment Replacement Fund) as an effective tool for replacement of critical police, fire, and public works vehicles without affecting the property tax levy.

New revenue sources was discussed including a new food & beverage tax, packaged & consumption liquor tax and self-storage unit tax. Trustee Plunkett wanted to know if similar taxes are collected by surrounding communities. Also discussed was a possible property tax phase-in and fund reserve drawdown as possible backfills for any sales tax loss, though this option is not recommended and not necessary at this time. Regarding economic redevelopment in the community, it was requested that Community Development create a presentation for the Committee relating to how they approach new business development.

IV. DISCUSSION OF ENGINEERING & PUBLIC WORKS REQUEST TO ADD A PROJECT MANAGER POSITION

Brigitte Berger-Raish discussed the staffing needs of the Engineering Division and how an additional full-time Project Manager would help. The department has seen an increased workload since the Great Recession. In 2007, pre-recession, the Engineering Division was staffed with 7 full-time positions (7.55 full-time equivalents--FTE's) and is currently staffed with 5 full-time positions (6.25 FTE's). Capital funding has been restored to pre-recession levels signified by increased capital spending, regulatory requirements and permit activity have also increased significantly. To meet current deadlines, this work is currently outsourced. By bringing work in-house versus outsourcing, it promises better customer service to the community. It was also noted that by filling the position, it would not cause the Village to

exceed 2018 budget appropriation. The Finance Committee concurred with the recommendation to add a new Project Manager position.

V. NEW BUSINESS

None.

VI. PUBLIC COMMENT

None.

VII. ADJOURNMENT

At 7:22 p.m., Trustee Plunkett moved to adjourn the meeting. Trustee Pearce seconded the motion. No further discussion occurred on the motion. Voting yes: Trustees Sullivan, Plunkett and Pearce. Voting no: none. **The motion carried.**

Respectfully Submitted,

John Risko
Assistant Finance Director