



FINANCE COMMITTEE AGENDA

**Wilmette Village Hall
2nd Floor Training Room
1200 Wilmette Avenue
Tuesday, April 8, 2014
6:30 P.M.**

-
- I. Call to Order.**
 - II. Public Comment**
 - III. Approval of Minutes of September 23, 2013**
 - IV. Review and discuss preliminary 2015 and 2016 Budget Assumptions**
 - V. Review and discuss the format of the Village's current financial reports**
 - VI. Other Business**
 - VII. Adjournment**



MEETING MINUTES

FINANCE COMMITTEE OF THE VILLAGE BOARD

MONDAY, SEPTEMBER 23, 2013

5:00 P.M.

DAVID C. LEACH CONFERENCE ROOM

- Members Present: Trustee Carol Ducommun, Chair
Trustee Ted McKenna
- Members Absent: Trustee Cameron Krueger
- Staff Present: Melinda Molloy, Finance Director
Michael Braiman, Assistant Village Manager
Blythe Trilling, Assistant Finance Director
Bob Amoruso
- Others Present: Ron Amen, Lauterbach and Amen, LLC

I. CALL TO ORDER

Chair Ducommun called the meeting to order at 5:15 p.m.

II. APPROVAL OF MINUTES OF JULY 15, 2013 AND JULY 23, 2013

Trustee McKenna moved to approve the minutes of the Finance Committee meeting of July 15, 2013. The motion was seconded by Trustee Ducommun. No further discussion occurred on the motion. All voted aye, the motion carried.

Trustee McKenna then moved to approve the minutes of the Finance Committee meeting of July 23, 2013. The motion was seconded by Trustee Ducommun. No further discussion occurred on the motion. All voted aye, the motion carried.

III. DISCUSSION OF THE 12/31/12 COMPREHENSIVE ANNUAL FINANCIAL REPORT WITH THE VILLAGE'S AUDITOR

Ron Amen, Principal with Lauterbach and Amen, LLC the Village's audit firm gave an overview of the methodology and procedures employed by his firm during the audit. The firm is satisfied with the Village's internal controls, procedures and processes as they relate to the audit and stated there were no material findings. Mr. Amen noted that once again the CAFR received an unqualified opinion and continued that for the 2011 Annual Report Wilmette received the Certificate of Achievement for Excellence in Financial Reporting which is the highest level of reporting. Mr. Amen continued that he appreciated the cooperation of staff, management and the Board in this transition year.

IV. DISCUSSION OF THE 12/31/12 SINGLE AUDIT WITH THE VILLAGE'S AUDITOR

Ron Amen with Lauterbach and Amen, LLC explained that a Single Audit is required whenever expenses exceed \$500,000 of Federal funded money and stated that the audit found Wilmette complied with the requirements of the federal programs.

V. STATUS UPDATE ON 2013 BOND ISSUANCE

Melinda Molloy, Finance Director discussed the timing of the 2013 bond issuance and the recent interest rates.

VI. ADJOURNMENT

At 6:05 p.m., Trustee McKenna moved to adjourn the meeting. The motion was seconded by Trustee Ducommun. All voted aye, the motion carried.

Respectfully Submitted,

Blythe Trilling
Assistant Finance Director



Date: April 3, 2014

To: Village Board Finance Committee

From: Michael Braiman, Assistant Village Manager
Melinda Molloy, Finance Director

Subject: 2015 and 2016 Cash Flow Projections

During the 2014 Budget Workshop, Staff presented General Fund cash flows which projected operating deficits in Fiscal Years 2015 and 2016, despite the elimination of nearly all capital expenditures from the projections.

To understand how these projections were made, and to form the basis for future discussions about potential new revenues, it is important to review the assumptions behind the cash flows:

General Fund Revenue Projections

Major Revenues	Actual from 2012 to 2013	Projected 2014 Growth	Projected 2015 Growth	Projected 2016 Growth
Property Tax	3.48%	3.39%	3.39%	3.48%
Sales Tax	4.5%	0.1%	3.0%	3.0%
Income Tax	8.4%	-6.9%	1.5%	1.5%
Utility Tax	-0.7%	0.9%	-1.0%	-1.0%
Real Estate Transfer Tax	20.5%	-6.1%	5.0%	5.0%
Permits	21.0%	-7.3%	3.0%	3.0%

Property Taxes- As discussed during the 2014 Budget Workshop, property tax receipts are declining due to uncollectable taxes and refunds. As a result, the debt service fund, which is fully financed from property taxes, will eventually require transfers from the General Fund. This is playing a significant role in the projected budget deficits.

Sales Tax- Performed better than expected in the 4th quarter of 2013, exceeding the 2013 estimated actual. It is anticipated that sales tax receipts will grow by more than 0.1% in 2014.

Utility Tax- Telecommunications, the largest of the three utility taxes, continues to decline on a month over month basis from previous years. This is due to the ongoing elimination of landline telephones.

Income tax- Receipts are projected to decline in 2014 due to changes in Federal tax rules which resulted in pre-payment of certain income taxes in 2013.

Real estate transfer tax & Permits- Permit revenues have underperformed through the first quarter of 2014. While this may be largely due to the extreme weather, it does indicate that the negative growth projections are appropriate. Further, tight supply of the housing market may adversely impact these revenues through the remainder of 2014.

General Fund Expense Projections

Major Expenses	Projected 2014 Growth	Projected 2015 Growth	Projected 2016 Growth
Personnel	4.12%	4.0%	3.5%
Other Operating	6.9%	5.1%	5.3%
EAB	3.52%	-24.4%	-26.9%
Capital	-35.3%%	-100%	-100%

Personnel- Assumes a 2.5% salary adjustment each year, consistent with collective bargaining agreements, as well as increasing health insurance and pension expenses.

Other Operating- Projections are consistent with previous actual increases.

EAB- 2,396 ash trees have been removed and only 500 remain, thus the reduction in expenditures in future years. However, 1,350 trees still need to be replaced.

Capital- The only capital included in the 2015 and 2016 projections are MFT funded street resurfacing and streets/alleys/sidewalks funded by the \$450,000 in dedicate revenues.



Date: April 3, 2014
To: Village Board Finance Committee
From: Michael Braiman, Assistant Village Manager
Melinda Molloy, Finance Director
Subject: Reviewing the Village's Financial Reports

Each month, the Finance Department submits four reports to the Village Board. The reports include:

- Approval of Monthly Disbursements
- Revenue and Expense Report
- Cash and Investment Summary
- Treasurer's Report of Cash Receipts and Disbursements

Staff is working to provide the Village Board with streamlined, useful reports, which provide an analysis of the Village's current financial standing and projections for the remainder of the fiscal year. To that end, Staff is requesting that the Finance Committee review each of the reports and provide feedback on what is useful, and whether some of the reports are even needed. We are requesting that Committee members complete the following survey:

Approval of Monthly Disbursements

The Village Code requires the Board to receive an itemized report of all bills paid.

Is the payroll disbursements detail useful?

_____ Yes _____ No

Is the accounts payable disbursements of note useful?

_____ Yes _____ No

Is the detailed warrant report sufficient such that all other previous data is not required?

_____ Yes _____ No

What can we do to make this report more useful to you?

Revenue and Expense Report

The Village Code requires the Treasurer to submit monthly financial reports to the Board reflecting the Village's assets and liabilities, receipts and disbursements, and balances of appropriation.

Do you find this report useful in assessing the Village's financial condition?

_____ Yes _____ No

Is the 10-year month-by-month history of major revenues useful?

_____ Yes _____ No

Is the expenditure summary by program number useful (ex. 1104- Administrative, 11-30 Maintenance of Trees)?

_____ Yes _____ No

Is the summary of each capital outlay expenditure and other non-operating expenditures useful?

_____ Yes _____ No

Is the year-to-date budget report of all accounts useful?

_____ Yes _____ No

What can we do to make this report more useful to you?

Cash and Investment Summary

The Investment Summary is part of the Village's internal control procedures to ensure that the accounts are properly reconciled and that such information is available for public inspection.

Do you find this report useful?

_____ Yes _____ No

Is this information helpful in ensuring that investments are accounted for properly?

_____ Yes _____ No

Is the level of detail:

_____ Appropriate _____ Not Enough _____ Too Much

Would the 2nd page of the report which summarizes the investments by fund be sufficient reporting?

Yes No

Do you want to continue receiving the report (whether it is changed or not)?

Yes No

What can we do to make this report more useful to you?

Treasurer's Report of Cash Receipt and Disbursements

The Village Code requires the Treasurer to provide the Village Board with a statement of the balance in each fund at the beginning of the month, the receipts and disbursements for the month and the balance in each fund at the end of the month.

Do you find this report useful?

Yes No

Does the report seem repetitive compared to the Revenue and Expense Report?

Yes No

Is the comparison to the prior fiscal year useful?

Yes No

Do you want to continue receiving the report (whether it is changed or not)?

Yes No

What can we do to make this report more useful to you?