

Minutes of the Finance Committee

Village of Shorewood Hills

Wednesday, September 12, 2007

(Reviewed and approved on Wednesday, September 26, 2007)

- 1) **Called to Order:** Chair Benforado called the meeting to order at 5:38 pm. Committee members present: Chair / Village Trustee Dave Benforado, Village President Mark Sundquist, Gard Strother, Fred Wade, Karl Wellensiek, Jerry Weygandt. Committee Member Dave Ahmann was excused. Village Administrator Karl Frantz and Village Clerk Cokie Albrecht were also present, as was Tom Young.
- 2) **Noted Compliance with Open Meeting Law:** Benforado noted the meeting had been properly noticed.
- 3) **Approved Prior Meeting Minutes:** the Committee reviewed the draft minutes from the July 24, 2007, Finance Committee meeting.
 - a) Motion to approve by Sundquist, second by Wade. Motion passed.
- 4) **2008 Village Budget: Financial Planning and Recommendations:** the Committee reviewed staff's detailed 33 page draft FY 2008 Village Budget Worksheet dated 9/11/07. Frantz stated that he has met with all department heads and on the white board presented a summary of how the FY 2008 Village budget was shaping up from both a revenue and expense perspective. Frantz emphasized that these were the best estimates they have at this time, that they are conservative, and that they could change if unknown contingencies occur between now and the end of the year.
 - a) **Fund Balance:** at 1/1/07 was \$586,519 and a conservative estimate is that it will be \$565,858 on 1/1/08.
 - b) **2007 Expenses (estimate):** expenses totaling \$2,589,231 were in the approved FY 2007 budget and Frantz estimates that by 12/31/07 the FY 2007 expenses will be \$2,615,511 (est.), an increase of \$26,280. Frantz explained the major drivers in the expense increase, totaling \$109,148:
 - i) the school playground donation: \$10,000;
 - ii) unanticipated data processing contract: \$7,500;
 - iii) VK audit (BCC and other): \$13,000;
 - iv) DPW storage building rental: \$6,750;
 - v) Refuse collection on month to month: \$26,898;
 - vi) Tree maintenance: \$5,000;
 - vii) Disabled bus service: \$5,000;
 - viii) Personnel: \$26,000; and,
 - ix) Fire Vehicle (Suburban): \$9,000.
 - c) **2007 Revenues (estimate):** revenues of \$2,552,152 were in the approved FY 2007 budget and Frantz explained that by 12/31/07 the FY 2007 revenues will be \$2,594,850 (est.), an increase of \$42,698. Frantz explained the major drivers in the revenue increase:
 - i) Inspections: \$17,250;

- ii) General fees: \$2,095;
 - iii) Ambulance fee collections: \$10,000;
 - iv) Insurance dividend: \$4,400; and,
 - v) Miscellaneous: \$8,953.
- d) **2008 Expenses (projected)**: compared to projected 2007 expenses of \$2,615,511, Frantz summarized estimated 2008 expenses totaling \$2,948,395, an increase of \$332,883. Frantz summarized major drivers totaling \$336,024 in explaining that estimated increase between estimated FY 2008 expenses and projected FY 2007 actual expenses:
- i) Contracted services: \$7,890;
 - ii) Personnel: \$68,587 (assumes an 11% increase in health insurance, and a 4.5% average increase in salaries);
 - iii) Supplies / Expenses: \$47,661;
 - iv) Forestry maintenance: \$23,390;
 - v) Capital outlay: 23,796 (new squad car); and,
 - vi) Debt service: \$164,690.
- e) **2007 Levy (actual)**: \$1,896,461.
- f) **2008 Levy (projected)**: \$1,940,290.
- i) Would increase the mill rate from 4.14/\$1,000 to 4.20/\$1,000;
 - ii) A \$43,829 increase compared with the 2007 levy;
 - iii) Would mean a \$32 increase in the Village property tax for an owner of an average home (\$588,000 assessed value);
 - iv) State levy limits for FY 2008 are unknown at this time since the State Legislature has not passed a State Budget yet. If, e.g., State Legislature enacts a 2% max levy increase, the 2008 Village levy would be limited to \$1,919,011 (\$21,279 less).
- 5) **Continued Development of FY 2008 Village Budget**: the Committee asked Frantz to develop the following for the 9/26/07 meeting:
- a) continue to firm up FY 2007 estimated and FY 2008 projected budget numbers;
 - b) create a pro forma Excel summary spreadsheet on the FY 2008 budget; and,
 - c) create a debt service analysis projection spreadsheet through 2011.
- 6) **Confirmed Future Meeting Dates**:
- a) Wednesday, September 26 (5:30 pm) – continue Village FY '08 budget discussions;
 - b) Wednesday, October 10 (5:30 pm) – finalize FY '08 budget recommendation to the Board;
 - c) Wednesday, October 24 (5:30 pm) – tentative extra meeting if needed for FY '08 budget.
- 7) Adjourned: at 6:45 pm.

Respectfully submitted on September 13, 2007, by Dave Benforado, Chair.