

Present: Chairperson Belaustegui; Members: Merritt, Mooney, Nowland and Piotrowicz

Absent: Fassett and Roberts

Also Present: Finance Director Wiszowaty
Council Liaison, Burry
Council Members, Walsh and Pfeifer

Belaustegui called the meeting to order at 7:01 p.m. in the Village municipal building at 18500 W. Thirteen Mile Road.

APPROVE MINUTES OF FINANCE COMMITTEE MEETING HELD DECEMBER 28, 2005

Motion by Mooney, second by Merritt, that the minutes of a Finance Committee meeting held on December 28, 2005 be approved as submitted.

Motion passed.

APPROVE MINUTES OF A JOINT COUNCIL/FINANCE COMMITTEE MEETING HELD JANUARY 10, 2006

The minutes were corrected to show that Merritt seconded the motion to table approval of the December 28, 2005 Finance Committee meeting minutes.

Motion by Mooney, second by Merritt, that the minutes of a Joint Council/Finance Committee meeting held on January 10, 2006 be approved as amended.

Motion passed.

REVIEW AND CONSIDER FINANCE COMMITTEE MEETING SCHEDULE

Belaustegui proposed that the Finance Committee meet on the off weeks from Council meetings in order to deal with comments made at Council meetings by individuals who bring up issues that are not addressed then and there. There is no mechanism for addressing public comments in any detail at a Council meeting. He suggested that there are issues that can be addressed at the Finance Committee meeting held a week after the Council meeting. Some of these matters can be referred to the Finance Committee for a report back to Council, or a member of Finance Committee could be designated to attend the following Council meeting to correct any misstatements. Belaustegui thought that this process would demonstrate to the public that the facts will eventually surface.

Motion by Mooney, second by Merritt, that the Finance Committee meet twice monthly on the second and fourth Tuesdays of the month at 7:00 p.m.

Motion passed.

The Finance Committee will meet on February 14 and on February 28 this month.

REVIEW VILLAGE FIVE YEAR FINANCIAL PLAN

Belaustegui referred to the minutes of a joint Council and Finance Committee meeting held on January 10, 2006 at which time there was discussion of an assignment for the Finance Committee. Council passed a motion to assign the Finance Committee with the task of reviewing the Five-Year Financial Plan dated December 29, 2005.

Belaustegui distributed a sheet listing ideas raised by each Council member at the joint meeting in terms of study topics for the Finance Committee. Most of the items are within the realm of the five-year financial plan. Belaustegui asked for comments on how to approach an analysis of the five year plan. He noted that Manager Spallasso and Finance Director Wiszowaty were approached for guidance and suggested that the Committee begin with the underlying assumptions used in the five-year plan.

Mooney concurred that the first session should include a review of the five-year plan assumptions. He suggested that there is merit in some discussion of the report submitted to the Village by Jim Calder in conjunction with the five year plan review. Merritt concurred that the five year plan assumptions would be a logical starting point.

Belaustegui stated that the committee will look at the underlying assumptions of the five year financial forecast. He is calling it a forecast because it is a basis for development of a plan. His concern is that continuing to do things in the same way would result in attaining the same answers. If this body is going to have any impact, he thinks it needs to take a fresh look at operations, delve into various entities and their function, and put the facts on the table. There will be things that the Village can and cannot do in terms of certain issues. Belaustegui proposed that the committee pursue the document in a way that will focus on the “big picture” point of view. The Finance Committee will be looking at the document differently than a Plante & Moran fund review or a Finance Director’s accounting review. This committee will be careful not to pursue a narrow agenda or arrive at a preconceived idea.

Belaustegui explained his proposal to look at the financial forecast and related documents by dividing the enterprise into a number of areas that make sense in order to determine what is going on, where the biggest impacts are, who makes the decisions and how are they made, and what has to be done to change the end result. He provided examples related to the Public Safety Department and the Water and Sewer Department. The intent is to get the facts on the table so that people can get beyond loose conversations and inaccurate figures. The Finance Committee study will not be driven by the budget cycle. It will focus on long term issues.

Mooney concurred with the approach outlined by Belaustegui. This group should review services that the Village is providing and consider how it can think outside the box and give various options to Council.

Belaustegui distributed a 5-year financial plan study matrix that demonstrates his concept of conducting an analysis of how the Village functions from a financial point of view. The vertical columns represent study areas including Council & Community, Administration and Facilities, Public Safety, Building & Planning, Public Services, and Water & Sewage. Listed on the left side of the matrix are Revenues, Employee Wages & Salaries, Employee Benefits, Employee

Expenses, Facility Expenses, Material Expense, Service Expenses, Assets, Liabilities, Capital Purchases, Depreciation & Contingency Funds.

Mooney agreed with the approach noting that the committee will probably end up having twice as many categories as time goes on. Merritt stated that the Committee will provide facts and analysis to Council to assist in its decision making. Belaustegui remarked that the committee should be given direction from Council if it is doing things that Council does not want it to do.

Belaustegui proposed that the committee members use the study matrix as a starting point for reviewing the five year forecast. He asked that the members work through the chart in their own way using the five year forecast and other data and come to the next meeting with thoughts on the key elements and how we might change or divide up the study.

Committee members will receive a copy of the Public Safety Department Operational Review prepared by Rehmann Robson dated August, 2004 and the Audit Report as of June 30, 2005. Mooney requested that members also receive copies of meeting minutes from the last two years of the former Finance Committee. It was noted that the Audit Report is available on the Village web site.

The Finance Committee will review the assumptions of the Five Year Financial Forecast at its next meeting on February 14 and highlight any major concerns with the plan before discussing its work on the study matrix.

REVIEW AND CONSIDER MEETING PROCEDURES

The committee considered when it will accept public comments during meetings. The Finance Committee is a working type of group rather than a decision making body. It was agreed to accept comments from the public throughout the meeting but to include an item on the prepared agenda for comments on items not on the published agenda.

COMMITTEE COMMENTS

Merritt expressed the view that this group has arrived at a positive way of looking at the five year financial forecast. It will be a learning experience for this Committee, Council and residents.

Burry remarked that the Finance Committee has made a great start with its proposal for a thought provoking review of the five year financial forecast.

PUBLIC COMMENTS

Walsh commended Belaustegui on his preparation for this meeting. She appreciated his thought process and approach for reviewing the Village's financial situation. The Village will benefit from the expertise of the committee members. She indicated that she would like to see a separation of water and sewer on the study matrix.

Motion by Mooney, second by Merritt, to adjourn the meeting at 8:08 p.m.

Motion passed.