

Present: Chairperson Belaustegui; Members: Hitz, Merritt, Mooney, and Westerlund

Absent: Fassett and Piotrowicz

Also Present: Finance Director, Wiszowaty  
Council member, Pfeifer

Belaustegui called the meeting to order at 7:00 p.m. in the Village municipal building at 18500 W. Thirteen Mile Road.

### **APPROVAL OF AGENDA**

The agenda was approved as published.

### **REVIEW AND CONSIDER MINUTES OF A FINANCE COMMITTEE MEETING HELD ON OCTOBER 11, 2006**

Motion by Westerlund, second by Hitz, that the minutes of the October 11, 2006 Finance Committee meeting be approved as submitted.

Motion passed (5 – 0).

### **REVIEW AND DISCUSS OPEN ISSUES/ASSIGNMENTS FROM PREVIOUS MEETINGS**

Members are in receipt of a list of open assignments from previous meetings. Finance Director Wiszowaty has provided the committee with a report indicating how the Village receives Major and Local Street funding from State Gas & Weight Tax money. Belaustegui noted that the formula may change from year to year.

Belaustegui reviewed the open items with the committee and presented supplemental information.

### **OPEN ASSIGNMENTS FROM PREVIOUS MEETINGS**

<b><u>Meeting</u></b>	<b><u>Open Issue</u></b>	<b><u>Status</u></b>
Dec 28, 2005	<i>First Mtg – Solicit background</i>	
Jan 10, 2006	<i>Joint Mtg with Council – decide FC assignment</i>	
Feb 6, 2006	<i>How to proceed</i>	
	<ul style="list-style-type: none"><li>• Look at underlying assumptions for 5-year Financial Plan</li></ul>	Closed – Feb 14, 2006
	<ul style="list-style-type: none"><li>• Study Village finances via its operational entities</li></ul>	Ongoing
Mar 28, 2006	<i>Revenue Review- Belaustegui</i>	
	<ul style="list-style-type: none"><li>• Develop list of surrounding communities to compare Village with</li></ul>	Closed – Apr 11, 2006
Apr 11, 2006	<i>Bldg &amp; Plng Review – Merritt</i>	
	<ul style="list-style-type: none"><li>• <b>Tie Revenue &amp; Expense accounts together to create a consolidated picture (eg Site Review fees)</b></li></ul>	<b>OPEN</b>

	<ul style="list-style-type: none"> <li>• <b>Create survey questionnaire for comparative study</b></li> </ul>	<b>OPEN</b>
Jul 11, 2006	<i>Parks – Mooney</i> <ul style="list-style-type: none"> <li>• <b>Add full accounting of what assets acquired for dedicated millage + grant + donations</b></li> <li>• <b>Develop appropriate ongoing funding level for Park to maintain assets</b></li> </ul>	<b>OPEN</b> <b>OPEN</b>
Aug 8, 2006	<i>Administration &amp; Facilities / Council &amp; Community / Public Works / Trash - Belaustegui</i> <ul style="list-style-type: none"> <li>• <b>Add actuals for 2005-06 &amp; budget for 2006-07</b></li> <li>• <b>Develop FC idea of inputs to next 5-year Financial Plan</b></li> </ul>	<b>OPEN (Nov 15)</b> <b>OPEN (Nov 15)</b>
Sep 12, 2006	<i>Public Safety – Belaustegui / Water &amp; Sewage - Belaustegui</i> <ul style="list-style-type: none"> <li>• <b>Funding of Fire Truck</b></li> <li>• <b>Add data on Water &amp; Sewage Assets &amp; Liabilities</b></li> </ul>	<b>OPEN</b> <b>OPEN</b>
Oct 11, 2006	<i>Roads – Piotrowicz / Retiree Health Care - Belaustegui</i> <ul style="list-style-type: none"> <li>• <b>Binning of Metro Act funds (Gen Fund or Roads?)</b></li> <li>• <b>Review underlying assumptions for Health Care Actuarial Study</b></li> <li>• <b>Benchmark surrounding communities for Retiree Health Care practices</b></li> <li>• <b>Add Open Issues from prior meetings to regular agenda</b></li> </ul>	<b>OPEN</b> <b>OPEN</b> <b>OPEN</b> <b>OPEN (Nov 15)</b>

**REVIEW STATUS OF RETIREE HEALTH CARE AND DISCUSS NEXT STEPS**

The Finance Committee report on initial findings/recommendations on Retiree Health Care was included with the October 11, 2006 meeting minutes. This report was forwarded to Council, and Belaustegui presented a summary of the committee’s initial review at the October 17, 2006 Council meeting.

Belaustegui indicated items he would like to add to the report to include data on current funding, benchmarks from other municipalities, and possible alternative funding methods. Alternative ways to fund retiree health care was a topic of discussion. Belaustegui suggested that there is nothing wrong with funding retiree health care the way it is currently being done, which is his view and also the view of the Village’s actuaries. The Committee talked about a schedule for forwarding funding recommendations and alternatives to Council.

Members suggested that the committee should wait for a response to its report and recommendations from the newly seated Council on the basis that they may request further information. There was discussion on whether to explore further elements of this issue before submitting a final report to Council.

Motion by Mooney, second by Merritt, that Neil Hitz in conjunction with Finance Director Wiszowaty contact surrounding communities at their discretion to determine how they are dealing with the retiree health care funding and GASB 45 issues.

There was discussion of the motion. Wiszowaty commented that Village auditing firm Plante Moran would be willing to meet with Council in a study session to talk about State Revenue Sharing, Gas & Weight Tax, the Headlee Amendment and Proposal A, and Retiree Health Care funding.

Motion passed (5 – 0).

### **REVIEW UPDATE ON 5-YEAR FINANCIAL PLAN (2005-06 ACTUALS & 2006-07 BUDGET)**

Belaustegui commented that the five-year revenue and expense report was distributed to update committee members in preparation for drafting a financial plan. Wiszowaty stated that each year he updates the five year financial history, includes the budget for the current fiscal year, and prepares a five year projection based on the history.

### **REVIEW EXISTING WORK PLAN AND DISCUSS PROPOSED INPUT TO THE 2007-08 BUDGET PROCESS**

Committee members discussed what the extent of its input should be in the 2007/08 budget process and the expectations of the new Council. There followed a review and discussion of the Finance Committee's work plan outline.

#### **WORK PLAN OUTLINE**

1. Define and Understand present situation
  - Start with latest 5-year Financial Plan
  - Re-bin into logical operating entities
  - Identify key revenue and cost elements
  - Identify present financial planning and budget processes
  - Identify external factors that have significant impact
  - Develop written commentary for each operating entity and revenue/cost element
2. Compare present situation with similar surrounding communities
  - Determine communities to be compared
  - Obtain relevant data from each community
  - Re-organize data for comparison purposes
  - Identify gaps and establish what can/cannot be done to resolve them
  - Analyze and determine key findings
  - Develop written commentary of comparisons
3. Identify key issues for VBH 5-year Financial Plan
4. Develop alternative approaches to address issues

5. Make recommendations to Council

**PUBLIC COMMENTS**

None

**COMMITTEE COMMENTS**

Mooney commented on the November Council election and his view with respect to the direction of the newly elected Council. Committee members added their comments relative to financial challenges facing the new Council.

The meeting was adjourned at 8:14 p.m.