

**VILLAGE OF WESTON
FINANCE COMMITTEE**

THURSDAY, FEBRUARY 24, 2011

Committee Members Present: Chairperson Barbara Ermeling, Dick Yaeger, Bob Bender, Carrie Sukup, Finance Director John Jacobs, and Deputy Finance Director Jessica Trautman

Committee Members Absent and Excused: Administrator Dean Zuleger, Trustee Sharon Jaeger

Visitors: None

I. CALL TO ORDER

Chairperson Ermeling called the Finance Committee meeting to order at 5:31 p.m.

II. APPROVE MINUTES OF DECEMBER 16, 2010, MEETING

**M/S/P Bender/Yaeger: to approve the minutes of the December 16, 2010, meeting.* Motion carried unanimously.

PROPERTY TAX COLLECTION

III. 2010 – 2011 TAX COLLECTION – FINAL SUMMARY

Jacobs announced that as of February 22nd, our full responsibility for the first half of the property tax collection was completed. Checks were sent to the county, the school district, and the technical college on February 22nd. Jacobs said the amount of the checks totaled about \$4.3 million. Jacobs compared this year's totals to last year's totals. Collections at the Municipal Center in the mail and at the counters were \$14,190,129.74 compared to \$13,996,816.33 last year, pet licenses were down at \$9,080.00 compared to \$10,225.00 last year, and financial institutions' collections were down from \$2,131,607.72 compared to \$2,389,006.68 last year. Jacobs noted there was an increase in credit card payments, which totaled \$70,812.39 this year compared to \$42,743.76 last year. Overall, total taxes collected this year were \$16,392,549.85 which is less than last year's total of \$16,428,566.77. The total overall % collected of this year's tax roll was 73.96%, which was nearly identical to the 74.04% collected last year.

IV. 2010 DELINQUENT PERSONAL PROPERTY TAX LISTING

Jacobs reviewed the 2010 Delinquent Personal Property Tax List. The total for the 36 establishments that are delinquent is \$28,893.81 as of 2/24/2011. Jacobs said there are a number of these establishments that will not be able to renew their licenses (liquor, cigarette license, hotel, etc.) on July 1st, until their personal property taxes have been paid in full. Finance staff has already sent out delinquency notices to these 36 businesses for immediate notification.

ASSESSOR OFFICE REPORT

V. 2011 ASSESSMENT UPDATE

Jacobs reported that Village Assessor Greg Schmidt is working on the 2011 assessment year. He has completed all of the mobile home park information to date. He is also working on real estate assessments in the business and residential areas, and he will be compiling and reviewing the personal property information from the reports that are due to him by March 1st from the Weston businesses.

AUDITING AND FINANCIAL REPORTING

VI. DECEMBER 2010 BUDGET STATUS REPORTS

- **SPECIAL REVENUE FUNDS: AQUATIC CENTER FUND, BUSINESS GRANT FUND, ROOM TAXES FUND**
- **OTHER SPECIAL REVENUE FUNDS, DEBT SERVICE FUND & CAPITAL PROJECTS FUNDS**
- **PRELIMINARY GENERAL FUND PREVIEW**

Aquatic Center Fund - Jacobs noted that at the end of 2010, the Aquatic Center had net income of \$16,761, resulting in a fund balance of \$21,255. Last year, the fund balance at the end of 2009 was only \$4,494. Of this amount, there is \$997 remaining in grant dollars from Target received in previous years that is designated for capital projects at the pool. This year's undesignated fund balance for the Aquatic Center is \$20,258 compared to last year's fund balance of \$0.

Business Grant/Revolving Economic Development Loan Fund – Jacobs explained these grants were awarded to businesses residing outside of the TIF Districts and were to be paid back over the course of 5 years. There is annual tax levy for this fund every year. In 2010, \$5,000 was levied for the one grant awarded. In 2011, \$10,000 was levied because there were two grants awarded. The outstanding loan balances totaled \$45,000 at the end of 2010.

Room Tax Fund - Jacobs said this fund balance increased due to the total tax revenue collected in 2010 of \$184,108.97 compared to \$181,173 collected last year. He told the committee that after expenditures of \$200,692.05, which includes the payment to the Convention Bureau for 2010 of \$70,590.41, there was a net profit of \$16,465.89 that is designated for future capital projects in the Parks Department. There was a brief discussion of the Weston Fest event, the contributions received for the event, the expenditures made for the event, and the net amount funded by the Room Tax Fund each year.

General Fund - Trautman went over the preliminary 2010 Statement of Expenditures with the committee. She pointed out that at the end of 2010, we were \$205,677 under budget, which is \$29,437 better than what we had anticipated. Jacobs said that he was still working on the Statement of Revenues. However, with revenues from building construction, municipal court, and ambulance services all being down, the Village is short about \$103,000 in revenues. This is about \$18,000 worse off than the projected revenue deficit of \$85,000. In conclusion, Jacobs said that it appears that the 2010 year-end will result in a net budget surplus in the range of \$90,000-\$100,000, while the original target estimate had been \$90,000 when the 2011 budget had been assembled in October 2010.

****M/S/P Bender/Sukup: to approve the December 2010 Budget Status Reports and place on file.*** Motion carried unanimously.

VII. JANUARY 2011 BUDGET STATUS REPORTS

- **SPECIAL REVENUE FUNDS: AQUATIC CENTER FUND, BUSINESS GRANT FUND, ROOM TAXES FUND**
- **GENERAL FUND & ALL OTHER FUNDS**

Jacobs reported that at the end of January, the Aquatic Center showed a net income of \$774, the Business Grant/Revolving Economic Development Loan Fund loan balances were down to \$35,000 because of the \$10,000 tax levy received in January 2011, and the Room Tax Fund's fund balance was \$48,273.15.

****M/S/P Yaeger/Bender: to approve the January 2011 Budget Status Reports and place on file.*** Motion carried unanimously.

VIII. 2010 YEAR-END FINANCIAL AUDIT UPDATE – EVEREST METRO & VILLAGE OF WESTON

Trautman said the Everest Metro audit is going fine, and all they are waiting for is the Workers' Comp audit for it to be completed. Jacobs said the goal is to have the Metro's audit fieldwork finished by the end of March, so the Joint Finance Committee would be able to approve the 2010 audit report at their April meeting.

Jacobs said the Village's audit schedule is now set. There will be two days of preliminary audit fieldwork completed here during the last week of March, and the final fieldwork will be completed during the weeks of April 18th and April 25th. He added that the release of the audit report would normally occur in June and be discussed with the Village Board at that time. However, he might recommend it to be delayed 1-2 months if a definitive verdict would be made on the Rothschild utility tax lawsuit, which affects both of the 2009 and 2010 fiscal years.

IX. UNEMPLOYMENT INSURANCE CLAIMS – FUNDING OPTION FROM INTERNAL SERVICE FUND/FRINGE BENEFITS INSURANCE FUND

Jacobs explained why he brought this item to the committee for consideration. He reviewed the report showing how unemployment has been paid and expended in the past three fiscal years (2008-2010) with the monies coming from the various departments that the employees had previously worked in. He reported that the claims amounts are increasing each year, as the economy has worsened since 2008. The unemployment insurance claims expenditures have never been budgeted for in individual departments before, but the actual claims have been

charged to the individual departments as the claims have been received. Jacobs and Trautman talked to Mike Lensmire of Clifton Gunderson about this matter and asked him for a recommendation on how to handle unemployment payments and allocation to departments with a funding methodology. Jacobs said Lensmire's recommendation was to create a funding stream similar to the self-insured dental insurance program, charge it to all of the departments, and have the claims paid out of the Internal Service Fund. Jacobs added to this suggestion and explained how monies could also be transferred to the unemployment insurance fund from the excess fund balances in the Health and/or Dental Programs. The committee discussed the recommendations.

****M/S/P Bender/Yaeger: to keep the unemployment insurance program status quo (unemployment payments being charged to the individual affected departments as the claims are received).***

X. ACCOUNTS RECEIVABLE POLICY

Jacobs said the Village does not have a formal Accounts Receivable Policy at this time. He and Trautman have gathered different policies/pieces of policies being used elsewhere for the committee to consider in preparing a formal policy. Jacobs gave a brief description of the different types of policies being used. After a brief discussion, the committee's recommendation was to keep the policy as simple as possible for maintaining the accounting in the Village's books, to set a dollar amount threshold, and a procedure to follow-up with unpaid invoices (in the form of statements, phone calls, letters, small claims court, etc.). They also discussed the cost of a lawyer if we would have to go to small claims court, the probability of collecting after a judgment, the possibility of using publications, and small claims court versus collection agency versus the State's TRIP program (Tax Refund Interception Program). Jacobs will have a draft of the formal policy at the next meeting.

BUDGETING

XI. 2011 WISCONSIN BUDGET REPAIR BILL

- **HIGHLIGHTS OF THE BILL**
- **IMPACT TO THE VILLAGE OF WESTON – PROPOSED BUDGETARY SAVINGS OF WISCONSIN RETIREMENT FUNDING SHIFT FROM EMPLOYERS TO EMPLOYEES**

Jacobs went over the parts of the proposed budget repair bill that would affect government employees and the Village's budget. He noted the "non-public safety" village employees will be required to pay 5.8% of their wages into the Wisconsin Retirement System, which will result in a savings of \$108,889 for the Village. This will not affect the represented employees until January 1, 2012 (because of the existing Teamsters Union Contract which is in effect through 12/31/2011), but the non-represented employees will be affected immediately upon the passage of the budget repair bill by the State Legislature.

Jacobs said that the health insurance contributions that will be required will not affect us because Village employees already pay 15% of their health insurance premiums, which is more than the 12.6% required in the proposed budget repair bill by Governor Walker. Jacobs reported that Administrator Zuleger had gone to Madison to speak with our elected state representatives in regards to the proposed amount of budget savings that governments would have if ALL employees, both public safety and non-public safety, were required to contribute to the WRS. If our public safety employees were also required to contribute 5.8%, it would result in an extra \$106,986 in budgetary savings for the Village. Zuleger also spoke to the state representatives about recalculating the State Shared Revenue formula so that municipalities that have been responsible and lean in managing their government operations would not be hit as hard as what is being proposed by the Governor.

MISCELLANEOUS ITEMS AND OTHER FUTURE PROJECTS

XII. 2010 – 2011 D.C. EVEREST SCHOLARSHIP AWARD

Jacobs said that the scholarship award presentation night is scheduled for May 11th. He reviewed the requirements that must be met by the recipient of the Weston Centennial Homecoming Organization Scholarship in previous years. He said the scholarship was included in the 2011 budget this year to be awarded. Jacobs said the CD's balance was \$5,479.89 with an interest rate of 1.739% and that it matures on August 8, 2011. As this is the time the scholarship would be paid to the D.C. Everest School District, the timing is such that it would leave the required CD balance of over \$5,000 after the proposed \$250 is taken out.

****M/S/P Bender/Sukup: to award a \$250 scholarship for the 2010 – 2011 D.C. Everest Scholarship to a Village of Weston or Town of Weston student, who ranks in the top 25% of the class, who plans to enroll in at least a one-year degree program, and who is to be chosen by the high school faculty scholarship nominating committee.***

XIII. SET NEXT MEETING DATES:

- **MARCH 24, 2011 (THURSDAY) @ 5:30 PM**
- **MEETING SCHEDULE FOR BALANCE OF 2011**

Jacobs reviewed the 2011 calendar for all scheduled meetings of the committee. Bob Bender indicated that he would be unable to attend the next meeting.

XIV. ADJOURN

Chairperson Ermeling proclaimed the meeting adjourned at 7:05 p.m.

Respectfully,



Debi Brod
Recording Clerk