



2 LAGOON DRIVE - HAWTHORN WOODS, ILLINOIS 60047 - (847) 438-5500

**THE VILLAGE OF HAWTHORN WOODS
FINANCE COMMITTEE MEETING AGENDA
NOVEMBER 13, 2007
7:30 P.M.**

- I. Call to Order and Roll Call**
- II. Opportunity for the Public to Address the Committee**
- III. Approval of the Minutes from the July 10, 2007 Meeting**
- IV. New Business**
 - A. Sikich Presentation of FY07 CAFR**
 - B. Annual Tax Levy review/Discussion**
 - C. October '07 Financial Update**
- V. Old Business**
 - A. None this month**
- VI. Adjournment**

**THE VILLAGE OF HAWTHORN WOODS
FINANCE COMMITTEE MEETING MINUTES
JULY 10.2007
7:30 P.M.**

I. CALL TO ORDER AND ROLL CALL

Meeting was called to order at 7:30 P.M.

Attending: Steve Dugan
Bob Gerry
Doug Samz
Bob Sarley
Jim Silvers, Trustee

Also
Attending: Jim Krischke, Village Administrator
Nancy Caine, Finance Director

II. OPPORTUNITY FOR PUBLIC TO ADDRESS THE COMMITTEE

None this month.

III. APPROVAL OF THE MINUTES FROM THE MARCH 13, 2007 MEETING

A motion was made to approve the March 13, 2007 meeting minutes by Mr. Samz.
Seconded by Mr. Gerry.

On a voice vote the motion carried.

IV. NEW BUSINESS

A. Review of the FY07 (Unaudited Financials) and SSA Update

Finance Director Nancy Caine summarized the unaudited financial results for the fiscal year ended 4/30/07. She pointed out that FY07 ended with a net loss of \$45,788. Although the year ended in a loss, the results were much better than expected, especially with the major slowdown in the building industry and largely decreased revenues. She commented that a general fund donation from Winchester amounting to \$226,771 was received late in the fiscal year and minimized the amount of net loss. Ms. Caine also pointed out that FY07 expenses were also kept check, mostly due to the Public Works

Director vacancy for a major portion of the year and reduced vehicle maintenance expenses. Year-end cash balances were also presented and it was noted that the General Fund had maintained an unreserved balance of \$1,158,207.

Mr. Samz asked for clarification regarding the Winchester development. Village Administrator Krischke explained that it is a residential/commercial development located off Rt.176 and the Hawley/Gilmer area that had received final approval at the tail end of FY07. Mr. Krischke went on to explain that park donations and building permits related to the development were still forthcoming.

Mr. Dugan inquired as to whether the Police Pension was being funded per the actuarial or State recommendation. Mr. Krischke responded that the Police Pension was being funded as of May 1, 2007 at the actuarial amount recommended.

Mr. Gerry inquired as to whether the new accounting software was working effectively, specifically if it forced the user "to make choices," hence minimizing processing errors. Ms. Caine said that the accounting system was designed to force the user to make choices, particularly in processing cash, which she projected would result in capturing more revenue.

Trustee Silvers asked if the annual contributions from Toll Brothers were specifically allocated to the SSAs and if an annual amount of \$200,000 from the General Fund had been dedicated to the SSAs. A discussion ensued regarding the SSA projection that had been included in the Finance packet. Ms. Caine explained the rationale regarding the projection and her recommendation that to reach break-even on the SSA project that \$200,000 be transferred from the General Fund to the SSAs in FY08 and FY09, and that \$400,000 be transferred in FY10. Trustee Silvers commented that the first four years of the project yielded a 4% increase from Year 1 to Year 4. He said that the parties responsible for negotiating those contract amounts should "take a bow," particularly in light of the rising cost of asphalt. Trustee Silvers questioned the calculation and the costs reflected in the projection. After considerable discussion, all were in agreement that transfer of \$200,000 from the General Fund to the SSAs in FY08 was necessary. Trustee Silvers asked if the \$200,000 transfer from prior years had been made. Ms. Caine responded that it had not. Mr. Dugan questioned whether it had been agreed upon at the beginning of the project to move that amount annually from the General Fund to the SSAs. Trustee Silvers responded that the transfer was not made primarily because the project had been tracking so favorably. Mr. Krischke added that this year the fuel prices were exceptionally volatile and that next year the Village will go out for bid early in an effort to bring the average cost per mile down.

A motion by Bob Geary was made to move \$200,000 from the General Fund to the SSAs. Doug Samz seconded. The motion passed on voice vote.

Mr. Samz questioned the quality control inspection process regarding the roads. He sited some roads that needed a follow up "finishing process." Village Administrator Krischke said that he would look into that issue.

B. Aquatic Center Update

Mr. Krischke summarized the Aquatic Center bond that been issued in June. He explained that the \$2,805,000 bond issue was backed solely by (80% of) park donations and Aquatic Center operations. The interest rate was 4.75% and the bond issue proceeds included an amount of two years of capitalized interest and a bond reserve.

Mr. Dugan asked when the final Aquatic Center costs would be finalized. Mr. Krischke explained that although total cost to construct the Aquatic Center was projected to amount to \$5,900,000, the actual cost could come in as much as \$210,000 under, depending on pending change-orders, reimbursement of permit fees, and unused contingency. However, from that amount, a splash pad will be funded, which will cost between \$65,000 and \$90,000.

V. OLD BUSINESS

The issue of recruitment of new members for the Finance Committee was discussed. Mr. Krischke suggested that the Finance Committee make a recommendation to Mayor Hunt regarding potential members. Trustee Silvers said that he would follow up with Mayor Hunt.

Ms. Caine brought up the fact that Sikich is in their last of their three-year contract with the Village and asked the Finance Committee's recommendation regarding extending them. For continuity, the Finance Committee was in favor of extending Sikich's contract.

VI. ADJOURNMENT

On a motion by Mr. Samz, seconded by Mr. Gerry, the Finance Committee adjourned at 8:40 PM.

Respectfully submitted,

Doug Samz, Chairperson

Nancy Caine, Finance Director