

BUDGET FOOTNOTES FINANCE DEPARTMENT

- 1 **Salaries: FY05 Estimate - (\$650,000)** Staff salaries are projected to end the FY05 fiscal year below the budgeted amount and below the actual salary expenses for the previous fiscal year 2004. This is due to one position vacancy which occurred during the year.

 FY06 Budget - (\$646,000) Budgeted staff salaries for FY06 are 2.7% below last year's budget. This is due to the elimination of the full-time Accounting Specialist position which became vacant during FY05. The job responsibilities of the Accounting Specialist have been distributed among other departmental staff.
- 2 **IMRF: (\$13,600)** Please refer to the "Other Activities / Information" section of this budget to review information about the Illinois Municipal Retirement Fund (IMRF) and recent increases in the Village's funding of this mandatory retirement plan.
- 3 **Payroll Processing Fees: (\$0)** As of 1-1-04, the department has completed its goal of purchasing internal payroll processing software at a one-time cost of about \$10,000 to eliminate the annual costs of approximately \$40,000 previously paid to ADP for external payroll processing. In FY04, we eliminated one part-time accounts payable position and changed one from part-time to full-time so that payroll could be processed internally without any net increase in departmental staffing.
- 4 **Audit Fees: FY05 Estimate - (\$36,100)** The Village is required to have an annual audit performed by independent Certified Public Accountants. The amount budgeted for FY05 represents audit fees for the review of fiscal year May 1, 2003 through April 30, 2004 which was performed during the summer of 2004. The "spike" in fees compared to the prior year were attributable to additional auditing procedures and financial statement preparation work needed to implement the requirements of GASB 34. Audit fees budgeted for FY06 have moderated back to more "normal" levels.
- 5 **Postage: (\$3,900)** This line item reflects the cost of postage for the mailing of approximately 12,000 vehicle registration applications (for approximately 15,000 – 16,000 vehicles). Postage costs for the monthly water / sewer / refuse bills are budgeted in the Water & Sanitary Sewer Fund.
- 6 **Printing: (\$40,000)** The department contracts with an outside printing vendor to handle the printing and mailing of more than 100,000 utility bills annually. Twice each month, utility billing staff prepare and transmit an electronic billing file to our print vendor who converts the data and prints a full-page laser quality bill which can be read with bar code scanners at the cashier's counter and by our bank

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lockbox if the payment is received through the mail (\$34,000). Costs associated with the vehicle registration program (handled in much the same manner as our utility bill print services) (\$4,000), and miscellaneous printing services (check stock and various other application forms) are also included in this line item (\$2,000).

- 7 **Maintenance - Equipment: (\$87,000)** Most of this line item includes annual maintenance and support costs for our financial accounting system (\$45,000) which includes unlimited phone support for system users, database technical support, on-line trouble shooting and “free” product upgrades. Additional costs budgeted include use fees for our human resources software (\$11,000), software maintenance fees for our Geographic Information System (GIS) (\$10,000), software maintenance for our document imaging system (\$6,000), payroll time-clock maintenance and support (\$5,000) and contracts on various departmental printers and copiers as well as licensing fees for computer network virus protection software, and network nightly back-up and monitoring software (\$10,000).
- 8 **Professional Services / Other: (\$12,000)** This line item is allocated for the use of network consulting services on an as-needed project basis (\$4,000) and is also used for our subscription to GIS services provided by DuPage County (\$6,000) and other miscellaneous professional services (\$2,000).
- 9 **IFT / Health Insurance: (\$29,400)** The Village maintains a self-insured employee health benefits program. Each Village department contributes an amount annually to the Insurance Fund based on their eligible employees and enrollment status. For FY06, contributions to the Insurance Fund have decreased due to:
1. Projected total plan cost reductions for the 2005-06 plan year which began on October 1, 2004, and
 2. A “rebate” totaling \$150,000 has been credited against FY06 contributions from all user departments and agencies (GWA, Library), reflecting our excellent claims experience for the plan year ended September 30, 2004.

For additional details concerning the Village’s employee health benefits program, please refer to the Insurance Fund budget found in the “Finance” section of this budget.

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- 10 **IFT / Insurance – General:** (\$22,200) This line item represents a transfer to the Insurance Fund for general, property, liability, automobile, and workers compensation insurance coverages provided through the Village’s participation in the Municipal Insurance Cooperative Agency (MICA). Also included are State unemployment taxes paid to the Illinois Department of Employment Security.

In FY06, the amount of these transfers have increased across most departments due to the following:

1. In FY05, the Insurance Fund budgeted the use of cash reserves by using a portion of rebates received from the IRMA to reduce contributions needed from Village departments. No such use of cash is recommended in the FY06 Insurance Fund budget.
2. The Village’s required State unemployment tax has risen dramatically over the past few years.

For additional details concerning this line item, please refer to the Insurance Fund budget found in the “Finance” section of this budget.

- 11 **Computer Equipment / Projects:** (\$16,000) These funds are allocated for the replacement of PCs and printers across all Village departments (except Recreation) which have reached the end of their useful lives.