

## **BUDGET FOOTNOTES FINANCE DEPARTMENT**

- 1     **IMRF: (\$19,300)** The Village’s required contribution to the Illinois Municipal Retirement Fund (IMRF) has increased from 2% of full-time salaries beginning in January 2004, to 3% in 2005, and 4% in 2006. Please refer to the “Other Activities / Information” section of this budget to review additional information about the IMRF and recent increases in the Village’s mandatory funding of this retirement plan.
  
- 2     **Audit Fees: (\$28,200)** The Village is required by State statute to have an annual audit performed by independent Certified Public Accountants. The amount budgeted for FY06/07 represents audit fees for the review of fiscal year May 1, 2005 through April 30, 2006 which is scheduled for the summer of 2006. Per Village Board policy, the audit firm must be changed at least every five year period. The FY06/07 budget amount reflects the last year with our current audit firm. We will begin the request for proposal process to select a new auditor in early calendar year 2007.
  
- 3     **Postage: (\$4,000)** 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.
  
- 4     **Printing: (\$42,000)** 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 in the Cashier’s Office 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 our Cashier’s counter, and by our bank lockbox if the payment is received through the mail (\$35,000). Costs associated with the vehicle registration program (handled in much the same manner as our utility bill print services) (\$5,000), and miscellaneous printing services (check stock and various other application forms) are also included in this line item (\$2,000).
  
- 5     **Maintenance - Equipment: (\$91,000)** Most of this line item includes annual maintenance and support costs for our financial accounting system (\$46,000) 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) (\$11,000), software maintenance for our document imaging system (\$10,000), payroll time-clock maintenance and support (\$3,000) 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).

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- 6 **Professional Services / Other: (\$13,000)** This line item is allocated for the use of network consulting services on an as-needed project basis (\$5,000) and is also used for our subscription to GIS services provided by DuPage County (\$6,000) and other miscellaneous professional services (\$2,000).
- 7 **IFT / Insurance – General: (\$5,000)** 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).

Contributions to the Insurance Fund for FY06/07 have been reduced by 50% or more in some departments for the following reasons:

1. Beginning May 1, 2005, MICA increased total umbrella coverage to its members at little additional cost. This has eliminated the need for the Village to separately purchase a \$5 million excess liability policy at an annual premium cost of about \$72,000.
2. A one-time reduction of \$150,000 of Insurance Fund transfers is included in the FY06/07 budget, reflecting reduced MICA premiums for the FY05/06 fiscal year.
3. In January, 2006, due to recent State of Illinois increases in the State Unemployment Tax, the Village elected to pay the actual claims of its employees, rather than paying a tax to the State-wide “pot” of unemployment claim dollars. Budgeted costs of Village unemployment claims are now reflected in individual Village Funds, rather than expensing these dollars in the Insurance Fund.

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

- 8 **Computer Equipment / Projects: (\$55,000)** 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 (\$25,000). Additional projects include software upgrades to the Microsoft Office products (the current version is no longer supported) (\$25,000) and the installation of computer hardware which will link data and phone connections between the Civic Center and Reno Public Works Center through existing fiber optic connections (\$5,000). This will enable us to eliminate a current T-1 data line and its recurring monthly cost of more than \$300.