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approved 11/12/2015

Finance Committee - Meeting Minutes
Thursday, October 15, 2015
4:00 pm

Call to Order: 4:00 by Trustee Guzzo

Pledge of Allegiance

Roll Call: **Committee** **Staff**

Committee	Staff
Chair Trustee Guzzo	Manager Steve May
Mayor Gunter	Finance Director Spencer Parker
Trustee Liddle	Police Chief Tom Mulhearn
Trustee Barker	Police Sergeant Brian Gruen
Trustee Addington (4:16)	Fire Deputy Chief Steve Riley
	Jill Ziegler
	Glen Liljeberg (booth)

Minutes approved: The August 6, 2015 Regular Meeting Minutes were approved by a motion from Trustee Liddle and a second by Trustee Barker.

Unfinished Business: none

New Business:

Squad Car Replacement: Director Parker reviewed the budget item of purchasing squad cars and that this has not yet been ordered due to the delay in Springfield. As the calendar date for ordering and receiving cars by April is fast approaching, if ordering is delayed it will increase next year's budget by a substantial amount. The current price is only valid until November 8th, and then a new cost will be charged. The police department and the finance department recommend ordering the squad cars at this time with the guaranteed price.

Trustee Barker asked for confirmation on the number of squads that have been budgeted this year? Director Parker answered that this year there are only three in the budget, not four as we normally have budgeted in the past for replacements. Trustee Guzzo asked if the order would be for the 4x4 SUVs or crown vic cars? Sergeant Gruen confirmed it was for the SUVs. Mayor Gunter asked if cars or SUV's were being replaced? Sergeant Gruen confirmed that the first SUVs purchased were being replaced, the only crown vics still in use were administrative cars not squads. Director Parker stated for clarification that the SUVs were midsized and not the larger models. Mayor Gunter asked if the older SUVs were being traded in or passed down? Sergeant Gruen replied that whether the SUVs being replaced were sold or passed down depended on the village wide inventory and the recommendation of Fleet Supervisor Virgil

Viscuso. Chief Mulhearn stated that the decision of where the car went was up to the mechanic, and where they were needed the most. Trustee Barker stated that we have discussed car replacement a lot in the last few years, and how many miles versus engine running miles are making this problematic? Manager May replied that the mechanic had that information, it was not here tonight as the vehicles were not being sold which is when that information is reviewed. Trustee Barker asked what kind of problems were the police facing with the vehicles that were keeping them off the street? Sergeant Gruen replied that besides normal issues it could be computer issues or camera issues that could keep a car off the street any given night. There were no big issues with these newer vehicles. Chief Mulhearn discussed the number of cars on the street at every shift.

Trustee Guzzo asked how long police had a vehicle before it was passed down? Director Parker stated that it use to be 2 years, then went to 3 years, and now with the newest vehicles we believe we can get 4 years of frontline police use out of them. Trustee Liddle asked what the price on a new vehicle was at this time? Director Parker replied that it was a base price of $28,000.00 and then have the police package is additional.

The committee was agreed to move forward with ordering the vehicles. There will be a purchase order on the next agenda, as this is a budgeted item.

ERI Update: Director Parker stated that the beginning of September was the deadline for employees to retire under the ERI. At this time we know who took advantage of this opportunity, however we do not have the invoice from IMRF as of yet to show who purchased time and what is due. The current estimate, if everyone purchased the available, will be just over $1,000,000.00. That is lower than the estimate. Operational savings were reviewed.

Trustee Barker asked for clarification of the ERI for Trustee Liddle and Trustee Guzzo as they were not a part of the board when that was put into place. So, how many people were eligible and how many took advantage of the ERI? Mayor Gunter stated that 16 were eligible, you had to be a minimum of 50 years old, at least have 20 years of service and you were eligible for a one year period to purchase 5 years of service credit. We have done this and cannot make this offer again for 4 years; we do not have to make the offer again. Director Parker answered that 7 people took advantage, half of those eligible. We also had people that did not retire, but have left village employment outside of the ERI.

In operational savings each year should be $263,000.00, taking 4 years to break even. The original thought was that it would take 7 years so it is better than anticipated. In allocating that savings we have additional personnel and the personnel that were not eligible that decided to retire have adjusted the net savings to about $200,000.00. Trustee Barker asked if all the positions were filled? Director Parker responded that at this time the numbers are accounted for in his figure of $200,000.00. Trustee Barker asked if there was a larger or smaller staff as a whole? Director Parker stated that this depended on the department. Manager May stated that there were part time positions that replaced full time positions in many areas. Trustee Barker remarked that we still do more with less. Trustee Guzzo commented that could be painted on the water tower as our new slogan.

Fire District Agreements & Property Tax Cap: The overview is the contracts with 3 fire protection districts that are too small and so they have contracts with Westmont to provide service. It was discovered however that the residents were paying more for service that the district residents that were contracting for service. It is different for each district, as they are all set up differently. With one of the districts we may be able to set up a special service area, allowing us to assess the residents in that district for the service. The county would have to allow for this, the residents could decide to go to referendum. This is only for one of the districts. The other two districts it might not be possible to set the special service area and have the property tax funds meet the cost due to the property tax cap.

If that is the case, we have the option that we could no longer provide the service and then forfeit the $100,000.00 that the district currently pays for the service, not having a new form of revenue to replace it or a deduction in cost as it doesn't cost additionally more to provide them with the service as they are such a small area. Then at budget time we would have to find a way to cut that amount of money from somewhere else. While we don't want to provide fire service to a district at a lower rate necessarily, we would have to cut some service to our residents to offset the loss in revenue.

The Mayor felt that when this was first discussed that if it took years to bring them up to the same cost, there was no burden to the fire department. The goal was to get the districts up to the same rate, even if it took years we were working toward that goal. Trustee Barker asked about the the larger area refusing the special assessment. What would are options be? Spencer said that we would either have to accept it and go on business as usually or terminate the contract and make up the loss of revenue somewhere.

Trustee Guzzo asked what the process was to move forward with the special assessment? Director Parker stated that we would have to have permission from the county to pass an ordinance and then we would pass an ordinance. Trustee Guzzo stated that these districts had been in place for a long time so there really is no reason not to continue. Mayor Gunter replied that as long as it doesn't take away from our residents for it to continue.

Mayor Gunter asked that Director Parker go back to the subject of the ERI and discuss the prepayment of funds to IMRF. Director Parker explained that the funds to IMRF can be paid upon receipt of an invoice, or it can be paid in increments over time at seven percent interest. As the village is not receiving anywhere near seven percent interest on our investments, we set aside funds in our IMRF account to pay the amount in full. The seven percent interest could cost over $150,000.00 in interest in five years. Trustee Addington asked if the funds were in the IMRF reserve so that we could not spend it anyway? Director Parker responded that we had funds there and some general funds reserved for this purpose. Trustee Addington remarked that with the mess in Springfield we might need to hold back on funds we might need.

Tax Levy: In terms of timeline, we have to pass the proposed aggregate tax levy in November, publish it in the paper if necessary, and then hold a public hearing in December following our adoption of the levy and then file it with the county. Discussion of the rates and previous history was reviewed.

Reports:

Chair: Asked about the funds from Springfield, do we know anything? Director May responded that the guestimate is we will not have any decisions/disbursements before March.

Director Parker: The audit status is for the end of November this year. Trustee Barker asked if we had been able to put in place the internal controls that the auditor suggested. Director Parker stated that with a staff of 7 and not 20 there are mitigated controls in place. Trustee Barker asked if the software upgrades would help? Director Parker replied that we did have it in the budget to upgrade the software, some changes had been made in our software controls with IT that the auditors recommended. So, that will still be in the management letter.

Trustee Guzzo asked if there were any other questions or comments?

None given.

Trustee Guzzon announced that the next meeting would be November 12, 2015 at 4:00pm.

Motion to adjourn by Trustee Barker seconded by Trustee Liddle.

Adjourn: 4:39pm