WESTMONT
THE PROGRESSIVE VILLAGE

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DRAFT - Approved 12-10-2015

Finance Committee - Meeting Minutes
Thursday, November 12, 2015
5:00 pm

Call to Order: 5:00 by Trustee Guzzo

Pledge of Allegiance

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

Committee	Staff
Chair Trustee Guzzo	Manager Steve May (5:03pm)
Mayor Gunter	Finance Director Spencer Parker
Clerk Szymski	Police Chief Tom Mulhearn
Trustee Barker	Public Works Director Mike Ramsey (5:41pm)
Trustee Addington	Fire Deputy Chief Jim Connolly (5:20pm)
Trustee Barry (5:20pm)	Alicja Richards
Trustee Liddle (5:27pm)	Glen Liljeberg (booth)
Trustee Nero (5:35pm)	

Minutes approved: The October 15, 2015 Regular Meeting Minutes were approved by a motion from Trustee Addington and a second by Mayor Gunter.

Unfinished Business: none

New Business:

Overview of Impact of Various State Budget Options Mayor stated that this is what the committee asked for, an overview of all the funds that the state is holding. Director Parker stated that the funds that were affected so far, however there was no telling what would come up in the future - review of the state of the Village economic slide to review the funds.

- The possible freeze of property tax will not hurt the Village as much as other entities as only 16% for public safety and 7% for non-public safety of our revenue comes from property tax. The total amount for the next levy to be used for non-public safety is $24,000.00 (.1%). If the freeze includes public safety, that will mean police pension will cost a couple hundred thousands to make up the deposit in the fund. The Mayor reminded everyone that we are capped as what we can levy by statute.
- The 2 types of payments that the state is holding is video gaming and motor fuel tax, at this time we have not received about $327,000.00 held if this continues all year it will be about $754,000.00. If we do not receive money from the state we have $466,000.00 in motor fuel tax after we have covered all the costs we have budgeted at this time. If the hold goes on at the state next year, this could affect the projects we move on next year. We are doing okay, the state's offer of a low cost loan for the

funds it is not releasing is not something we are in a position to have to look at right now. If it continues in the future, it could happen if our reserves were gone. The Mayor asked how much was debt retirement? The answer was $320,000.00 budgeted for debt retirement and it had already been moved to that budget fund. The Mayor stated that if the state holds the MFT funds forever, we still have to come up with the debt retirement every budget year out of general funds. The video gaming portion of the held funds are not putting us below the required balance line as of yet. If the funds are never released we will need to find cuts to keep our balances after this year.

Trustee Guzzo asked if we had any idea how long this could possibly go on? Trustee Addington replied that this was a chess match between the IL Democrats and Republicans. Manager May said it was not on the current schedule. Mayor said that the governor's original plan was to only keep half not keep everything. Mayor Gunter discussed what other towns were dealing with in terms of payments not being made by the state, Director Parker remarked that we are in a better position because of our reserves to handle our shortfall. The positive is that we are still receiving our income tax funds, not the 50% but the full amount and the other funds are being held not kept.

Review of items that we have put on hold due to the funds being held up at the state. Some have been approved, as the cost was prohibitive to waiting. There are still items however that we are holding back on purchasing: additional reaccreditation expenditures, part time fire inspector, two factor authentication, tablets for fire command, financial software, off site backup, eab tree removal and planting, replacing benches, floor/carpet cleaning, removing reception desk, drinking fountains, hr generalist and a pop detective. This is $1.2 million dollars that is budgeted but not yet spent, waiting for the state to make decisions. There are capital expenditures in the amount of $530,000.00 that we are holding back on even though the state decisions do not impact capital reserves we are waiting to spend unnecessary funds as a safety measure.

The Mayor asked what the total dollars are that we could lose? The answer was close to $2 million. We are holding off on the projects so the loss could be covered. Manager May said that the state has never said that we would lose all that amount, we are just being cautious. The further we get into our fiscal year likelihood of our being affected this fiscal year are slim. Before our new fiscal year we will start moving forward with the necessary items on the list that we have been putting off. The Mayor replied that from an over view, we held on to $1.8 million as a safety precaution for this year incase we lost $2 million from the state. Trustee Guzzo asked if the state could go a whole year without a budget? Trustee Addington, the Mayor, and Manager May all replied yes. Trustee Barry asked how the vote that just occurred affects us? Trustee Addington said that it is on the shelf until next year, due to 1 no vote. Discussion of the Springfield procedures ensued. Director Parker said that if the vote had gone through we would not be worrying about the $327,000.00.

Overview of Preliminary Budget Timeline Director Parker reviewed the process, beginning with the strategic plan as a tool to budgeting. Last year we did not have the strategic plan so we had a special meeting to know what direction was most inline with the board's priorities. The strategic plan meeting on Monday will be the first step in the budgeting process. Committees and department heads will be reviewing the items that need to be discussed before the budget meetings. The budget workshops will hopefully be during the first week of April having the budget up for approval at the April 14, 2016 meeting. Trustee Barry asked how the new budget year works if the state doesn't have a budget, do we keep rolling along? Director Parker stated that we keep going along trying not to cut programs until necessary. It is still a waiting game.

Review of Property Tax Levy Timeline for the levy was reviewed. It is on tonight's agenda to establish the levy giving us a number. Next is a public hearing, then the approval of the levy on Dec 10th, filing with the county in December and we will know the rates in March and can abate at that time. If we do abate the rates, we will have a week to notify the county so it might require a special meeting. The collection of the new tax amount will be in June of 2016. The Mayor stated that the average in new money is less than 2% over the last few years, Director Parker stated that if it wasn't that would be surprising.

Director Parker asked if the committee wanted him to go into the specifics of the levy or save that for tonight's public meeting? Trustee Guzzo asked him to give the committee highlights.

- Total amount for the Village, last year was $6.2 million and this year if we levied the same amount, we would be at a loss due to the required increase in the police pension fund. The increase will be a 1.3% much of which will go into the police pension. The library amount is listed in our levy as we are required to file for the library. That total is whatever the library board requests, we have no say in the amount they decide our legal position is just to file for the library. Trustee Barker asked if the library was getting less? The response was that they were probably receive a little higher than last year. Both the library and the village are levying for an increase a little above 1%.
- Trustee Addington stated that it was not much of a change from last year. Trustee Addington commented that not this year, but next year the Mariano's structure will help give us a bump. Director Parker replied that the TIF the TIF gets the increase for the new construction. We as the Village will not see it for about 20 years. The Mayor commented the we would still get the CPI. Trustee Barry asked if the new assisted living structure was outside the TIF, so we will see the increase for that. Everyone agreed.

Reports:

- **Trustee Guzzo**:
  - Thanked Finance Director Parker
  - Expressed a hope that the state would move forward
- **Director Parker**
  - The Places for Eating Tax was still being reviewed with the businesses that were not in compliance. Attorney Zemanek was working on a letter reminding businesses that their business and liquor licenses were contingent on ordinance compliance. Trustee Addington asked how many business were compliant? Director Parker said that 60 businesses are complying. Trustee Barker asked how many letters have we sent out, is this letter number 2? Director Parker said that it is letter 4, however previous letters were much more a friendly reminder than this one.
  - The non-home rule sales tax and the home rule sales tax payments are being handled by the state. Businesses that are unsure are being put in contact with the state to figure out their payments and adjustments, as the state collects the tax.
  - The sales tax is being distributed by the state, it is not being held. We have received one month - if we look at that as the average we would be right on track with our estimates.

Trustee Guzzon announced that the next meeting would be December 10, 2015 at 4:00pm/Public Works will be meeting at 4:30pm.

MISC: Trustee Addington stated that the Lions Club had a bottom line $12,400.00 with the Rotary receiving $5,600.00 which is a profit of $18,000.00. Clerk Szymski said that the carnival made more money that it has in the past and Trustee Liddle commented that the increase was on Saturday as Sunday sale were down due to the rain.

Motion to adjourn by Trustee Addington seconded by Clerk Szymski.

Adjourn: 5:47pm