FINANCE
31 West Quincy Street, Westmont, Illinois 60559
Tel: 630-981-6230 Fax: 630-829-4440
westmont.il.gov | finance@westmont.il.gov

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Finance Committee
Meeting Minutes - October 13, 2016
Westmont Village Hall

Call to Order: 4:00 pm - Trustee Guzzo

Pledge of Allegiance

Roll Call: Committee **Staff**

Trustee Guzzo (Chair) Trustee Barker Trustee Liddle Trustee Addington	Director Parker Manager May Chief Gunther Chief Weiss Director Ziegler Deputy Clerk Richards Admin Assistant Jenny Babyar Community Director Larry McIntyre(4:13p) Deputy Chief Riley
Visitors Joe Moffa WSEC Kristina (4:18pm)	*None*

Minutes approved: The August 4, 2016 Meeting Minutes were approved by a motion from Trustee Liddle and a second by Trustee Barker, all ayes.

UNFINISHED BUSINESS: Director Parker began the meeting presenting objectives of the reviewed topics:

Cigarette Tax - Director Parker started the discussion by saying the only nearby communities that use this tax are Cicero, Evanston and Chicago. Director Parker requested information from the state. State statute does allow for the tax. Communities can have tax if they do not have a home rule sales tax. Since we do not have home rule, we should be able to use tax. Director Parker added that our Attorney gave the opinion it is allowed. Director Parker stated he does not know how many cigarettes are sold in Westmont, so he cannot give a dollar amount. He has a call in to the state to get more information. This is not a common tax. Director Parker asked if the village is still interested in pursuing this tax? Trustee Barker and Trustee Guzzo agreed to look into it further. Trustee Guzzo would like to to see what options are available. She indicated that we do not expect a lot of money, but it would be a deterrent. Director Parker will follow up on this topic at the next meeting.

NEW BUSINESS: Director Parker presented Expense Policy items:

Reimbursement Expense Policy - Director Parker said our policy was getting out of date, and we were planning to revise it in the near future. Now a new State law has required some updates to the policy, which have to be done by the first of the year, although there will be no penalties until after June.

Director Parker presented the new State Requirements. The village needs to specify what types of activities are allowed. Also, the policy needs to specify that entertainment, such as shows, amusements, etc, are not allowed. Maximum amounts of reimbursement also have to be set. Our current policy did not have this, but staff agrees it would be good to have in the policy. Anything above the maximum has to approved board, as do any reimbursements to elected officials. Director Parker asked, if we should include the approval for trustee expenses in finance ordinance, or put it on consent agenda. Manager May said we could accommodate either option.. Trustee Addington said he was comfortable including it in the Finance ordinance because of other limitations that will be set in the policy. The committee agreed it should be on the finance ordinance.

Director Parker brought up the review of Trustee expense items from previous discussion at a prior committee meeting. It was agreed by all that most community functions would be eligible for reimbursement. However, only the Mayor will be eligible for reimbursement for the Chamber Winter Ball. In the previous discussing, the Board indicated their preference that no elected officials, except for the Mayor, are eligible for overnight stays. Staff suggested making an exception for an elected official village member who is at an event with an organization of which the Village is a member, which is located at least a specific distance, such as 50 miles, away from the Village.

Director Parker said the options for reimbursement are Per Diem or Receipt. Right now we follow the IRS minimum guidelines, so we currently allow either way. Someone who turns in a receipt for reimbursement could be reimbursed for as much as they spent, regardless of the cost. If we had Per Diem, the amount they would get would be based on location, as determined by the Federal Government. They would get a specific amount,and keep the balance of the money if they were able to find a meal for a lower cost than the per diem amount. The board discussed the options of straight per diem which would be easier to administer, or, a capped receipt which we could could cap at per diem amount. Trustee Guzzo and Trustee Addington liked the idea of substantiating purchases with a receipt, but capping the amount at per diem. The committee agreed.

Director Parker brought up travel reimbursement requirements. He said, in practice village employees are to use village vehicle unless they are attending a “required event” to which it is not practical to drive. Manager May added we try to keep village vehicles available. If flying somewhere(for required event), airfare currently requires employee to use registered travel agent. Director Parker proposed getting at least 5 quotes on airfare and being within 33% of lowest quote. If no vehicle is available and the employee must use their own car from their own home, they will get reimbursed based on the mileage the lesser of going from the Village to event, or from their house to event.

Director Parker spoke of spouse and significant other requirements. Right now our policy states the Mayor is allowed to bring a spouse or significant other if he reports it to the board. Anyone else, must reimburse village the difference of a spouse attending. The board agreed to keep this in policy.

Director Parker gave the details of the rules for department head monthly expense allowances. As approved in budget/contract right now there are no carry overs month to month. In practice, items such as food for events/meetings purchase in Westmont, department morale building(excluding entertainment),and paying for other employees to attend community events have been acceptable. Trustee Addington asked if we can add statement that says reimbursements follow what current IRS guidelines are. Director Parker agreed.

Director Parker spoke on the 2016 Property Taxes. He said we would have the proposal of the estimated aggregate tax levy and transfer of debt service at Nov 10th meeting. Then if the amount of the levy requires it, we can publish notice in the newspaper. We will have a public hearing and adoption of the final levy on December 8th. The Levy must be filed with county by the end of December, 27th. In March the Board will have the ability to reduce the tax levy.
Specifics of property tax:

1. We are estimating about a 6% increase in EAV.
2. Each year property tax revenues increase by inflation. This year's inflation amount is 0.7%
3. We estimate that we will receive about $66,000 more in property tax revenue including new construction.
4. Police Pension Contributions are increasing about $214,000
5. In prior years we increased the property taxes to general fund because we had a surplus in Social Security and IMRF. However, these balances have been exhausted, so we will have less going towards the general fund.
6. We expect a net reduction of about $100,000 of General Fund property taxes used for operations.
7. Total property tax levy is 4.7% over last year's extension.

Because the increase is less than 5% over last year, Director Parker indicated we are not required to publish notice per the Truth-In-Taxation Act (TITA), or hold a public hearing. He indicated that last year the Village did not do the expensive TITA notice, but instead published a legal notice indicating it would be discussed. He asked if we should follow the same procedure, and all agreed. Trustee Addington asked if we can add that it is less than 5%. Director Parker said yes.

A question was asked about how the TIF property tax revenue fit into the information Director Parker had previously presented. He explained that new construction in TIF districts is separate from the tax levy. The Village's general fund does not get extra revenue as a result of new construction from TIF districts. Trustee Addington asked when we will see new tax dollars from the hotel project. Director Ziegler said she estimated it would be about 2018. Manager May agreed, saying maybe the end of 2018. Trustee Addington asked if there would be an increase in value even if the project not completed. Director Parker said there potentially could be, depending on the timing of the assessment.

REPORTS: Chairperson . Finance Director - Nothing at this time.

Adjourn: 4:30 pm- motion by Trustee Liddle and second by Trustee Addington, all ayes.