



FINANCE

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**Finance Committee
Meeting Minutes - December 8, 2016
Westmont Village Hall**

Call to Order: 4:00 pm - Trustee Guzzo

Pledge of Allegiance

Roll Call: Committee

Staff

Trustee Guzzo (Chair) Trustee Liddle Trustee Addington (4:11) Trustee Nero (4:25) Trustee Barry Trustee Barker Mayor Gunter Clerk Szymiski	Director Parker Manager May Chief Gunther Director Ziegler Larry McIntyre Dave Weiss
Visitors	<i>None</i>

Minutes approved: The November 10, 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 update: Director Parker started the discussion by saying we are still in the same spot we were at the last meeting about the Cigarette Tax. The other entity that thinks we can not use the tax is trying to find the prior research they did on the Cigarette Tax. We will give the entity more time to find the research and we will touch base with them later.

NEW BUSINESS: Director Parker presented objectives of the agenda topics:

Property Tax Levy:

The property tax levy is set for approval at tonight's board meeting. The police pension fund is going up by \$200,000.00 based on pension requirements. Part of that is because we have actuaries who are re-adjusting their tables on a more regular basis. In the past, there were smaller increases each year. Now, the increases are larger every couple years because the actuaries are looking at mortality tables more often. We are glad our actuaries are looking at these tables more often. However, the result is that it raises our police pension fund every couple years.

As a result of the police pension increase, our general fund is down about \$280,000.00. That

means the amount of money that will be coming into the general fund from property tax is about \$280,000.00 less than last year. About \$180,000.00 of that is because in the past few years we were putting a little more money into the general fund, and a little less into the Social Security, Medicare, and IMRF funds because they had a surplus. The surplus is exhausted now, so the money is going back to the Social Security, Medicare, and IMRF Funds. When we had that extra money in the general fund, we set other money aside in the general fund because, we did not want to get used to spending that \$180,000.00. Therefore, we have about \$100,000.00 in net real reduction in the general fund. As we go into budget time this year, we are already seeing a reduction of about \$100,000.00 .

The next step is to file the property tax levy with the county. Then in March, the county will give us figures that will let us know the property tax rate. At that time, the board will decide if they want to hold a special meeting to look at reducing the money we are levying. In previous years the board has not decided to hold a special meeting to look at reducing the money. Director Parker asked if it safe to assume we do not want to look at an even bigger reduction, since we are already looking at a \$100,000.00 reduction. Mayor Gunter said these are all capped funds and that is why need to stay within that cap. Mayor Gunter added that our increase in revenue probably will not even be 2%, it is new growth and it was not a lot, it is minimal. Director Parker agreed it will be about 2%.

Trustee Barker asked Director Parker if the \$280,000.00 reduction is expected for next year and only based on the tax levy. Director Parker replied yes, the reduction is expected for next year.

Debt Abatement:

Director Parker said the debt abatement relates to our 2013 bonds that were done as alternate revenue bonds. We told people who bought the bonds that we have a plan for how we are going to pay the debt service. We told them we have other revenue, and committed places for eating tax, motor fuel tax and utility tax. We told them this should be enough money to cover the debt repayment, but in case it was do not, the cost for repayment will go on the property tax. Every year we need to tell the county, we have enough money, so they do not put it on the property tax. That is what this is doing, because we have enough money in the committed revenues to cover the debt payment, we do not need to have it put on the property tax.

Report on Credit Cards and Purchasing Cards Policy:

Since 2007, the policy on purchasing cards stated only finance department employees can use credit cards and only if they cannot write a check. To update the policy we need to allow other employees outside the finance department to use credit cards. The credit cards would be monitored and reviewed by two employees in the finance department, supervisors and Manager May. The policy will also state as circumstances change, this policy can be discussed by the finance committee, and updated by staff.

Mayor Gunter asked if the credit cards can have a limit placed on them. Director Parker replied yes, a limit can be placed on the cards depending on the employee. Trustee Guzzo stated that checks and cash are a thing of the past; this is a good way to bring us up to date. Manager May added that credit cards are required in many cases, such as on-line registrations, etc.

Travel and expense policy:

Director Parker said this policy is being required by state statute and we want to make sure we have limits in the travel and expense policy.

One change is that there is now a maximum of \$3,000.00. If anyone needs more than \$3,000.00 for travel and expense, it would have to come before the board for separate approval.

Another change is that if an employee wants to be reimbursed for travel before they go, they have to submit a form for pre-approval.

An addition to the policy is in regards to airfare. Airfare will be covered only if required by the employee's job and the employee is directed to attend.

Another addition is that if an employee travels from their home directly to an event, the shorter mileage from the employee's home to an event, or the Village Hall to the event will be reimbursed.

Also listed in the policy will be a change to board expenses. The Chamber's Winter Event will not be included in the board expense account.

Overnight stays for elected officials will not be covered, unless the event is part of something for which the Village is a member and the location of the event is a long distance away. The overnight stay requirements will also be listed in the policy.

Mayor Gunter added that we are updating the policy because it is required, not because there is an issue with it. Manager May added that we are making the policy 100% compliant with the state of Illinois.

Budget meeting dates: We are looking at budget workshop dates between April 3rd and April 8th 2017.

Mayor Gunter asked if those dates are an off week for board meetings. Director Parker said, yes it is not a board meeting week.

REPORTS:

Director Parker presented on the following topics:

Water meter factoring issue: The finance department recently discovered that based on the type of water meter, some read a number of 1, 10 or 100 gallons and then our computer multiplies it by 1, 10 or 100. We found some accounts by accident that are not being multiplied correctly. Some of the accounts are being billed only 10% of what they should be charged because of the errors. One of the accounts totals about \$27,000.00. We are conducting a water loss audit and realizing these accounts play a part of the loss identified in the audit. Finance is looking into more accounts that may have been affected by these errors.

Director Parker asked the board how do we handle past years bills that were incorrect. He indicated we had the option to have them pay all of the balance, have them pay our cost, or to pay nothing. He also indicated that we could consider a payment plan.

Manager May added that when we first found out about this, we realized this was our error.

Trustee Liddle said she favors having them pay our cost of the water. We do not want residents to feel we are taking advantage of them.

Manager May added that we have already bought all that water from the Water Commission. Guzzo added that we need to work with residents who have a large amount due on their bill.

Mayor Gunter agreed they can pay our cost and to give them 2 years to pay it back if it took 2 years to get to this. We could give them up to a 24 months time frame to pay back.

Manager May agreed to Mayor Gunter's comment and added that if they close their account, they would have to pay it off then.

Trustee Barker asked, when will we have all results of the complete scope of the problem.

Director Parker said we are still looking into this and trying to find ways to get all the data. We do not have a specific date, we are hoping it will take only a few months, but it may take longer.

Trustee Barker agrees to have them pay cost, but hardships may make it hard for them to pay it all back. Trustee Barker also said it is our mistake.

Trustee Liddle asked if the accounts with the mistakes are residential or commercial? Director Parker said the majority are commercial accounts.

Director Parker said the accounts we have found, are fixed and the next bill they are going to get will be correct.

Trustee Guzzo asked if Director Parker could give an update at the January 5th meeting. Director Parker said yes, he will give an update at the next meeting.

Hotel Motel Grants:

In the Finance ordinance there is a check made out to the Park District for Holly Days for \$5,000.00. The board approved giving them a \$5,000.00 Hotel/Motel grant.

Trustee Addington gave an update on the Lyons Club Circus. He has check from the Lyons Club for the 100th anniversary committee for \$1,650.00, which is half of their profits. Trustee Addington will present the check at tonight's board meeting.

The next Finance meeting will be January 5, 2017.

Adjourn: 4:26 pm, motion by Trustee Liddle and second by Trustee Addington, all ayes.