



ADMINISTRATION

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Administration & Finance Committee Special Meeting Thursday, April 3, 2014 4:30 pm

Roll Call: Bruce Barker, Sue Senicka, Harold Barry, Virginia Szymiski, Chief Weiss, Mayor Gunter, Cathy Casey, Jim Addington, Bob Scott, Spencer Parker, Tom Mulhearn

Pledge of Allegiance

Reports - Finance & Administration:

Finance Director Parker reviewed the monthly financial reports; stated he would be brief as the budget workshops should have everyone up on the financials. Estimated end of year balance looks to be on point, exactly where we thought it would be. All funds are doing well. Question asked by the Mayor regarding IMRF funding ratio, Spencer stated that this was just released and he did not have the newest information. Trustee Addington commented regarding the sales tax and income tax delay in receipt of funds from the state. Trustee Scott asked for Finance Director Parker's opinion on where we are at in comparison to previous years, before the drop happened? Finance Director Parker stated that we were getting pretty close.

Discussion of the property tax funds disbursements and home value changes ensued. The ambulance fund, IMRF, police pension, and other disbursements reviewed as to the changes. We are funding police pension at 105% based on the audit of the previous year. We are currently at 47%, as you can see in the last year the amortization has changed. Tables were done in the 1980's with information from the 1970's, and under that we were at 48% funded. If we had not started to contribute at a higher rate, we would be way underfunded. The figures shown are where we are at right now, with the State's new analysis. Manager Searl asked where we are in terms of statewide numbers, Finance Director Parker stated that we were not the lowest however we were in the lower half. As we have room with our property tax revenues we are in a better position than many to contribute to the fund at a higher rate. In 2015 if we have not funded at the required rate of contribution, the State can withhold some of our taxes to fund the pension. We are currently above the minimum, as we are following our actuaries recommendations and not the State's.

Trustee Addington commented that things are in such good shape based on the policies that the Board of Trustees have implemented. Our revenues are higher than expected with the places for eating tax and the video gaming.

Any reports for administration? Manager Searl stated that there were no items to bring up at this time.

Unfinished Items - Trustee Expense Allowance: Trustee Addington reminded everyone of yesterday's budget workshop and the discussion of \$5000 to be used by trustees for educational workshops. He reviewed the original discussion of whether chamber dinner type expenses were not going to be a part of the covered expense; believes that to move forward with this there needs to be some parameters. Trustee Barry asked if this was in lieu of payment or in addition to? Trustee Addington replied that this was in addition to meeting attendance payment, stating that this has been brought up a few times and is now in our budget process. The only problem that he sees with this is the amount. If you have \$5000 divided by 6 it is an odd amount, it should be \$4800. A question of the Mayor and Clerk came up, and it was stated that the positions are different; this amount is for trustees only. Jinny commented that she pays for her trainings out of her salary. The Mayor said that the original discussion was for \$500 a piece allowance with the extra for a group session that everyone wanted to attend. The money would be there if you want to tap into it, if you don't - don't.

We need parameters, what type of things would be covered? Golf outings and dinners? Trustee Barry states that if you are going to represent Westmont it could be a covered expense, even though it is not educational. If it is personal it shouldn't be covered. Is it something that needs to be approved by the board? The board could decide there is something that they want to send someone to attend representing the board. It would come out of the extra \$1500. Trustee Barry states that for the new trustees there might be a lot of trainings that they want to attend and the senior trustees have already had that training. So a new trustee might need to spend \$1000 and not \$500. Mayor Gunter states that the board would have to approve anything over \$500 so they way he would be looking at it. Trustee Barker would like to see it laid out for review. Manager Searl said there would be a memo to the Mayor and board for review to make sure it all made sense.

Manager Searl believes that this is a great opportunity for the new trustees to attend a leadership training as Trustee Scott has done on his own. If you would like staff to write it out for you we can, work out what are the parameters that you want and we will set up a policy so that everyone is clear. The Mayor states that maybe the board should need to approve anything over a \$500.00 limit. Trustee Senicka believes that education needs to be defined. A conference isn't always educational. What Trustee Scott attended on his own wasn't a conference it was a training, thus educational. The State of the Village is a chamber event that we might all be there representing the Village but does everyone need to go to the Christmas party? Some events are educational and some are social. Chamber events are usually social not educational. A training has a certificate that has proof that you went, at IML you might go and not attend anything.

Trustee Addington states that a cap of \$500 individually is not going to go very far. You could spend the whole amount just going to IML. The Mayor commented that IML you would have registration and overnight lodging, you could have limits be a part of it such as the registration could be covered, but not the lodging. Guidelines as to what is a covered expense needs to

be laid out. Trustee Senicka commented that you couldn't use it to eat at Vincitori's on Cruisin Nights if we are not specific. Trustee Addington believes we have the wagons circled and just need to have a few things ironed out. Anything else on this issue? We will move on to new business.

New Business:

Capital Development Plan/Five Year Operational Plan - Trustee Addington wanted to bring this forward having spoken to Director Parker about it the other day. 30 years ago was the first 5 year plan and it is a good idea to enhance what is done now and talk to department heads as to what is going to come forward. The realization that staff is doing the budget and the problem with that is that staff never knows what is wanted going forward from the board without a plan. Once the 20 million dollar budget annually is gone, you can't go forward with anything else as an improvement. So a five year plan lets staff know what needs to move forward and not get stalled; it is spread over a five year period.

Public Works Director May stated that we don't move forward the same way we did in the past. You'll see now we move in pieces, each department, such as the vehicle replacement plan, shows things in a gradual way. The forecast for water main replacement is done to be able to set our rates. These are all done individually, but there is an interest in having one master capital improvement plan for everyone.

Manager Searl commented that the missing piece to that is that we have not done capital plan type research such as the street laser measurements until recently. That has been the type of expense that has been dropped with the economic downturn. We now do more of an individual department plan, an operating and a capital development plan. This is done during the budget preparation and it is a basic wishlist as to what would be wanted going forward. The capital improvement would be what is the higher priority. Other communities use consultants to do a projection of revenue to enable long term planning. Trustee Senicka commented that we have been running so lean.

The Mayor stated that the departments are doing the planning already. Manager Searl commented that any plan will change over time, it has to remain fluid. Chief Mulhearn talked about having a list that they prioritize based on the current need, it's a bulletin board and things get shifted accordingly. The Mayor asked that the staff do this next year for the board so that everyone knows what is being considered. Manager Searl remarked that the way Downers Grove does it is that all the items on their comprehensive plan is tied to their strategic plan so that things that come before the board are referenced to these plans so that the requests do not come out of nowhere. We already have a comprehensive plan.

Trustee Addington said that when we started this we were growing so fast that everyone needed something. We were in a period of growth. Manager Searl said that is right, we had double digit increases annually. That is not the case now. In the last five years we have had to get rid of some positions and change things around. We run very close to the bone. Trustee Addington said that he had never had to eliminate and that does hurt. At this time he would like everyone to know what everyone is thinking about. Manager Searl said that we

need to anticipate what is going to be 15 years out, that is the part of the discussion.

RFP Audit Services: Trustee Addington said that the audit services will be coming up for new bid next year. After this audit in October we will be ready to put out the RFP for the service. This group of auditors are really good, however they are not ones to help you do it just letting you know what you need to do. Finance Director Parker did not feel that the customer service aspect is as good as we have had in the past. Additionally, it is always good to have a fresh set on the audit eyes every few years. Other municipalities often have larger firms that have multiple partners that come on to your account every few years to give you that new look over; we plan to put that into the next RFP. The Mayor commented that Sikich, who the Park uses and the Village had before have a very good customer service aspect. The Park has just gone out to bid and they did let Sikich bid to continue.

Paid Time Off Benefits - Part Time Employees: This item came up during the budget discussions. HR Director Crane presented the information of a survey of 17 communities regarding part time permanent employees having sick time, paid vacation, and paid holiday time off; suggesting that we may need to move forward with a program to stay competitive. This would be for part time permanent and not seasonal employees. The Mayor asked if there was a minimum hour worked for our part time to consider, HR Director Casey said that we consider anyone below 39 hours a week as part time. The Mayor asked if there was a minimum such as 10 hours a week? The response was not at this time. The Mayor suggested that we put such a policy in place.

Trustee Barry suggested that the place to start for this type of benefit would be paid holidays; we don't have to do it all right off the bat. HR Director Casey suggested that we do an average of hours worked. If we said just holidays then the holiday only would apply that if you worked on that holiday normally. The Mayor put forward the Park has set up that permanent part time would be people over 1000 hours, entitled to 6 major holidays and after 1 year you get 5 vacation days at your rate of pay. The holiday pay is received whether it was a scheduled work day or not - it's a holiday. You have to have one year of service in to earn this however.

Trustee Senicka commented that paid vacation days would be a benefit that is offered that does not really cost a lot extra above loss of productivity; paying for a holiday would be an expense. A lot of companies give part time people available benefits of all kinds as it helps with retention. Trustee Addington commented that there needs to be limitations. I would like to see us do something for the people that work a minimum of 20 hours a week for us; but I agree with Harold that we need to start small and see how it goes. Trustee Barker said that it would be awful to give it and then have to take it away.

Director Casey replied that it doesn't cost a lot extra to give them the paid time off. The Mayor said that if you had a part time person at the front counter clerks you would need to have a full time back them up to have the time off, however you don't have that yet you have full time at the window. Trustee Scott stated that maybe we need to get our feet back a little

to seven or eight years ago and then look at vested employees someone that has been here at least a year.

Trustee Barry commented that the part timers are not the best employees doing a job well and that is a concern. Trustee Senicka said that was a different issue. Trustee Barry replied that it is well known that one particular part time employee is not doing a good job and now you are going to reward him vacation? Trustee Scott stated that you can not hurt the rest because of one. There are probably full time employees like that. Trustee Barry replied that he had at least eight of them on his list.

Director Casey asked everyone to think about the fact that the better benefits that we can offer for part time positions the better people we can recruit. We are not as competitive as other municipalities. Trustee Addington believes that Trustee Scott brought up the best part of the conversation, how much do we want to spend? Trustee Scott said Trustee Baker was correct in stating that we would hate to take it away.

Trustee Senicka believes that the cost is just perception. It doesn't really cost us anything to give them the time off. Trustee Barry said it might just be perception; being new to the board and budgeting it affects it. Manager Searl states that these people are in unique positions and if they take time off it could affect full time. Director May said that they had not had anyone leave because they don't get time off. Director Casey said that usually if someone needs a day off than we allow them to make up, otherwise they can't afford it.

Trustee Barry feels that our part time jobs are very well paid and well above the amounts paid in the private sector. If someone makes the choice to work part time for the higher paying job it is a choice they have made. Everyone makes their choices. Trustee Addington believes that the cost is minimal the perception is huge. So, we put this off leave it for unfinished business and we can bring it up again at a later date.

Adjourn

6:41pm

minutes approved: 9/19/2014