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Administration Department

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Administration & Finance Committee Special Meeting Minutes

Thursday, June 26, 2014

4:00 pm

Call to Order: 4:05 by Trustee Senicka

Roll Call: Sue Senicka, Virginia Szymiski, Mayor Gunter, Ron Searl, Steve May, Kim Nicol, Bob Scott, Larry McIntyre, Spencer Parker, Larry Forssberg, Ruth Olsson, Melissa Brendle, Alicja Richards, Tom Mulhearn, Harold Barry, Jim Addington

Pledge of Allegiance

Co-Chair Trustee Senicka announced that the Chair, Trustee Addington, is on his way - he believed that the meeting started at 4:30. Larry McIntyre went on to explain that the announcements in CivicPlus do not allow you to alter the header, only the message. So that with our meeting time change, the message tells you the correct information but the subject line does not. Manager Searl states that the feature should be turned off. Director Parker stated that then no one will get a reminder about anything from the Notify Me. Trustee Senicka said that her message was correct? She is not sure what Trustee Addington saw. The Mayor commented that the text received said the Board meeting normally starts at 7:00pm. Larry said that there are many reminders going out, the agenda center, the calendar, and the internal reminders that go out from the internal calendars.

Finance Report- Monthly Financial Report: Director Parker went through the month of May report, pointing out that the revenue listed is only 1% of our budget. Revenue starts in June with property tax. As May is the beginning of the fiscal year, we do not yet have much there. Trustee Senicka asked about the timely manner in which we receive sales tax. Director Parker explained the process which is about 90 days from the month that the tax is paid in - 60 days from the time the state receives it. The Mayor asked if we have determined if we have created the vehicle to monitor the sales tax given to the school districts for the TIFS. Director Parker stated that the sales tax is only applicable if there is major reconstruction/development of a property. The attorney is verifying the terms of the TIF agreement and benefit triggers. All the funds were reviewed.

The appropriations ordinance will be up for approval at the next board meeting. A notice will be published on July 9th to announce that the ordinance is available for review. The public hearing will be during the board meeting on the 10th.

NEW BUSINESS

Overview of Ongoing & Upcoming Projects / RFPs

Finance Director Parker reviewed all the new business items under RFP, stating that the staff was looking to explain where things stood and seek some direction on each item.

Timeclock Software - 1 vendor has been talked to and we believe that the vendor can do it unlike

some others that could not accommodate the fire department rate variables. We are at the point that we have to decide do we go out for an rfp or move further with this vendor? Do we keep looking to see if anyone else can make it work. The Mayor asked if there was a time element? The answer was not really, at this time Lori hand keys all of Fire. Manager Searl stated that this purchase is to be done this budget year. Chief Weiss remarked that the program Lori uses is starting to deteriorate and the gentleman that created it is getting ready to retire. He has fixed it a few times in the last year, however if it goes out we could lose everything. Manager Searl questioned that there was no fix, it is an access computer based program it could be fixed. Do we want to spend the money to find someone to fix this program while we look for a vendor with an RFP or go with the vendor that we believe can actually do what we need. The feeling of the committee is to move forward with an RFP.

Director Parker asked if the RFP should come before the committee, before it is sent out? Trustee Senicka feels that the staff knows what is needed and should move with the RFP waiting for the board to review would just slow things down. Director Parker asked if the board wanted to review all the submissions or just have staff review, decide, and bring a final decision to the board for approval. Trustee Senicka felt that the committee should review the submissions. Director Parker asked if this answer was the same for all the other RFP's: Finance Software, Investment Services, and Auditing Services. The general consensus of the committee was yes.

Compensation Study

Finance Director Parker stated that the Compensation Study RFP has gone out and we are reviewing the submissions. Manager Searl stated that 2 submissions were received and he forgot them on his desk. Mayor Gunter asked if the fees were included in the RFP and Director Parker responded yes. Manager Searl reported that the submissions were from an arm of Sikich and the other was from GovHR/USA. No other vendor has bid at this time. Trustee Senicka asked what the variable would be in regards to price? Manager Searl answered that it would be experience, time of turn around. The parameters are set by us. Director Parker put one on screen to show \$14,000 plus expenses. Manager Searl stated that one part of the study would be a revamp of job descriptions and we have ours pretty well on point so that will save some of the cost. The Mayor said that staff will need to review and choose what they believe is the best fit. Trustee Senicka asked who Heidi is? Manager Searl answered that she use to be a part of the PAR Group who did our last compensation study. Trustee Senicka believes that Heidi's group might be a better fit. Manager Searl stated that GovHR/USA has done a lot of work for us and Sikich might be a new set of eyes, having Greg as the team lead - the former manager of Clarendon Hills, we know that the work would be high quality. These 2 are the only responses to the RFPs. Trustee Barry asked how much was budgeted and the response was \$30,000.00. Trustee Addington asked how we had used Sikich. Manager Searl responded that Sikich had been our audit firm for years, about 5 audit cycles. Trustee Senicka asked how long they had been doing compensation studies. Manager Searl responded that they have been doing consulting for quite a few years, having first hired St. Charles retired Village Manager and then hired Greg.

Manager Searl stated that we would not be ready until the second meeting in July to bring forward a contract. Director Parker stated that we would do a full analysis and present the contract at the Village Board meeting, or does the committee feel we should wait for the next committee meeting on September 18th? Trustee Senicka said she was okay with that and asked the Mayor how he felt? The Mayor stated that he was okay with that. Manager Searl replied he could send hard copies of the reports for review, there was plenty of time before the board meeting for that. Trustee Senicka stated that the staff is the professionals to review such things, Trustee Barry commented that both companies come in under budget. Trustee Parker agreed and said the reports were about 160 pages of information. Manager Searl confirmed that staff would have a

recommendation to the Board at the July 24th Board meeting. Trustee Addington agreed. Finance Director Parker confirmed that for the other projects RFP's should go out and the responses should be brought to the Admin Finance Committee for review and questions. The consensus of the committee was yes. Updates on all will be ready for the September Administration Finance Committee meeting.

Chase Bank Credit Card

Chase Bank in Westmont has approached the Village with an offer of a Corporate Credit Card. The benefit to this would be to use it to pay large item payments such as Waste Management and we could have a cash back bonus of about \$8000.00; downside is that there is a \$200 annual fee and if one month has an interest charge we have lost the savings as the charges would be so high. Trustee Barry asked if we currently use a credit card. Director Parker replied that we do however the policy is only to use it if it is required because a check is not acceptable; we pay it on a monthly basis and do not carry a balance. We currently use Banco Popular, and a purchase order is internally required to authorize use of the credit card number.

Possible issues with moving forward with a Chase Credit Card: Waste Management will need to be contacted to verify that if we change to credit card payment it will not change the terms of the contract as it will cost WM a percentage to accept a credit card. The Credit Card billing cycle is 25 days and that often is not enough time to have the approval on the finance ordinance without creating a manual check to be approved after the check. Trustee Senicka said it sounded cumbersome. Trustee Scott said paying online would be a better option. Trustee Barry asked about the credit card APR. Alicja Richards commented that we never pay interest or finance charges. Trustee Barry said that we then do not have to worry about the APR. Director Parker responded that while it is not our policy to pay finance charges/interest fees it can happen that the payment is not received in time and we do have to pay the charges. Trustee Barry said that the difference in APR would be something to look at. Director Parker responded that right now we do not use the credit card for large purchases, only smaller ones that would not have a great deal of interest/fees. Manager Searl commented that the use of credit card payments right now are very restricted by practice/policy and the fear he has is that this would be easily abused. Trustee Scott asked why the Village can not set up automatic payment as we do at home? Then nothing is ever late. Manager Searl said that reviewing of the statements is necessary before payment with the Village invoices. Trustee Addington asked about public works purchases, Director May responded that accounts are set up not credit cards. Discussion ensued regarding the benefit of a cashback credit card being used enough to offset the annual cost. Trustee Addington feels that the need is not there and unless staff feels that there is a need it's not necessary. Trustee Barry responded that if this is a need, then other banks in town should be contacted to find the best deal available. Consensus being that the a new credit card system is not necessary at this time; the way it is being handled is a good, tight system.

Payroll Banking

Clarendon Hills Bank has upgraded their system, the hope is that the payroll detail will now work for us so we can skip a step in the process of the payroll direct deposits. We would still maintain the small account at Community Bank for local needs, but now be able to do payroll from our main account without the transfer. Mayor asked what the advantage to Clarendon Hills Bank is, as they are not a Westmont Bank. Trustee Senicka states that Clarendon Hills gave us the best RFP. Mayor said that leaving the payroll might be nice as they are a Westmont Bank and the checks will have a Westmont address. Trustee Addington stated that the banks are no longer Westmont banks they are all just branches, the main bank for Clarendon Hills Bank is really in Hinsdale and the main branch for Community Bank of DuPage is in Downers Grove, and both are owned by larger conglomerates. Trustee Barry felt using a Westmont branch brought jobs to the

community. The Mayor stated that it was only payroll so it was a transfer in and out on the same day as everyone probably has direct deposit. Finance Director Parker confirmed that direct deposit was mandatory for Village employees. Finance Director Parker confirmed that using Community Bank of DuPage for payroll was a matter of transferring funds from our Clarendon Hills Bank account to be sent to employee accounts; it was an added step in the payroll process. Not a large step so if the committee preferred to have the direct deposits transferred from Clarendon Hills to Community Bank of DuPage we can continue to do so.

Misc Items:

Trustee Addington questioned the gaming licenses in the Village; commenting that we already have 9 and are there anymore coming. Chief Mulhearn stated that Las Palmas was up and coming, rumor had it that Neat was considering it, Tap House Grill may also have a license pending approval. With those three we will be at 11. The estimated income for the machines was \$4000.00 and it is actually running more like \$8000.00. Trustee Senicka made the comment about the 2.4 million gambled in Westmont in the month of May as listed in the spreadsheet that Chief included in the Friday Report. Trustee Scott had requested Finance to look into the lottery sales figures to see if there is a drop. Discussion ensued as to the differences in the lottery sales and the various bars/restaurants sales. Trustee Barry comments that people he knows that work in the various places the beer sales are down and the tips are done. Chief Mulhearn stated that the owners of the businesses are paying their mortgage off with the new income. He further stated that everyone that said they were interested in the machines during the initial survey has gone forward in getting one except for Bishop's Chili. Trustee Barry believes that the places are doing really well are the ones that serve lunch. Chief Mulhearn believes we are doing very well. Clarendon Hills has voted for it, OakBrook has not, unsure about Downers Grove, Darien & Willowbrook have gone forward with it, OakBrook Terrace has it.

The Mayor asked if there were any problems with it so far? Chief Mulhearn reported that there were 2 gambling issues that the state had but there has been no increase in calls, violence or gang incidents with the machines. The Mayor asked Chief Mulhearn to explain what the State can do when you have those machines. The state has an investigative arm of retired police officers that have the authority to go in and look for any violations at anytime the place is open. They also have the ability to go in and search without a search warrant, the violators that they found were fined \$5000 apiece, and the gambling money that they found the investigators confiscated. There are a serious fines and possible loss of license. They have been in town twice, during the final four and the super bowl. We have had 2 violations here in town out of the 6 that were found in Northern IL.

Trustee Barry asked where does that leave us? Chief Mulhearn said that the gambling violations are a liquor license violation and Attorney Zemenak is preparing for the hearing to address. Discussion of gambling definitions, raffles for nonprofits, and state laws ensued. Trustee Addington asked Chief Mulhearn to see if any businesses were interested in giving up their lottery licenses due to the competition. Larry Forsberg stated that he could survey the business community, as the largest vendor of lottery tickets is the Jewel. Discussion of lottery sales and ancillary sales in the Village, transferred to a discussion of the Eatery Tax.

ADJOURN: 5:25pm Motion requested by the Mayor - made by Trustee Addington seconded by Trustee Barry

minutes approved: 9/19/2014