



ADMINISTRATION

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draft

Administration & Finance Committee Special Meeting Minutes

Thursday, September 16, 2014

4:00 pm

Call to Order: 4:00 by Trustee Addington

Roll Call: Jim Addington, Alicja Richards, Bruce Barker, Tom Mulhearn, Lynn Johnson, Spencer Parker, Larry McIntyre, Jinny Szymiski, Robin Gardner, Bob Reid, Steve May, Sue Senicka, Larry Forssberg, Jill Ziegler, Cathy Crane, John Chorney, Ron Gunter

Delayed attendees: Kim Nicoll, Bob Scott, Harold Barry, Dave Weiss

Pledge of Allegiance

Minutes: 4 sets of Minutes were approved by Szymiski and 2nd by Barker. No questions or dissent.

Reports

The monthly Financial Report was reviewed by Director Parker. We have spent 29% of our budget at this time and revenues are at 32%. This is exactly where we expect to be at this time of the year. All the various funds were reviewed, discussed, and compared to last years numbers. Trustee Addington gave kudos to all the department heads for watching the expenses enabling us to see things recovering at this time. Great job to all.

Clerk Szymiski stated that the Election Packets would be ready to be handed out on Tuesday, that is the first day that they can be circulated. Trustee Addington asked if the Village handled everyone's packets and Clerk Szymiski stated that we only handled the Village and the Library. Everyone else handed out their own, however the county website had everyone's packet available for download. The Mayor asked how many signatures someone needed, it varies depending on what entity; the village is 5%. The date for early voting has been announced, however Clerk Szymiski did not have the email with her. She would make an announcement of all of the dates.

Unfinished Business: Nothing

New Business:

Rhythm and Blues Hall of Fame - Acting Manager May stated that there was a presentation expressing interest in this and how it relates to Westmont. Chamber Executive Director

Forsberg said that Michael Fleck, Bob's brother, contacted him about a radio presentation he had heard announcing that the Rhythm and Blues Hall of Fame was looking for a home. A meeting was held with the principals for this effort. They have been looking at Ohio, Detroit and the Chicago area. Looking for about 30-35,000.00 sq.ft. that will seat over 1500 for their annual event, accessible to airports and transportation - in the middle of it all. Gave them a tour of the community after their presentation and have received an email that there is some interest. The DCVB was a part of the meeting to show what would be possible here in the county. Chamber Executive Director Forsberg. stated that if we are interested in moving forward with this organization, we could do a non-binding letter of intent.

- Acting Village Manager May commented that the R&B Hall of Fame came to us and seemed interested in the small town appeal and the Muddy Waters connection. Prepared all the posters with Westmont all over it for our benefit. They seemed interested, wanted to make sure that we are interested. They are probably doing the same for Detroit, and using our letter of interest in negotiations, as they will use a letter of interest from Detroit. They are looking for a space and access to a theater for their annual ceremonies. Village Planner Ziegler and Chamber Executive Director Forsberg. have shown them Drury Lane and the Hilton.
- The Mayor said that they have had a few annual ceremonies and that aspect interests them, however they want to also have space for a non profit museum connected to a for profit restaurant. The board of the non profit group would be representatives of our area. Chamber Executive Director Forsberg. said to look at this as a destination venue along with an annual event. At this point they are looking for us to make our intention of interest known. It could be strategic negotiating on their part. There is still a lot of work to be done to see if this truly makes sense, but the first step is a non-binding letter of intent.
- Communications Director McIntyre. stated that the background of this Mr. Robinson needs to be researched, we have to do our due diligence of the non-profit and the individual to make sure that we are not being taken advantage of in this situation. He stated he is a one man shop and holds all the cards. Chamber Executive Director Forsberg. said that there is due diligence required before we move forward. We need to have a truly good faith approach from both sides. Chamber Executive Director Forsberg. has quite a few questions that need to be answered and asking these questions is a part of moving forward.
- Trustee Barry asked Chamber Executive Director Forsberg if he reached out to them after Mr. Fleck heard it on the radio or how did this come about? Chamber Executive Director Forsberg. stated he reached out to Mr. Robinson, who then came to see us on his own nickel, spending a couple days here in town.
- Trustee Scott asked if they were looking for property that may be raised and a new building built? Chamber Executive Director Forsberg stated that it could be an existing building. One of the properties that they were really attracted to is the McGrath property where the old Chevy dealer use to be facing Rt 83; the building could easily be expanded. There were a lot of ideas to be explored. Planner Ziegler stated that it is a unique opportunity, it will be interesting to see what they come back with - seem to be interested in our area. Acting Manager May stated that the attendance could be a large boost to our area. A letter of support will go out from the Mayor, it is not

something to be voted on.

- Trustee Addington stated that the facility could be useful, it is an attraction for our community. Money will come into play at some point, however it can also generate income. Said that everyone should be thinking of a guest tax. It is a positive for our village. Trustee Addington asks if anyone has any negatives? Trustee Senicka remarked that even if this does not come to fruition, the exercise of getting it all together is a good one for the next time something comes forward we will have the experience. Trustee Barry said that even it didn't go through the publicity would put our name out there. As it did with Boeing.
- Communications Director McIntyre stated that the publicity would be immediate. We send a letter of intent and they will start right away stating that Westmont is the place they are working with for the event and our name will be out there. The R&B Hall of Fame name will draw attention to Westmont.
- Mayor Gunter stated the next annual ceremony for the Rhythm and Blues Hall of Fame will be held in the city where they are looking to put the brick and mortar museum. The museum will not be up and running, the ceremony will be in the area of the location that they have decided on. Chamber Executive Director Forsberg remarked that Mr. Robinson is looking at May or June; we would do everything within our power to make that happen.
- Trustee Barry commented on the ease of Memphis to Westmont travel for the Blues Fans - the Muddy Waters Connection. Mayor Gunter spoke about Beth from the DCTB being a great resources, Chamber Executive Director Forsberg remarked that there could be grants through the DCTB.
- Trustee Addington asked for any objections on this topic. No objections were raised, Trustee Addington stated we were ready to move forward then and thanked Chamber Executive Director Forsberg for his hard work on this possibility.

\$10,000 Hotel/Motel Grant Request - Westmont Special Events - Finance Director Parker reviewed that monies were budgeted to the Hotel/Motel Tax Fund for grants. This is our first request for this money, from the WSEC. We were expecting it as our current Communications Director McIntyre was a member of the board of the WSEC previously, and moving him into this new role as has left a void on the WSEC. They are requesting additional office staff to do the kind of things he use to do for them. While he is still coordinating with them on behalf of the Village, there is a void in the day-to-day operations that he use to do for them as a contractor to the Village. If you remember, we have an opinion from our Attorney that WSEC does fit the requirements of the use of Hotel/Motel Tax, with the community events that they provide to our Village.

- Mayor Gunter added that the idea for this came from Ron Searl and himself. The initial request did not come from WSEC, or from Larry. They need a staff person to do the work for the board of the organization.
- Trustee Barry asked how \$10,000.00 was enough to hire someone into that role? Mayor stated that she was already being paid for 20 hours a week, this was to be able to add additional hours. a WSEC representative stated that Kristine Turano was already there employee, these funds were to increase her time as she is only working 20 hours a week currently. Larry being hired by the Village took away a lot of the hours committed to the office work and their is no way Kristine can do this in only 20

hours a week. To make her an office manager/director would help us promote Westmont, enabling WSEC to do more. The Street Fair has brought in people from as far away as Manhattan and Kankakee - it is growing and we can grow it more. Larry has been on the Board for 10 years, and he has trained Kristine for this; if we lose her it would be devastating to what we try to accomplish. How could we function? The Mayor said that the \$10,000 a year is to increase Kristine's hours in a year; feeling this was a fair amount.

- Trustee Senicka asked how often has WSEC asked for funds in the last 5 years. Finance Director Parker responded that they have not, as far as he can remember. Trustee Senicka said this organization has become self funding and had so many volunteers. She does not want Kristine to burnout. Trustee Senicka supports this 100% - the funds are there. Acting Manager May asked if she supported this annually? She responded yes.
- Mayor Gunter said that in the last 5 years we have been charging WSEC for things that we had not charged in the past, due to the budget crisis. Trustee Barker said that if now Kristine is doing it all, who is she training. This needs to be paid attention to so that things do not get messed up in the future because no one knows how things should operate. Robin Gardner said that Kristine has a book that shows what needs to be done and how it is to be handled so that anyone could sit down at her desk and do the job. Trustee Senicka said that an intern would be a great idea for the organization, someone who wants to learn giving 10 hours a week or so. Just to have another pair of The WSEC representative stated the Village should put that in as a budget item.
- Communications Director McIntyre said that the back-up to hiring a part time person is always a great idea if the funds are there; it comes up on a regular basis. WSEC has done that in the past. The WSEC representative stated that this was not about having the volunteers quit volunteering and leading/serving on committees and so forth. This is to have someone seek sponsorships and help the organization grow if she were full time. Kristine could take over the parades and such events, help other organizations.
- Trustee Senicka asked if we are one of the few communities that has position? Trustee Addington said that he doesn't believe that Downers has that position, now that Rotary took over Heritage Fest. His opinion is that Kristine could be burned out; he would love to see there be a part timer to do all the grunt things she currently does to assist her, to take some of the pressure off her as she does a heck of a job. Finance Director Parker asked that the WSEC committee put together for budget season what might be needed, we can look at the revenue of our hotels/motels and see if there is an increase with the new Hilton. It would be a possible annual grant if there is an increase in funds.
- Communications Director McIntyre commented that the downside of the current position is that it does not have health insurance. He believes it is incumbent on WSEC to do some research and see what types of options are out there to be considered for that position - it might be what is necessary to keep someone in that role.
- Trustee Addington asked if there were any objections to this item moving forward. There were no objections expressed. Trustee Addington asked that this grant be placed on the next agenda to be approved. Acting Director May asked what the grant item would be, just approval or are we doing a purchase order simultaneously?

Communications Director McIntyre said it did not need to be approved, there is already a line item in the budget. Finance Director Parker stated that there is a line item for Special Events Grants, you still need to approve an individual grant to be awarded by the Board. It is a grant to another entity; money is being awarded, we are not contracting for services. Trustee Senicka stated that WSEC is not a part of the Village they are their own entity. Trustee Addington asked WSEC to consider a part timer in their next budget year.

Process for Future Hotel/Motel Grant Requests - The grants originally went through Promote Westmont, and the thought is that a request would now go through Admin/Finance however, there is no procedure in place. A formal procedure needs to be in place. Finance Director Parker put together a slide showing a procedure and a request form. Initially, the entity would submit the request to staff, staff would review for legal guidelines, staff would submit to admin finance committee, admin finance committee would make recommendation, approval for board submission for vote. The requirements for submission would be: Name of the requesting entity, Reason for the request, Amount requesting, How this would encourage tourism. The most important piece of the procedure will be for staff to confirm that the request of funds is an accepted use of hotel/motel tax according to the law. Request for board approval would include the status: recommendation of staff & the committee, amount left in the grant budget.

- Acting Village Manager May stated that it needs to be a formal request in writing, not verbal. Trustee Addington commented that this is a quarterly meeting, so the entity requesting funds needs to be timely in the request, no last minute rush. Trustee Senicka stated that Corine still had all that information, we should reach out to her as we had deadlines and rules regarding amounts available-it was a tight plan. Mayor Gunter stated that the process use to include a percentage limit, a match up to amount, not funding a whole project.
- Communications Director McIntyre mentioned requiring the group requesting money to submit their financial records for review for the last couple of years. Trustee Senicka questioned is it to show need? Communications Director McIntyre responded that it was to show they were managing their event funds properly.
- Trustee Barry asked if it had to be a non-profit? The response was that in the past it had been given to individuals going out of the country to promote our town: Students that were going to a national competition such as Teen America or foreign exchange students. These were always matching.
- Communications Director McIntyre stated that the criteria has to be based on “heads and beds”, Finance Director Parker agreed that this was the attorney’s opinion. The Mayor commented that he had a different opinion on promoting Westmont. Finance Director Parker said that the idea of promoting Westmont is different than the idea of promoting tourism, which is what the State of IL says is how this tax is to be used.
- Trustee Barry argued that anything you spend the money would benefit tourists, fix a road and you have made it easier for a tourist to visit. Now, whether the state sees it this way is another story.
- Mayor Gunter said that he always believes that promoting Westmont internally and externally both would bring tourists. However our current legal counsel is more

conservative in his interpretation than in years past. We have promoted the community in a way that could lead to heads and beds.

- Finance Director Parker stated that he had a letter from our attorney that he could forward to everyone in the Friday Report to review the legal opinion. Trustee Addington asked that he do this along with the thoughts he had so far. Trustee Addington then asked Larry to reach out to Corine for the documents, forms, and information from the Promote Westmont Committee.
- HR Director Crane commented that this process would be time sensitive and the service organizations should be informed of the dates and deadlines. Trustee Addington said that if something came up we could hold a special meeting, however all the service organizations are planners so the deadlines should be able to be met.
- Finance Director Parker said that there are 2 philosophical questions to be answered. One as to how to set up the grant process; a formal, unbending, procedure or a more fluid procedure that takes each request into account as different. Do we want to promote this and say when it's gone it's gone or do we want to wait to be approached thus making sure we have money when someone needs it? We have to be all on the same page.
- Trustee Senicka replied that if you are going to promote it you have to be very structured. People are going to have their own ideas and you need to make sure that you have a regulated definition. We should be structured - get the word out with very specific guidelines. Trustee Barry replied that the word needs to go out so that all groups know not just a select few. Trustee Scott stated that we should start out super structured and we can alter it as time goes by and people are use to the rules in place. Trustee Barker commented that there needs to be flexibility in the cap as the need is so great.
- The Mayor said that for us to give out money we need the flexibility to have a say in what the community needs. Trustee Addington stated that one of the criteria we use to have was an organization came back after it was over and gave a final report. Trustee Senicka said yes and we had a cap on funds, there should be a cap - the maximum grant is \$xxxx. A discussion of the benefits of a cap ensued.
- Trustee Addington discussed a limit on number of years a grant is given. A group should have an event that eventually stands on it's own. Trustee Senicka asked that everyone think about criteria carefully, we have to be able to come up with various scenario so that there are no surprise requests that have not been taken into account before we start this program.
- Trustee Barry asked if we would tell up front that this is available, like the R&B museum that would bring in hotel/motel tax. Trustee Addington said that since there are no requests at this time, a plan will be developed by staff and brought to the next committee meeting in a few months for review and discussion. Then sending the procedure to the board for approval of the process.
- Trustee Barry feels that the application needs to state that the amount available depends on the hotel/motel tax available, so it is subject to change. As some years we will have more tax collected than others. This should be part of the budget process.

Places for Eating Tax Review: Finance Director Parker gave a brief overview of the places for eating tax in it's first year with totals and projections at what was anticipated. Feedback from businesses show that we need to clarify our ordinance. The interpretation needs to be

clear to all businesses. Our ordinance reads “prepared food sold for consumption on site” and this has created some confusion, the largest one being alcohol. If a bartender serves you a drink how is that counted. It is prepared and consumed on site, it should be taxed. Some are paying the tax and some are not. A similar issue is chips and candy. The chips aren’t prepared onsite but you are consuming them onsite. Other items we have had questions about is vending machines, so that will need to be clarified. Businesses have let us know that our due date is hard to make, asking if we can adjust this.

In reviewing this with the attorney is the intent is that if you are ordering and consuming onsite than it is taxable. To potentially clarify our ordinance and say to make it very clear that whether you are preparing it onsite or someone else is if you are selling it for immediate consumption it is taxable. The discussion was that because it was kind of unclear in our ordinance we do not want to go back and say, you didn’t understand but you owe this. However, if a business has been collecting it and not paying that is one thing, they owe it but if they have not been collecting because they didn’t understand that’s different.

State law requires that if you collect the tax you have to remit it to the municipality. We still have a couple of businesses that seem to be collecting the home rule sales tax and because of this the state collects it and remits it to us. We have yet to figure out who the businesses are, it is still being researched. Trustee Senicka asked what do we do with that tax? Director Parker stated it is just considered tax revenue. Discussion of tax fraud ensued, and the State of IL tax collection. Trustee Barry asked that a letter go out to business to explain the amended ordinance and include a reminder that we are no longer Home Rule.

Trustee Barry asked about a place like Dotty’s with the video games, the food being prepared elsewhere - do they have the tax? Finance Director Parker responded yes, it is served and eaten there. The next question was a tavern? Yes all the food and drink consumed at a tavern would be taxable, and ice cream would be included in food & drink. Anything to be eaten or drank on the premises of the business either inside or outside (patio type location). Director Parker gave an explanation of the employee “joint purchase snack bar” at the Village Hall: suggested donation, contributions, and group purchase selections.

We can amend the ordinance and make it effective January 2015 for businesses that did not understand and have not collected the tax. The amending of the ordinance will clear up the language, address the vending machine issue, and adjust the due date. The attorney would also like to specify that the “seating” is not necessary a chair - it could be a stool, a counter, or a table without stools. It is still consumption on the premises.

Currently we have 66 registered businesses for this tax, 34 that have registered as exempt, and 39 that have not registered as of yet. We have sent the letter to all businesses that have any sort of food sales, so the exempt businesses might be vending or convenient stores. 52 registered and paying, interestingly we have 3 that have been paying and did not register. The exempt businesses we will not bother notifying of the change, as it does not affect the business. The 3 that are not registered but are paying we are going to let know that we appreciate the payment but we need them to register - sending them filled out paperwork that they just need to sign. There is no cost to register, just filling out the paperwork.

The 14 businesses that are not paying even though they have registered we will send a letter with the update and let them know that they need to pay consistently - it is illegal to collect the tax and not pay it, letting them know of the penalties for not paying: fines from \$75-\$750 a day along with the possible loss of their license and liquor license. The 36 that have not yet registered and are not paying, many might be exempt: gas stations, carry out, convenient store type businesses, we will request registration stating that if they are exempt we still need the registration. The majority of the 36 might be exempt.

Our numbers have whittled down, Lynn Johnson, the coordinator for this program has been reaching out to corporate headquarters and now that we have answers to the definitions we will get even farther.

Trustee Barry states that having DC Gunther visit liquor establishments might be an incentive to have the businesses register, bringing home clearly the possible loss of liquor license. The Mayor asked about entities: library and park district. Director Parker stated that it was questionable, as we do not tax these entities.

Trustee Barker believes Larry McIntyre should do a press release stating that there will be no raising the places for eating tax this year. It would be good PR.

Trustee Barry asked how we get the payment from the companies that have not been paying? Don't they owe us the tax whether they have been registered or not? Director Parker stated that yes they do owe the tax, even if they have not been collecting it from their patrons. Larry McIntyre stated that public relations wise this would be a very tough to go back and get this, the argument could be that they didn't know because the ordinance was not clear. We have to manage this message otherwise it will be headlines and people coming to the board.

Trustee Addington would like to give staff the ability to forgive a small amount, \$50 or so and just make sure that it is paid going forward. If it is a big restaurant that owes thousands, then that is a different story. Trustee Barry stated that letting this go so long is our biggest mistake. Director Parker states that there have been several letters sent out, we have not been ignoring this - we just haven't gotten to the point yet to say we will pull your license if you do not pay.

Trusting Addington stated that he would like to flip the agenda to last item on the agenda next, stormwater funding discussion. To think about an alternative to this stormwater utility fee and change it to a 1/2 cent sales tax dedicated solely to the stormwater issue. The thought to this is that CUSD 201 in November is going for a \$26,000,000.00 referendum. Many residents are stating that they will fight this and anything other item that will affect their tax bill.

Trustee Senicka stated that she likes this idea as then that will bring us money from people that don't even live in town. Mayor Gunter pointed out that there are pros and cons and that it still had to go to the voters.

Engineer Kim Nicoll reviewed the listings of pros and cons that Director Parker had put together at the beginning of the year when this item was first discussed. The differences for

the tax or utility. Highlighting the reasons given by the consultant for the utility, and focussing on the various grants that can be given out to help out certain entities lower their fees with advisable projects or other steps that they can take for the stormwater issues on their properties. Acting Manager May stated that the ad-hoc committee recommendations and the consultants feasibility study has led us to the utility fee solution, it was a big investment. In the interest of time, we have to remember that the public education portion of this referendum needs to begin and be finished before April for the next election. Not that this isn't worth looking into and talking about, however if we are looking to deviate from the plan that we have already set in place than we need to do so quickly or we jeopardizing the April election.

Mayor Gunter asked Director Parker if he has come up with the figures of what the 1/2% would generate? Director Parker stated that it would generate \$1.1-\$1.3 million the utility would generate \$1.6-\$1.8 million would be generated. To compensate we would have to go up to 3/4% for the tax to equal the utility. Acting Manager May states that we just finished discussing the places for eating controversy and this tax would be on top of that.

Trustee Addington stated that that eating businesses can't be exempted; the car dealers are exempt. Director Parker agreed, stating that titled car sales are exempt and the qualifying food and drug sales are exempt-this is only a 3/4% tax on general merchandise. Trustee Addington feels the bottom line is that if we do all these exemptions for the churches and such the numbers would be much closer.

The only reason that Trustee Addington is bringing this up is that it is an alternative to think about, not the greatest thing, but something that needs to be reviewed again. Trustee Barry said this might have a better chance of passing than a utility fee. Larry McIntyre stated that there was to be monthly meetings starting in October to educate the public on this issue. To approve the ordinance in January to have it on the April ballot. We can begin the education campaign with both these items.

Trustee Barker asked why the sales tax was not the decision in the first place. Director Parker stated the utility was favored by the ad-hoc committee and the consultants as it gave an incentive to people to lower their foot print in regards to stormwater to lower their payments. It educated and empowered people. The other benefit of the utility fee is that it can be used for personnel and maintenance issues, after 2020 the tax can only be used for infrastructure. It is not as flexible for stormwater however the tax can be used for any kind of infrastructure not just stormwater.

Trustee Senicka stated that if we could do a tax we can let residents know that we have listened to them. They don't want a utility fee so we are going to do a tax instead. Trustee Addington asked Director Parker to put a memo together regarding the skipped item, Payroll Banking.

Meeting Adjourned: 5:25pm