



draft

Administration & Finance Committee Special Meeting Minutes
Thursday, October 29, 2014
3:30 pm

Call to Order: 3:30 by Trustee Addington

Roll Call: Jim Addington, Alicja Richards, Bruce Barker, Tom Mulhearn, Lynn Johnson, Spencer Parker, Larry McIntyre, Steve May, Sue Senicka, Larry Forssberg, Jill Ziegler, Bob Scott, Glen Liljeberg, Ruth Olsson

Delayed attendees: Ron Gunter and Jinny Szymiski

Pledge of Allegiance

Reports

• **Finance -**

Director Parker reviewed the Preliminary Property Tax Timeline, the proposal for the estimate aggregate levy on November 13th, we would then publish that in the paper, the adoption on December 11, 2014 and filed with the county. If we exceed the proposal we would then have to publish a notice that we exceeded the estimate. This timeline is to make sure we have it in without a holiday timeline problem. Trustee Addington asked about the valuation on the houses going down and how it would affect our levy. Director Parker said the calculations will show that when we review the levy under new business.

Director Parker reviewed the Preliminary Budget Timeline, everything being similar to last year with the exception of a beginning meeting for the board to brainstorm with the departments as to what they would like to see in the budget before the departments begin the process. Trustee Committee Chairs/Co Chairs meeting with department heads in small groups to review what is happening in the departments and bring back to a brainstorming session. If the board can give available dates for 12/1-12/12 a brainstorming meeting can be scheduled. The timeline goal is to approve the budget on April 30th. Larry would like to do a press release about the budget workshops inviting the public.

Monthly financials are in the packet, if there is time at the end will review.

• **Administration**

Compensation Study preparatory work began on October 6th and the consultant has received the list of positions, the first piece is the benchmark salary survey. Trustee Addington has asked how long it has been since we have done this? Trustee Senicka stated at least 9 or 10 years and believes we will be pleasantly surprised - we have done a great job keeping up with the market.

UNFINISHED BUSINESS

A reminder of Places for Eating Tax adjustments, it will be on the agenda for the 11/13 meeting. The changes are not intended to alter the original intent of the ordinance, it is meant to clarify for businesses that are not understanding the concept, even after a year. The largest misconception is alcohol does not count; alcohol is considered food; you are preparing and serving a drink so it is taxed. Many businesses do not understand that pouring a drink is preparing.

Trustee Senicka asked how we will communicate the "change" to the business that have not been paying the tax. Director Parker stated that Deputy Chief Gunther as the Deputy Liquor Commissioner was going to be notifying the alcohol serving establishments. If the business has already been collecting the tax, they are legally bound to pay us the tax. If they have not been collecting the tax, the business will have until January 1, 2015 to begin collection/payment.

Discussion of types of service of alcohol is discussed with various scenarios. The tax only applies if there is a collection of sales tax. The tax applies on anything that you ingest on the premises: alcohol, food, candy, soda. The only exception is the vending machine.

Finance Director Parker reminded everyone that the Places for Eating Tax has been pledge as a repayment stream on a bond issue, so the ordinance can not be altered/changed as to who it effects nor can it be removed. All that can be done is try to word it so that it is easier to understand. These changes will be on the next agenda for the board.

NEW BUSINESS

Village Board Committee Structure is being reviewed as it is time for the 2015 year rotation and we have to propose and publish the meeting dates for all committees and commissions. The changes that are expected in April and the dates that committees have had meetings are being taken into account as we restructure the committees, chair positions, and staff attendance. Trustee Senicka brought up that IT was not a part of the rotation, and Acting Manager May stated that IT is a part of the Admin meeting - with Finance having it's own meeting there should be more time for IT to be reviewed. The rotation will be starting in January, for 2014 we only have 2 committees yet scheduled. Mayor Gunter stated that the listing will be ready for the next board meeting; Acting Manager May said it was ready except for the public portion of the EDC.

Finance Director Parker went through the timeline for the proposed property tax levy, discussed the assessor's office information on home values and new growth estimates. The costs to homeowners and the various implications to the items levied. The rate to be levied can be reduced in March, however it cannot be raised. The Mayor suggests that we should publish information on the public hearing so that the information can be shared with the public and placed on the website. If you publish a guesstimate, it is really false information.

Trustee Addington stated that the Village portion is so small compared to other entities receiving monies from real estate taxes. He then asked where we were regarding police pension funding. Finance Director Parker stated that we were just under 50% at this time, due to the actuary tables changing. We are not the lowest in the state but not the highest. If we don't levy at least the minimum the state will give our funds directly to the pension fund. We are on track to meet the

deadline. The Mayor asked if the recent changes adopted by the Government Accounting Standards Board (GASB) will change our bond rating. Director Parker stated that he has heard it is unlikely that this will change our ratings because the rating agencies already collect detailed information about our pension funded status from the notes section in the Comprehensive Annual Financial Report (CAFR). The changes by GASB may have some change to our overall funded status, but the major change will be moving this; the rating was set on the information we already collected and gave during the review process. Trustee Addington suggested an adjournment as the meeting had run over the next meetings start time.

Adjourn: 4:10pm