



FINANCE

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draft

**Finance Committee
Meeting Minutes - January 5, 2017
Westmont Village Hall**

Call to Order: 4:00 pm - Mayor Gunter

Pledge of Allegiance

Roll Call: Committee

Staff

Trustee Liddle Trustee Barker Mayor Gunter Clerk Szymski Trustee Addington (4:18)	Director Parker Manager May Police Chief Gunther Deputy Liquor Commissioner Mulhearn Deputy Fire Chief Riley Fire Chief Weiss
Visitors	<i>None</i>

Minutes approved: The December 8, 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 there is an update about the Cigarette Tax. He has spoken to the contact at the National Association of Tobacco Outlets who previously reached out to us. The person at National Association of Tobacco Outlets found that the restriction he recalled related to the tax does not apply to us because the Village does not have home rule. This matches with our our attorney’s previous finding that since we are not home rule anymore, we could do a cigarette tax. The next step in this process is to find out how much revenue we would get from the tax. To find that out, we would need to find out how many stores are selling cigarettes in Westmont and make an educated guess from that information. Director Parker stated that the tax would be one penny per pack of cigarettes. The retailer would have to report to us how many they have sold. It would be on an honor system from the retailer who is selling, unless we audit them for their records.

Water meter factoring issue: Director Parker reiterated that the issue with the water meters was that some read a number of 1, 10 or 100 gallons and then our computer multiplies it by 1, 10 or 100. Some of the accounts are being billed only 10% of what they should be charged because of an error in the system entry. Staff has looked through data to see if other potential issues could be identified. The Public Works department tested one of the meters today and found that, as

indicated by that data, the system calculating incorrectly. Staff will continue to look into and test other meters we suspect may be incorrect to see which other meters are affected. Director Parker also stated we are still looking into giving payment plans to residents if one is needed.

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

Lien Fees: Director Parker started the topic with an overview of how we assess lien fee amounts. When a Lien is put on someone's house the fee we charge to put the lien on and take the lien off is \$115.00. We have had several questions as to how we came up with that dollar amount. After reviewing the time it takes to process the paperwork needed to set up the lien and take off the lien, get the paperwork to the county, we calculated the dollar amount for our costs is about \$60.00. We are thinking of potentially reducing the fee we charge to put the lien on and release a lien down to \$60.00.

The finance department is thinking about using liens more frequently, especially if we are giving extended payment plans to residents who had a large bill, or trouble making payments. Director Parker asked the Committee's opinion on putting liens on properties along with a payment plan. This would be for payment plans that take a long time to pay back. We are thinking of doing this so if the payment plan is not completed, we can use the lien to collect payment. In addition to the payment plan there would also be the \$60.00 lien fee. If this is implemented, it will be in the future. We will look at how long the payment plan will be in effect and set a minimum dollar amount on the payment plan for there to be a lien placed on the house. These liens will be for water bill payment plans only. If there is a foreclosure that has this payment plan on a property, we will not recover the \$30 cost of putting the lien on the property.

REPORTS:

Director Parker presented on the following topics:

Revenue Projections: Director Parker said that departments have prepared and turned in their initial submissions for the draft budget. Finance will look at the submissions, meet with Manager May, fine tune them, and decide what will make it to the draft budget. These numbers may change by the time they make it to budget.

Director Parker gave a review of the following Tax projections:

The Income Tax estimated by Illinois Municipal League (IML) 2017 is trending at \$97.20 per capita, last year was estimated to be \$102.00 for this time. We are looking at a reduction of about \$100,000 in income tax this year.

Sales Tax varies on a month by month basis. Right now it is projected to be where we budgeted, which is a zero percent increase.

The Local Use Tax projection we received from IML is projected to go up from our budget by about \$40,000.00. This can only be based on where we are now, and we have to project the rest.

Utility Tax, (telecom, ComEd and Nicor) we will raise the Utility Tax budget to \$30,000.00.

The Video Gaming Tax will be raised by \$100,000.00 to be up to \$300,000.00 in revenue.

The Property Tax general fund has a reduction of \$100,000.00 this year, because more has to go to police pension this year.

The Places for Eating Tax is doing better than last year, it will be increased by \$50,000.00. Right now we have about 15 to 20 places that do not pay their Places for Eating Tax. A letter is being drafted about the potential fines, possible loss of business license, possible loss of liquor license, and possible fines of \$50-\$75 a day that will go out to those places. After our attorney approves the letter it will go out to them. There are a few places that have never paid, or they paid inconsistently. Some places may not be even collecting the tax, and some are collecting the tax and not paying.

Motor Fuel Tax is looking at no change. We are tracking well with what IML predicts and what we budgeted.

Hotel/Motel Tax is looking at increase of about \$100,000.00 this year. This number may be a little less if construction affects revenue.

We are receiving our IML reports in a timely manner. The reports seem low, but we are close to what we are budgeting for and where we expect to be at budget time.

In fiscal year 2017/2018 there was a total net increase of \$20,000.00.

Last fiscal year we had an increase of \$1,000,000.00. That money went to annual costs and special projects in the Village. Most of that money has been used.

BUDGET MEETINGS: The Budget Workshop meeting will be Thursday, April 6, 2017 at 6:00pm. A back up day, or to finish would be Friday, April 7, 2017.

The next Finance meeting is February 2, 2017.

Adjourn: 4:25 pm, motion by Mayor Gunter and second by Trustee Guzzo, all ayes.