



ADMINISTRATION & FINANCE COMMITTEE

Meeting Minutes - May 9, 2019

Draft Approved - 8/1/2019

- I. **CALL TO ORDER - 4:32pm**
- II. **ROLL CALL**

| <u>Committee</u> | <u>Staff</u> |
|--|-------------------------------------|
| Trustee Liddle (as Chair) | Manager May |
| Mayor Gunter | Director Parker |
| Clerk Szynski | DVC Richards |
| Trustee Addington | DLC Mulhearn |
| Trustee Barker | Director Sylvester |
| Trustee Barry | Director Liljeberg (office) |
| Trustee Guzzo (4:43p) | Director Forsberg |
| Trustee Nero (4:48p) | Director McIntyre |
| | Communications Clerk Babyar |
| | Assistant Director Brainerd |
| Visitors | Chief Riley |
| Beth Marchetti, Executive Director, DuPage Convention & Visitors Bureau | Chief Gunther (4:40p) |
| Lauren Wols, Student - Hinsdale Central HS | DC Fitzgerald (5:25p) |
| | Attorney Zemenak (5:53p) for 1 item |

- III. **PLEDGE OF ALLEGIANCE**

- IV. **PUBLIC COMMENTS - None**

- V. **APPROVAL OF MINUTES** - February 14, 2019 Administration Finance Committee minutes were approved by a motion by Trustee Addington and seconded by Trustee Barker, all ayes. The March 14, 2019 Administration Finance Committee minutes were approved by a motion by Trustee Barker and seconded by Trustee Barry, all ayes.

- I. **NEW BUSINESS**

- A. **Hotel-Motel Tax Request** - Lions Club Oktoberfest - Director Parker explained the procedures for grant approval. This is a new event, or rather an event that has not been held in a couple of decades. Mayor Gunter stated that this is an event

leading to the 100th Anniversary in 2 years when this event will bring a carnival.

Motion to approve by Trustee Barry and seconded by Trustee Barker (neither Lions Club members), all ayes.

B. Places for Eating - 3rd Party Remittances - Director Parker reviewed the service that a current vendor for water utility will now offer the service for places for eating taxes. It will allow for paying online by the business, the company will contact all business to update information/when payment is late and streamline staff time. This does mean that we will be absorbing another credit card fee, but this is a fee that we budget for in credit card payments by residents and businesses.

- Trustee Barker asked if there were any other municipalities using this service? Director Parker said that it is a newer service so there are a few, the offer for 2019 is for the service charge to be waived - only credit card fees charged for the first year.

- Trustee Barry said it seems wrong to pay fees to collect a tax we passed needing the funds. Manager May said the fees are if the business wants to pay the tax by credit card. Director Parker stated that the cost for the service is \$5,600.00 annually. Trustee Barry said this seemed counterproductive.

- Trustee Liddle asked questions regarding credit card payment. Director Parker explained that a business can come in and use a credit card at the window for payment but that is the only way a credit card can be used. We do not have an online option currently, which businesses have asked for, nor do we accept credit card payments by phone.

- Mayor Gunter asked what the projected fees would be for credit card online payment. Director Parker stated that the revenue is estimated at 2 million dollars so if every business paying used an online credit card it could be \$20,000.00. We have budgeted \$10,000.00 believing at most 1/2 of the businesses might use this option.

- Trustee Addington asked if the \$5,000.00 was a one time or an annual fee. Director Parker stated it was an annual fee charged to have the service monitor and do collections for non-payment instead of having staff take on this responsibility.

■ Trustee Liddle asked if there was tracking software that would allow staff to do this that was less expensive? Director Parker stated that nothing that would totally do it as this would. This software would ease the frustrations of the businesses. This is a customer service orientated move.

■ Trustee Barker commented that if the Finance Director believed this was a necessary expense, we should trust his expertise. If the fees are unavoidable, instead of absorbing the fee we should look at charging a convenience fee. Director Parker stated that the business could then pay by check.

■ Trustee Barry asked if we would still owe the \$5,000.00? Director Parker explained that the \$5,000.00 was for the software use that tracks payments and sends out billing/delinquent notices. If no one uses it, we could stop using it and not budget for it next year - this year there is no charge.

■ Trustee Barry stated that if Director Parker believed that there was a value in it, then we should move forward. Director Parker said the value would be in tracking the payments and assure that there are no delinquent payments which has been of importance to the committee/board.

■ Trustee Barry asked how much was on the table unpaid currently, \$30,000.00? Director Parker stated it was not that high.

■ Trustee Barker asked if this was used for water billing? Director Parker believes that this vendor is only set up for tax payments such as places for eating and hotel/motel tax.

■ Trustee Guzzo remarked that there will be businesses that will still pay late.

■ Trustee Addington remarked that it was an interesting discussion. At first look it seems like a large fee, however you are receiving the lists, letters, and follow up calls which is something we don't have now.

■ Decision to move forward for 2019, to see if it is worthwhile. Board would like the following:

1. Calls to be done in house, not by an outside company.

2. Review of the standard email and frequency of emailing.
3. End service after 2019 if not useful for a majority of businesses.

- Director Parker agreed, stating that if it is not useful, it will be hard on the businesses that have used to have it taken away. Trustee Liddle remarked that the credit card option would still be available in person.

C. DuPage Coalition on Tourism Position - Director Forssberg and DuPage

Director Marchetti gave a presentation on the challenges that DuPage County hotels face as a competitor to Chicago. Review of the legislation pending that could assist DuPage County in funding promotions to compete with Chicago, incentives, and the launch of the Sports Commission especially with Natatorium opening and the private Soccer going in to Oak Brook. Banding together as a group will make all the communities in the area more profitable.

- Mayor Gunter said that the Natatorium will be a great opportunity for Westmont and having the County involved will create even more. The additional percentage should be supported.
- Trustee Liddle asked what the percentage would be? Director Marchetti replied that is not yet determined until authority is granted. The County has a 5% rate on unincorporated areas. The research shows if it was a 2.5% we would still be below the check out rate of the entire nation. Currently, the check out rate in Westmont and around the County is 11% so adding an additional 1% would generate \$3.5 million. The hotels would be a part of the discussion. Chicago is one of the highest in the country at over 19%. The national average is about 15%.
- Trustee Addington believes that DMMC is supporting this initiative, not remembering who the sponsor is for the bill in Springfield.
- Director Forssberg stated that Westmont hotels are 95% behind (1 not having returned the call yet) even up to 5%.
- Manager May assured Director Marchetti that a letter of support would be forthcoming as the benchmarks are hit.

D. Escrow Accounts - Director Parker stated that this was discussed in great detail at Planning and Zoning Commission, historically if we have a project that has to have 3rd party engineers we pay the cost and bill the developer. This suggestion is to have an escrow account be required by the developer that these costs could be paid for out of and then what is not used is returned to the developer. Director Sylvester stated that this would be less labor intensive and keep a bill from going unpaid if a development falls through.

- Trustee Barker said this is not a unique requirement, it is in a lot of communities. Director Sylvester stated that his previous community had this set up and so did the Village Planner's previous community. Trustee Barker remarked that he did not want to see it become an obstacle to development.

- Trustee Addington asked if there needed to be a motion to move forward with this? Director Parker replied that it would go to Planning & Zoning first and then be a future agenda item. Manager May stated that the mechanism would need to be created first to move forward.

- Director Sylvester stated that this was on last night's P&Z agenda for the public hearing, with the language was written by Attorney Zemenak. It was approved 7-0 by the Commission. The item should be on the May 23rd agenda for Board approval.

II. REPORTS

A. Communications - Gave a presentation on a Community Arts initiative introduced by Trustee Barker and Westmont First. This has stalled due to staff turnover in Communications and Community Development, and now it is moving forward.

- Would like to begin with creating murals on the interior of the train station with branding and marketing themes, and large areas on the outside that could be used for mosaics.

1. Trustee Barker stated that the interior of the train stations really need the assistance.

- Neat Kitchen & Bar would like to move forward with a mural.

- Manager May said that the train station platform will be under

construction by BNSF this summer.

- An arts festival will be a part of WSEC Street Fair each week with local artists being a part of this initiative and during the Taste of Westmont.

- Next year we would like to have a juried show at the Library.

1. Appearance of the artists at the Street Fair is only possible because our crowd at the Street Fair is so good.

- Naperville & Oak Park have established guidelines for these gallery openings and this information will help it move forward.

- This will need an individual to coordinate it all.

- Looking for feedback from the Board to move.

1. Trustee Guzzo asked that the WHS be contacted for participation.

2. Trustee Liddle asked if the empty building to be used as a gallery on Thursday nights.

3. Trustee Addington said that the train station should be used to showcase local artists, and an art show would be a great festival that many towns have fantastic turnouts for these.

- Trustee Nero said that dressing up vacate properties from the inside would be a nice idea, it is common in Chicago. The maintenance on outside murals are a little off putting though, in Florida they look nice all the time but with our weather that is not the case.

- Director McIntyre said that this is why a coordinator was needed for this project.

- Trustee Barker said that the performing arts need to be considered as well.

B. Village Manager - In 2016 we did the periodic compensation that will now go into effect for the remaining board. In reviewing this there are two sentences in the ordinance that still state a per meeting amount when it was decided to go to an annual compensation. So removing those sentences will be on the agenda.

MISC:

- Trustee Barry asked if Attorney Zemenak could come in and discuss the Vape Shop research that he has done, a follow up to his email.

- Mayor Gunter introduced the Hinsdale High School guest, Ms. Lauren Wohls. Ms. Wohls is attending as an observer after interviewing the Mayor this afternoon. She is interested in Political Science.

- Trustee Barry explained that he believed Attorney Zemenak was to do the research into statute as to what the Board could do moving forward in capping the amount of vape shops or setting limitations.

1. Attorney Zemenak explained that the only way to set a moratorium on vape shops in the downtown would be through public hearing, with a recommendation from the P&Z Commission. This would be the route to go if you do not want vape shops downtown, however it is not fair to the applicant on this evening's agenda to postpone this indefinitely as a lease on a business pending and you would really be putting a moratorium in play without going through the required legal motions.

- a. This is an allowed use in the downtown, there are other shops selling vape products as a small part of their business. If you believe that this is not inline with the redevelopment plans for the downtown, you need to state what those are for the record. Reasonable grounds need to be established. The argument is with both sides legally, having a valid point. To move forward with this in future, the best thing to do is a public hearing for zoning.

2. Trustee Barry asked what would be the process Village wide to control this type of retail, license it? Attorney Zemenak said that you could not license this as it is not a tobacco product. As to zoning you could not legally exclude vape shops from all districts. Right now they exist in the B2 District - General Retail, that is an appropriate place - to banish them to a non-retail district is not appropriate.

- a. Attorney Zemenak stated that the rise in vape shops is seen all over. If the advertising is not what you want in your

downtown, that could be seen as reasonable and limit to the outer areas.

3. Mayor Gunter stated that legalized marijuana is coming and we need to think about where we want to be with this issue. Attorney Zemenak said that tentative language may allow you to opt out, in the first year. Will have to wait to see what the finalized bill actually states. Mayor Gunter asked about zoning to be applied if we opted in for the revenue stream? John stated that he believed you will retain your zoning authority.

a. Trustee Barry said that sports gaming is coming as well.

4. Trustee Guzzo asked if there were the options to limit the sale through licensing. Attorney Zemenak replied that all licensing will be through the state, your control will be in zoning. Mayor Gunter remarked that the rate is being discussed at 3% with the state taking 85%. This is something we should be looking at.

5. Trustee Guzzo asked when the state will be making the decision. Attorney Zemenak responded that the draft bill is working through committee. It is a high priority that everyone is trying to make sure is done right.

a. Trustee Barker believes that this not very popular.

6. Trustee Addington wanted to know what type of teeth would be given to allow for restriction of this while driving.

a. Attorney Zemenak stated that this will be prohibited and reminded everyone that even if you don't participate in sales as a community, the effects of it will still be felt in the community as it will be legal in the state.

7. Discussion of the types of policy to be considered and the required police training ensued.

8. Trustee Liddle asked Trustee Barry if there were any further questions for Attorney Zemenak ?

a. Trustee Barry felt that the vape shop applicant was

rather contradictory regarding his plans. Attorney Zemenak agreed. Trustee Addington said that this is a business that people are interested in? So, we have to control this through zoning.

9. Trustee Liddle asked Attorney Zemenak if vape shops would be the ones selling legal marijuana? Attorney Zemanek replied that would not be the case. The state would license the sale of marijuana and retailers would have to apply. Trustee Barry stated that the license will be so expensive that the vape shop would not be able to afford to go that route but it could turn into a head shop, however that would no longer be an illegal activity. Discussion of downtown cannabis sales ensued.

B. Manager May reviewed the agenda for the swearing in tonight.

C. Trustee Liddle asked if Director Sylvester wanted to comment regarding Economic Development. Director Forsberg presented the overview for tomorrow's EDC meeting.

VI. ADJOURN 5:55pm Motion to adjourn Addington, seconded by Guzzo, all ayes.

(next meeting is scheduled for June 6, 2019)