

VILLAGE OF SCHILLER PARK – ADMINISTRATION FINANCE COMMITTEE MINUTES OF 6/8/16

Call to Order: Chairman Bob Lima called the meeting to Order at 6:17 p.m.

Roll Call: Present: Trustee Lima, Trustee Rick Desecki, and Trustee Moses Diaz.

Also in attendance: Village Clerk Claudia Irsuto, Village Manager Brad Townsend, Interim Finance Director Rob Romo, Assistant Village Manager Brian Bursiek, Assistant Finance Director Ania Gorzkowicz, Trustee Russ Klug

Minutes: The Committee approved the record for 4/13/16 as presented.

Business:

Collection Agency Proposals

The Interim Finance Director described discussions with the Police Chief and Police Records Clerk. He noted that ½ or about \$100,000 per year in parking fines are not be paid. He reached out to several firms and, with help from the Assistant Finance Director, interviewed MCI and Sonneschein. Staff determined that Sonneschein was the best fit for Schiller Park. They have a good record of collection results with other municipalities and are flexible in using payment plans with hardship situations. Sonneschein Managing Director Joe Santella noted that their firm is one of the few collection agencies rated A+ by the Better Business Bureau. They are typically paid on a 30% to 35% contingency basis or by adding a specified dollar amount to each ticket. He explained how their efforts related to I-Drop and Redlight ticket collections.

Motion by Lima and second by Diaz to recommend that a professional collection firm be engaged and that the Village Attorney be directed to review and, if needed, prepare an amending ordinance on collections.

Employee Health Care Plan Proposals

The Village Manager described the successful competitive process to secure proposals for the 2016-17 plan year. He noted that the Gallagher proposal and Jantelezio were different so it was a little like comparing apples to oranges. Gallagher brokers for and manages the Intergovernmental Personnel Benefit Cooperative (IPBC). The 100 members contribute to a pool of dollars used to cover the costs of catastrophic claims. The base insurance would be the same Blue Cross Blue Shield (BCBS) with coverage paid for by the Village. They submitted a quote of \$1,709,741 for the year or \$142,478 per month. Gallagher Basset would provide 3rd party administrative services. Village staff would need to take on additional work attending committee or board meetings off-site. Jantelezio is the broker for and consultant to the Village through a conventional insurance policy. The base insurance would be the same BCBS coverage and paid for by the Village. They submitted a quote of \$1,788,548 for the year or \$149,046 per month. Carl Warren Co. would provide 3rd party administrative services. Jantelezio, through Wayne Wojcik, would continue to provide consultation and support services.

There was considerable discussion regarding the merits of each proposal. Staff noted the good service Wojcik provided on a variety of matters; e.g., facility flooding, Affordable Care Act and taxation, Public Employee Disability Act, and claims. Staff also noted a large number of municipalities have been satisfied members of the IPBC for many years. The Finance Director noted that both proposals were well under the budget for insurance that assumed a 12% increase. Committee members agreed that it is beneficial to stay

the course with Jantelezio next year, but that the Village may eventually join IPBC if it contains costs better in a tough insurance market.

Motion by Lima and second by Desecki to renew the BCBS employee health care plan through Jantelezio Insurance per the submitted proposal.

Update on Spot Audit Accountant

Finance Director Rob said that Jeff Pruyn of Anthes Pruyn agreed to check and report on tax collections at a selected hotel and parking deck. So far, Wally Park was randomly selected. A hotel needs to be identified. Committee members also noted that Wally Park should be paying for and displaying vehicle stickers. Brad said he would bring that item and others to the attention of Police Chief Tom Fragakis.

Discuss Management Letter

Finance Director Rob review the 13 items detailed by auditing firm GW & Associates. The first dealt with the need to enforce credit card policies and procedures. Village Manager Brad said he drafted a form with protocol for use of cards and required all users to sign it. Rob said restrictions on number of transaction and eligible vendors would help strengthen the situation too. Regarding segregation of duties steps were already taken to stop Accounts Payable Clerk Margot Lipecka from creating vendors and assigning employees to cross-check reimbursement payments to other employees. Fixed asset reporting is another problem area. Rob said this could be resolved with an inventory. Brad said the upcoming engineering studies of streets and water mains could help the situation. Ten more items were reviewed.

Update on Enhanced Budget Document

The Finance Director said the final version will have a narrative and additional metrics with graphics so the document can better explain plans for the year. His goal is to comply with the Government Finance Officers Association (GFOA) standards and qualify for an award.

Hotel Tax and Extended Stay Lodging

At issue is whether the tax is to be applied as each individual stays for 30 days or whether a corporation can rent a room beyond 30 days and continue to move employees in and out without paying the tax. The Village Manager will check with Assistant Village Attorney Frank Abel. The spot audit accountant Jeff should be brought into the discussion too.

Metra Parking Lot Group Arrangement

In response to a question from Village Clerk Claudia, Assistant Village Manager Brian said a nearby limo service business is renting about 3 dozen spaces. He said this was not brought to the Village Board. Committee members agreed that the business owner should be pay a rental tax and purchase vehicle stickers. Brian will follow-up.

Adjournment: The meeting adjourned at 8:28 p.m.

Recorded by: B. Townsend