

VILLAGE OF SCHILLER PARK – ADMINISTRATION FINANCE COMMITTEE MINUTES OF 9/27/16

Call to Order: Chairman Bob Lima called the meeting to Order at 6:09 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, Assistant Village Attorney Frank Abel

Minutes: The Committee reviewed the record for 6/8/16. Motion by Lima, second by Diaz. Passed.

Business:

Tax Audits of Parking Lots/Decks and Hotels

Interim Finance Director Romo said Accountant Jeff Pruyn of Anthes Pruyn Accounting Firm will be on-site at Wally Park 10/12/16. If there is no problem with access to documents, a report will be ready by 10/31/16. Staff will send to the Village Board as soon as possible afterward. A hotel needs to be selected for audit.

Village Manager Townsend said staff is exploring other areas of collection too. He and the Finance Director plan to meet with a vendor that specializes in utility billing.

Extended Stay at Hotels and Tax Collection

Assistant Village Attorney Abel reaffirmed past opinion that the Hotel Motel Tax applies exclusively to overnight stays of 30 days maximum. The Village now benefits from a rule that relates this to a person, not a firm. If it was applied to a firm, the company could simply keep a room in its corporate name and move employee occupants in and out. The hotel could avoid the tax. Since it is based on a person, the hotel must apply the tax as employees come and go. The audit previously referenced should provide some insight on reality.

Quarterly Report Budget to Actual

Finance Director reviewed data for 5/1 to 7/31/16. Regarding General Fund, revenues are on track with budget overall. Expenditures are within projected amounts so far. He noted it is difficult to quantify the Police Department overtime payment to police officers. Personnel are allowed to “bank” OT. He would prefer for officers to be paid when earned instead of being able to request or demand payment via manual check at any time during the month. Village Manager said long-time officers are retiring and this is requiring the Police Chief to use OT more often. Efforts are underway to address this problem; i.e., the Police Chief is recommending new part time Police Officers and the Board of Police and Fire Commissioners are starting a new list of prospects. The Recreation Fund experienced a much better year with hot weather and the purchase of more season passes. Water and sewer funds are in good shape at this time, but may not accumulate sufficient dollars to cover the cost of future capital projects.

Procurement Policy and Procedures

Finance Director said it is advisable for the Village Board to adopt a document that describes in-depth the rules of purchasing equipment and services. He noted that the draft distributed for this meeting requires a

minimum number of quotes or bids depending upon the magnitude and nature of particular purchase. He proposed dollar ranges that relate to dollar amount; e.g., \$2,500 - \$4,999 3 verbal quotes, \$5,000 - \$7,999 3 written quotes, \$7,800 - \$19,999 3 written quotes, and \$20,000 + formal bid or request for proposals or request for qualifications. Staff will edit and bring a revised version back to the Village Board for a vote.

Payment In Lieu of Insurance

Interim Finance Director said the Village could realize a cost savings by paying employees to opt out of the Village plan. The mostly likely takers are employees who could get coverage under their spouses plan. He asked employees via a survey whether they would opt out in favor of a \$2,000 cash payment. A total of 5 said they would do it. That would cost the Village \$10,000. The cost of spouse/family insurance for that group is \$19,000 each or \$95,000. Therefore, the Village would save a net \$85,000.

Consensus of the Committee was for staff to proceed further and bring to the Village Board for approval.

Investments

Village Manager and Finance Director have been researching how best to invest nearly \$4,000,000 in reserves. They said this money should be kept as a “rainy day” fund and not be spent on operations or capital projects. Since it does not need to be liquid for day-to-day cash transactions, the Village should maximize interest earned within legal limitations. Both described problems with the Illinois Metropolitan Investment Fund (IMET); i.e., past fraud case, departing members, low interest earnings. The Village has other options; e.g., Ehlers Investment Advisors, PMA Investments, PFM Investments, RW Baird Investments. They range from being independent to representing specific financial products. All adhere to statutory restrictions for State and Local Government Securities (SLGS). Staff will continue to research and evaluate prospects.

Public Comment

No one addressed the committee.

Adjournment: The meeting adjourned at 8:22 p.m. after a motion by Lima and second by Diaz passed.

Recorded by: B. Townsend