

MINUTES OF THE REGULAR MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE OF THE VILLAGE OF WILLOWBROOK HELD ON MONDAY, NOVEMBER 14, 2016 AT 5:30 P.M. AT THE VILLAGE HALL, 835 MIDWAY DRIVE, WILLOWBROOK, ILLINOIS.

**1. CALL TO ORDER**

The meeting was called to order by Trustee Neal at 5:30 p.m.

**2. ROLL CALL**

Those present at roll call were Trustee Gayle Neal and Director of Finance Carrie Dittman. Chairman Umberto Davi arrived at 5:33.

**3. APPROVAL OF MINUTES**

Minutes of the Regular Finance/Administration Committee held on Monday, August 8, 2016 were reviewed.

Motion to approve made by Trustee Neal. Motion carried.

**4. UPDATE – Status of Official Payments Credit Card Processor**

Director Dittman noted that at our last meeting we discussed an issue that had arisen with our new credit card processor, Official Payments, in that water bill payments made using a VISA card at the front counter were being denied, due to the imposition of the processing fee, which is against VISA regulations but which had not been communicated to the Village by Official Payments. After that meeting, the Committee decided to waive the fee for water bills paid at the front counter, regardless of what credit/debit card was used. For these transactions, the Village will absorb the \$1.95 fee/transaction. Other payments, and all online payments, would still be passed on the credit card convenience fee. The Official Payments contract was amended and the change was implemented at the end of September 2016. Since October 1, the Village has had eight (8) residents pay water bills by credit card at the counter, at a cost to the Village of approximately \$16. In the same timeframe, 25 residents paid their water bills online.

**5. UPDATE – Status of Fraudulent Check Issue**

Director Dittman summarized an email that she had sent out to the Village Board on September 23, 2016 about a fraudulent check that had been presented on one of the Village's bank accounts and was detected during our monthly bank reconciliation process. Director Dittman relayed that she immediately alerted the bank and asked that a "watch" be put on our account. Between August 31 and September 26, four (4) checks totaling about \$9,149 were falsely cashed against the Village's account. The bank has made us whole for the lost funds, and after several meetings and discussions with the bank, it was determined that the best way to proceed would be to implement Positive Pay, so that no checks or ACH transactions that were unauthorized would be able to be deducted from the Village's account. The Positive Pay process was implemented in late October 2016 and we are now receiving emails from the bank when an item is presented that did not appear in a pre-authorized check file uploaded to the bank by the Village. Based on our volume of transactions, the cost to the Village is expected to be about \$50/month.

Chairman Davi inquired about who the checks were paid to. Director Dittman showed copies of the four (4) checks, noting how the face of the checks had been altered and that they were all endorsed with the same handwriting "For mobile deposit only," although the payee names were all different. Director Dittman also noted that the check numbers had already been used in the Village's warrants to legitimate vendors several months prior, and that she had inquired of the bank what their method was to check for duplicate check numbers. The bank informed her that it was a manual process that a person had to review, and that the

duplicate checks appeared at the end of a lengthy report and were missed by the reviewer at the bank.

Director Dittman also noted that she had given the information to the Village's police department to investigate. It was determined that the perpetrator deposited the funds to at least two banks, one on the East Coast and another in Canada, but that he/she had not been caught.

## **6. DISCUSSION – Draft Travel and Business Expense Policy**

Director Dittman explained that on July 22, 2016, Governor Rauner signed the Local Government Travel Expense Control Act (Public Act 99-604) into law. The Act requires school districts, community college districts, and all non-home rule units of local government adopt by ordinance or resolution a local expense reimbursement policy and approve by roll call vote of the corporate authorities any expenses of the Village that exceed the maximum allowable reimbursement established by the local policy. The Act also prohibits the reimbursement of entertainment expenses, which includes shows, amusements, theaters, circuses or sporting events.

The Act takes effect on January 1, 2017. The Village must adopt a local expense reimbursement policy before then, which should include the types of official business for which travel, meal and lodging expenses are allowed, the maximum allowable reimbursement, and a standard form for submission of expenses.

The Village already has a standard reimbursement form, which has been modified slightly to comply with the Act and is included in the packet. Director Dittman also created a Travel Advance Request Form, which is also included.

The amount of annual maximum reimbursement noted in the draft policy is \$2,500 without having to use roll call vote of the Board, which is based on current purchasing limits. Director Dittman noted that the Committee or Village Board may wish to modify that amount as two (2) travel reimbursements on this evening's warrant list are approximately \$1,300 and \$1,500, for one training event only for two different employees, and that an annual maximum of \$2,500 may be easily exceeded.

Director Dittman also noted that the union police officers (in accordance with the Collective Bargaining Agreement) and the non-union Village employees currently have different practices for reimbursement of lunches and that they may need to be made consistent in the future.

Chairman Davi offered the following clarification to the draft: the \$2,500.00 shall be "a total of \$2,500.00 for the year." Director Dittman asked for any additional suggestions to be sent to her before the draft is presented to the Village Board.

## **7. REPORT – Special Recreation Tax Levy**

Director Dittman explained that one component of the Parks and Recreation Department budget is how the Special Recreation Tax Levy funds certain ADA eligible expenditures. The tax levy passed for 2015 was \$74,620, which equates to about \$18.93 in annual property taxes for a homeowner of a \$300,000 home. Staff reviewed the needs for next year and advises keeping the 2016 levy the same at \$74,620. With the increase in Village EAV, this will equate to about \$18.32 in property taxes for a \$300,000 home.

A detail of the planned expenditures is included in the packet. At April 30, 2016, the General Fund had restricted unspent SRA tax funds of \$79,959. These funds, along with the levy of \$74,620, is anticipated to be sufficient to cover the planned ADA expenditures in FY 2017-18. With the Committee's approval, staff will present the tax levy ordinance to the Village Board for adoption at the November 28 meeting.

Motion to approve by Trustee Neal. Seconded by Chairman Davi. Motion carried.

## **8. REPORT – Monthly Disbursement Reports – August, September & October 2016**

The Committee reviewed and accepted the disbursement reports for the months of August, September and October, respectively, and key items are highlighted below:

- Total cash outlay for all Village funds – \$1,188,339; \$1,665,829; \$1,273,226. Fiscal Year to Date is \$7,585,706.
- Payroll for active employees including all funds - \$305,498 (2 payrolls); \$408,787 (3 payrolls); \$275,405 (2 payrolls). The average payroll for the year was \$154,424.
- Average daily outlay of cash for all Village funds – \$38,334; \$55,528; \$41,072. Fiscal year to date daily average is \$41,286.
- Average daily expenditures for the General Fund - \$20,266; \$31,190; \$20,454. Fiscal year to date average is \$24,177.

## **9. REPORT – Sales Tax, Income Tax, Utility Tax, Places of Eating Tax, Fines, Red Light Fines, Building Permits, Water Revenues, Hotel/Motel Tax and Motor Fuel Tax**

All revenues are fiscal year to date collections through October 31, 2016 (unaudited):

- Sales tax receipts - \$1,896,492 up 4.99% from the prior year. Trending 10.5% over budget.
- Income Tax receipts - \$423,147 down 14.54% compared to the prior year, 5.1% over budget.
- Utility tax receipts - \$471,427 down 0.57% from the prior year, 3.4% under budget, consisting of:
  - Telecomm tax - \$199,019, down 6.16%.
  - Northern IL gas - \$39,507, down 2.34%
  - ComEd - \$235,006, up 5.34%

Trustee Neal advised that she had received correspondence from ComEd that they are implementing Smart Readers very soon, and that her bill will increase by \$3.00 each month to fund the new technology.

- Places of Eating Tax receipts - \$264,379 down 0.95% compared to the prior year, trending 8.1% over budget.
- Fines - \$73,394 down 1.9% compared with the prior year, 0.36% over budget. Fines come from County distributions and also local fine tickets written by Village police officers.
- Red Light Fines – \$421,914 up 236.97% from the prior year receipts (in the prior year the cameras were down due to road construction and camera maintenance), trending 145.9% above budget. The budget for the first 4 months of FY 2016/17 was reduced due to the Rt. 83/63<sup>rd</sup> St. intersection cameras being out of service due to the road construction project. Those cameras are still down with no anticipated “go live” date yet given by ATS or IDOT.
- Building Permit receipts - \$310,147 up 30.7% from the prior year. In the last three months, there were large permits issued to Peter Michael Realty (3), Level Construction (1) and Fred Barbara (1).

- Water sales receipts - \$1,961,178 up 16.14% from the prior year, 8.09% above budget. In September, a commercial customer received a bill for \$181,169, which included billing for a water leak that was discovered at one of their units. Their meter was tested and was found to be functioning accurately. This customer is now on a payment plan.
- Hotel/Motel Tax receipts - \$137,433 up 20.70% compared with the prior year, since May & June 2015 collections (from April & May 2015 tax receipts) were still taxed at 1%. The hotel/motel tax rate increased to 5% effective June 1, 2015. Three of the four hotels are open and active. The revenue is trending at 5.5% higher than budget.
- Motor Fuel Tax receipts - \$105,382 down 1.41% compared with the prior year, 2.4% below budget.

The reports above were approved by Trustee Neal and Chairman Davi.

## **10. VISITOR'S BUSINESS**

There were no visitors present at the meeting.

## **11. COMMUNICATIONS**

There were no communications received.

## **12. ADJOURNMENT**

Motion to adjourn at 6:10 p.m. was made by Chairman Davi, seconded by Trustee Neal. Motion carried.

(Minutes transcribed by: Carrie Dittman, 11/15/2016)