

MINUTES OF THE REGULAR MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE OF THE VILLAGE OF WILLOWBROOK HELD ON MONDAY, NOVEMBER 13, 2017 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 Chairman Davi at 5:32 p.m.

**2. ROLL CALL**

Those present at roll call were Chairman Umberto Davi, Trustee Gayle Neal, Director of Finance Carrie Dittman, Assistant to the Village Administrator Garrett Hummel and Deputy Clerk Cindy Stuchl.

**3. APPROVAL OF MINUTES**

Minutes of the Regular Finance/Administration Committee held on Monday, October 9, 2017 were reviewed.

Motion to approve made by Trustee Neal, seconded by Chairman Davi. Motion carried.

**4. DISCUSSION – Business License Fees – Auto Dealers**

Director Dittman explained that in fall 2016, Highline Auto Sales, an internet based auto sales business, opened in the Executive Plaza Office Park. Section 3-1A-1(24) of the Village Code sets the annual business license fee for auto dealers at \$4,000. When advised of this, the owner of Highline Auto Sales argued that their internet auto sales were no different than other retail internet sales, and therefore, they should be charged the fee contained within Section 3-1A-1(28), which would calculate to \$500 annually, based on square footage. The Village performed a survey of other jurisdictions and that survey showed our auto dealer business license fee to be high. The Village ultimately agreed that Highline's use is very different from a conventional auto dealership and charged them the lower \$500 fee.

A different, traditional, auto dealer is now requesting that they also be charged a lower fee. The Village planned to modify the fee ordinance to clarify the distinction between traditional dealerships and internet based dealers, but had not planned to lower the fee for the traditional dealers. In light of the fee survey, the Village is examining the fee structure. Four auto dealer businesses in town are currently subject to the fee and would be affected by any changes made. Two are internet based and pay their annual fee based on square footage, and two are traditional dealers and pay \$4,000 annually each. If the auto dealership rates were all based on square footage using the current structure for internet sales businesses, the latter two businesses would pay \$750 and \$200 annually (reduction of \$7,050 in revenues annually).

Staff is looking for direction on how to proceed. One option is to modify the business license fee ordinance to distinguish between a conventional auto dealership and an internet sales-based dealership but maintain the \$4,000 annual fee for the conventional dealerships. Another option would be to modify the ordinance AND change the amount of the annual fee for all auto dealers from \$4,000 to some other amount, whether it is based on square footage, a flat fee or some other methodology. Deputy Clerk Stuchl noted that the traditional auto dealer has inquired of her whether their annual fee will be reduced and if they will receive a rebate of prior fees paid. Deputy Clerk Stuchl has not yet sent out their business license renewal for calendar year 2018 pending the decision of the board on the fee to be charged. The committee discussed this topic further and agreed that whatever the change may be, it should not be retroactive and no rebate of prior fees would be paid. Chairman Davi noted that a future effective date could be put in the ordinance, perhaps January 1, 2018, if the ordinance were passed in 2017. The Committee proposed modifying the ordinance for all auto dealerships to charge a fee based on square footage effective January 1, 2018, with the understanding that no retroactive refunds would be issued; these changes would

need to be discussed and approved by the Village Board. Staff will begin working on an ordinance modification to be brought forth to the full board at the second Village board meeting in November.

Chairman Davi and Trustee Neal approved the request to be brought forth to the Village board.

## **5. REPORT – Monthly Disbursement Reports – October 2017**

The Committee reviewed and accepted the disbursement reports for the month of October and key items are highlighted below:

- Total cash outlay for all Village funds – \$1,001,287. Fiscal Year to Date is \$8,754,670. October includes a handwritten check for \$72,640.50 which is a payment to Clauss Brothers for Willow Pond Park (but not M & A Asphalt, there is a typo in the report).
- Payroll monthly total for active employees including all funds - \$295,025 (2 payrolls). The average payroll for the year was \$154,905, which is a 5.75% increase from the prior fiscal year.
- Average daily outlay of cash for all Village funds for October: \$32,300. Average monthly cash outlay for all Village funds fiscal year to date (YTD): \$1,459,112. Daily average fiscal YTD: \$47,589. October's daily amount dropped due to the end of the three construction projects that were occurring earlier in the fiscal year.
- Average daily expenditures for the General Fund only: \$22,129. Fiscal YTD average is \$30,950 which is a 27.9% increase from the prior year. The increase is due to the General Fund transfers out to the LAFER Fund to cover the police department renovation, now that the bond proceeds have been exhausted.

## **6. REPORT – Sales Tax, Business District 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, 2017 (unaudited):

- Sales tax receipts - \$313,701 down .47% from the prior year. Trending 4.1% over budget.
- Business District sales tax receipts - \$34,773. This is a new report which shows collections of the 1.0% sales tax collected in the Village's new business district. The revenue comes from only the Town Center side as only those businesses are currently open. 41.63% of the annual budget has been collected (and 50% of the fiscal year has been completed).
- Income Tax receipts - \$67,208 down 5.3% compared to the prior year, 11.4% under budget. The state of Illinois is no longer in arrears in payments, however we are now feeling the effects of the recent state legislation which included a 10% reduction in income tax, which is about \$86,254 annually.
- Utility tax receipts - \$76,352 down 4.11% from the prior year, 6.5% under budget, consisting of:
  - Telecomm tax - \$31,009 down 6.47%
  - Northern IL gas - \$5,600 up 7.01%
  - ComEd - \$39,743 down 4.84%
- Places of Eating Tax receipts - \$41,841 down 4.16% compared to the prior year, trending 1.09% under budget.

- Fines - \$12,269 up 17.33% compared with the prior year, 48.04% over budget. Fines come from County distributions and also local fine tickets written by Village police officers.
- Red Light Fines – \$50,230 down 27.72% from the prior year receipts, trending 7.1% under budget. The Rt. 83/63<sup>rd</sup> St. intersection is still “down”, however, the new cameras are currently being tested.
- Building Permit receipts - \$60,823 down 7.10% from the prior year, 88.94% above budget.
- Water sales receipts - \$257,241 down 11.00% from the prior year, 11.08% below budget. The large decline from Sept 2016 to Sept 2017 is due to a \$181,000 catch up bill issued in Sept 2016 to a shopping center that experienced a huge leak, and that billing is non-recurring. Revenues have generally normalized since the MTU replacement project concluded and we are seeing far fewer “catch-up” bills than in the past year.
- Hotel/Motel Tax receipts - \$27,690 up 5.34% compared with the prior year. The revenue is trending at 9.9% higher than budget. Three of the four hotels are open and active.
- Motor Fuel Tax receipts - \$16,481 up 2.08% compared with the prior year, 0.8% above budget.

Chairman Davi inquired about what the Village’s historical total revenues were year after year and if we tracked that. Director Dittman replied that after the revenues took a hit around 2008 when the economy dropped, we have been slowly growing each year and are nearly back to the pre-recessionary levels. A ten-year historical report of revenues and expenditures is presented in the Village’s Comprehensive Annual Financial Report. In addition, Director Dittman prepares a 5 year look back and 5-year forecast on revenues and expenditures by fund as part of the annual budget document. Director Dittman will include a ten-year historical report on revenues and expenditures in the next committee meeting packet.

Motion to approve the Monthly Disbursement reports and Revenue reports was made by Trustee Neal, seconded by Chairman Davi. Motion carried.

## **7. VISITOR’S BUSINESS**

There were no visitors present at the meeting.

## **8. COMMUNICATIONS**

There were no communications.

## **9. ADJOURNMENT**

Motion to adjourn at 6:08 p.m. was made by Trustee Neal, seconded by Chairman Davi. Motion carried.

(Minutes transcribed by: Carrie Dittman, 11/14/2017)