

MINUTES OF THE REGULAR MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE OF THE VILLAGE OF WILLOWBROOK HELD ON MONDAY, MAY 13, 2019 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 Chairwoman Berglund at 5:32 p.m.

**2. ROLL CALL**

Those present at roll call were Chairwoman Sue Berglund, Trustee Michael Mistele, Director of Finance Carrie Dittman and guest Sean Peters of Data-Tel Communications.

**3. APPROVAL OF MINUTES**

Minutes of the Special Meeting of the Finance & Administration Committee held on Monday, April 22, 2019 were reviewed. Motion to approve made by Chairwoman Berglund, second by Trustee Mistele. Motion carried.

**4. DISCUSSION – Internet & Phone Service Proposal**

Director Dittman noted our current phone contract has expired and Village staff had been looking into different internet options over the last year. Staff began examining current services and looking at alternatives. Some of the considerations during this process were 1) speed of existing internet & current difficulties; future IT requirements, such as server replacement and cloud-based software; business interruption; current and future cost of POTS lines and usage; and cost of implementation of a new solution.

Director Dittman has had several conference calls with the current phone provider, Call One, with PCS (Village IT consultant), and has communicated with Comcast as well. PCS recommended Data-Tel to assist with procuring a new phone & internet proposal. Included in the packet is a cost analysis put together by Director Dittman comparing our current service/platform to the following: keeping the status quo at new market rates (Option 1), moving to Comcast for both phone and internet (Option 2), switching to Access One for phone & internet and keeping Comcast as backup internet (Option 3), and switching to First Communications for phone & internet and keeping Comcast as backup internet (Option 4). Options 2, 3 & 4 include a move to fiber internet (vs. the current coax internet), which will greatly increase transmission speed for the Village users. Fiber is already in the buildings and was discussed in the past but was never moved to due to the enormous monthly cost. With bundling phone and internet, the cost is now only slightly more expensive (about \$3,000 annually) than what we are already paying for coax. Only Options 3 & 4 include a secondary, redundant internet service to prevent business interruption in the event of an outage.

Director Dittman explained what POTS phone lines were and how the costs are escalating for these lines as carriers do not want to maintain the expensive copper infrastructure anymore. She organized an audit to be done on our existing POTS lines to see if some can be dropped; the audit will be conducted by a Data-Tel technician Tuesday & Wednesday of this week. Once the lines are mapped out and tested, we can determine which ones can be dropped to achieve some cost savings as each of these lines costs roughly \$40-\$50 per month. Director Dittman estimates that we can reduce our current 26 lines down to about 11. The savings could be around \$4,000 annually, which would negate the transition to the higher fiber internet cost.

Trustee Mistele inquired about Data-Tel's role; Sean Peters relayed that Data-Tel is a broker and works with hundreds of providers, doing the negotiation on behalf of the Village. Data-Tel is paid by the phone/internet companies through a

commission, NOT by the Village itself. In addition, Data-Tel would be the one point of contact in the event of phone or internet outages. A brief discussion ensued about security, firewalls, which buildings would be included, etc.

Director Dittman recommended selecting Option 3, Access One for phone and fiber internet (provided through XO Communications) and retaining Comcast as a backup internet provider (at current cheaper grandfathered rates). The public works building would remain on their Comcast internet as primary because they are too far to be hooked into the Village campus and their usage is minimal as they are out mainly in the field. There is no implementation fee to switch. The annual cost, excluding taxes, is about \$23,811 vs. the current \$19,293 we are paying now for coax internet, no backup internet, and costly POTS lines. Access One rates are based on a 3-year agreement which Director Dittman will send to the Village attorney to review to ensure we are meeting any legal requirements. The Committee concurred with the recommendation for Option 3.

#### **5. APPROVAL – Appropriation Ordinance**

Director Dittman explained that the Village is under the Illinois Appropriation Act and must adopt an appropriation, the legal level of spending, within the first quarter of the new fiscal year. The draft appropriation ordinance is enclosed for review. The operating budget, which is used as a daily management tool, is doubled to form the appropriation amount. The ordinance will be on the May 28, 2019 Village Board meeting for adoption. Motion to approve made by Chairwoman Berglund, second by Trustee Mistele. Motion carried.

#### **6. UPDATE – Business License Survey**

Director Dittman reported that Deputy Clerk Mardegan sent out an email survey to 60 municipalities in her clerk's group to ask 1) were they home rule, and 2) do they impose business license fees (and if so, what they are). 10 municipalities have responded to date. Trustee Berglund also emailed some fee schedules that she found online. A spreadsheet of the results will be compiled to be discussed at a future Finance and Administration Committee.

#### **7. REPORT – Monthly Disbursement Reports – April 2019**

The Committee reviewed and accepted the disbursement reports for the months and key items are highlighted below:

- Total cash outlay for all Village funds –fiscal Year to Date is \$13,211,126.
- Payroll monthly total for active employees including all funds - \$286,033 (2 payrolls). The average payroll for the year was \$153,410, which is a 1.14% decrease from the prior fiscal year. The payrolls contain not only the union and non-union increases of 2.5%, but also step increases for the sworn officers and payouts of accumulated sick, vacation and other time due to employees that retire or terminate employment.
- Average daily outlay of cash for all Village funds for the current month: \$32,753. Daily average fiscal YTD: \$36,165. Average monthly cash outlay for all Village funds fiscal year to date (FYTD): \$1,100,927.
- Average daily expenditures for the General Fund only: \$21,433. Fiscal YTD average is \$25,509 which is a 13.45% decrease from the prior year due to the non-continuance of large capital projects that occurred last year.

#### **8. 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**

The Committee reviewed and accepted the revenue trend reports for April and key items are highlighted below.

- Sales tax receipts - \$4,079,105 YTD up 4.13% from the prior year. Trending 13.3% over budget.

- Business District sales tax receipts - Year to date is \$541,214, 16.43% above the prior year and 20.3% over budget. This represents collections of the 1.0% sales tax collected in the Village's new business district. The revenue comes from the Town Center plus Marshalls, Skechers & Pete's Fresh Market which have now opened and reported collections.
- Income Tax receipts - \$829,140 YTD up 7.07% compared to the prior year, 12.6% over budget. Director Dittman relayed that we budgeted for a continued 10% reduction in income taxes for this year's budget, although subsequently the state passed their budget with only a 5% reduction planned.
- Utility tax receipts - \$915,729 YTD down 2.19% from the prior year, 3.6% under budget, consisting of:
  - Telecomm tax - down 8.66%
  - Northern IL gas – up 14.96%
  - ComEd - down 1.67%
- Places of Eating Tax receipts - \$528,808 YTD up 2.70% compared to the prior year, trending 9.03% over budget.
- Fines - \$131,932 YTD down 15.03% compared with the prior year, 1.49% over budget. Fines come from County distributions and local fine tickets written by Village police officers. Director Dittman noted that local fine revenue is down significantly, however we do utilize a collection agency to attempt to collect unpaid tickets written by officers.
- Red Light Fines – \$932,040 up 38.14% from the prior year receipts, trending 66.4% over budget. All three approaches are live.
- Building Permit receipts - \$710,053 YTD up 16.10% from the prior year, 184.02% above budget. Much of this is due to one-time, non-recurring projects.
- Water sales receipts - \$3,308,668 YTD down 1.55% from the prior year, 6.67% below budget.
- Hotel/Motel Tax receipts - \$252,907 up 3.98% compared with the prior year. The revenue is trending at 2.8% higher than budget. Three of the four hotels are open and active.
- Motor Fuel Tax receipts - \$217,432 YTD, up 0.11% from the prior year, 1.1% below budget.

**9. VISITOR'S BUSINESS**

There were no visitors present at the meeting.

**10. COMMUNICATIONS**

There were no communications.

**11. ADJOURNMENT**

Motion to adjourn at 6:21 p.m. was made by Chairwoman Berglund, seconded by Trustee Mistele. Motion carried.

(Minutes transcribed by: Carrie Dittman)