

# Minutes Village of Niles Finance Committee Meeting

Remote Participation, Zoom  
March 2, 2021  
9:00 a.m.

## Call To Order

Chairman George Alpogianis called the meeting to order at 9:20 am.

## Roll Call

Finance Director Kent Oliven called the roll for Committee Members:

**Committee Members Present:** Chairman George D. Alpogianis, Al Weel, and George Van Geem.

**Committee Members Absent:** Joe Ori, Jack Drexler

**Others Present:** Acting Village Manager Hadley Skeffington-Vos, Assistant to the Village Manager Kathy Thake, Finance Director Kent Oliven, Director of Economic Development John Melaniphy, Budget Analyst Conor Schultz, Admin Assistant Joy Athanasiou; Village Engineer Tom Powers, Public Works Director Fred Braun

## Old Business

**None**

## Approval of Minutes

None

## Accounts Payable Approval

None

## Other Business

### **Consideration of Draft FY22 Budget:**

Finance Director Kent Oliven declared that the General Fund FY22 budget is presently projecting an \$8 million dollar deficit, but stated that this was early in the budgeting process and that the number would likely change dramatically. There is a cash balance to cover FY22. Decline in Sales Taxes and Other Taxes from FY20 and FY21 are the primary reason for the deficit. A variety of old revenues are declining, such as telecomm tax. Some taxes were reduced by the pandemic such as motel tax, the food and beverage tax, and the amusement tax. Interest collections will decline due to lower interest rates and because the Village has spent assets on large projects including street lights, the police garage, and some property acquisition. The decline in overall revenues is most prevalent in Sales Tax, where a combination of the pandemic reducing economic activity and over-budgeting revenues in FY21 has seen a large decline in projected amounts for FY22.

The General Fund includes a large transfer of about \$900,000 from the Finance Department to the Fitness Center. There is a plan for the near future of the fitness center to be presented to the Village Board and

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public on March 15 at the Budget Workshop #1. Salaries for several departments including PW, Police, and Fire are also large expenditure categories that would be covered in a subsequent Budget Workshop.

To close the revenue gap, the Acting Village Manager and Finance Director are compiling a substantive document to consider revenue enhancement options for the Finance Committee and Village Board's consideration. Acting Village-Manger Skeffington-Vos inquired after the opportunity for revenue coming from federal legislation. Finance Director Oliven stated that the possibility for such grant money is there, but there is no way to budget for it at this stage given the lack of details from the U.S. Department of the Treasury. Chairman Alpgonianis reiterated the importance of maintaining active channels of communication on these issues, especially regarding the fate of federal funds becoming available to the Village.

Finance Director Kent Oliven stated that the Motor Fuel Tax (MFT) Fund has been expensing about \$2 million per year, but is only receiving around \$1.2 million per year in gas tax receipts. Current spending will last until FY23 or FY24. The \$2 million in annual spending has and will be insufficient to maintain the condition of Village roads. The draft budget will include an \$18.7 million bond for the purposes of restoring Village roads to a standard which will then need to be permanently maintained through additional revenues.

Village Engineer Tom Powers noted that the pavement condition study suggests a \$3 million annual figure to maintain pavement condition.

Mr. Oliven then briefly updated about the Automotive Fund. He stated that out of an abundance of the caution due to uncertainty of revenue collections during a pandemic, the Village did not purchase the vehicles budgeted for in FY21. Additionally, he stated that there was \$715,000 leftover from a 2019 JP Morgan Chase Loan, because a fire pumper was purchased with cash rather than with the originally intended loan money.

Finance Director Oliven discussed the potential for new equipment the fund might purchase this year using these unspent resources.

The Water Fund was the last fund discussed by Finance Director Oliven. He declared that the Water and Sewer fees have been frozen for many years are too low to maintain the water, sanitary sewer, and storm sewer systems. Without additional funds being provided by the sale of water to Aqua Illinois, the Water Fund will need to be involved in the revenue enhancement options.

At the conclusion of the meeting Director Braun reminded the committee that the feasibility study for the redevelopment of Fire Station #2 will be getting underway shortly. Economic Developer Melaniphy reminded everyone present that the funds for the purchase of properties mentioned when Director Oliven was discussing interest revenues were made from TIF funds rather than the General Fund.

Member Van Geem asked the committee and staff to commit to taking a close analysis to figures in order to reduce the size of the deficit presented. Member Weel reiterated a similar point, calling the numbers frightening and suggesting that actions must be taken to address the deficit.

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Chairman Alpogianis directed Acting Village Manager Skeffington-Vos to seek additional opportunities for budget adjustments from department-heads.

### **Public Comments**

None

### **Executive Session**

None

### **Adjournment**

A motion to adjourn was made by Al Weel and seconded by George Van Geem and all concurred.

*Prepared by Conor Schultz on March 15, 2021*