

Finance Committee Meeting Minutes
Village Hall Council Chambers
April 25, 2023
8:10 am

Call to Order

Budget Analyst Conor Schultz called the meeting to order at 8:10 am and led the committee in the Pledge of Allegiance.

Roll Call

Management and Budget Analyst Conor Schultz called the roll for Committee Members:

Committee Members Present: Alan Weel, Ray Czarnik, and Paul Drakontaidis

Committee Members Absent: Jack Drexler

Ray Czarnik motioned to elect Al Weel to be temporary Chair for the meeting. Paul Drakontaidis seconded. All concurred.

Old Business

None

Approval of Minutes

The minutes from the March 21, 2023, Finance Committee meeting were presented for approval. A motion was made by Ray Czarnik, seconded by Al Weel, to approve the minutes. On roll call, all concurred.

Accounts Payable Approval

@00:02:10

Accounts Payable registers from September 30, 2022, to April 14, 2023, were presented for approval. A motion was made by Ray Czarnik, seconded Al Weel, to approve the Accounts Payable registers. On roll call, all concurred.

New Business

Discussion and recommendation of Ordinance Amending Ch. 102 Utilities, Article III. Water, Sec. 102-127. Discontinuing service if deposit less than delinquent bill; right to hearing

@00:03:30

Finance Director Oliven explained that the Village has an existing system in which residents may request financial relief for water utility accounts in the event of catastrophic leaks. The Finance Director and Finance Committee each has discretion to allow up to \$500 in relief.

At this point, the Village has a large number of delinquent utility bills. Finance Director Oliven suspects the pandemic is a likely culprit for the accounts that are long overdue. Village Manager La Margo noted that residents might also be referred to Family Services, which has further capacity, both financial and administrative, to assist with financial distress due to utility bills.

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Finance Director Oliven stated that in some cases, though, the amounts overdue are too large for discretionary relief. He suggested moving to monthly billing will likely help with undetected leaks, which can be far more problematic in a quarterly billing system like Niles'. He asked the committee whether the \$500 cap on relief that the finance committee can offer residents should be raised to \$1000.

The committee discussed alternative versions of the relief policy. Al Weel suggested allowing the finance committee's \$500 relief cap to only be in addition to the Finance Director's \$500 relief cap, rather than having them be independent. The committee then discussed how to appropriately price the relief so that there is incentive to fix leaks while also being reasonable assistance. Al Weel suggested raising the Finance Committee's relief cap to \$1000. After some further discussion, Paul Drakontaidis suggested leaving the Finance Director's relief cap at \$500 and raising the Finance Committee's to \$1000. A motion was to amend the code was made by Paul Drakontaidis, seconded by Ray Czarnik.

Discussion and recommendation of Ordinance Amending Ch. 98 Traffic and Vehicles, Article II Vehicle License, Sec. 98-82 Required; Renewal and penalty

@00:24:40

Finance Director Oliven stated that the village's enforcement of its vehicle sticker requirement is weak. Only about 20% of trucks required to purchase vehicle stickers do so, and only about 55% of passenger automobiles do so. This year, the Village acquired additional data from the Secretary of State to make our database even more accurate. Adding penalties for noncompliance with vehicle sticker requirements would allow the Village to make this revenue stream more efficient, and reduce frustration for those residents who actually do follow the rules every year.

Al Weel suggested that enforcement for delinquent trucks is most important because those are the more expensive stickers. Finance Director Oliven agreed, and added that some municipalities have multiple tiers of late fees, so that buying the sticker one month late is still slightly less expensive than any later.

The committee next discussed amounts for the fee, and dates for assigning fines. The committee agreed on the concept of a thirty-day grace period, so that August 1 sets the first level of fine, and September first sets the second level of fine (the due date is June 30).

The final schedule of fees was for \$25 to be assessed on passenger vehicles on August 1, increasing to \$50 on September 1. Trucks would be fined \$50 on August 1, increasing to \$100 on September 1. Village Manager La Margo reminded the committee that staff can use discretion when assigning these fees, in cases of hardship or extenuating circumstances, for instance. Ray Czarnik made a motion to recommend the change to the Village Board, seconded by Paul Drakontaidis. On roll call vote, all concurred.

Recommendation of the FY2024 Budget to the Board of Trustees

00:40:10

Finance Director Oliven opened the discussion by clarifying that, historically, the Finance Committee recommends the annual budget's adoption to the board of trustees. At last month's budget meeting of the finance committee, he failed to request such an approval, and is asking for the formal approval here at this meeting. He reminded the committee that they have seen the operating and capital components of the budget already.

Budget Analyst Schultz explained that, based on recommendations from the Mayor, the proposed FY24 budget had been reduced slightly since the finance committee had seen it last. As a shorthand, he said the relative increase from last year's budget to the new, proposed budget, was now 3%, when it was 4% originally. He offered to re-do the budget presentation, but added that the material was mostly similar.

Al Weel asked a question about refuse fee being paid to Groot in the new budget. Finance Director Oliven clarified that residents are being asked to pay for the cost of home garbage collection. The Village's role in paying GROOT is now limited to paying for the landfill costs, and some administrative fees for the partnership as whole. Al Weel and Ray Czarnik asked about whether the current vendor was best, and whether there should have been a bid process. Finance Director Oliven clarified that options are limited for garbage collection vendors, and that the nature of the business means that transition costs are high. For this business, existing vendor partnerships are almost always cheaper. This contract is at least ten years, with an option to pursue extensions up to thirty years.

Ray Czarnik asked about how the residents benefit from direct billing, rather than having the Village pay, as has been the case historically. Village Manager La Margo clarified that when the Village pays, it had to subsidize costs, paying through a combination of property tax levy and general fund money. Finance Director Oliven added that another part of this decision is that the property tax money will be used for road maintenance instead, which is a more valuable use of those funds.

Ray Czarnik asked about opportunities for the Village to reduce the burden on residents. Finance Director Oliven and Village Manager La Margo both gave answers, clarifying that the savings being created by moving the garbage billing to a more efficient, direct-billing system, are being used for road maintenance. Finance Director Oliven suggested that the \$1.8 million property tax abatements made in the past two tax years are a form of assistance.

There was further discussion about the relationship between the move to direct billing and relief to residents. Al Weel reiterated that given ongoing economic conditions, he would like to see the budget further reduced before recommending it to the Board of Trustees. Specifically, the committee recommended reducing the 2% increase between budget years down to something under 2%.

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Staff offered various perspectives on the budget process to date, highlighting that, at this final stage of the process, there are few opportunities to cut that do not involve changes to service level. Analyst Schultz also identified projected increases to revenue figures; finance Director Oliven and Village Manager La Margo highlighted vehicle sticker changes and increases to ambulance billing.

Al Weel reiterated that the committee wanted to see the year-to-year increase for the operating budget brought down to something under 2%, and that they would recommend the budget to the board if that could be achieved; after further consideration, staff and the finance committee agreed upon a specific figure to target.

The committee agreed to recommend the budget contingent on the reduction to the aforementioned <2% annual increase. Ray Czarnik motioned, Paul Drakontaidis seconded. On roll call, all concurred

Other Business

None

Public Comments

None

Executive Session

None

Adjournment

A motion to adjourn was made at 9:43 am by Ray Czarnik, seconded by Paul Drakontaidis. All concurred.