

MINUTES OF THE REGULAR FINANCE AND ADMINISTRATION COMMITTEE MEETING OF THE VILLAGE OF WILLOWBROOK HELD ON MONDAY, OCTOBER 12, 2015 AT 6:00 P.M. AT THE VILLAGE POLICE STATION BUILDING, 7760 QUINCY STREET, WILLOWBROOK, ILLINOIS.

1. CALL TO ORDER

The meeting was called to order by Chairman Umberto Davi at 6:00 p.m.

2. ROLL CALL

Those present at roll call were Chairman Umberto Davi, Trustee Gayle Neal and Director of Finance Carrie Dittman.

3. APPROVAL OF MINUTES

Minutes of the Regular Finance/Administration Committee held on Monday, August 10, 2015 were reviewed.

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

4. REPORT - Status of Annual Audit of the Village of Willowbrook for the fiscal year 2014/15

Director of Finance Dittman reported that the annual audit for the Village has now been completed and the process went fairly smoothly. The auditors did not propose any adjusting journal entries to the financial statements and had no new management letter comments. The report production process under BKD did not go as smoothly as in past years, however, due to changes in the new firm's processes which delayed the report issuance. The reports are planned to be presented at tonight's Village board meeting.

5. DISCUSSION - Credit Card Proposals

Director Dittman explained that as part of the new software implementation process the Village has considered the requests of many residents to begin offering online bill pay for water and other bills. Four (4) companies were reviewed for this offering: Point & Pay, Official Payments, CourtMoney.Com and Illinois E-Pay. Only Point & Pay and Official Payments integrate with the new software, which would automatically apply the payments to customer accounts at the moment the payment is made, thus saving staff time from having to manually enter it after the fact and minimizing errors. There is a varying fee structure, depending upon whether the fees are absorbed by the Village or passed on to the customer, which was enclosed with the agenda and reviewed with the committee. Current monthly average fees which the Village now absorbs are about \$900/mo, or \$10.94/transaction as roughly 80 customers per month pay with credit cards.

Official Payments charges a flat \$1.95 per transaction for credit/debit card use if the Village absorbs the fee or \$3.95 if the customer pays the fee. Point & Pay charges an interchange fee plus 40 basis points per transaction if the Village absorbs the fee; for a \$100 water bill, this would be between \$2.20-\$3.90, and \$4.40-\$7.80 for a \$200 water bill. They charge 3% of the transaction cost with a \$2.00 minimum if the customer pays the fee (ex: \$3.00 on a \$100 water bill).

For Official Payments, if the Village absorbs the fee the monthly charge to the Village based on current average usage would be \$154.05 (versus the current fee of about \$900/mo). If 150 people used the online bill pay monthly, the fee to the Village would be \$292.50. There are no minimum fees imposed by Official Payments.

Using either service would enable the Village to accept credit and debit cards online (VISA, MC, and Discover) and also e-checks (\$1.00/transaction for Official Payments and \$.65, \$3.00 or \$10.00 for Point & Pay depending on the payment amount and who pays the fee). Trustee Neal expressed concern about e-checks in that some residents might wait until the last minute to pay their bill so that it would not be marked late, knowing that they did not have sufficient funds in their account and relying on the "float" system until they deposited additional money in their account. She questioned how the system would prevent the transaction from being applied if there were not sufficient funds and who would be notified if it was rejected. Trustee Neal also inquired about how much of the Village's money would need to be set aside in the associated account to cover Official Payment's fees and any rejected items. Director Dittman stated that she would reach out to Official Payments for the answers.

Due to the more favorable fee structure, integration with the new software and better responsiveness compared to the other companies, staff is recommending Official Payments, and has forwarded their contract to the Village attorney for review. Trustee Neal raised some questions about the contract, such as notice needed to terminate it. Director Dittman noted that it is for a term of 2 years, which she has inquired of Official Payments if it can be shortened to 1 year and is awaiting their reply, and it will automatically renew for 1 year terms except that it can be cancelled if 60 days written notice before the end of the term is given by either party.

A short discussion ensued between Trustee Neal and Chairman Davi about passing on the fees vs. the Village absorbing them and Trustee Neal distributed some information from other local Village's websites showing payments that they currently take, including direct debit. Director Dittman noted that the Village already currently accepts direct debit, and residents must complete a form to sign up including providing their banking information.

Non-sufficient funds' fees were also discussed and Director Dittman noted that the Village currently imposes a \$25.00 fee for returned checks.

Director Dittman noted that it was planned to present the Committee's recommendation to the Village Board at the October 26 meeting, but that could be postponed pending the responses from Official Payments and any further discussion needed by the Committee.

6. REPORT - Monthly Disbursement Reports - July 2015

The Committee reviewed the disbursement reports for the months of August & September (respectively) and key items are highlighted below:

- Total cash outlay for all Village funds - \$1,007,224 & \$1,102,832.
- Payroll for active employees including all funds - \$485,924 &

321,599 (2 payrolls each month). The change from the prior fiscal year is a cumulative 15.19% increase. This is due to the large payout in August to a retiring police officer.

- Ave. daily outlay of cash for all Village funds - \$32,491 & \$36,761. Fiscal year to date daily average is \$36,877.
- Ave. daily expenditures for the General Fund - \$21,816 & 20,205. Fiscal year to date average is \$23,290.

7. 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 September 30, 2015

- Sales tax receipts - \$1,499,862 down 0.3% from the prior year. Trending 1.9% over budget.
- Income Tax receipts - \$407,987 up 17.06% compared to the prior year, 54.4% over budget.
- Utility tax receipts - \$389,357 down 9.79% from the prior year, 12.1% under budget, consisting of:
 - Telecomm tax - \$176,520, down 2.96%.
 - Northern IL gas - \$34,580, down 49.27%
 - ComEd - \$179,443, down 1.76%
- Places of Eating Tax receipts - \$220,861 up 3.77% compared to the prior year, trending 12.8% over budget.
- Fines - \$64,729 down 15.85% compared with the prior year, 0.95% under budget. Fines come from County distributions and also local fine tickets written by Village police officers.
- Red Light Fines - \$121,224 down 57.19% from the prior year receipts, trending 50.6% below budget. Director Dittman inquired of Chief Shelton on the current status of the cameras: the cameras at 75th Street and Midway Drive were back in service as of September 27. The 63rd Street cameras went down on May 22 and are expected back up on October 31 (about 23 weeks out of service).
- Building Permit receipts - \$213,125 up 140.02% from the prior year, trending at 325.76% above budget.
- Water sales receipts - \$1,452,306 up 15.28% from the prior year, 4.22% above budget, attributable in part to the 12% rate increase effective 1/1/2015. Director Dittman noted that a rate increase does not necessarily equate to the same % increase in revenue as customers increase their water conservation when rates go up.
- Hotel/Motel Tax receipts - \$91,401 up 299.36% compared with the prior year, 7.4% below budget. The June 1 rate increase to 5% is now

apparent beginning with the June tax payments received in July.

- Motor Fuel Tax receipts - \$50,616 down 69.07% compared with the prior year, 56.9% under budget. The Village has not received payments in August or September due to the lack of a State of IL budget, and they will not remit future payments until their budget is passed. If the state does not make any additional payments this fiscal year, we will only reach about 25% of our budget for this revenue source.

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

8. VISITOR'S BUSINESS

There were no visitors present at the meeting.

9. COMMUNICATIONS

There were no communications received.

10. ADJOURNMENT

Motion to adjourn at 6:30 p.m. was made by Chairman Davi.

(Minutes transcribed by: Carrie Dittman, 10/13/2015)