

MINUTES OF THE FINANCE COMMITTEE MEETING OF THE VILLAGE OF METTAWA, ILLINOIS, HELD AT THE HOUR OF 6:00 P.M. ON MARCH 24, 2020 AS A TELECONFERENCE CALL

A. CALL TO ORDER

Chairman Maier called the meeting to order at 6:00 p.m.

B. ROLL CALL

Upon a call of the roll, the following were:

On the Phone: Chairman Maier and Trustees Brennan and Towne

Chairman Maier declared a quorum on the call.

Also, on the call: Trustee Bohm; Trustee Pink; Village Administrator, Bob Irvin; Village Clerk, Sandy Gallo; Financial Consultant, Dorothy O'Mary and Village Treasurer Carol Armstrong

C. APPROVAL OF THE MINUTES FOR FEBRUARY

Chairman Maier requested a motion to approve the February 18, 2020 meeting minutes. It was moved by Trustee Towne and seconded by Trustee Brennan that the minutes be approved and be placed on file. The motion was carried.

D. REVIEW OF INVOICES PRESENTED FOR PAYMENT

Chairman Maier stated the Committee approved the unpaid bills amount of \$ 142,982.90. Trustee Towne asked why the James Anderson monthly bill reflected a special use charge for the St. Basil Church. Village Administrator Irvin replied the associated expense pertains to their review of the church's site plans for the upcoming ZPA public hearing on April 7th. Thus far, this meeting has been postponed for a later date. Trustee Towne indicated the Board should review the application prior to paying the invoice. Village Administrator Irvin said ZPA Commissioners usually reviews the application prior to the Board's recommendation. Village Administrator Irvin will provide the St. Basil Church's special use permit application to the Board.

E. REVIEW OF THE TREASURER'S REPORT FOR FEBRUARY 2020

The Committee had no questions regarding the treasurer's report.

F. REVIEW PROPOSED DRAFT OF THE VILLAGE BUDGET FOR FY 2020-2021

Village Administrator Irvin indicated the budget highlights included no real capital improvements have been planned outside of the Grainger land purchase. The Grainger purchase price will be \$ 5.7 million. The original plan was \$3.7 million would be in a loan and the balance of \$2.0 million would be paid through the Reserve Account. The Village has since collected \$1.4 million in Sales Tax from Grainger. As a result, the new loan amount would be reduced to an estimated \$2.25 million. The Village's debt services has also been reduced. Public Works larger budget items include the trail and shoulder maintenance. Public Works priority next year is to address the trail widening to the original

standards and address any drainage issues along the trails. The Village's shared revenues are based on the Oasis (shared percentage with Lake Forest 50%) and the two Village hotels (shared percentage 30% with the HGI and the Marriott). Village Administrator Irvin commented the budget was prepared prior the COVID-19 virus impact. As a result, Village Administrator recommends the revenue amounts be reduced given the current events. The Shared Revenue amount portion for the Oasis, should estimate the dip of the Oasis retail being closed and only the gas stations being opened. As for the two hotels, their current occupancy is operating at 8%. The current year budget will experience an estimated 2-month reduction in the Shared Revenue amount. This issue could overflow into the next fiscal year budget for additional months too. Village Administrator Irvin said an estimated reduction of \$140,000 in revenue would be considered for the two fiscal years. Chairman Maier indicated Grainger does not currently anticipate a reduction in their production that would impact their Sales Taxes.

Village Administrator Irvin mentioned on the expense side, the same Property Tax Rebate amount of \$600,000 is being considered.

Village Administrator Irvin added a large portion of the budget encompasses what the Village's receives from Shared Revenue. Even though, we anticipate a reduction in revenues, the Village's budget is still healthy enough to handle the Grainger land purchase.

Trustee Bohm proposed the Board consider increasing the tax rebate amount to \$700,000. Trustee Bohm indicated he had several factors why the Village should consider this increase; 1) the Grainger Sales Tax revenues are currently above forecast; 2) the Village does not have any capital expenditures planned over the next few years; 3) the Village recently redeemed a bond in the amount of \$1.2 million, no interest expense will be incurred; 4) SSA#2 balance of \$156,000 was issued to the five owners and after the Grainger land purchase, the budget will still be healthy enough to tolerate the tax rebate amount increase.

Chairman Maier said the revenue for the hotel will be reduced, estimated \$591,000. March and April will be reduced, \$20,000 per month. Reduce each month by \$25,000. \$575,000. Current year reduce by \$40,000. Oasis Sales Tax, \$30,000 a month now, reduce to \$50,000 for current year. Projected for this year, \$340,00 and next year \$370,000.

Trustee Brennan said she does not approve of the tax rebate increase amount due to the current circumstances.

Trustee Towne said he did not receive Trustee Bohm's email request. Trustee Towne added as the current Chairman of Public Works and prior Chairman Parks and Recreation, these committees need to continue to set aside some funding required for future capital projects. Trustee Towne said he does not believe that the tax rebate increase amount is fiscally responsible during the current event of COVID-19.

Chairman Maier added he also agrees that the tax rebate amount should not be increased at this time. Chairman Maier added income taxes are anticipated to be increased with the upcoming election from 4.95% to 7.75%. The Villages revenues will be reduced as well.

A motion was moved to retain the tax rebate at \$600,000 and keep the budget as presented. A motion was moved by Trustee Brennan and seconded by Trustee Towne. The motion was carried.

Village Administrator Irvin will provide the Committee an updated budget to reflect the revenue amounts updated. Village Administrator Irvin said the updated budget will be posted on the Village website to be discussed at the Board's public hearing scheduled on April 21st.

Chairman Maier asked if any residents who called into the meeting would like to present their questions. No questions were heard.

G. ANY OTHER ITEMS THAT MAY APPEAR TO THE COMMITTEE FOR CONSIDERATION, AND IF APPROVED, BE RECOMMENDED FOR APPROVAL TO THE BOARD OF TRUSTEES

H. ADJOURNMENT

With no further business to conduct, it was moved by Trustee Brennan and seconded by Trustee Towne that the meeting be adjourned at 6:31 p.m.

Sandy Gallo, Village Clerk