

VILLAGE OF BEACH PARK
Minutes of the November 15, 2017
Finance Committee Meeting

Attendees:

Trustee Don Jensen – Committee Chair
Peggy McHugh – Finance Director
Jon Kindseth – Village Administrator

Trustee Regina Miller – Member
Trustee Linda Sittig – Member
Sandi Pastell – Recording Secretary

Roll call was taken and the meeting brought to order at 6:03 p.m. McRibbs were enjoyed by all.

October 18, 2017 meeting minutes: Chairman Jensen asked if there were any questions in regards to the minutes.

Trustee Sittig asked if staff looked in to the **liquor license for Thunderhawk**. Jon Kindseth stated that it is in the Annexation Agreement that we cannot charge them for liquor license; however, he has not had a chance to read the entire agreement to see if, at some point, we can start charging them. Chairman Jensen then asked for a motion to approve the October 18, 2017 meeting minutes. Trustee Sittig made a motion and Trustee Miller seconded. Upon voice vote the October 18, 2017 minutes were approved unanimously.

Points of Action: Chairman Jensen then asked if there were any updates to the Points of Action from the October 18, 2017 meeting.

Jon Kindseth stated that there is nothing new on the first three items. Trustee Miller asked about the **Priority Lien ordinance** and why it's taking so long. Jon Kindseth stated that Attorney Magna will not do anything with it as he feels it is not what is best for the community and that it should not be followed through on. Jon Kindseth also stated that the issue has become less urgent as there are not as many properties under water in the Village as there were when we first discussed it. Chairman Jensen asked what we need to do in order for it to be placed on the Board's agenda. Jon Kindseth stated that as the Finance Committee Chairman he can bring it up at any Board meeting for a status update from Attorney Magna. Trustee Miller expressed frustration that Attorney Magna did not present it back to staff for them to place it on the agenda for the Board to vote on. Jon Kindseth stated that he believes that Attorney Magna needs to be reminded and if it is brought up at a Board meeting, he will have to explain his position.

Discussion was had in regards to some of the larger **delinquent sewer bills** that we have on the books and can those be included in the priority liens. Jon Kindseth said he was not sure but did not think that they could be. Jon Kindseth stated that we do send them to IDROP but only if it's a closed account and they pay taxes; however, we do lien the property in hopes that the bill gets paid at some point. Trustee Sittig asked if we can dig up the sewer and make an example of someone in order to collect the debt. Jon Kindseth stated that we could; however, the cost to do so is high and if we can't get them to pay the large sewer bill, are we going to be able to collect another six to seven thousand dollars for that cost? Jon Kindseth also stated we could place the extremely delinquent offenders in our newsletter or on the website. The Committee really does not like that idea.

Chairman Jensen then asked about **Retail Strategies**. Jon Kindseth stated that this was discussed at the TIF Committee meeting and said that included in the Committee's packet today are examples of materials used, specific retailers that they have met with and the outcomes of those discussions. Jon Kindseth said that Casey's General Store is looking at the Paxton Drive site and that they would look like Speedway. Jon Kindseth said that on the last page they have listed upcoming events that they will be attending. Jon Kindseth did tell the Committee that Casey's General Store has come to an agreement with the property owner on the price and that they have asked about a TIF incentive.

Chairman Jensen said that he is concerned that they are "fluffing" the report and believes it would be a good idea for someone from the Village to attend the meeting in Chicago that Retail Strategies will be attending and hang around to see exactly what they are doing for us. Jon Kindseth will take that under advisement.

Legal Opinion RE: SSAs and the Veteran's Exemption: Chairman Jensen then moved the discussion to the legal opinion regarding the SSAs and the veteran's exemption.

Jon Kindseth stated that this has been discussed in prior meetings as to whether or not disabled veterans should be exempt from SSAs and the opinion staff received from Attorney Magna was yes, make them exempt. Jon Kindseth stated that the opinions did differ between communities. Jon Kindseth explained that for the last two years we have allowed the exemption; however, he has received a legal opinion from Tom Bayer and he stated that veterans are not exempt from SSA taxes.

The Committee agrees that they should not be exempt as then the burden lands on the Village to pick up the remaining shortfall as we cannot divide it between the other property owners.

Vehicle Stickers: Chairman Jensen then moved to vehicle stickers.

Jon Kindseth said it has been four years since we last discussed the stickers at which time we did start charging our residents for them; however, it was not mandatory to have a village sticker. Jon Kindseth said that he feels we should stop selling them as there really is no need for residents to have them. Jon Kindseth stated that the last time we ordered them we ordered 5,000 and have only sold 2,500. Jon Kindseth stated that we can reorder 3,000 of them and raise the rat to \$3.00 or we can order them without an expiration date. Jon Kindseth stated that if we do get rid of them and we receive any backlash from our residents, such as receiving tickets in other communities due to no city sticker, we can always reimplement this sticker program.

The Committee agreed to eliminate them.

Bonds and Potential Refunding: Chairman Jensen then moved to bonds and potential refunding.

Jon Kindseth stated that twice over the past year he and Peggy have met with Andrew from PMA Securities after they identified a Scribner's error in our TIF bond official statement and helped us fix it. Jon Kindseth said in our continuing effort to safeguard the Village's interests, we looked at the opportunity to refinance our bonds while interest rates are at an historic low. Jon Kindseth said in the packet are some proposals from Andrew at PMA for refinancing. Jon Kindseth said we may want to look at refunding now before Congress passes the tax bill which will disallow advanced refunding of bonds. Chairman Jensen asked if we can't pay down the principal. Peggy said, "No, we have to follow the schedule until it is callable." Jon Kindseth stated the cost to refinance is approximately 1% and if we

refinance, the callable date will, of course, be later. Chairman Jensen said he thinks we should refinance so we hold onto our cash.

Jon Kindseth said he does not need an answer right now he just wanted to give this information to them. Peggy McHugh stated that if we do refinance, our credit rating could go from AA to AA+ and increasing our bond rating has been a priority of the Board. The Committee wanted to know what that does for us. At this point, not much; however, it helps if we need other bonds. Trustee Sittig said to refinance one of the two GO Bonds so we hold onto our cash. More discussion was had in regards to refinancing the bonds or paying them off.

It was decided to continue the discussion at the next Finance Committee meeting.

Monthly Finance Report/State Budget Impact: Chairman Jensen then moved the discussion to the Monthly Finance Report/State Budget Impact.

Peggy McHugh said that nothing has really changed as we still have a surplus and our expenses are still below budget in all departments. Chairman Jensen asked about the Green Bay Road TIF and why it's in the negative. Peggy McHugh explained that it's the amount owed to the General Fund for start-up costs.

More discussion was had in regards to the current status of the TIF Districts.

Warrant List: Chairman Jensen then moved to the Warrant List.

Chairman Jensen said to skip his comments on the charitable contributions as the committee is well aware of how he feels about them. Chairman Jensen asked about the AT & T bills for the Lynch Booster Station and it was explained that there are three lines and staff is inquiring about what the extra lines are for. Chairman Jensen then asked about Brightview and the \$4,000 a month for Cambridge, which is SSA 6. Jon Kindseth state that this is a 50% decrease in what the expense was before and reminded the Committee how large of an area they are landscaping. Chairman Jensen went over a couple more items, mostly just comments he had.

Home Rule: Chairman Jensen then moved the discussion to Home Rule Communities.

Jon Kindseth stated that we have had this discussion in the past and at the priorities session. Jon Kindseth stated that in the packet there is a memo showing the benefits and the downsides of being a home rule community. Chairman Jensen stated it is a nice overview and he does like some of it; however, his big concern is in regards to the other taxes that can be imposed on the residents and it concerns him when it comes to the current board's successors. Jon Kindseth stated it is aligned with Village belief that if people need a specific benefit then they should pay for those services. Chairman Jensen said he is still concerned about who could be voted in and Jon Kindseth said that we should expect new members to stay with what is already in place. Chairman Jensen stated that he feels that some of this memo was cherry picked and slanted to show only the benefits of becoming home rule and doesn't really spell everything out.

Jon Kindseth stated that the village would not be doing this for additional revenue and that it is about more local control. Jon Kindseth said that if we were home rule we could have stopped our bakery from getting video gaming. Trustee Miller stated she really likes the idea of having a Business Licensing

program as we can revoke a license if a business is not compliant instead of going on for years being non-compliant. Chairman Jensen said that the risk of becoming a home rule community is more than the additional revenue it could bring in. Jon Kindseth said that we talked about putting this on the agenda for a referendum for March 2018 and feels it will have to be a political campaign. Jon Kindseth stated that Village staff can educate the residents but cannot campaign for it. Jon Kindseth said that we would have to approve the referendum question in December in order for it to go on the ballot in March.

Trustee Sittig said that she is glad that staff has explored this option and would like all of this information to be passed to all of the remaining board members so they have enough time to go through it to make an educated decision. Jon Kindseth stated that he will work on refining the memo. Jon Kindseth said that we should do it now as there are no board members that are up for re-election and the voter turn-out will be less. Trustee Miller said that she is in support of it. Jon Kindseth stated that he will have a conversation with the Mayor and if the Committee is comfortable speaking out about this matter at the December 14th meeting, he will put it on the agenda. Trustee Sittig said that is fine just make sure all the board members have the information at least a week before the meeting.

New Business: Chairman Jensen then moved the discussion to new business.

Jon Kindseth stated that under IMRF, we will be making another payment.

Jon Kindseth stated that there is talk about the staff of the previous Zion-Benton news **starting a new paper**; however, they are looking for public assistance and would like the Village to contribute \$20,000.00. Jon Kindseth stated that the Village spends that much a year on ads and our newsletter and that we could dispose of that and put the information in the paper as they will be delivering to all homes in Zion, Beach Park and Winthrop Harbor. Chairman Jensen said that if it's a wash for us and that they last that long, he would be okay with the \$20,000.00 contribution. Jon Kindseth said that Zion is committed to \$40,000.00 to \$50,000.00 and the Harbor is being asked for \$20,000.00 as well.

Chairman Jensen said that we could also make it a performance based payment so if it does not work out, we would not be out the entire \$20,000.00. Jon Kindseth stated they are working on a business plan to submit to contributors.

Chairman Jensen asked about the Meadery and if they are still going in. Jon Kindseth stated that yes; however, the owner is dealing with the State and Feds in obtaining his licenses.

Adjourn: Chairman Jensen then asked if there were any public comments. Hearing none, Chairman Jensen then asked for a motion to adjourn.

Trustee Miller made the motion. Trustee Sittig seconded. Upon a voice vote, the motion was approved unanimously. The Finance Committee meeting was adjourned at 8:24 p.m.

Next Finance Committee Meeting: Wednesday, December 20, 2017 at 6:00 p.m.