



FINANCE DEPARTMENT

MAYOR

George D. Alpogianis

VILLAGE MANAGER

Joseph S. La Margo

VILLAGE CLERK

Marlene J. Victorine

TRUSTEES

John C. Jekot

Joe LoVerde

Danette O'Donovan Matyas

Craig Niedermaier

Dean Strzelecki

Finance Committee Meeting Minutes Village Hall Council Chambers September 7, 2022 8:00 am

Call to Order

Chairman Joe LoVerde called the meeting to order at 8:00 am.

Roll Call

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

Committee Members Present: Chairman Joe LoVerde, Alan Weel, Bob Callero, Jack Drexler, and Ray Czarnik

Committee Members Absent: None

Old Business

None

Approval of Minutes

The minutes from the August 3, 2022 Finance Committee meeting were presented for approval. A motion was made by Jack Drexler, seconded by Bob Callero, to approve the minutes. On roll call, all concurred.

Accounts Payable Approval

The Accounts Payable registers for 2022- 7/29, 8/5, 8/12, 8/19, 8/26 were presented for approval. A motion was made by Al Weel, seconded by Jack Drexler, to approve the Accounts Payable registers. On roll call, all concurred.

New Business

Review and Recommendation of proposed 7C

Economic Development Director John Melaniphy presented a Cook County Class 7c Property Tax Classification request for the property at 7315 W. Dempster. Mr. Melaniphy said the Village received an application from Siblana Properties, LLC, the contract purchaser of the property, requesting a Resolution from the Village of Niles supporting and consenting to a Class 7c Tax Incentive for this property based on re-occupation of abandoned property for greater than twelve months continuous vacancy with a purchase for value and substantial rehabilitation. He added that the property has been vacant and unused since approximately 2019. Mr. Melaniphy stated the Applicant plans to purchase the property for 1.1 million and invest approximately \$200,000 into the property but will not be able to purchase the property if the tax incentive is not received.

Rehana Bhajji, from Siblana Properties LLC, was present. She stated her business is a full-service event design company currently located in Des Plaines. They have fifteen employees and plan to hire an additional fifteen employees. She said the new location in Niles would house a small floral

retail shop, design services, and production. Ms. Bhajji said there are possible future plans to host small events, such as bridal or baby showers.

The Committee voiced concerns with parking space at the property, especially if events will be held there. They would not want parking to spill into the surrounding neighborhood. Ms. Bhajji said they would not plan to host events unless they are approved and can offer valet parking from a neighboring lot.

Chairman LoVerde noted a discrepancy with the year on the vacancy affidavit. He asked staff to verify and correct the date prior to submitting to the County. Staff agreed.

A motion was made by Bob Callero, seconded by Ray Czarnik, to recommend the Cook County Class 7c Property Tax Incentive, for the property at 7315 W. Dempster, to the Village Board for approval. On roll call, all concurred.

Discussion of Vehicle Sticker and Gas Tax

Finance Director Kent Oliven said there was discussion at the previous meeting about if a gas tax could replace vehicle stickers at some point in time. He provided a comparison chart showing gas tax rates and vehicle sticker prices for surrounding communities. He said he is not asking for any action at this time, just providing information to the Committee.

Mr. Oliven said that raising our gas tax three (3) cents would bring in about the same amount of money as vehicle stickers. He added that raising our gas tax would only work if our surrounding municipalities raised their gas tax at the same time.

Member Bob Callero said he believes we should not raise the gas tax because it brings people from Chicago to fill up gas and stay to do shopping in the Village. He believes that if we enforce the purchase of vehicle stickers for all vehicles within the Village, we will collect more.

Mr. Oliven said our Police Department has started enforcing and issuing tickets for not displaying a vehicle sticker. He also said our IT Department is currently gathering up to date information from the Secretary of State's office to compare with our records. He said if there are vehicles, registered to an address in Niles, on their list that we do not have in our system, we will be mailing out reminder letters to residents to purchase their stickers.

Mr. Oliven said he believes vehicle stickers are an inefficient way to collect and said he is always looking for alternative ways. Village Manager Joe La Margo agreed that vehicle stickers are an administratively inefficient way to collect but added that it is a revenue generating source, bringing in about 600 to 650 thousand dollars per year. Mr. Oliven estimated we spend about 100 thousand dollars on staffing, software, and lockbox each year. Staff said an analysis could be done to get a more accurate number of Village expenses. Finance Director Oliven continued by saying that vehicle stickers only charge the people living in Niles for roads, but the gas tax charges people not living in Niles them for using Village roads.

Chairman LoVerde said if the Village is not going to eliminate vehicle stickers, that the system needs to be fair. He said every single vehicle in Niles must display a sticker, including all large commercial trucks. Member Al Weel agreed with Chairman LoVerde, stating that we should remove the senior citizen stickers and raise truck sticker fees, being they are doing the most damage to our roads.

Mr. Oliven said our truck rates are already very high, according to the comparison chart of surrounding communities. He said that instead of raising rates, he agrees that changing our ordinance and enforcing that all trucks are purchasing a sticker, is where the additional revenue from trucks should come.

Village Manager La Margo agreed. He said we want to lower the burden on seniors and fixed income families. He suggested going forward with an analysis and providing a couple scenarios, once the data is collected, allowing the Finance Committee and Village Board to decide what is best for our residents.

Member Al Weel suggested eliminating a couple categories from vehicle stickers and raising the trucks rates. He said if the Village increases truck rates, businesses will most likely pass down the cost to their consumers, which would not directly impact Niles residents but would spread the cost out to others.

Village Attorney, Danielle Grcic, stated the Village Board can pass an ordinance that will require businesses to pay for their trucks, either by purchasing truck stickers or by collecting a truck fee when a business registers and pays for their business license.

Chairman LoVerde said he believes the Finance Committee agrees that all vehicles that park in the Village must pay the fee. He said that there will be further discussions, but believes the Finance Committee is moving toward a recommendation.

Chairman LoVerde asked for an update on the status of payment for the gas stations that owed the Village a couple hundred thousand dollars for gas tax, as discussed at the previous meeting. Mr. Oliven said our Village Attorney and Finance Department staff have been working with the attorney of the gas stations to collect tax that was not paid due to an error. He said the gas stations did not change the rate at the pump when the Village notified them of the increase a few years ago. Mr. Oliven said the Village has given them a longer period to pay. Their attorney thanked staff for working with them and said the businesses are very appreciative.

Chairman LoVerde also inquired about the gas station located at Dempster and Harlem that recently closed. He asked if the Village received all money owed for taxes before the business closed. Finance Director Oliven said he will investigate to see if the money was received.

Chairman LoVerde said, as stated at previous meetings, that the Finance Committee must be made aware of all money owed to the Village. He said, as Finance Committee members and Elected Officials, they must be aware because it is their responsibility to manage the taxpayer's funds within the Village and make the best decisions for the residents of Niles. The Chairman requested a report from the Finance Department showing all delinquent accounts, in all categories. Mr. Oliven said it is difficult at times because the taxes are self-reported. The Committee Members asked how we verify that they are reporting the correct amount when the businesses govern themselves. Mr. Oliven said we are setting up a system to compare what businesses are reporting to the Illinois Department of Revenue versus the Village. Mr. La Margo said this will help up catch these errors more quickly. He said if we discover that a business owes money to the Village, we can hold their business license. Mr. La Margo said we are getting our process in order and moving in the right direction. Mr. Loverde said we will continue to discuss this each month.

Monthly Committee Updates @54:30 Budget Analyst Conor Schultz explained the information covered in the monthly financial report packet. Topics included sales tax as well as highlights of department revenues and expenses.

Among the information presented was the fact that revenues for the Police and Fire pension accounts will be arriving in one large transaction this year, because property taxes are being disbursed directly into those accounts. In prior years, the property tax would disburse to the General Fund and be transferred to the pension funds, creating a very flat 12 period cost curve.

There was further discussion about the formatting of the reports. The next packet will attempt to reduce the number of columns to make the packets more legible overall. Some of the prior year data will likely be reduced to accomplish this.

A small number of accounts was further identified for comment, including the "materials for resale" account for the fitness center, which covers the cost of merchandise and consumables that the fitness center sells for profit.

Audit Update @1:12:50

Finance Director Oliven noted that the auditors had staff at the Village for audit proceedings and that the entire audit is still on schedule for the year, with an anticipated completion date in December.

Director Oliven also noted the annual actuarial reports may be prepared by the next Finance Committee meeting in October. There may be an extra Finance Committee meeting in October if those reports are not prepared by the regular October Finance Committee meeting because they will be used to prepare for the annual property tax levy. The Finance Committee will meet to discuss that topic prior to the November Village Board meeting.

Questions on AP Registers @1:17:35 Chairman LoVerde inquired about several individual expenses within the AP registers on the agenda. Topics included water billing refunds, emergency purchases by Family Services, the Village's logo registration, locating service for the Morton Grove Niles Water Commission, and the Four Flags tank rehabilitation, water backflow testing, and CAPSS.

Other Business None

Public Comments None

Executive Session None

Adjournment A motion to adjourn was made at 9:30 am by Jack Drexler, seconded by Ray Czarnik. All concurred.