



Village of Hanover Park Administration

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JON KUNKEL
RICK ROBERTS
EDWARD J. ZIMEL, JR.

VILLAGE MANAGER
JULIANA A. MALLER

VILLAGE OF HANOVER PARK

FINANCE COMMITTEE REGULAR MEETING MINUTES

**Monday, October 28, 2013
4:30 p.m.
Village Hall Municipal Complex
2121 W. Lake Street
Hanover Park, IL 60133**

1. CALL TO ORDER – ROLL CALL

The meeting was called to order at 4:32 p.m. by Chairman Zimel.

Finance Committee members present were Chairman Ed Zimel and Committee member James Kemper. Also present was Village Manager Juliana Maller, Finance Director Rebekah Flakus, Assistant Finance Director Kay Nees. Eira Corral also joined the meeting at 4:47 p.m.

2. ACCEPTANCE OF AGENDA

Committee member Kemper made a motion to accept the agenda, seconded by Committee Chair Zimel. Agenda voted on and accepted.

3. PRESENTATIONS/REPORTS – None

4. TOWNHALL SESSION – No persons registered

5. APPROVAL OF MINUTES – August 19, 2013 MEETING

Committee member Kemper made a motion to approve the minutes from the August 19th, 2013 Committee meeting, seconded by Committee Chair Zimel. Motion approved.

6. ACTION ITEMS - None

7. OLD BUSINESS – None

8. NEW BUSINESS –

a. 2013 Tax Levy Recommendations

Village Manager Maller began the discussion giving an overview of last year's levy discussion and the need to correct the structural deficit within the Village. In order to do that the levy was increased by 4.99%, the Home Rule Sales Tax was increased and significant reductions in expenditures took place last year. Manager Maller stated that some of the reductions were intended to be one time cuts and be again considered during the budget process this next year. With the current CPI being about 1.7%, and increases in overall personnel costs, and a need to address our capital needs a 6.99% increase in the levy would be necessary to balance the upcoming budget. The recommended 6.99% would keep services at the current level and only allow for \$900,000 in Capital Outlay of which \$300,000 is to be used for the Emerald Ash Borer tree replacement program, compared to the \$1.2 million capital program in the current budget

Both Committee Members Zimel and Kemper did not agree with Staff's recommended 6.99% and requested Staff look into additional ways to cut expenditures and increase revenues. After further discussion, Committee Chair Zimel and member Kemper recommended a 4.99% increase should be presented to the Village Board during the November Board Workshop.

b. Review of Second Quarter Fiscal Year 2014 Financial Reports

Director Flakus presented the Committee with the detailed second quarter Fiscal Year 2014 Financial Reports. Committee Chair Zimel stated that the more detailed reports were what the committee requested to review and the summarized reports should be presented to the Village Board.

c. Real Estate Transfer Tax Options

During last year's budget process the Village Board asked that an increase in the real estate transfer tax be considered as an alternative revenue source. Assistant Director Nees reviewed the Real Estate Transfer Tax revenue comparison over the last five years showing the Village has increases in the number of sales and the average price of homes. Increasing the transfer tax from \$3 per \$1,000 to \$5 per \$1,000 would increase revenues. In order to increase, a referendum is required. Director Flakus gave the timeframe of when a referendum would need to be brought to the Village Board for approval and filed with the counties. Director Flakus also stated Staff would look into what steps would be needed to increase the exempt transfer fees from \$10 to a higher amount, such as \$25, \$50 or \$75, to at least cover the processing costs.

Committee Chair Zimel gave direction for Staff to proceed with the steps necessary to

present the increase for exempt and non-exempt real estate transfer taxes to the Village Board. The Committee agreed the increase in revenues from real estate transfer tax would not burden the residents as much as a higher property tax levy increase would.

9. ADJOURNMENT – Committee Chair Zimel asked for a motion to adjourn at 5:56 p.m. Committee member Kemper made a motion to adjourn the Finance Committee meeting, seconded by Committee Chair Zimel. Motion approved.