

VILLAGE OF HODGKINS
FINANCE COMMITTEE MEETING

January 31, 2019

Meeting called to order: 6:33 p.m.

Those Present: Vicky Moxley, Chairman
 Paul Struve, Member
 Dominic Misasi, Member
 Lida Mills, Member

Also Present: Noel Cummings, President
 Stephanie Gardner, Clerk
 Tim Kovel, Trustee
 Larry Rice, Trustee
 John O'Connell, Attorney
 Melody Salerno, Comptroller

Tonight Discussion is regarding:

- 1.) Early Retirement Incentive
- 2.) Restaurant Incentives

Chairman Moxley asked for a motion to go into closed session to discuss early retirement incentives. Restaurant Incentives will be discussed in open session. A motion to go into closed session to discuss early retirement incentives was made by Mr. Misasi. Second by Mrs. Moxley. Voting Aye: Chairman Moxley, Members Struve, Misasi, Mills, and Trustees Kovel and Rice.

Clerk Gardner asked for a motion to resume open session at 7:21 p.m. A motion to resume open session was made by Mr. Misasi. Second by Mrs. Moxley. Voting Aye: Chairman Moxley, Members Struve, Misasi, Mills, and Trustees Kovel and Rice.

Mr. O'Connell explained the Village was approached by Salerno's Restaurant last year. They have a tax bill that went back to 2014. Instead of getting a \$25,000 tax bill they got an \$85,000 tax bill plus the County Collector added an additional 4 years. This came up to \$250,000. There have been ongoing discussions for the past year regarding this. The request is for \$125,000 to be given to Salerno's from the OTB funds that are generated. The OTB money that is generated yearly is approximately \$144,000. Mr. O'Connell explained to the owner they would need a guarantee that they would be open, so the \$125,000 would be paid back. Arlington has agreed to increase the year to year lease to a 2 year lease. The \$125,000 would be paid back through OTB funds in about 1 year. We would not like to see this restaurant closed as, we have Lone Star out of business, Applebees in trouble and Casciani's who has the State of Illinois wanting to take property from them. This would basically result in the closure of the restaurant. The Lone Star building is \$2million so it is too expensive for Casciani's to move there.

Mr. Struve explained people looked at Lone Star, but the Board did not like the type of Health Care business that wanted to come in to the site. Applebees corporate finances are not necessarily from this location. He feels this may need to be offered in a different approach. Maybe developing a system where we can look at any business in town that is in trouble and help out. He wants to look at a way to help all the businesses that are in trouble. Mrs. Mills agreed.

Mr. Kovel explained we have a lot of struggling businesses, and if we lose Salerno's, we lose the OTB, also the Theatre is struggling. He does not feel it is a good idea to not help them. He knows an offer of \$125,000.00 was made at one time, and he would not exceed giving them this amount.

Mrs. Mills questioned the need for a 5 year OTB contract. Mr. O'Connell explained that the OTB is owned by Arlington, who is owned by Churchill in Kentucky. Two (2) years is the maximum contract amount that would be allowed. Salerno's has guaranteed to stay then at least the 2 years of the contract. There was a question from the audience as to what will prevent Salerno's from closing anyway. Mr. O'Connell explained Salerno's/OTB cannot pull out of the lease with Arlington. They have a 2 year obligation with the state racing board. The OTB does well, he was not sure about the restaurant. An audience member asked

what would happen if the restaurant closed without us being repaid and Mr. O'Connell explained there would be a lien placed on the property.

Mr. O'Connell said we have been blessed with a successful town. Mr. O'Connell would like to set up a fund that could help our local small or family owned businesses. Bucks restaurant has been wonderful for the town. Possibly a fund with some leeway to see if the fund could grow. Mr. Cummings explained we get money from the theatre, bill boards, and other ways, and maybe some of this money can be used to help small struggling businesses. Mr. O'Connell explained that we rebate the village portion of our taxes to our residents, which is really unheard of.

Mr. O'Connell is going to look into funds to help local small businesses. Mr. Struve said the hard part is going to deciding how to disperse the funds and what criteria is going to be used. He is worried about fairness. Mr. Kovel feels this needs to be determined by the Board. Mr. O'Connell explained the business would need to be looked at by how long they have been there, how much money have they generated etc. The fund should be chaired by a trustee. There can be a public resident as a member.

An audience member questioned how Mr. R. Salerno could not know that he owed these taxes? Mr. O'Connell explained that when the property was purchased in 2014, it was never listed as having a building. This went on with the county for 8 years prior to him purchasing the property. An audience member asked if it is based on need, then how can we give it to Mr. R. Salerno. She feels Mr. R. Salerno has a lot of money and owns a lot of other businesses, so the large tax bill should not be an issue to him. Mr. O'Connell explained that each of Mr. R. Salerno's business locations are looked at individually and if they are not successful they close down. Mr. O'Connell says we have met with his accountant for clarification and each business is looked at individually. The audience member agreed that this tax situation would qualify as a financial hardship for this business.

Mr. Struve feels the way the County taxes can be unfair, and we are trying to make all our business stay in business. We are lucky enough to be in a good

location transportation wise. He would like to keep businesses in this community. These are nice places to dine, and they employ residents.

Mr. Misasi explained there are funds available. He would like to establish the fund and for the Trustees to decide how this money would be dispersed properly. Mr. Struve would like see this program developed and see what can be done. Mrs. Moxley agrees.

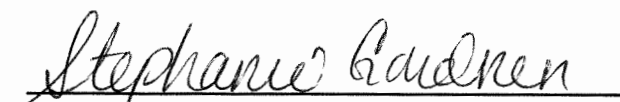
Mr. O'Connell said the Salerno's topic would be on the February 11, 2019 agenda.

Mr. Cummings said TIF money has been developed over the past 23 years, and this is how the shopping center was developed. This money was reimbursed to the taxing body when needed. He would like this incentive to be used to help this business out. Salerno's is not in the taxing body, it is in TIF 4.

Mrs. Moxley made a recommendation that the Salerno's incentive will be on the February Board Meeting agenda. Second by Mrs. Mills. Voting Aye: Chairman Moxley, Members Struve, Misasi, Mills, and Trustees Kovel and Rice.

Audience Member Elaine Thompson, asked if there were any comments being made on the early retirement incentive. Mr. Struve explained there was discussion in closed session, but no conclusion was determined. This is expected to be on the February Board Meeting agenda.

A motion to adjourn at 7:50 p.m.


Stephanie Gardner, Village Clerk