Minutes
Village of Glen Ellyn
Special Workshop Meeting
Monday, October 1, 2018
7:00 PM
Glen Ellyn Civic Center, Room 301

A. Call to Order

Attendee Name	Title	Status
Diane McGinley	Village President	Present
Bill Enright	Village Trustee	Present
Gary Fasules	Village Trustee	Late
John Kenwood	Village Trustee	Excused
Pete Ladesic	Village Trustee	Present
Craig R. Pryde	Village Trustee	Present
Mark Senak	Village Trustee	Present
John Chereskin	Village Clerk	Present
Mark Franz	Village Manager	Present
Greg Mathews	Village Attorney	Present
William Holmer	Assistant Village Manager	Present
Christina Coyle	Finance Director	Present
Julius Hansen	Public Works Director	Present
Staci Springer	Director	Present
Phil Norton	Chief of Police	Present
Lori Thomas	Assistant Finance Director	Present
Meredith Hannah	Economic Development Coordinator	Present
Megan Plahm	Communications Coordinator	Present
Dave Buckley	Assistant Director	Present
Mark Binkerd	IT	Present
Adam Kirk	Intern	Present

B. Pledge of Allegiance

C. Roll Call

D. Audience Participation

None

E. Five Year Forecast (Finance Director Coyle) (Discussion Only)

1. Finance Director Christina Coyle will present the Five Year Forecast for the General Fund

Finance Director Coyle presented the Five Year Forecast for the General Fund. Finance Director Coyle stated this is the kick-off for the Budget Process for the 2019 Calendar Year Budget. Finance Director Coyle stated the goals of the Five Year Forecast is the understand the long-term financial trends in revenues and expenditures/expenses, identify future imbalances (deficits), identify potential areas where programs can be implemented now to avoid future deficits, understand how this forecast aligns with past forecasts and compare past forecasts with actual results. Finance Director Coyle stated the Five Year Forecast is developed annually as a tool for the budget process, and the forecast *is a model to project future activity and is not a prediction of what will happen.*

Finance Director Coyle stated in summary, the Village's revenues are forecast to grow slower than expenses, eventually bringing the Village's fund balance down below policy level without action to the contrary. Finance Director Coyle stated key revenues such as sales tax, Home Rule Sales tax and income tax performed well prior to 2017 which mitigated the losses predicted in earlier forecasts; however, those revenue streams have been flat or decreased in 2018. Finance Director Coyle stated pension costs, primarily IMRF but also Police Pension, have moderated in the forecast. Finance Director Coyle referred to the pie charts of the Composition of General Fund Revenues and stared 44% of the General Fund revenues come from the Village's key revenues of sales tax, Home Rule Sales tax and income tax.

Trustee Senak asked about why the revenue from sales tax is generally flat even though we are in an economically-prosperous period. Finance Director Coyle stated the Rockefeller Institute estimates the national median sales tax growth forecast for Illinois in 2019 at 2.3%. Finance Director Coyle stated the Village's largest sales tax payers are grocery and drugs/miscellaneous retail, and Glen Ellyn has stability in these sections so the Village does not get big highs and lows.

Finance Director Coyle stated income tax is more volatile than sales tax streams, and the Preliminary 2019 Budget includes a 3% increase from 2018's estimates. Finance Director Coyle stated with changes in the state, this has erased any growth from the past five years.

Finance Director Coyle stated the Village has adhered to the tax cap rules of CPI and new growth although the Village is not required to by its Home Rule status. Finance Director Coyle stated the 2019 preliminary Budget includes 2.1% CPI set by DuPage County and 0.7% New Growth which is last year's actual growth. Finance Director Coyle stated property tax is forecast to grow at 2.5% over the five year forecast. Finance Director Coyle stated the Village does not increase the levy in 2014 for 2015 collections and only increased the levy for New Growth with no CPI factor in 2015, 2016 and 2017 for the collections in FY2016, FY2017 and FY2018. Finance Director Coyle stated over five years, the Village has forgone $309,000 in revenue in the General Fund due to this, and if the trend continues over 10 years, the Village will have forgone $2.8 million in revenue.

Trustee Ladesic stated he will continue to support zeroing the levy as long as the Village can so they can control and maintain property taxes. Finance Director Coyle stated with the level of expenses at some point, the Village Board will need to figure out how to fund items.

Finance Director Coyle referred to the pie chart on the Composition of General Fund Expenditures by Department and stated from the 2017 actual expense, Police is the largest department in the General Fund at 48% with Public Works at 16%. Finance Director Coyle did compare the Village's General Fund revenues and expenditures to the General Funds of Lombard and Wheaton. Finance Director Coyle referred to the pie chart of the Composition of General Fund Expenditures by Type and stated Personnel is the largest portion of the General Fund budget. Finance Director Coyle stated Personnel expenditures grow at a faster rate than capital or other operating costs.

Finance Director Coyle stated the Village has two pensions - the Police Pension and IMRF. Finance Director Coyle stated the Police Pension is 62.5% funded, and IMRF is 103.5% funded. Finance Director Coyle stated IMRF became overfunded in 2017, and the Village has seen decreased IMRF costs as a result. Finance Director Coyle stated Police Pension liability began *decreasing in 2016 as the Village increased contributions, and the Pension Board modified investment strategy. Finance Director Coyle stated the Police Pension contribution is approximately 10% of the General Fund budget. Finance Director Coyle stated there have been discussions about another possible funding model for the Police Pension and going with an open model instead of a closed model. Finance Director Coyle stated transitioning to a 15-year open model increases the funded status and reduces the Village contributions over time, rather than the current baseline model which increases over time. Finance Director Coyle stated several other municipalities are transitioning away from the arbitrary state model and are moving towards an open amortization period. Finance Commissioner Jeremy VanEk stated Police Pension is an interesting discussion, and the Finance Commission does not feel the current Police Pension is a responsible long-term financial plan. Finance Commissioner VanEk stated the Finance Commission feels the Village should go to a more level funding for the Police Pension. There was a discussion regarding Police Pension and the possibility of separating this out on the property tax bills. Finance Commissioner VanEk stated they should look at the optics of how this could look on the property tax bills.*

Finance Director Coyle stated revenues are forecast to grow at approximately 2.2% per year while expenditures grow at 3.2% which would decrease the General Fund's fund balance by $3.9 million over the next five years.

RESULT:	**DISCUSSION ONLY**

F. 2019 Budget Discussion (Finance Director Coyle) (Discussion Only)

1. 2019 Budget

Finance Director Coyle referred the 2019 Draft Budget and stated the Village Board should read the Budget Transmittal for Fiscal Year 2019-Recommended Draft Budget as it is a good summary of Fiscal 2019's Draft Budget. Finance Director Coyle referred to 2-18 and stated the Summary of Expenses/Expenditures by Department shows a summary of all the Village's Funds and which Fund corresponds to which Department.

Finance Director Coyle referred to 3-4 and stated the Summary of General Fund Expenditures by Department and Function is an overall picture of the General Fund for the FY2019 Budget. Finance Director Coyle stated the Draft Budget is a proposed balanced budget for FY2019.

Finance Director Coyle referred to the General Fund Revenues on 3-7 and 3-8 and stated property tax is a 2.1% CPI with 0.7% for new growth. Finance Director Coyle reviewed the potential increases and decreases.

Trustee Pryde asked about the big number swings on certain items. Finance Director Coyle stated this is due to the new Planning and Development fee structure and other projects coming soon. Finance Director Coyle stated Cable Franchise Fees are declining as residents are going away from traditional cable and using streaming services instead. Finance Director Coyle stated the Investment Income is the money in reserves.

Finance Director Coyle referred to the General Fund - Village Board and Clerk on 3-27 and 3-28 and stated the Executive Administrative Assistant and Administrative Assistant do dedicate 25% of their time to serving the Village Board so 25% of these associated personnel costs were reallocated to the Village Board and Clerk function. Finance Director Coyle stated the budgets for the Village's Commissions are also housed in this area.

Trustee Senak asked about the budget for the Glen Ellyn Fund. Village Manager Franz stated this is for marketing and events. Trustee Senak stated the Glen Ellyn Fund is a good thing.

Finance Director Coyle referred to General Fund - Village Manager on 3-30 and stated the biggest changes were the staffing allocation changes for the administrative assistants. Finance Director Coyle stated the IMRF line item is decreased as the IMRF is overfunded as of now.

Finance Director Coyle stated reviewed the highlights and increases and decreases for the budgets for Facilities Maintenance, Information Technology, Senior Services, History Park and Law

Finance Director Coyle referred to General Fund - Economic Development and Marketing on 3-54 and stated the major change was the previous Fresh Market incentive.

Carol White, Executive Director for the Alliance for Downtown Glen Ellyn, presented information on the Alliance's request for the FY2019 budget. Ms. White referred to the packet that was passed out and reviewed the events' sales results and foot traffic information that was requested by the Village Board. Ms. White stated the Alliance had a 43% response rate on this survey and related information for Wines and Finds, Jazz Up, Sounds on the Street, Fall Crawl, Ladies Night Out and Stories with Santa. Ms. White stated the Alliance is proposing $76,250 for the FY2019 budget which is the same amount requested in 2019. Ms. White stated this funding request is flat to the 2018 allocation.

Trustee Senak asked about the relationship between the Alliance and the Chamber of Commerce. Ms. White stated each group has their own missions, and the two organizations do work together in some areas where it makes the most sense. Ms. White stated the two organizations do partner on events and are working on exploring other events where it would make sense for the two organizations to partner with each other.

Trustee Fasules stated if you take the Village's contribution out, the Alliance is not self-sustaining. Village Manager Franz stated the Alliance does provide a unique service and a retail factor for the Downtown.

President McGinley stated she would like to see a comparison report of the Village's Alliances to other alliances in the surrounding communities. President McGinley stated the Alliance needs to ensure there are efficiencies and see what other communities are doing. President McGinley stated she would also like to see a survey done of the Alliance's members to see how happy the members are with their membership in the Alliance.

Trustee Senak stated he would like to see the Village's contribution used more for events than for salaries.

Finance Director Coyle reviewed the budgets from the Finance Department and the Cashier's Office. Trustee Ladesic asked what percentage of residents use the online bill pay. Finance Director Coyle stated this is approximately 10%, and 50% use the Auto Pay.

Finance Director Coyle referred to the General Fund - Planning and Development on 3-79 and stated the increase in salaries is due to the Associate Planner being promoted to Planner. Finance Director Coyle referred to the General Fund - Building and stated the staffing changes are due to taking two part-time clerks to a full-time clerk, a change with the Stormwater Engineer and Fire

Inspection now being in-house. There was a discussion regarding possible staffing changes.

Finance Director Coyle referred to the General Fund - Police on 3-95 and stated the major changes are in the staffing shifts that were done as well as the Police Pension cost. Finance Director Coyle referred to General Fund - Police Operations and stated there is an increased contribution to the Glen Ellyn Youth and Family Counseling Services. There was a discussion regarding staffing numbers in the Police Department.

Trustee Fasules stated a deep dive might need to be done on the Police Budget as well as a Business Review. Police Chief Norton stated they do stay on top of possible retirements as much as possible so they are prepared for future openings. Trustee Fasules stated they need to know what number is fully staffed for the Police Department and if the Police Department is there or not.

Finance Director Coyle referred to the Forfeiture Fund on 4-16 and stated there is a listing of the equipment to be purchased with the Forfeiture Funds. Finance Director Coyle stated the Forfeiture Funds has specific regulations regarding its use according to federal and state statutes.

Trustee Ladesic asked if District 41 get reimbursed for the crossing guards. Police Chief Norton stated there are no state laws requiring that the Village has to pay for the crossing guards.

Finance Director Coyle reviewed the budgets for Fire and EMS.

Finance Director Coyle referred to General Fund - Public Works-Admin and Engineering on 3-122 and stated this budget is close to flat. Finance Director Coyle referred to General Fund - Public Works-Streets and stated the changes are due to an increase in sign works and the replacement of some street lights.

Trustee Senak asked why the Alliance is paying for snow removal on their budget. Assistant Public Works Director Buckley stated the Alliance wants to ensure the sidewalks are consistently clear no matter what time of day it is. Assistant Public Works Director Buckley stated the Public Works Department does clear the sidewalks in front of all Village-owned property. Public Works Director Hansen stated a contractor is clearing the Downtown sidewalks while Public Works is working on the sidewalks in front of Village-owned property.

Finance Director Coyle referred to General Fund - Public Works-Forestry on 3-140 and stated there is a possible spreadsheet error of $43,000 additional on the Personnel salaries. Finance Director Coyle stated there is also a cost added to start treating the elm trees.

There was a discussion on Public Works' staffing. Assistant Public Works Director Buckley stated the Public Works is non-union and does not have steps so they have lost workers to other municipalities. Public Works Director Hansen stated there could be more lost workers in the future as the Village holds salaries down. Public Works Director Hansen stated they lost one to two people already, and it could be more in the next five years.

Finance Director Coyle referred to the TIF Funds on 4-11 and stated there is a 5% increment in the Central Business District (CBD) TIF Funds. Finance Director Coyle stated the Village has budgeted to create a pedestrian walkway around the Civic Center. Finance Director Coyle referred to the Roosevelt Road TIF Funds on 4-13 and stated this fund has struggled to see an increment. Finance Director Coyle stated a Fire Program award was added.

RESULT:	**DISCUSSION ONLY**

2. General Fund (Downtown Alliance)

3. TIF Fund

4. Corporate Reserve Fund

5. Equipment Services Fund

6. Insurance Fund

G. Other Items

None.

H. Adjournment

RESULT:	**APPROVED [5 TO 0]**
MOVER:	Craig R. Pryde, Village Trustee
SECONDER:	Pete Ladesic, Village Trustee
AYES:	Enright, Fasules, Ladesic, Pryde, Senak
EXCUSED:	Kenwood
PRESENT:	McGinley

Respectfully submitted Debbie Solomon, Recording Secretary

Reviewed and approved John A. Chereskin, Village Clerk