Minutes
Village of Glen Ellyn
Finance Commission
Special Meeting
Friday, November 16, 2018
7:00 AM
Glen Ellyn Civic Center, Room 301

A. Call to Order

Attendee Name	Title	Status
Lisa A Cleaver	Commissioner	Present
Jose G DeLeon	Commissioner	Absent
Scott R Greeno	Commissioner	Present
Jeremy S VanEk	Commissioner	Present
Christopher D. Oakes	Commissioner	Present
Lea Dan	Commissioner	Absent
Michael Campagna	Commissioner	Present
Matthew L Halkyard	Chairman	Absent
Brenton J. Peck	Commissioner	Absent
Ben Harrington	Student Commissioner	Present

Commissioner VanEk called the meeting to order at 7:00 AM.
Also Present: Village Manager Franz, Finance Director Coyle, Assistant Finance Director Thomas, and Recording Secretary Haslett.

B. Public Comment (Non Agenda Items)

None.

C. Approval of Minutes

1. Finance Commission - Regular Meeting - Oct 12, 2018 7:00 AM

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Christopher D. Oakes, Commissioner
SECONDER:	Lisa A Cleaver, Commissioner
AYES:	Cleaver, Greeno, VanEk, Oakes, Campagna, Harrington
ABSENT:	DeLeon, Dan, Halkyard, Peck

D. Financial Reports

1. Finance Director Coyle will present the third quarter financial report.

Finance Director Coyle stated she will discuss the third quarter report which also includes the financials for the Village Links and Reserve 22. Overall revenues are in line with prior year, while expenditures are ahead of the prior year, but still below budget. In comparison to the five (5) year trend, 2018 has been one of the lowest, but this was not unexpected. Commissioner VanEk asked if the 2018 budget called for a break-even point. Finance Director Coyle replied no the 2018 budget included using about $600,000 in reserves. Sales tax, home rule sales tax, and income taxes are below the target, which is based upon historical averages. The 2019 budget has been tempered with lower projections for these three (3) top revenues. Home rules sales taxes for the liability period of July and going forward will increase because the rate was increased from 1% to 1.25% effective July 1, 2018. Building Permits reported earnings higher than the budget by $132,000 due to residential construction and commercial building projects. Investment income was up $84,000 over the budget due to rising interest rates and investing in more certificate of deposits. Cable franchise fees are down about $35,000 from the budget and police fines are $18,000 under budget.

Finance Director Coyle reported that 2018 was the lowest performing year over the five (5) year trend for the Village Links and Reserve 22, which was due to poor weather at the beginning of the year and the struggle to recover from this remains. Reserve 22 gross profit was flat from the prior year, while expenses were up 7%. Restaurant sales were down 2%, while banquets were up 22%. Through September for 2016 and 2017 the Village Links had over 62,000 golf rounds, compared to 55,783 for September 2018 resulting in a decrease of $240,000 in golf operating income from the prior year.

Invoices are coming in for the major capital projects including the Park Boulevard/Main Street roadway project and the Taylor Street underpass. In order to take advantage of a financial incentive, a pre-payment for a ladder truck was made in the Fire Services Fund. The balance of this invoice will be paid next year and the Village projects to receive the ladder truck in May of 2019.

Gross real estate transfer taxes for 2018 represent the second-best year, just shy of 2016. Overall a good year for the real estate market. Commissioner Oakes asked if there was a trend for residents staying within the Village and being eligible for a refund of the transfer tax. Finance Director Coyle replied gross real estate transfer taxes to-date are at about $800,000 with a net of $705,000 so refunds to residents remaining in town amount to about $95,000.

The Police Pension investment long-term target is 6.5% for the actuarial report. September month- end was not good due to heightened market volatility. The Police Pension Fund quarter ended at 2.2%, while the three (3) year trend beat the target at 7.2% and the 10 year at 6.1% approached the target.

Commissioner VanEk asked if the Village received any more reimbursements from the IMET settlement. Finance Director Coyle reported the Village received some reimbursements at the beginning of the year, but now IMET is waiting for the IRS to subordinate their claim before issuing any more distributions.

RESULT:	**DISCUSSION ONLY**

2. Village Links/Reserve 22 - Manager's Report - September 2018

Report was included in the Third Quarter summary.

RESULT:	**DISCUSSION ONLY**

3. Village Links/Reserve 22 - Financial Statements - September 2018

Report was included in the Third Quarter summary.

RESULT:	**DISCUSSION ONLY**

4. General Fund Financial Update - October 2018

Sales, home rule sales, and income taxes through October 2018 were below budget. However, key revenues do appear to be slightly climbing out of this downward trend. Building permits were up $159,937 over the budget target. Cable franchises were $35,000 below the budget and below the prior year. Investment income exceeded the budget target by $111,736. Overall 2018 revenues are 1% over the budget, with the loss in the key revenues being offset by higher building permits and investment income.

In terms of expenditures law is below the budget, but the Village still plans to incur legal fees for the gas station litigation. Information technology is down due to timing and not filling the part-time multi-media position. Finance is below budget because no banking fees have been incurred this year due to an earned interest credit. The Cashier’s Office is above the budget by about $30,000 due to the purchase of the vehicle sticker licensing software. Building expenditures are up due to employee turnover and the need for outside assistance which comes at a higher cost. Street costs are higher than last year to the many snow events experienced in 2018. Forestry expenses are up because more tree work has taken place this year.

RESULT:	**DISCUSSION ONLY**

E. Trustee Liaison Report

None.

F. Chairman's Report

None.

G. Other Business

1. Economic Development Update

Village Manager Franz provided an update on some of the proposed developments and new businesses opening up in the Village of Glen Ellyn.

2. Bond Update

Finance Director Coyle stated on Monday, November 12, 2018 the Village Board passed a bond parameters ordinance to issue less than $10 million in bonds. These bonds will finance the parking garage, Civic Center improvements, the street and streetscape project, and property acquisition costs. Staff will be discussing the Village's bond rating with Standard and Poor's next week. The Village hopes to maintain the current AAA bond rating. Once the bonds are issued, 85% of the proceeds need to be spent within three (3) years. Another bond issue will take place next year when more finalized costs are known for the parking garage.

3. Budget and Levy Update

Finance Director Coyle stated on Monday, November 12, 2018, the Village Board approved the 2019 budget and the 2018 levy. This year's levy included increases for both the 2.1% CPI and new growth for both the General Fund and Capital Fund.

4. Pension Update

Finance Director Coyle said the Village Board is open to switching to the 15-Year Open and will discuss this further next January 2019.

5. Scorecard Process for 2019

Finance Director Coyle stated the last scorecard was done in 2014 with 2013 data and the Village updates this every five (5) years. The scorecard is a benchmarking report which compares the Village to similar peer communities. Preparations are underway to update the scorecard next year. Commissioner VanEk asked that the most recent scorecard be included as part of the next Finance Commission agenda so Commissioners can provide feedback on items to be included for 2019.

6. Next Meeting: Friday, December 14, 7:00 A.M., Location TBD

Finance Director Coyle indicated the next meeting on Friday, December 14, 2018 will take place at a different location due to the upcoming construction at the Civic Center.

H. Adjournment

1. Motion to Adjourn

The meeting was adjourned at 7:46 AM.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Christopher D. Oakes, Commissioner
SECONDER:	Lisa A Cleaver, Commissioner
AYES:	Cleaver, Greeno, VanEk, Oakes, Campagna, Harrington
ABSENT:	DeLeon, Dan, Halkyard, Peck