Minutes
Village of Glen Ellyn
Finance Commission
Special Meeting
Friday, February 15, 2019
7:00 AM
Village Links

A. **Call to Order**

Attendee Name	Title	Status	Arrived
Lisa A Cleaver	Commissioner	Present	
Jose G DeLeon	Commissioner	Late	7:17 AM
Scott R Greeno	Commissioner	Present	
Jeremy S VanEk	Commissioner	Present	
Christopher D. Oakes	Commissioner	Present	
Lea Dan	Commissioner	Present	
Michael Campagna	Commissioner	Present	
Matthew L Halkyard	Chairman	Present	
Brenton J. Peck	Commissioner	Present	
Ben Harrington	Student Commissioner	Present	

Also present: Village Manager Franz, Finance Director Coyle, General Manager Vesevick, Assistant Finance Director Thomas, Recording Secretary Haslett.

The meeting was called to order by Chairman Halkyard at 7:00AM.

B. **Public Comment (Non Agenda Items)**

None.

C. **Approval of Minutes**

1. Finance Commission - Regular Meeting - Jan 11, 2019 7:00 AM

Commissioner Campagna noted the January minutes should be corrected to reflect he was not in attendance.

RESULT:	**ACCEPTED AS AMENDED [UNANIMOUS]**
MOVER:	Christopher D. Oakes, Commissioner
SECONDER:	Jeremy S VanEk, Commissioner
AYES:	Cleaver, DeLeon, Greeno, VanEk, Oakes, Dan, Campagna, Halkyard, Peck, Harrington

D. Financial Reports

1. 2018 Year End Financial Report

Finance Director Coyle presented the 2018 year-end financial report. This report is unaudited and has not been adjusted for accruals. Most revenues performed on par with the prior year with the exception of golf, which will be discussed by General Manager Vesevick later in the meeting. Utility taxes continue to decline and are not keeping pace with prior year. Water and sewer revenues were down by almost 2% from the prior year, which is most likely due to conservation efforts. Building permits were up about 7% from the prior year and real estate transfer taxes were up 8.4%. Income tax receipts were up by 4.3%, but still down by 9.2% from the 2015 highpoint. Home rule sales taxes increased by 7.5% due to the July 2018 increase, but would have been a 1.2% increase without the rate change. Interest income increased by $139,000 or 171%.

Most expenses were under budget with the exception of overtime in the Police and Public Works departments. Legal costs were down $74,000 due to the timing of litigation. The Village opted not to hire the multimedia position, thereby saving personnel costs. Building department expenses were up due to staff turnover.

The unadjusted, unaudited year-end deficit is $330,543, which is better than the $600,000 originally estimated at the outset of the 2018 budget. General fund reserves are still above the required policy level. Commissioner VanEk inquired as to the reason for the negative budgeting in 2018. Finance Director Coyle stated that the 2018 budget included the planned use of reserves. The home rule sales tax rate changes can only be implemented in July so there would be some lag until the higher tax rate would take effect. Franz added that the State of Illinois retained some of the income taxes as well last year. Commissioner VanEk asked about the 2019 budget surplus. Finance Director Coyle replied a $40,000 surplus in the General Fund is estimated, which was earmarked for future Police Pension contributions.

All funds exceeded the cash reserve policy with the exclusion of the Village Links. With the Reserve 22 dining room renovation, a dip into the cash reserves was expected. The Village Links/Reserve 22 cash reserves will be closely monitored in 2019. The Water & Sewer Fund hopes to complete a rate study in 2019 to determine if there should be a capital component charge. Investment income for 2018 was $872,152 compared with $318,930 last year. Chairman Halkyard commended Finance Director Coyle's efforts at being pro-active with the City's investments.

RESULT:	**DISCUSSION ONLY**

2. Village Links Reserve 22 Fourth Quarter 2018 Report

General Manager Vesevick indicated the Village Links and Reserve 22 are operated as an enterprise fund and there is no burden to the taxpayers for their operations. All expenses are covered by green fees and restaurant revenues. The Village Links and Reserve 22 continue to pay down the debt incurred for the 2003 golf course renovation and Reserve 22. Debt service costs are about $650,000 per year. General Manager Vesevick wished he had better news as far as 2018 goes, but his business is reliant upon good weather, and the weather last year was not kind to golf. Rounds were down by 7,500 or 11% and overall golf revenues were down 6.6% or $192,000. Reserve 22 revenues were up 3.2% or $74,000 over the prior year due to growth in banquet business. In 2018, the dining room renovation was completed for a total cost of $128,000. At the outset of the dining room renovation, a 15% bump in restaurant revenue was projected, but since the remodel revenues are up 18%. Overall operating profits were down 44.5% or $335,000 from the prior year. However, the Village Links and Reserve 22 continue to operate at a profit when you take-away the debt and capital expenditures, we are still running at a $400,000 profit, which is difficult in this industry. Most comparable municipal golf courses are running at a break-even point or loss.

Chairman Halkyard asked who the Village Links uses a benchmark. General Manager Vesevick replied the Links often compares themselves to Cog Hill. Even with the decrease in the number of rounds the Links is still the busiest golf course in the area. Oakes said nationwide golf rounds are down and asked if this is a continuing trend. General Manager Vesevick replied in the last five (5) years golf rounds have leveled off. General Manager Vesevick said he hopes the recent decline in golf rounds is weather related, but staff is prepared to change the business model if the decline is not weather related. Commissioner DeLeon asked if the Village Links keeps a record of the age ranges for the golfers. General Manager Vesevick replied baby boomers are a large demographic for the Links. The Links has a very diversified customer base. Chairman Halkyard asked about the Links youth program. General Manager Vesevick replied the Links heavily invests in junior golf and has the 3rd largest PGA junior league in the country and the largest in Illinois.

General Manager Vesevick said at the end of 2018 cash reserves were $858,000. In 2023 about half of the debt service drops off, which is why the Links is holding off on some capital projects until then. Chairman Halkyard said something to keep in mind is that the Village Links maintains other properties for the Village and provides much needed storm water relief.

General Manager Vesevick discussed some of the 2018 accomplishments for the Village Links and Reserve 22 including: a solid management team in place, a robust marketing plan complete with radio and television advertisements, a renovated dining space, consistent increases in banquet business, over a four (4) rating on all the social media sites, and an aggressive approach to golf course improvements.

RESULT:	DISCUSSION ONLY

3. Village Links/Reserve 22 - Manager's Report - November-December 2018

See comments under Village Links/Reserve 22 fourth quarter report.

RESULT:	DISCUSSION ONLY

4. Village Links/Reserve 22 - Financial Statements - December 2018

See comments under Village Links/Reserve 22 fourth quarter report.

RESULT:	DISCUSSION ONLY

5. Capital Report - As of January 31, 2019

Finance Director Coyle referenced the February 2019 Engineering report prepared by Professional Engineer Rich Daubert included in the agenda. The Park Boulevard project was completed last fall and the Taylor Avenue Pedestrian Tunnel was completed in December. The Village received significant grant funds for both projects. Some upcoming projects include watermain work along Roosevelt Road and Route 53 and the roadway access improvements at Baker Hill shopping center, and the Central Business District improvements. Staff will also be applying for grants for the train station and the pedestrian underpass projects, which are about five (5) years out. The water meter replacement project is underway. The Civic Center improvements are on time and the parking garage is in the design phase. The Village Board directed staff to pursue an underground level for the parking garage, which comes at a $500,000 premium.

RESULT:	DISCUSSION ONLY

E. Investment Report & Rebalancing

1. Investment Reporting and Rebalancing

Finance Director Coyle discussed the investment account analysis report. Finance Director Coyle recommended taking $7 million in the money market account at PMA and laddering this into certificates of deposits, targeting the one-year maturity to maximize the yield.

Commissioner Oakes moved and Commissioner Greeno seconded to approve the transfer of $7 million from the PMA money market account and ladder into certificates of deposit, targeting a one year maturity.

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

F. Trustee Liaison Report

No report.

G. Chairman's Report

No report.

H. Other Business

1. Economic Development Update

Village Manager Franz updated the Commission on several projects in the Village.

2. Next Meeting: Friday, March 8, 7:00AM, Room 301

I. Adjournment

1. Motion to Adjourn

The meeting was adjourned at 8:23 AM.

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