Minutes
Village of Glen Ellyn
Finance Commission
Regular Meeting
Friday, February 13, 2015
7:00 AM
Glen Ellyn Civic Center, Room 301

## A. Call to Order

| Attendee Name | Title | Status |
|---|---|---|
| Erik G Ford | Chairman | Present |
| Lisa A Cleaver | Commissioner | Present |
| Jose G DeLeon | Commissioner | Present |
| Scott R Greeno | Commissioner | Present |
| Matthew L Halkyard | Commissioner | Absent |
| Timothy J Jacklich | Commissioner | Present |
| Yadav N Nathwani | Commissioner | Absent |
| Steve Rackl | Commissioner | Present |
| Jeremy S VanEk | Commissioner | Present |
| Jeffrey S Wallace | Commissioner | Present |

This Regular Meeting of the Glen Ellyn Finance Commission was called to order at 7:05 AM by Commissioner Ford in Room 301 at the Civic Center at 535 Duane Street; Glen Ellyn, Illinois. Roll was taken, and it was determined that a quorum was present.

ALSO PRESENT: Village Manager Franz, Finance Director Coyle, Assistant Finance Director Lori Thomas, Village Attorney Gary Matthews, Stephan Roberts from Bond Financial Advisor Robert W. Baird, Recording Secretary Blake

## B. Public Comment (Non Agenda Items)

None.

## C. Approval of Minutes

1. Approve Minutes of the November 21, 2014 Meeting

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| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Jeffrey S Wallace, Commissioner |
| **SECONDER:** | Scott R Greeno, Commissioner |
| **AYES:** | Ford, Cleaver, DeLeon, Greeno, Jacklich, Rackl, VanEk, Wallace |
| **ABSENT:** | Halkyard, Nathwani |

2. Approve Minutes of the December 12, 2014 Investment Subcommittee Meeting

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| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Jeffrey S Wallace, Commissioner |
| **SECONDER:** | Steve Rackl, Commissioner |
| **AYES:** | Ford, Cleaver, DeLeon, Greeno, Jacklich, Rackl, VanEk, Wallace |
| **ABSENT:** | Halkyard, Nathwani |

**D. Project Funding - Police Station and Other Projects**

1. Project Funding Discussion

Village Manager Franz said that a Civic Center space needs analysis was conducted by an outside architecture firm approximately 2 years ago to assess the needs of the Village and a modern police station. The Board of Trustees has directed staff to recommend a location for a new police station. That recommendation has focused on Village-owned property at Panfish Park. By moving the police station out of the Civic Center staff can spread out, off-site staff can be relocated and parking issues will be eased. Now is the time to consider funding for the new station.

The Board will be discussing finance options at its next meeting. In addition to the police station, the cost of which will stay below $12 million pursuant to Board direction, other unfunded project costs could be included in the anticipated bond issue such as Lake Ellyn improvements and downtown streetscape improvements. Other needed improvements, such as replacing Fire Station 1 will not be done within the three year window required by a bond issue.

Director Coyle discussed the possible scenarios covering different levels of improvements to be met in the bond proceeds: (1) fund only the police station; (2) fund the police station and Lake Ellyn improvements; (3) fund the police station, Lake Ellyn and one-half of the central business district improvements; (4) fund the police station, Lake Ellyn improvements and all of the Central Business District work. In all but scenario 4, scheduled capital projects would have to be deferred and/or reduced in scope. Commissioners reviewed the possible effects on the capital plan, noting that property taxes, utility and telecommunication taxes and real estate transfer taxes along with some grant revenues make up the capital budget. This income is fairly fixed. The possibility of annexations was discussed in reference to the possible effects on the capital budget. Manager Franz noted that other desired improvements are not included in any of the above scenarios, such as parking garages, a pedestrian underpass at the train station, or an over/underpass (which could only move forward with Federal dollars).

Mr. Roberts from R.W. Baird noted that bond rates are currently low. If more is borrowed now, the Village would be paying debt service on funds which might not be used right away. On the other hand, if interest rates increase, it would make more sense to borrow more now at the lower rates. Commissioners discussed at length the advantages and disadvantages of borrowing more now. Because a substantial amount of the bond proceeds must be used within three years, it would mean including the Lake Ellyn improvements with the immediate needs of the new police station construction if the offering was done now. If more than one bond offering was done, the administrative costs would be paid for each offering. The capital project plan includes an estimated 5% per year escalator in the cost. Given current interest rates, that would indicate a preference for borrowing more now.

Mr. Roberts said that the Village's bond ratings from Moody's and S&P have been reviewed. The Village was rated Aa1 by Moody's in 2012, and Moody's has indicated that the Village may never achieve its highest rating because of its size. It is more realistic that the Village would achieve AAA rating with S&P, and will be helped by the fact that the pension situation is in better shape that most municipalities.

After additional discussion, the consensus among the Commissioners is that the issue is timing, and not whether to do the projects and improvements at all. The Commission approved the following recommendation without a formal vote:

**That the Village borrow $13.5 million in bonds based on the analysis for Scenario 2 to fund a new police station and other stormwater improvement projects using the bond proceeds, additional amounts available in the budget and issuing additional bonds as needed.**

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| **RESULT:** | **DISCUSSION ONLY** |

**E. IMET Update**

1. IMET Update

Director Coyle reviewed the current situation with IMET concerning investment fraud. The Village received an initial repayment of funds from the liquidating trust at IMET. All Village funds have been pulled out. Commissioners discussed the possible liability of the various players in this situation. There are several entities that have a lien priority equal to that of the Village.

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| **RESULT:** | **DISCUSSION ONLY** |

**F. SY14 Fiscal Year Budget Report**

1. Short Fiscal Year 2014 Budget Report.

Director Coyle reviewed the Budget Report, noting that all funds but one performed better than budgeted. She highlighted several items impacting the budget: sales, home rule sales and income taxes continued to outperform budget; the timing of capital projects delayed payment of associated expenses; the $793,000 payment for the Taft Avenue extension; the Village Attorney was brought on staff; and that the Village Links/Reserve 22 saw a profit of $59,000 after debt service payments. The Village has recognized the loss of the IMET fund. The entire budget report is available on the Village website.

| RESULT: | DISCUSSION ONLY |
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**G. Staff Report**

1. Investment Subcommittee Update

This subcommittee of the Finance Commission will focus on investment timing. It is possible that investment decisions can be brought in-house at a future time. Chairman Ford and Commissioner Halkyard currently make up the subcommittee, and Chairman Ford asked that other Commissioners consider participating.

2. Electronic Packets

This meeting marked the first use of the electronic packets. Director Coyle reported some formatting issues, but the process generally works fine.

3. Audit RFP Results

A new auditor will be used this year. Lauterbach & Amen in Warrenville is a smaller firm, and known for pension expertise.

4. UBCIS Conversion

The installation of utility billing software permitting e-billing went well, although there are some migration adjustments to be made.

5. Economic Development

Village Manager Franz reported that the Giesche project was presented to the Architectural Review Commission. There will be a joint meeting with the Plan Commission and Architectural Review, and then the project will go back before the Board of Trustees. There also has been interest in other potential redevelopment sites in the downtown area. Manager Franz reviewed the current and possible future activity on Roosevelt Road. However, there are no concrete plans for the Dominick's site nor on the south side at Route 53.

**H. Other Business**

Chairman Ford reported that he attended the recent Police Pension Board meeting, and expressed the Commission's opinion on investment earnings assumptions. He would like to have a meeting with the Police Pension Board's actuary in the future.

1. Next meeting March 13, 2015

The next Finance Commission meeting will be Friday, March 13, 2015 at 7:00 AM at the Civic Center.

## I. Adjournment

1. Adjourn

The February 13, 2015 meeting ended at 8:23 AM.

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| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Lisa A Cleaver, Commissioner |
| **SECONDER:** | Scott R Greeno, Commissioner |
| **AYES:** | Ford, Cleaver, DeLeon, Greeno, Jacklich, Rackl, VanEk, Wallace |
| **ABSENT:** | Halkyard, Nathwani |