Minutes
Village of Glen Ellyn
Finance Commission
Regular Meeting
Friday, April 10, 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	Absent
Matthew L Halkyard	Commissioner	Present
Timothy J Jacklich	Commissioner	Present
Yadav N Nathwani	Commissioner	Absent
Steve Rackl	Commissioner	Absent
Jeremy S VanEk	Commissioner	Present
Jeffrey S Wallace	Commissioner	Present

This Regular Meeting of the Glen Ellyn Finance Commission was called to order at 7:03 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.

B. Public Comment (Non Agenda Items)

None.

C. Approval of Minutes

1. Approve the Finance Commission Minutes for the February 13, 2015 Meeting

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

2. Approve the Finance Commission Minutes for the March 13, 2015 Meeting

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

D. Financial Update

1. Financial Update as of March 31, 2015

Director Coyle reviewed the Village Financials as of March 31, 2015. She noted that some things are going well, others have challenges; therefore the Village is approximately even. Revenues are 6% below last year, but less than 1% behind budget. Revenues are impacted by the change in the ambulance service model.

The Village received its preliminary tax rates from the County, with the Village's EAV decreasing 0.8% from the prior year affecting SSA payments. Both the commercial and residential EAV went down. On the positive side, the Village received a large building permit fee of $14,335 for work at Parkview Community Church. The Federal Drug Forfeiture revenues have also been healthy, although these funds can be used only for specific and limited purposes. Expenses for IT include purchase of upgraded software. Also, the Assistant Finance Director position was vacant in January 2015.

The sales tax payment received in March was for December sales, which was 1% over the previous year, but 2% behind budget. The sales tax revenue stream will continue to be monitored. Home Rule Sales Taxes are also ahead of last year, but slightly behind budget. State income tax revenue is ahead of the previous year and ahead of budget, due to a strong February.

The Links' operating performance continues to improve. As requested by the Commission, new financials charts show golf operations and Reserve 22 operations separately. Golf operations lost $227,421 versus a loss of $284,015 in the prior year. The course opened on March 14 versus March 29 of the prior year. Similarly, the year-to-date operating loss for Reserve 22 was $28,411 versus a loss of $31,740 in the prior year. Positive trends are noted in the cost of goods percentage which was 29.2% from January to March 2015. This is ahead of the prior year of 40.4%. Director Coyle noted that the target personnel expense for 2015 is 35.8%. The payroll expense for January-March was 56.7%, with the restaurant closed Mondays in January and February.

In response to Commissioners' questions, Manager Franz said that the possibility of losing up to 50% of LGDF revenues from the State is still real. The Governor's suggestions concerning eliminating some unfunded mandates have merit; however they would not make up the potential $1.5 million loss to the Village. The Village is working with other municipalities to approve a legislative initiative.

Trustee O'Shea asked staff about progress at the Links on this Commission's reporting suggestions made last year. There are now bi-weekly financial statements, monitoring of cost of goods and cost of payroll, and monitoring of average daily revenues to discern trends. Staff is working on creating the reporting suggestions made in the prior year. The addition of the Business Office Coordinator is helping work towards those efforts.

RESULT:	**DISCUSSION ONLY**

E. Draft Police Pension Actuary Report

1. Draft Actuary Report for the Glen Ellyn Police Pension Fund as of December 31, 2014

Director Coyle reviewed the highlights of the Draft Actuary Report. Page 4 of the report summarizes the results, noting that the expectations for mortality, disability, turnover and retirement rates have been revised. Page 10 of the report shows the annual contributions required of the Village. The State requirement is loaded more at the end, and currently the Village is ahead of what is required. As a result, in out-years, the State's requirement may be higher than that of the Village. However, Chairman Ford noted that this should not be a problem if the Village continues with its current level of payments.

New accounting standards requiring additional information to be disclosed in the annual audited financial statements. This information will show the sensitivity of the Village's net pension liability to the investment return. Page 20 of the report shows the current liability and the impact of assumption changes. Chairman Ford noted that the return assumption is the key, and that the Pension Board has been encouraged to focus on that number. The return assumption will be reviewed again by this Commission in the Summer, and will present its findings to the Board. Chairman Ford said that it is up to the Pension Board to decide how to invest the funds, and the Pension Board has a conservative, short term philosophy. The Commission is suggesting a more aggressive, long term philosophy.

Director Coyle said that the Village's $14 million liability will be reported on the Village's statement of net position in the annual audited financial statements starting in 2015, instead of just being a footnote.

RESULT:	**DISCUSSION ONLY**

F. Other Business

1. Economic Development

Manager Franz said that the Geische project developers have yet to submit a formal application. The current preliminary plan includes 125 residential rental units, expanded commercial and other changes made in response to feedback from the Village Board and Commissions. The plan will include a public parking garage funded and owned by the Village. Commissioners discussed the mix of 1 or more bedroom residential units.

The McChesney building is expecting to be sold without a development plan. Also, there is a new owner of the building east of the Post Office. There are various plans for redevelopment of sites along Roosevelt Road.

The new police station is on hold. Planning continues, but the bonds have not been issued. However, the Taylor Street underpass is moving forward as there are grant funds available to offset its cost. Construction is planned for 2017.

The Crescent project will proceed. It will commence in June and bleed into the school year in September. Additionally, the high school is constructing an addition on the east side of its campus starting in August to be open for the 2017 school year. Crescent will be closed in July and August in an attempt to speed up the work.

The Board of Trustees has directed that the feasibility study for a vehicle underpass west of the Library be completed.

G. Investment Subcommittee

The investment subcommittee will meet briefly after the Finance Commission Meeting is concluded.

H. Adjournment

The next Finance Commission meeting will be Friday, May 8, 2015 at 7:00 AM at the Civic Center.

The meeting was adjourned by consensus at 8:03 AM