



Agenda
Village of Glen Ellyn
Finance Commission
Regular Meeting
Friday, August 14, 2015
7:00 AM
Glen Ellyn Civic Center, Room 301

- A. Call to Order**
- B. Public Comment (Non Agenda Items)**
- C. Approval of Minutes**
 - 1. Finance Commission - Regular Meeting - Jul 10, 2015 7:00 AM
- D. Second Quarter Report**
 - 1. Second Quarter 2015 Financial Report
- E. Financial Update**
- F. Capital Reporting**
 - 1. Capital Project Financial Reporting
- G. Five Year Forecast**
 - 1. 2015 Five Year Forecast
- H. Trustee Liaison Report**
- I. Chairman's Report**
- J. Other Business**
 - 1. Bond Update
 - 2. Economic Development
- K. Adjournment**
 - 1. Motion to Adjourn

Individuals with disabilities who plan to attend the hearing and who require certain accommodations in order to allow them to observe and participate, or who have questions regarding the accessibility of the meeting or facilities, are requested to contact the Village at least 24 hours before the meeting.



Minutes
Village of Glen Ellyn
Finance Commission
Regular Meeting
Friday, July 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	Absent
Scott R Greeno	Commissioner	Present
Matthew L Halkyard	Commissioner	Present
Yadav N Nathwani	Commissioner	Absent
Steve Rackl	Commissioner	Present
Jeremy S VanEk	Commissioner	Present
Jeffrey S Wallace	Commissioner	Present

Also Present: Trustee O'Shea, Village Manager Franz, Finance Director Coyle, Village Attorney Matthews, Village Links/Reserve 22 General Manager Vesevick, Assistant Finance Director Lori Thomas

B. Public Comment (Non Agenda Items)

None.

C. Approval of Minutes

1. Finance Commission - Regular Meeting - Jun 12, 2015 7:00 AM

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

D. Financial Update

Director Coyle reported that the financials for the month of June were not fully closed by the date of the meeting. The General Fund is operating positive and has experienced a good year to date. In June, the Village will have received the first property taxes, and also have made the year's first pension contribution. In response to questions, Director Coyle said that she has not seen any issues with the financial reports that should be of concern by the Commission. Updated financials will be circulated to Commissioners when available.

Minutes Acceptance: Minutes of Jul 10, 2015 7:00 AM (Approval of Minutes)

E. Village Links Financial Reports

1. Draft Village Links Financial Statements

Director Coyle said that the Commission reviewed this matter in June; however, Chairman Ford asked that it be reviewed again with more Commissioners in attendance. Also, Manager Vesevick is in attendance to answer questions. The packet memo is the June memo updated with a note concerning changing the dashboard data. Manager Vesevick noted how his benchmark data is gathered.

Chairman Ford asked for comments from Commissioners. There was discussion concerning showing profit-per-category. Manager Vesevick noted that food is inventoried once a month and liquor twice a month. He also noted that, which banquets and parties are more profitable than regular restaurant operations, it is not known how much more. Commissioner Wallace said that it was never expected that the restaurant would be where it is today. It is not totally dependent on golf patrons. Commissioners discussed the positive results compared to original expectations at this point. Manager Vesevick said that personnel costs are still high resulting from increasing personnel to address service issues at the start, but that situation is improving.

Director Coyle said that reports with June results will be available for the July Recreation Commission meeting. She also noted that, currently, the bond costs are not accrued. Commissioners discussed showing the bond costs in some fashion each month to be better able to determine whether the debt service is being covered.

There was discussion on splitting the “prime costs” (being labor and cost of goods sold) between banquets and the restaurant. It would have to be done manually at this point. It could also be done by percentage to give some idea of where there is need for improvement. There is staff dedicated to selling banquets. Perhaps this can be done during the prime golf season and assess how it looks during the busiest times of the year.

Commissioners had positive comments about progress at the Links. The limitations on hours worked is the biggest challenge to hiring employees. There was discussion concerning outsourcing or contracting with a third party to avoid the pension issue. Manager Franz stated that more research will be done on how this would affect IMRF pension costs.

Commissioners discussed the caddy program. Young adults are making some money and getting some work. There are plans to do more promoting. Little cart revenue is lost as most golfers wanting a caddy are walkers anyway. The program is hoped to attract players new to the course because very few public courses offer caddies. Financially, the program does not benefit the course, and it also consumes staff time.

RESULT:	DISCUSSION ONLY
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Minutes Acceptance: Minutes of Jul 10, 2015 7:00 AM (Approval of Minutes)

F. Investment Subcommittee

1. Investment Subcommittee Update

Director Coyle continues to work on transitioning Village investments to more active in house management. She and Chairman Ford have met with potential management companies, and their recommendations will be made to the Board of Trustees. There are some matters that need changing in the current Village investment policies. These changes/additions include modifying the requirement for a broker/dealer questionnaire; adjusting the duration permitted for commercial paper; addressing municipal bond investing; and stating that no financial institution shall hold more than 25% of the portfolio, however this requirement does not include custodial accounts. This clarification generated discussion by Commissioners concerning the risks with IMET and the need for flexibility. Other recommendations include lifting the 25% ceiling on brokered CDs in the investment portfolio as well as creating an emergency clause to the diversification section. The Commissioners responded with positive feedback on these suggested modifications to the investment policy.

Staff is seeking feedback on these portions of the investment policy, and also on whether diversification should be focused on duration/maturity rather than investment mix. Commissioners discussed durations, particularly for laddered CDs, but also noted that investment opportunities are very restricted by current limits. Commissioners agreed that it was more appropriate to focus on duration given the very restricted investment mix opportunities.

The Commission will continue its consideration of changes to the investment policies at the next meeting.

RESULT:	DISCUSSION ONLY
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Minutes Acceptance: Minutes of Jul 10, 2015 7:00 AM (Approval of Minutes)

G. Short Year 2014 Audit

1. The Village's Comprehensive Annual Financial Report for the 8-Month Short Fiscal Year Ended December 31, 2014.

This was presented and discussed at the last meeting, and Commissioners were given the intervening time to review the audit. There were no questions or comments; Chairman Ford urged Commissioners to email any concerns to Director Coyle. Staff is starting work now on the 2016 budget. Director Coyle said that, in hind sight, it has been better since moving to a calendar year fiscal year in that it is easier to explain.

RESULT:	DISCUSSION ONLY
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H. Trustee Liason Report

Trustee O'Shea reported that residents brought their concerns over the new Glenbard West addition to the Board as it considered zoning variances. The variances were approved, allowing for more green space than building the structure without them.

The proposed development for the Geische site and St. Petronille parking lot is still in the planning stage. The developer has yet to submit a formal application to the Village.

I. Chairman's Report

No report other than matters already discussed at this meeting.

J. Other Business

1. Bond Update

Manager Franz reported that the decision by S&P should be made in the next few days. The goal is to issue the bonds by the end of July. Design-build teams will be interviewed soon, and there will be recommendations to the Board in August. Any State budget cuts should not directly affect this project; however Trustee O'Shea noted that the Village is not yet obligated to move forward with the police station project, particularly if the State takes funds away from the Village somewhere else. The cost of maintaining the new building, along with investment in the current building will also be considered.

2. Economic Development

Manager Franz reported that the developer of the property on the south side of Roosevelt Road recently met with staff. There may be a new plan for the McChesney site in the next few weeks. In general, there is more interest and fewer vacancies in the Village.

K. Adjournment

1. Motion to Adjourn

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



Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 08/14/15 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Discussion Item
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 1878)

DOC ID: 1878

Second Quarter 2015 Financial Report

Attached with this memo are two items:

- Second Quarter Financial Report Slides
- Financial Update as of June 30, 2015

ATTACHMENTS:

- Second Quarter 2015 Financial Report Slides (PDF)
- Financial Update as of June 30, 2015 (PDF)

Second Quarter Financial Report Village of Glen Ellyn, Illinois

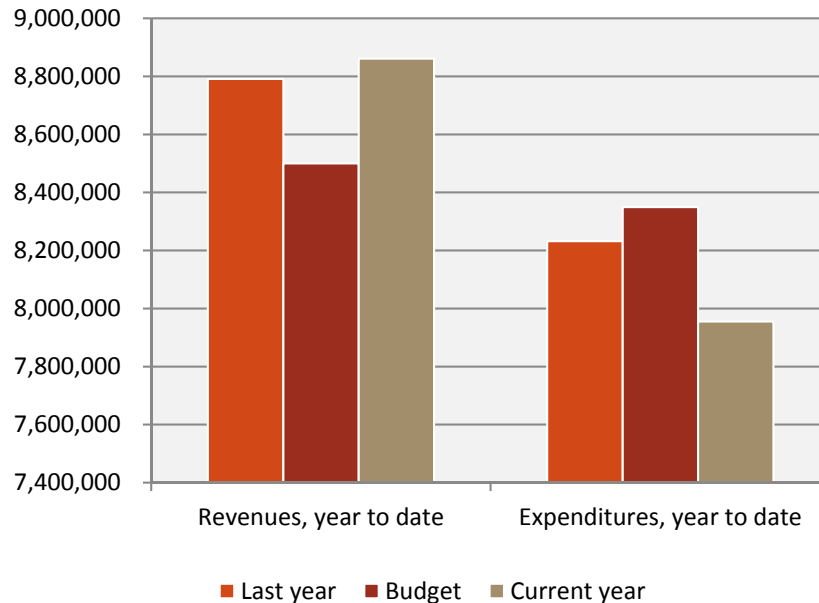
FOR THE PERIOD APRIL 1, 2015 TO JUNE 30, 2015

Overview

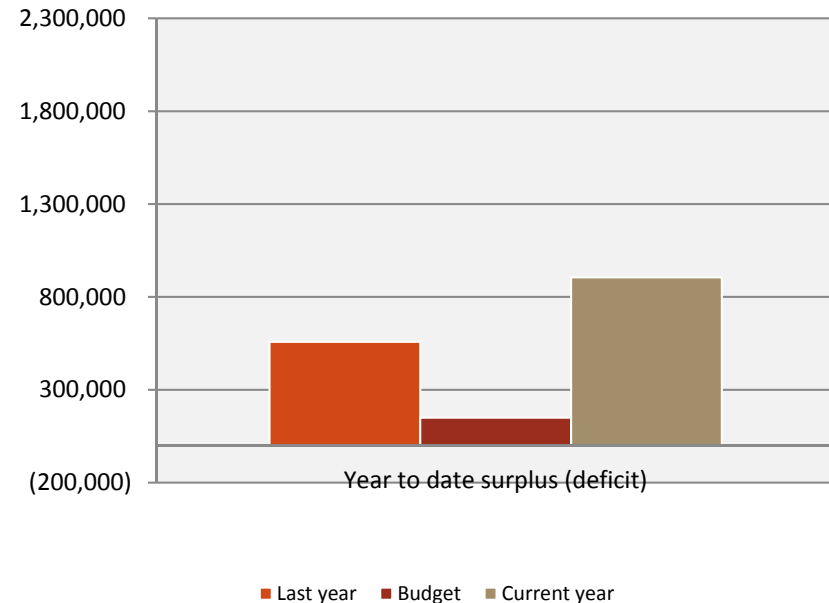
- Covers the period April 1, 2015 to June 30, 2015
- Also provides an overview of the year to date (January 1, 2015 to June 30, 2015)
- Report is on a budget basis
 - Cash basis
 - Unadjusted for accruals
 - Unaudited
- Report will be posted on the Village website

General Fund Second Quarter Results

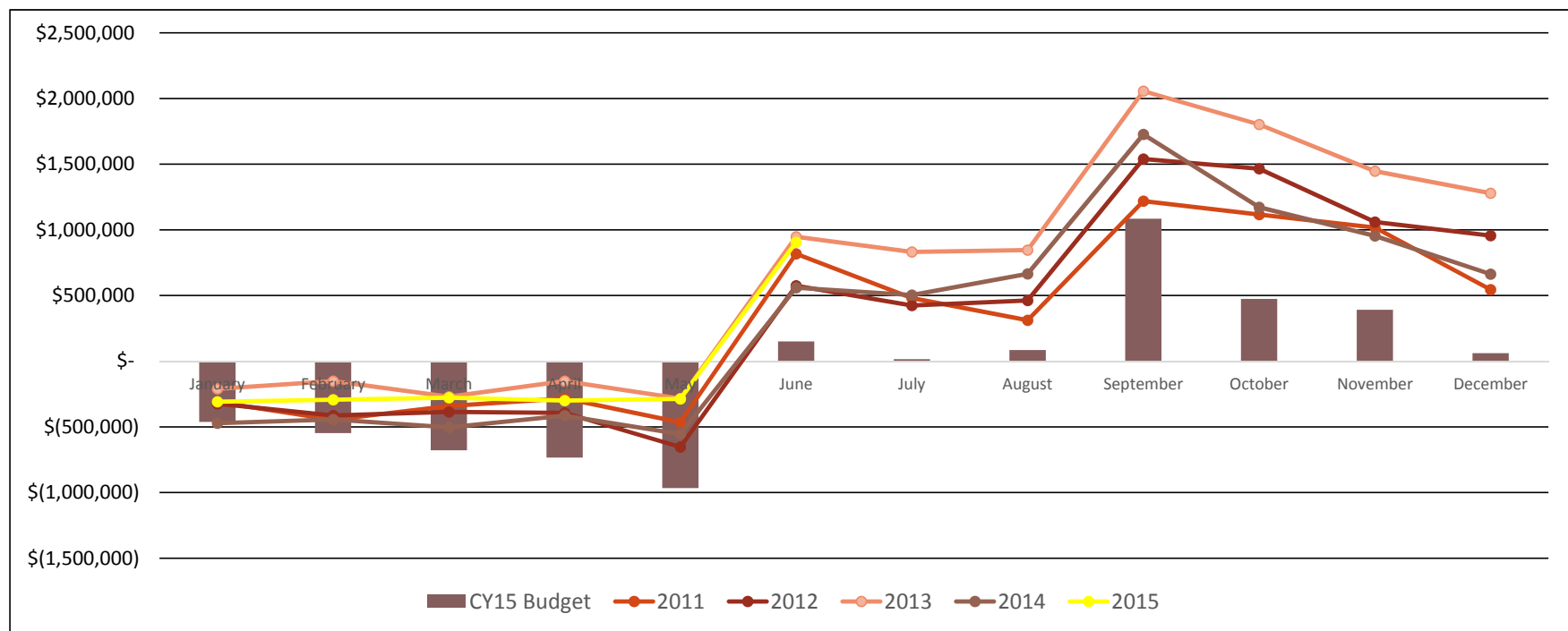
Revenues and Expenditures, year to date



Year to date Increase in Fund Balance



General Fund – 5 Year Historical Trend – Cumulative Change in Fund Balance



General Fund – Key Revenues

Sales Tax

- Second quarter receipts are for sales that took place in January – March 2015
- Year-to-date sales taxes are \$8,160 ahead budget, and \$53,500 ahead of prior year

Home Rule Sales Tax

- Second quarter receipts are for sales that took place in January – March 2015
- Year-to-date home rule sales taxes are \$13,350 ahead of budget, and \$42,000 ahead of prior year

Income Tax

- Year-to-date income taxes are \$155,000 ahead of budget, and \$187,100 ahead of prior year
- Yet unknown is the amount of any reduction Governor Rauner's budget proposal will have on our income taxes. We are now 6 months into our fiscal year with no change in this revenue stream by the State. The Village continues to monitor this closely.

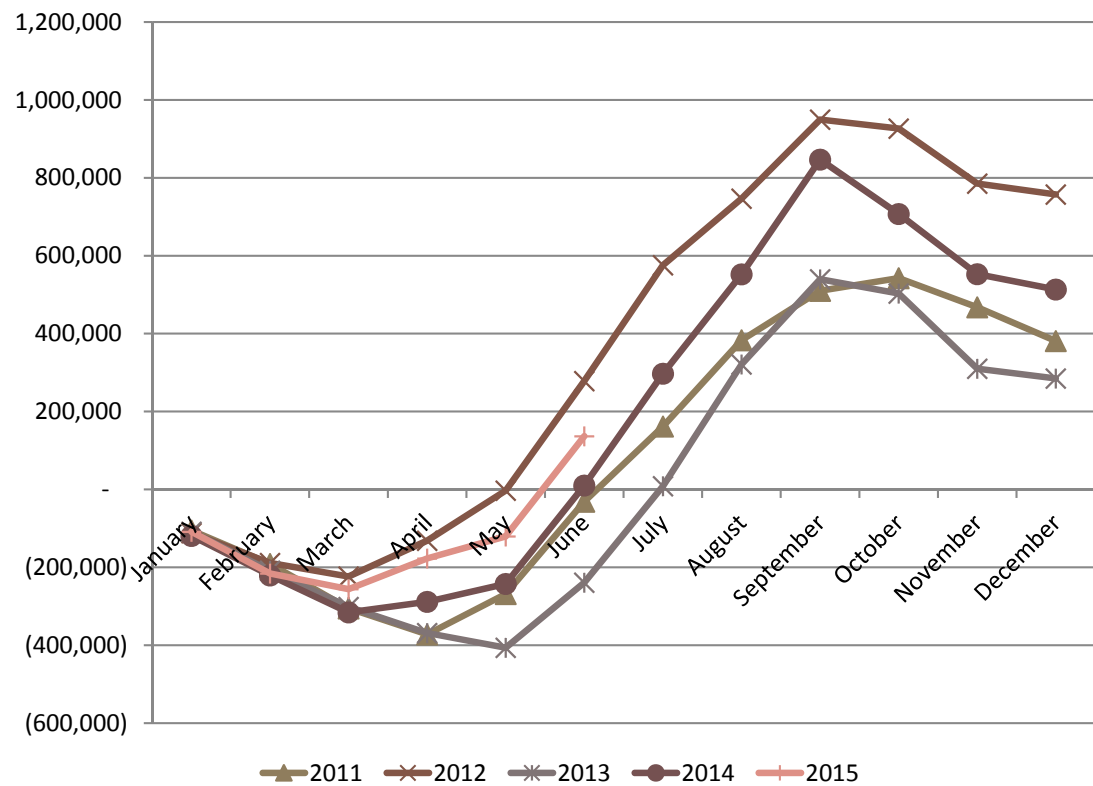
Other Notable Items in the General Fund for the Second Quarter

- Cable Franchise fees are up \$34,000 over the prior year and \$40,700 over year-to-date budget.
- Police/Court Fines are trailing last year and current budget. These fines are received from DuPage County and are dependent on ticket volume, court decisions on fees, and timeliness of payment by the offender.
- Building and Zoning Official position was vacant for three months, resulting in savings of approximately \$26,000.

Village Links/Reserve 22 Fund

Calendar Year Cumulative Change in
Net Position, excluding capital and
debt expense

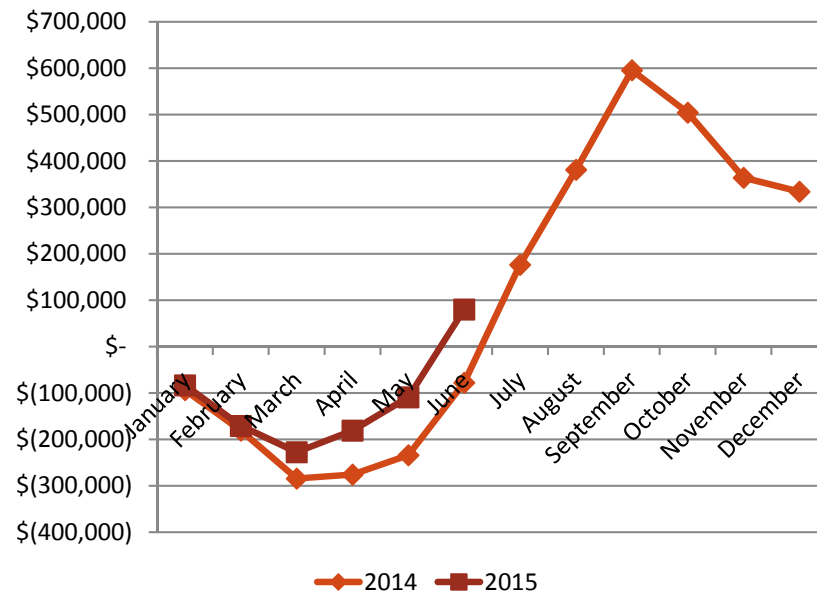
Calendar year Operating Income, Recreation Fund
(Excluding capital and debt)



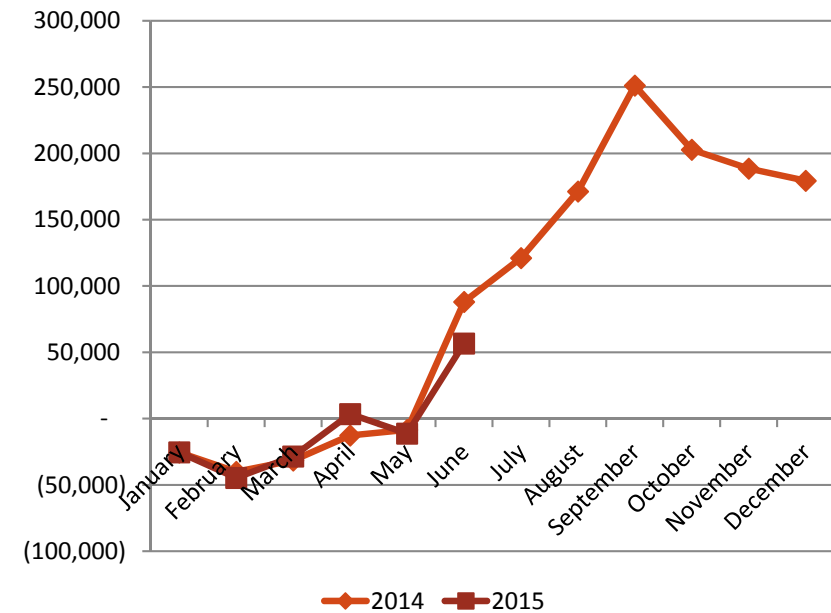
Cumulative Change in Operating Income

Excludes Capital and Debt Expenses

VILLAGE LINKS (GOLF OPERATIONS)



RESERVE 22 (RESTAURANT OPERATIONS)



Village Links/Reserve 22 Fund

Notable Items for Second Quarter 2015

Village Links (Golf Operations)

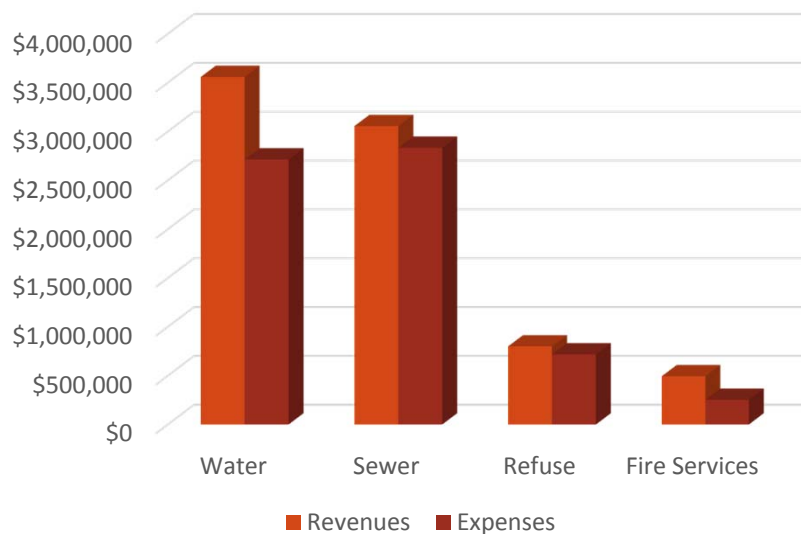
- Course opened on March 14 (versus March 29 in 2014)
- YTD Golf rounds are up 10% over the prior year (due to earlier course opening)

Reserve 22 (Restaurant Operations)

- Closed on Mondays in January and February
- Banquet sales up 54.0% from the prior year
- Restaurant sales are up 19.3% from the prior year
- Cost of goods percentage performed minutely above target at 33.8% through 2nd quarter 2015 versus 34.6% in 2014. The budgeted target is 33%.
- The target for personnel expense is 35.8% in the budget, actual was 42.7% through 2nd quarter 2015. This is decreased from 47.1% through 2nd quarter 2014.
- Operating costs increased from the prior year by \$90,749 due to increased costs for marketing, unemployment claims, and other operating supplies.

Village Services Funds

Revenues & Expenses, FYTD through
Second Quarter 2015



○ A rainy start to the summer decreased metered water and sewer revenue.

○ Only minor capital expenses have been paid as work only just began on the projects mid-second quarter.

Other Notable Items

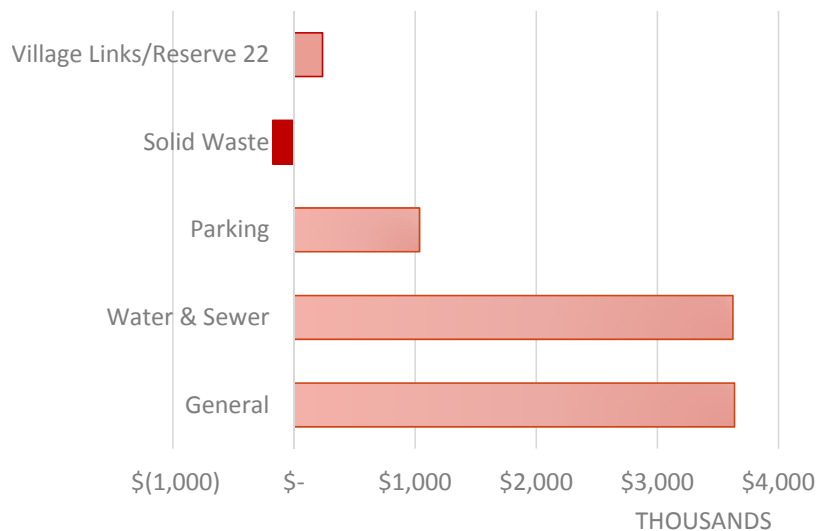
- Received second recovery distribution from IMET of \$22,324 (allocated to all funds) bringing the total recovered percentage to 5%. We anticipate a larger distribution in third or fourth quarter 2015.
- Due to lack of a State budget, our Motor Fuel Tax allocations may be delayed until there is an approved State budget. The fund has adequate reserves to meet current obligations.

Cash Balances, as of June 30, 2015

Fund Name	Cash Balance	Encumbrances	Other Deposits/Payables	Cash Available
General	\$10,002,766	\$(462,313)	\$(1,242,723)	\$8,297,730
Corporate Reserve	\$150,249	\$0	\$0	\$150,249
Motor Fuel Tax	\$830,792	\$(332,965)	\$0	\$497,829
Fire Services	\$1,159,989	\$0	\$0	\$1,159,989
CBD TIF	\$128,002	\$(330)	\$0	\$127,672
Roosevelt Road TIF	\$4,958	\$0	\$0	\$4,958
Debt Service	\$42,036	\$(35,000)	\$0	\$7,036
Capital Projects	\$7,436,524	\$(3,059,772)	\$0	\$1,355,243
Facilities Maint. Reserve	\$777,271	\$(74,209)	\$0	\$703,062
Water & Sewer	\$9,071,671	\$(3,059,772)	\$(230,967)	\$5,780,932
Parking	\$1,190,628	\$(86,019)	\$0	\$1,104,609
Residential Solid Waste	\$296,984	\$(116,025)	\$0	\$180,959
Village Links/Reserve 22	\$1,350,695	\$0	\$0	\$1,350,695
Insurance	\$1,122,007	\$0	\$0	\$1,122,007
Equipment Services	\$3,426,990	\$(337,011)	\$0	\$3,089,979

Cash Reserves

Cash Reserves Above/Below Minimum Policy



- General Fund, Water & Sewer, Village Links/Reserve 22 and Parking Fund all have cash reserves in excess of their required levels.
- Solid Waste Fund is building reserves back from a low point in 2012, caused by a major storm event. The fund is projected to end the fiscal year below the reserve policy by \$77,895. The Village will continue to monitor this reserve level.

MEMORANDUM

TO: Finance Commission and Village Board

FROM: Christina Coyle, Finance Director

DATE: July 23, 2015

RE: June 2015 Financial Update



General Fund Dashboard: Page 1

For the month, revenues were \$2.91 million, which is \$12,125 behind the prior year but \$22,073 ahead of the monthly budget. Expenditures were \$1.72 million, under last year's amount by \$91,400 and below budget by \$54,600.

Year-to-date revenues are \$8.86 million, which is ahead of the prior year by \$70,000 and ahead of the year-to-date budget of by \$361,800. Expenditures are \$277,000 below last year at \$7.96 million and \$394,500 below budget.

This cumulates in a year-to-date net positive change in fund balance of \$906,000. The year-to-date income trend graph June 2015 nearly ties June 2013 as the highest June in the five year trend presented.

General Fund Budget Summary: Page 2

Key revenues are discussed on Page 3. Other notable variances include:

- **Business Registration:** Business License renewals were moved from a May expiration to an October expiration. This creates a variance from the prior year and monthly budget data (which is based upon historical averages). The license renewal was shifted to more evenly distribute workload throughout the year.
- **Cable Franchise Fees:** These fees are up \$34,000 over the prior year and \$40,700 over the year to date budget.
- **Ambulance service fees** will fluctuate from the prior year due to the change in the contract structure to a turnkey model. The fees remain in line with our year-to-date budget.
- **Police/Court Fines:** The majority of these revenues are received from DuPage County and are dependent on volume of tickets as well as when the individual pays the court fine. Right now this revenue stream is trailing both last year and the current year budget.
- **Miscellaneous Income:** Federal Drug Forfeiture revenues are not budgeted and must be used only for certain purposes. For the short fiscal year to date, we have received \$207,700. These dollars are received as part of our participation in a Drug Enforcement Administration (DEA) program. We receive a portion of the funds collected in a seizure.
- **Village Manager's Office:** The Assistant to the Village Manager position was not filled in 2015. The Communications Coordinator and related expenses were relocated to the Information Technology department in 2015. General counsel legal expenses were relocated to the Law department in 2015.

- Law: A new law department was created in 2015 as an attorney was brought on staff.
- Information Technology: The Communications Coordinator and all related expenses were relocated to the Information Technology department in 2015. All copier costs were also relocated and centralized in the I.T. department. \$37,766 in Microsoft Office upgrades were purchased to upgrade the Village's Office suite.
- Finance Administration: Personnel savings are noted as the Assistant Finance Director position was not filled until late January. An audit RFP realized \$5,000 savings from the budgeted amount.
- Finance Cashiers: The current positive budget variance is due to payments for key items being anticipated to occur in the second half of the fiscal year. The department is anticipated to come in at budget.
- Building: The Building and Zoning Official position was vacant for three months, resulting in savings of approximately \$26,000.
- Economic Development: The payment to the Alliance of Downtown Glen Ellyn (\$71,250) was made in January rather than in May, due to the change in fiscal year. The department has also paid out \$40,100 in incentive payments (\$95,000 budgeted) and \$22,500 in façade/retail grants (\$114,376 budgeted).
- Fire & EMS: A change in the contract model for ambulance service will result in variances from the prior year.

Key General Fund Revenues: Page 3

Sales Tax: Sales Tax receipts in June are for sales that originated in March. Sales tax set another record 12 month rolling average high in June 2015, continuing an upward trend noted for the past several months. June is ahead of last year but slightly behind the current monthly budget by \$7,000. The year-to-date trend is positive with sales tax 3% ahead of last year and 1% ahead of budget.

Home Rule Sales Tax: Home Rule Sales Tax also set another record 12 month rolling average high in June 2015. Home Rule Sales Tax receipts in June are for sales that also originated in March. Year-to-date Home Rule Sales Tax is 5% ahead of last year and 1% ahead of budget. Home Rule Sales Tax is not collected on vehicle sales and food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food which has been prepared for immediate consumption) and certain other medical prescriptions and supplies.

Income Tax: Income tax received in June is for remittances to the state in May. June Income Tax also set a 12 month rolling average high. On a year-to-date basis, Income Tax is ahead last year's receipts by \$187,000 or 12% and ahead of the current year budget by \$155,000 or 9%.

Village Links/Reserve 22 Dashboard: Page 4

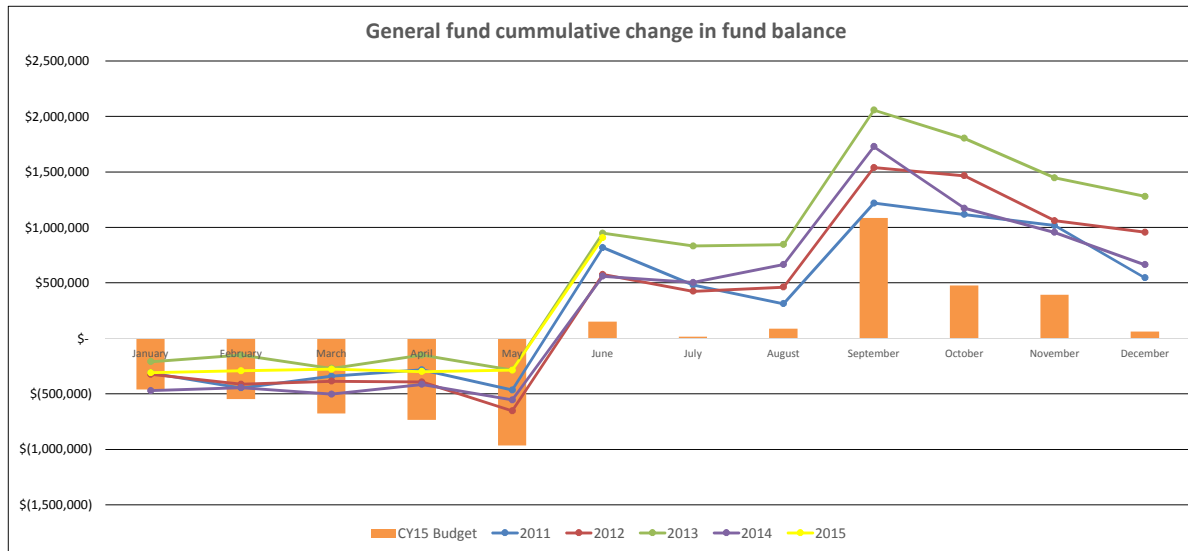
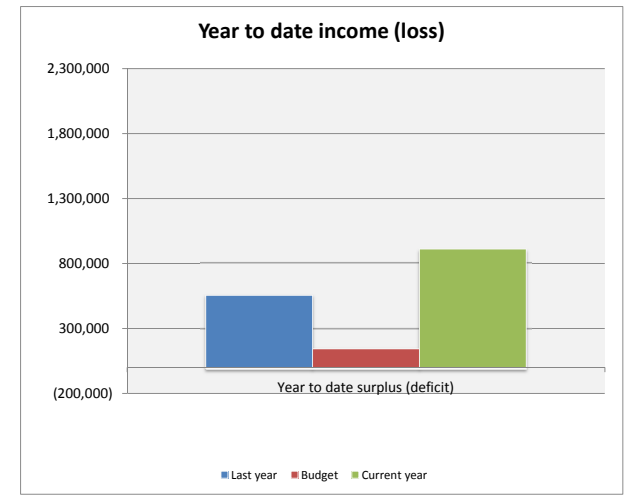
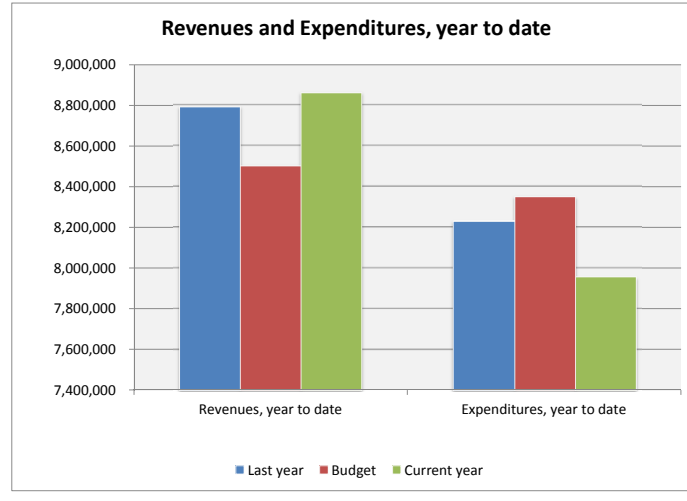
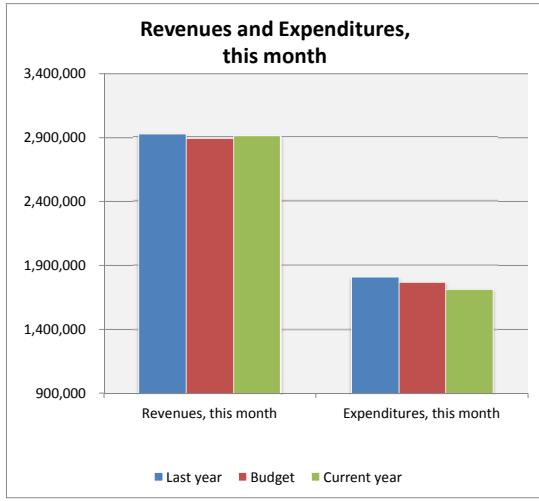
On an operating basis, which excludes capital and debt expenses, the Village Links/Reserve 22 ended June with positive operating income of \$137,043. This is ahead of all other years in the 5 year trend graph, excepting 2012 when early warm weather positively affected golf operations. On a cumulative basis (which includes debt and capital expenses), the Village Links/Reserve 22 ended June with positive net income of \$28,580.

Golf operating income was a positive \$80,300 through June 2015. Greens fee rounds were increased by 10% from the prior year. Reserve 22 operating income was a positive \$56,700. In the trend graphs on page 4, it can be seen that golf performed better than 2014; whereas Reserve 22 performed below 2014. Reserve 22 had unemployment costs of \$11,700 in 2015 versus \$0 in 2014. Also, higher costs were budgeted for marketing and entertainment to continue to draw customers to Reserve 22.

Attachments

June Financials

**General Fund Budget Summary
For the Period Ended June 30, 2015**



**General Fund Budget Summary
For the Period Ended June 30, 2015**

REVENUES

TAXES

	Last Year	Current Budget	Current Year	Variance from LY \$ %	Variance from Budget \$ %
Property Tax	1,594,852	1,597,928	1,579,754	(15,098) -1%	(18,174) -1%
Econ Dev SSA Tax	70,227	70,763	64,622	(5,605) -8%	(6,141) -9%
Fire SSA Tax	-	-	-	0% 0%	0% 0%
Sales Tax	270,066	277,922	270,903	837 0%	(7,019) -3%
Home Rule Sales Tax	154,050	159,026	154,214	164 0%	(4,812) -3%
State Income Tax	154,535	157,818	204,343	49,808 32%	46,525 29%
Other Taxes	289,605	279,772	248,313	(41,292) -14%	(31,459) -11%
Subtotal Taxes	2,533,335	2,543,228	2,522,149	(11,186) 0%	(21,079) -1%

LICENSES & PERMITS

Vehicle Licenses	12,622	11,428	14,339	1,717 14%	2,911 25%
Business Registration	15,470	14,995	3,640	(11,830) -76%	(11,355) -76%
Liquor Licenses	31,844	33,335	37,680	5,836 18%	4,345 13%
Building Permits/Reg./Fees	90,217	83,115	86,910	(3,307) -4%	3,795 5%
Subtotal Licenses & Permits	150,153	142,872	142,569	(7,584) -5%	(303) 0%

CHARGES & FEES

Cable Franchise Fees	-	-	-	0% 0%	0% 0%
Ambulance Service Fees	54,075	631	1,180	(52,895) -98%	549 87%
Police Service Reimbursements	815	807	1,346	531 65%	539 67%
Service Fees - GWA/Library	10,917	10,664	10,642	(275) -3%	(22) 0%
Subtotal Charges & Fees	65,807	12,102	13,168	(52,639) -80%	1,066 8%

OTHER

Police/Court Fines	56,020	55,144	46,515	(9,505) -17%	(8,629) -16%
Investment Income	2,139	2,083	290	(1,849) -86%	(1,793) -86%
Miscellaneous Income	9,424	6,682	60,326	50,902 540%	53,644 803%
Transfers from Other Funds	106,064	126,633	125,800	19,736 19%	(833) -1%
Subtotal Other	173,647	190,543	232,931	59,284 34%	42,388 22%
Revenue Totals	2,922,942	2,888,744	2,910,817	(12,125) 0%	22,073 1%

EXPENDITURES

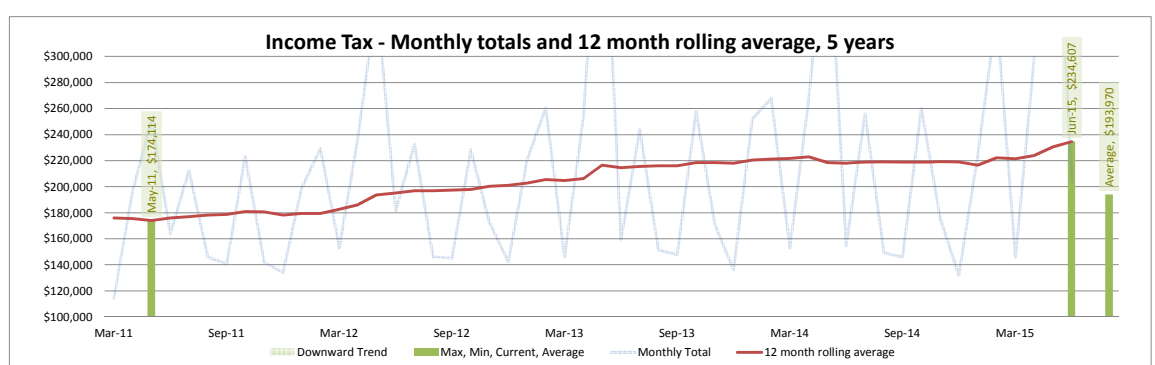
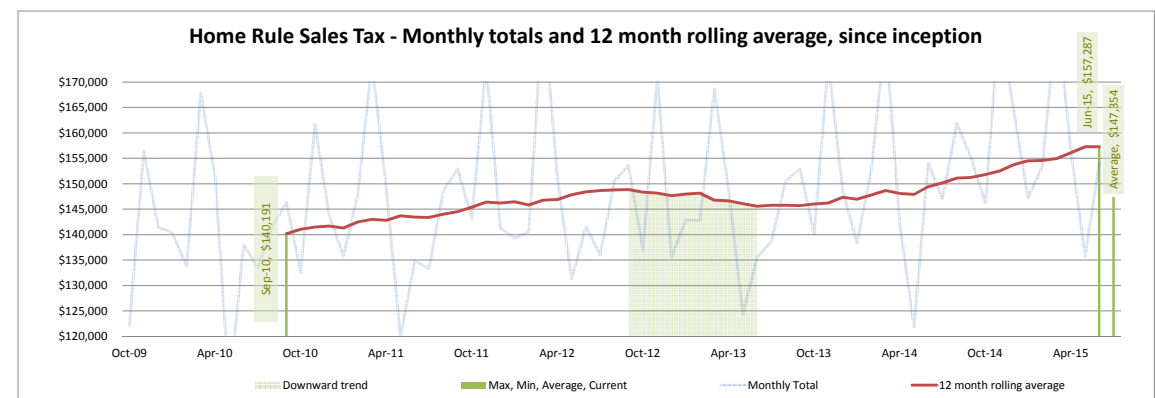
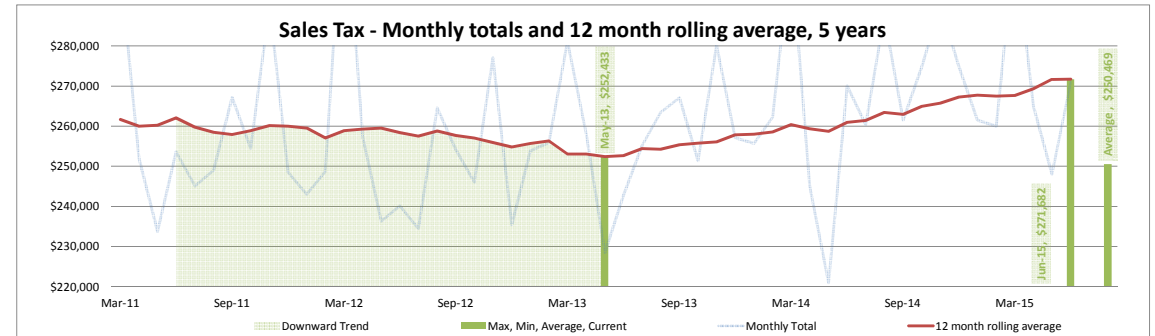
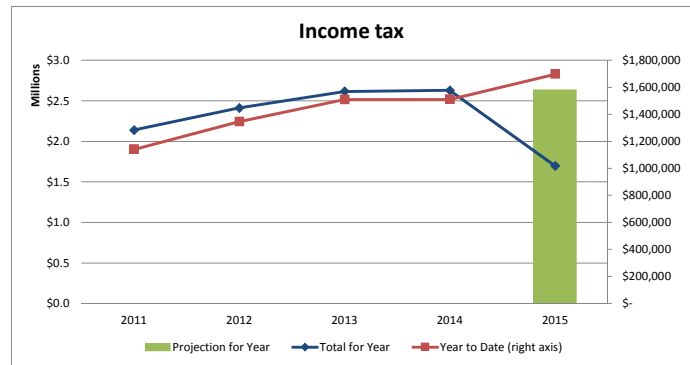
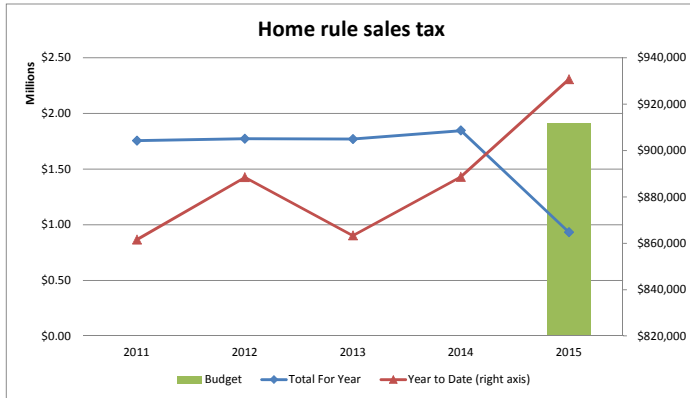
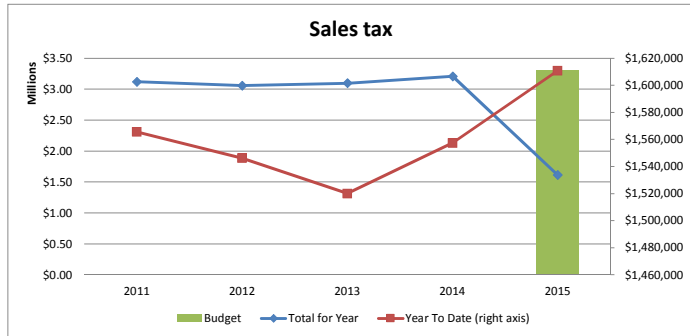
Village Board & Clerk	4,456	3,967	5,653	1,197 27%	1,686 42%
Village Manager's Office	88,229	69,411	82,818	(5,411) -6%	13,407 19%
Law	-	25,793	21,313	21,313 100%	(4,480) -17%
Facilities Maintenance	53,035	50,293	46,123	(6,912) -13%	(4,170) -8%
Senior Services	7,512	7,965	4,663	(2,849) -38%	(3,302) -41%
History Park	1,527	2,182	1,230	(297) -19%	(952) -44%
Information Technology*	16,586	28,239	28,879	12,293 74%	640 2%
Finance*	-	-	-	0% 0%	N/A
Finance - Administration	82,464	37,925	41,199	(41,265) -50%	3,274 9%
Finance - Cashiers Office	21,536	18,119	21,766	230 1%	3,648 20%
Planning & Development	-	-	-	0% 0%	N/A
Planning & Zoning	40,056	39,514	44,485	4,429 11%	4,971 13%
Building	62,610	66,937	48,507	(14,103) -23%	(18,430) -28%
Economic Development	54,545	51,610	23,747	(30,798) -56%	(27,863) -54%
Police	-	-	-	0% 0%	N/A
Police - Administration	147,621	155,286	144,557	(3,064) -2%	(10,729) -7%
Police - Operations	714,530	740,395	769,986	55,456 8%	29,591 4%
Police - Investigations	134,809	133,489	141,369	6,560 5%	7,880 6%
Fire	21,220	23,812	29,514	8,294 39%	5,702 24%
EMS	102,151	47,346	25,165	(76,986) -75%	(22,181) -47%
Public Works - Admin & Eng.**	49,485	59,705	56,823	7,338 15%	(2,882) -5%
Public Works - Operations**	-	-	-	0% 0%	N/A
Public Works - Streets	106,567	114,612	109,155	2,588 2%	(5,457) -5%
Public Works - Forestry	100,214	95,836	70,838	(29,376) -29%	(24,998) -26%
Expenditure Totals	1,809,153	1,772,435	1,717,790	(91,363) -5%	(54,645) -3%
Surplus / (Deficit)	1,113,789	1,116,309	1,193,027	79,238	76,718

YTD

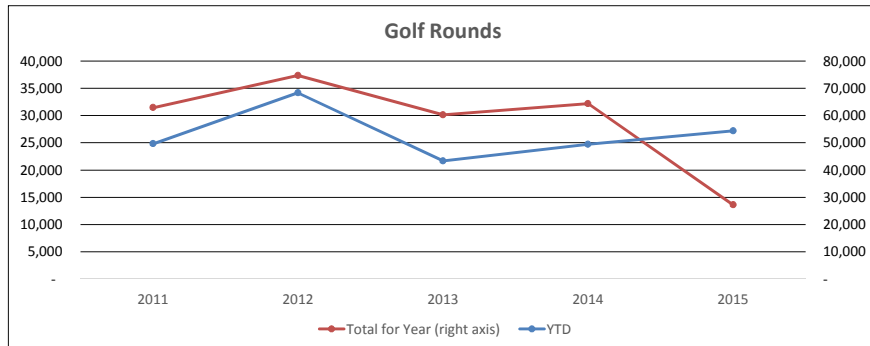
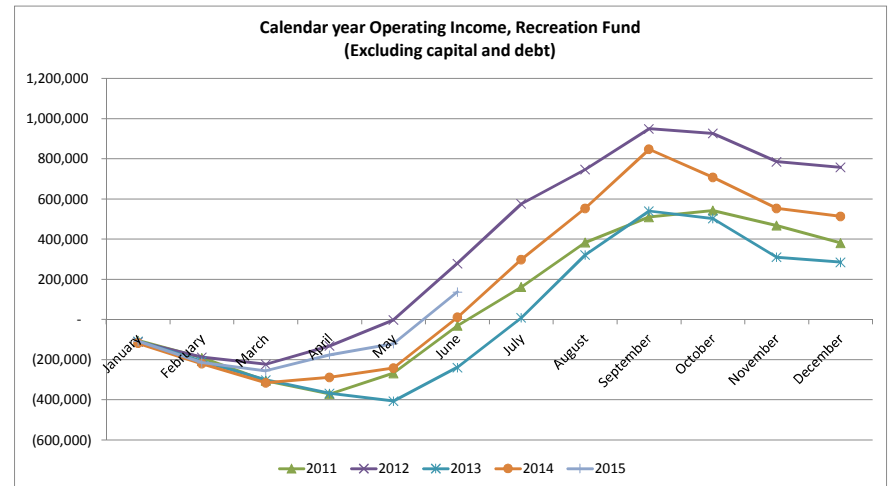
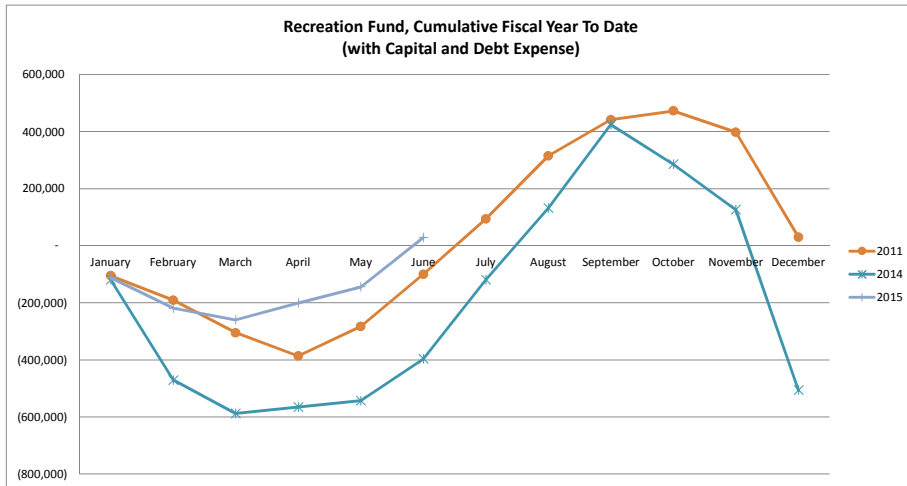
Last Year	Current Budget	Current Year	Variance from LY		Variance YTD Budget	
			\$	%	\$	%
1,604,804	1,607,899	1,580,247	(24,557)	-2%	(27,652)	-2%
70,815	71,355	64,633	(6,182)	-9%	(6,722)	-10%
900	-	-	(900)	-100%	-	0%
1,557,427	1,602,731	1,610,891	53,464	3%	8,160	1%
888,638	917,340	930,690	42,052	5%	13,350	1%
1,509,489	1,541,557	1,696,601	187,112	12%	155,044	9%
640,746	608,453	648,638	7,892	1%	40,185	6%
6,272,819	6,349,334	6,531,700	258,881	4%	182,366	3%
358,280	324,382	343,140	(15,140)	-4%	18,758	5%
33,720	32,684	4,141	(29,579)	-88%	(28,543)	-689%
111,814	117,050	115,135	3,321	3%	(1,915)	-2%
374,821	358,784	369,108	(5,713)	-2%	10,324	3%
878,635	832,900	831,524	(47,111)	-5%	(1,376)	0%
246,591	239,892	280,644	34,053	14%	40,752	15%
315,653	3,685	8,318	(307,335)	-97%	4,633	56%
18,251	18,955	19,863	1,612	9%	908	5%
65,234	63,719	63,852	(1,382)	-2%	133	0%
645,729	326,250	372,677	(273,052)	-42%	46,427	12%
311,586	305,211	272,261	(39,325)	-13%	(32,950)	-12%
10,621	12,500	12,009	1,388	13%	(491)	-4%
193,126	114,566	286,503	93,377	48%	171,937	60%
478,952	559,800	554,800	75,849	16%	(5,000)	-1%
994,285	992,076	1,125,573	131,288	13%	133,497	12%
8,791,467	8,500,560	8,861,474	70,007	1%	360,914	4%

11,174	17,785	22,847	11,673 104%	5,062 28%
463,781	364,862	354,367	(109,414) -24%	(10,495) -3%
-	135,584	143,040	143,040 100%	7,456 5%
277,116	262,786	270,009	(7,107) -3%	7,223 3%
42,890	45,477	44,395	1,505 4%	(1,082) -2%
20,629	29,478	16,341	(4,288) -21%	(13,137) -45%
105,637	179,854	219,261	113,624 108%	39,407 22%
262,435	-	-	(40,739) -9%	- 0%
137,740	289,710	266,787	(22,923) -8%	(22,923) -8%
58,403	175,146	151,052	(24,094) -14%	(24,094) -14%
382,170	-	-	(46,435) -8%	- 0%
94,403	246,357	221,941	(24,416) -10%	(24,416) -10%
138,459	390,539	346,656	(43,883) -11%	(43,883) -11%
98,062	227,342	196,476	98,414 100%	(30,866) -14%
1,993,402	-	-	88,744 2%	- 0%
307,027	704,122	689,853	(14,269) -2%	(14,269) -2%
1,248,257	2,717,897	2,700,923	(16,974) -1%	(16,974) -1%
213,758	465,523	460,412	(5,111) -1%	(5,111) -1%
662,618	191,805	183,323	(475,039) -55%	(8,482) -4%
199,983	296,579	204,239	(92,340) -31%	(92,340) -31%
322,362	388,938	351,851	29,489 9%	(37,087) -10%
806,223	-	-	(80,521) -7%	- 0%
224,671	722,239	687,141	(35,098) -5%	(35,098) -5%
161,275	497,884	424,507	(73,377) -15%	(73,377) -15%
8,232,475	8,349,908	7,955,421	(277,054) -3%	(394,487) -5%
558,992	150,651	906,053	347,061	755,402

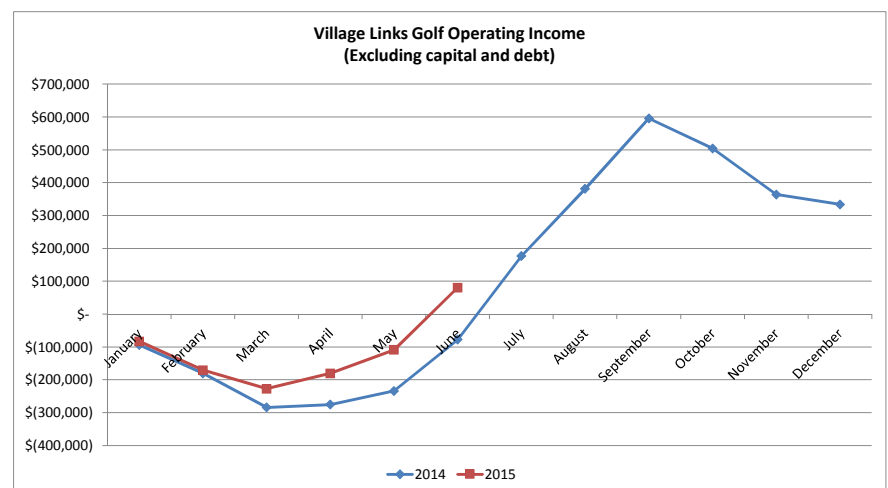
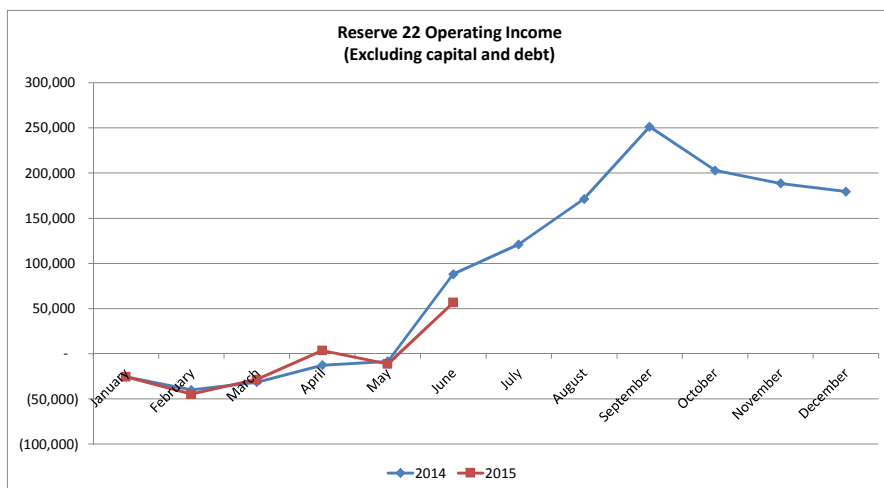
Key General Fund Revenues For the Period Ended June 30, 2015



**Village Links/Reserve 22 Fund
For the Period Ended June 30, 2015**



	2011	2012	2013	2014	2015	Change From Prior Year
January	12	405	94	1	12	1100%
February	43	231	25	1	0	-100%
March	1,209	4,283	577	486	1,186	144%
April	4,301	6,621	3,681	4,641	5,677	22%
May	8,387	10,272	7,442	8,826	9,375	6%
June	10,856	12,359	9,856	10,769	10,938	1.6%
July	11,648	10,896	11,338	12,226		
August	12,420	11,823	12,042	11,567		
September	8,865	9,747	9,291	8,953		
October	2,497	5,202	4,778	5,481		
November	2,319	1,850	1,081	951		
December	345	979	15	423		
Total	62,902	74,668	60,220	64,325	27,188	
YTD	24,808	34,171	21,675	24,724	27,188	10%





Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 08/14/15 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Discussion Item
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 1879)

DOC ID: 1879

Capital Project Financial Reporting

Background

In fiscal year 2014, a capital projects status report was developed with the assistance of the Finance Commission's input. Due to the turnover experienced during the Short Year 2014 and beginning of Calendar Fiscal Year 2015, we did not have the available resources to continue to update this report. Now that the Finance Department is again running at full speed, we have resurrected this report and will be placing it on the Finance Commission's agenda quarterly. As many Commissioners have not seen this report before, we will spend time at Friday's meeting going over the report format and the information that it conveys. The report is attached to this memo.

ATTACHMENTS:

- FY15 Capital Project Status Report - as of 2015-08-10 (PDF)

Village of Glen Ellyn
Capital Projects Financial Status
As of August 10, 2015

Project Number	Project Name	Current Project Stage	Target Date	Project Analysis						Board Authorization Analysis				
				Ten Year Plan ¹	Revised Estimated Cost ²	Grant Funding	Cumulative Fiscal Budget	Expenditures Life to Date	Project Budget Remaining	Board Approved Contracts ³	Change Orders	Total Board Contracts	Contract Expenditures Life to Date	Authorization Remaining
13001	Park Boulevard Rehabilitation	Preliminary Design	2017	\$ 2,870,000	\$ 3,055,000	\$ 1,335,000	\$ 509,634	\$ 113,879	\$ 395,754	\$ 125,000	\$ -	\$ 125,000	\$ 113,317	\$ 11,683
13002	Crescent Blvd Reconstruction	Construction	9/30/2015	2,380,000	2,745,000	1,673,440	1,835,000	403,976	1,431,025	2,064,500	-	2,064,500	365,696	1,698,804
13003	Chidester-Elm-Lenox-Linden (CELL)	Closeout	11/30/2014	3,349,000	3,550,000	-	2,375,000	3,685,047	(1,310,047)	3,831,150	87,000	3,918,150	3,664,774	253,376
13005	2013 Street Improvements	Closeout	2013	2,037,000	2,500,000	-	2,447,500	2,306,869	140,631	2,481,000	-	2,481,000	2,301,811	179,189
13006	Duane/Lorraine Daily Lot Reconstruction	On Hold	Unknown	1,200,000	1,240,000	54,000	650,000	26,819	623,181	95,000	-	95,000	26,819	68,181
13008	Roosevelt Road Water Main Replacement	Preliminary Design	2016	2,100,000	2,025,000	-	1,835,000	24,200	1,810,800	26,000	-	26,000	24,200	1,800
14001	Lake Ellyn Outlet	Design	June 2016 construction	N/A	530,000	400,000	597,000	78,132	518,868	97,000	-	97,000	74,562	22,438
14003	2014 Street Resurfacing	Closeout	Substantially Complete	1,670,000	1,085,000	-	1,365,000	1,310,820	54,181	1,084,100	350,000	1,434,100	1,295,129	138,971
14004	Elm-Cottage-Geneva	Construction	9/30/2015	1,618,000	2,025,000	-	3,090,000	1,113,672	1,976,328	2,598,000	-	2,598,000	1,086,912	1,511,088
14005	Glenwood-Arbor-Ridgewood	Construction	11/1/2015	3,248,000	3,227,000	-	3,510,000	420,723	3,089,277	3,347,000	-	3,347,000	420,612	2,926,388
14006	CBD Over/Underpass	Feasibility	Unknown	Unfunded	TBD	-	215,000	97,583	117,417	160,000	-	160,000	86,401	73,599
14007	IDOT Crosswalks	Design	8/1/2016	N/A	225,000	175,000	210,000	32,035	177,965	N/A	N/A	N/A	N/A	N/A
15001	2015 Sanitary Sewer Lining	Construction Bid	4/1/2016	N/A	425,000	-	450,000	-	450,000	430,000	-	430,000	-	430,000
15002	Geneva Road Culvert Extension	Design	11/1/2016	N/A	40,000	-	35,000	-	35,000	-	-	-	-	-
15003	Reno Center/Salt Storage Renovation	On Hold	Unknown	N/A	650,000	-	650,000	-	650,000	-	-	-	-	-
15004	Finance Office Relocation	Feasibility	Unknown	N/A	TBD	-	150,000	-	150,000	-	-	-	-	-
15005	Police Station	Contract Negotiation	Summer 2017	N/A	12,000,000	-	-	-	-	-	-	-	-	-
15006	CBD Roadway Rehabilitation & Streetscape	Feasibility	Fall 2017	5,070,000	4,500,000	-	250,000	-	250,000	-	-	-	-	-

Footnotes:
1. From the Ten-Year Plan published in November 2012.
2. From the Staff Engineer, if the number varies from the 10-year plan. A revised estimated cost is typically known as a project nears the construction phase.
3. Board approved amounts include an approximate 5-10% contingency above the contracted price.
4. Amounts italicized and red are tentative, subject to change.



Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 08/14/15 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Discussion Item
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 1880)

DOC ID: 1880

2015 Five Year Forecast

Background

As part of the annual budget process, the Village updates its Five Year Forecast to provide a reference point for beginning the budget process.

Each Five Year Forecast focuses on the General Fund, as the main operating fund of the Village. Other funds are addressed as needed in the Five Year Forecast. This year, the forecast again covers the General Fund. Also this year, in preparation for both the budget and for a rate analysis that will be done this Fall, a Five Year Forecast was done of the Water & Sewer Fund. Lastly, the Capital Projects Fund and long term liabilities were also included in this year's forecast as those areas have been identified as key points of focus.

Staff will present the draft report at Friday's meeting and will be soliciting feedback and questions from the Finance Commission. Based upon that feedback, the report will be updated and presented to the Village Board. Presentation to the Village Board is anticipated at the September 14, 2015, Village Board meeting.

ATTACHMENTS:

- DRAFT Five Year Forecast 2015 as of 2015-08-11 (PDF)

Five Year Forecast

August 2015

Goals of Five Year Forecast

- ∞ Understand 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.
- ∞ Compare past forecasts with actual results.

Facts on the Five Year Forecast

- ∞ Developed annually as a tool for the budget process.
- ∞ Forecast is a model to project future activity and is not a prediction of what will happen.
- ∞ Each year's experience will vary.
 - ~ *The goal is that annual budgets will be balanced.*
 - ~ *Each year's actual results will vary.*
- ∞ Historical results includes FY2011, FY2012, FY2013, FY2014, and Budget 2015. The Short Fiscal Year (May 1, 2014-December 31, 2014) is excluded as it was an 8-month period.

Content of Five Year Forecast

The Five Year Forecast is divided into four main areas. The first two areas are the largest operating funds of the Village, the General Fund and the Water & Sewer Fund. The last two areas focus on the Village's infrastructure and long term liabilities, including debt and pension liabilities.

1. General Fund
2. Water & Sewer Fund
3. Capital Projects Fund
4. Long Term Liabilities

GENERAL FUND

Building the General Fund Forecast: Key Assumptions - Revenues

	FY15 Budget (thousands)	Average Historical Growth (2011-2015)	Projected Annual Growth (2016-2020)
Property Taxes	\$6,834	6%	2.5% ¹
Sales Tax	\$3,300	1%	3.0% ²
Home Rule Sales Tax	\$1,905	3%	3.0% ³
Income Tax	\$2,684	6%	3.0% ⁴
Other Revenues (combined)	\$13,492	3%	2.0% ⁵

Footnotes:

1. Assumes 1.5% growth in CPI and 1% growth in new construction/annexations. Historical growth rates do not include property taxes for Fire Service Areas as those were moved to the Fire Services Fund in SY2014.
2. Sales tax increased 4% in 2014 and 5% in 2015 as the economy rebounds. 3% is a conservative estimate for future performance.
3. Home Rule Sales Tax increased 3% in 2014 and 6% in 2015 as the economy rebounds. 3% is a conservative estimate.
4. Income tax lists 3% as the projected growth rate as a conservative figure.
5. Other revenues includes all other revenues of the general fund. Ambulance fees have been excluded in the historical growth rate as a change in contract model makes historical growth rates incomparable to projected future growth.

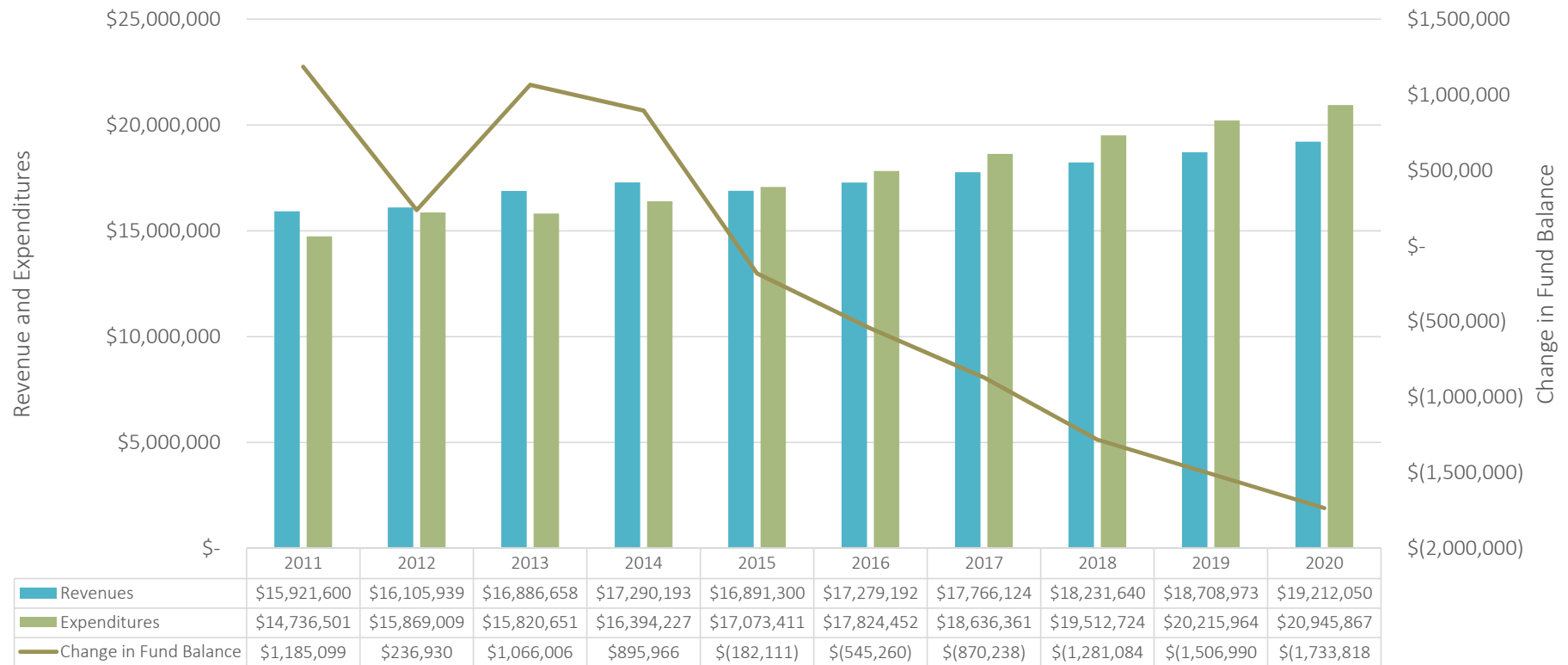
Building the General Fund Forecast: Key Assumptions - Expenditures

	FY15 Budget (thousands)	Average Historical Growth (2011- 2014)	Projected Annual Growth (2016-2020)
Salaries – public safety	\$3,561	5%	4.5% ¹
Salaries – all other	\$4,456	6%	3.0% ²
Pension – public safety	\$1,153	4%	12.8% ³
Pension – all other	\$391	4%	2.0% ⁴
Health Insurance	\$925	2%	4.0% ⁵
Contractual Services	\$3,343	2%	3.0% ²
Commodities	\$226	6%	3.0% ²
Capital Outlay	\$193	19%	5.0% ²
Transfers	\$1,940	2%	3.0% ²

Footnotes:

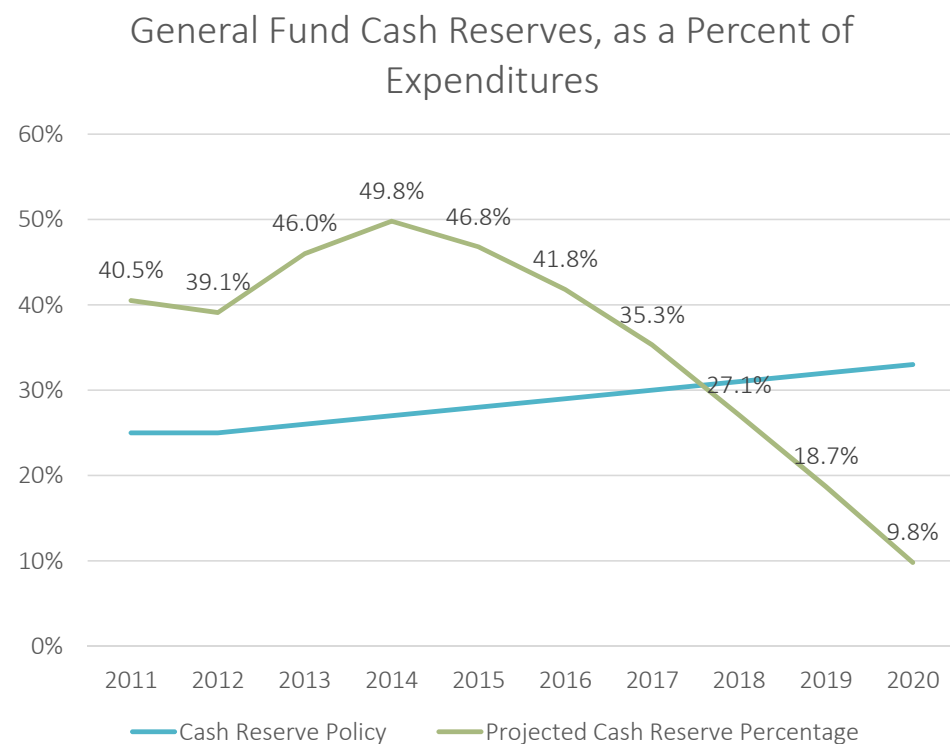
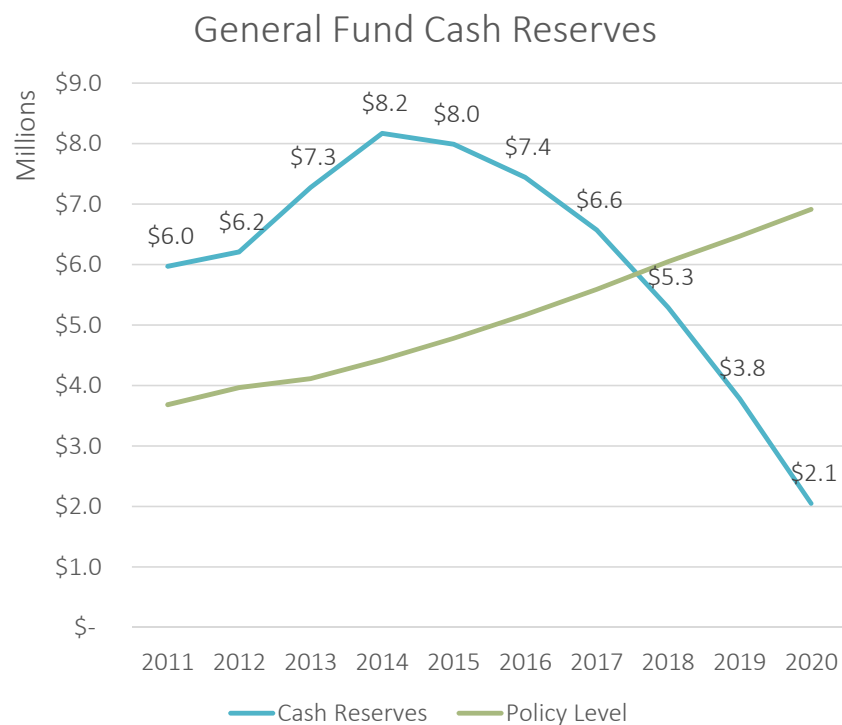
1. Based upon current contract structure.
2. Average increase has ranged from 2-3% over the last several years. Transfers are closely tied to changes in personnel expenses as other funds reimburse the general fund.
3. Projects continued movement downward of investment return assumption.
4. IMRF pension costs are stabilizing and are expected to trend closely to salary increases in the future.
5. The Village's insurance pool has helped to beat the market increases for health insurance.
6. Commodities and Contractual Services are anticipated to increase at a conservative 3%.
7. Capital replacement was deferred during the economic downturn; recent purchases have been meeting deferred needs.

Annual General Fund Forecast



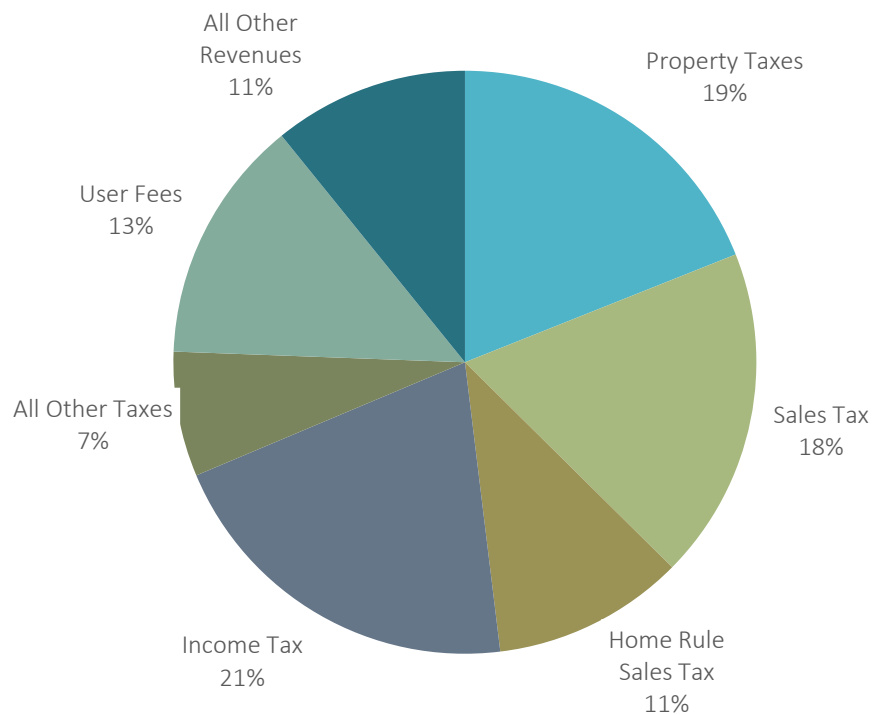
Revenues are forecast to grow at approximately 2% per year while expenditures grow at 3.5%, which would decrease the General Fund's fund balance by \$5.9 million over the next 5 years.

General Fund Balance Projections

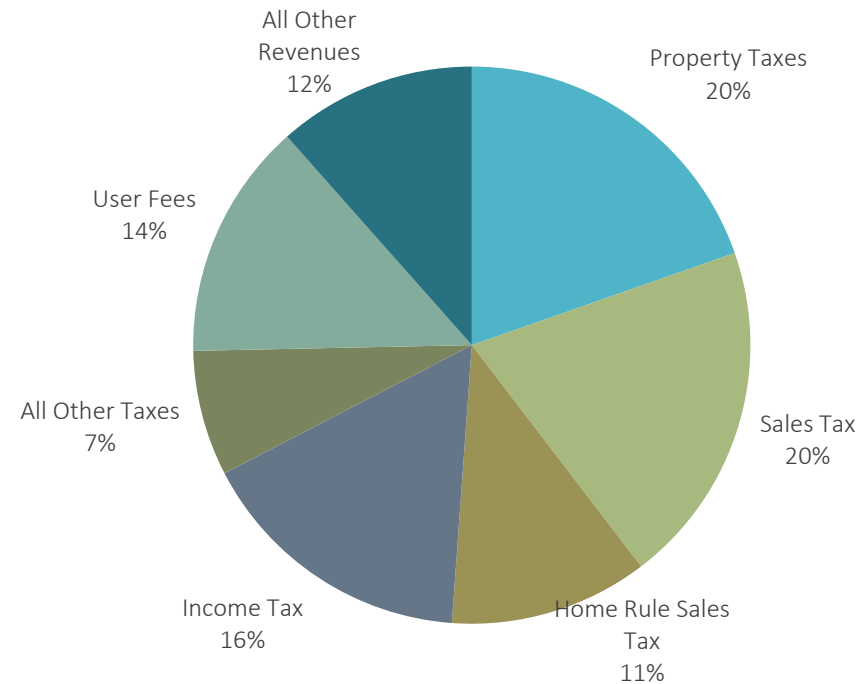


Composition of General Fund Revenues

2015 BUDGET



2020 PROJECTION

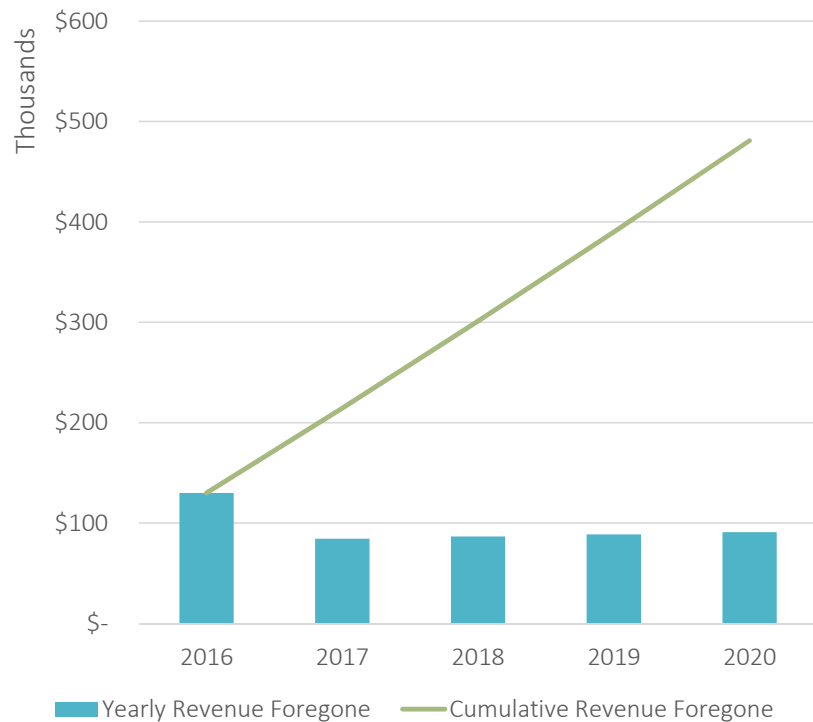


Challenges in Revenue Streams

Several challenges and decision points are on the horizon regarding General Fund Revenues:

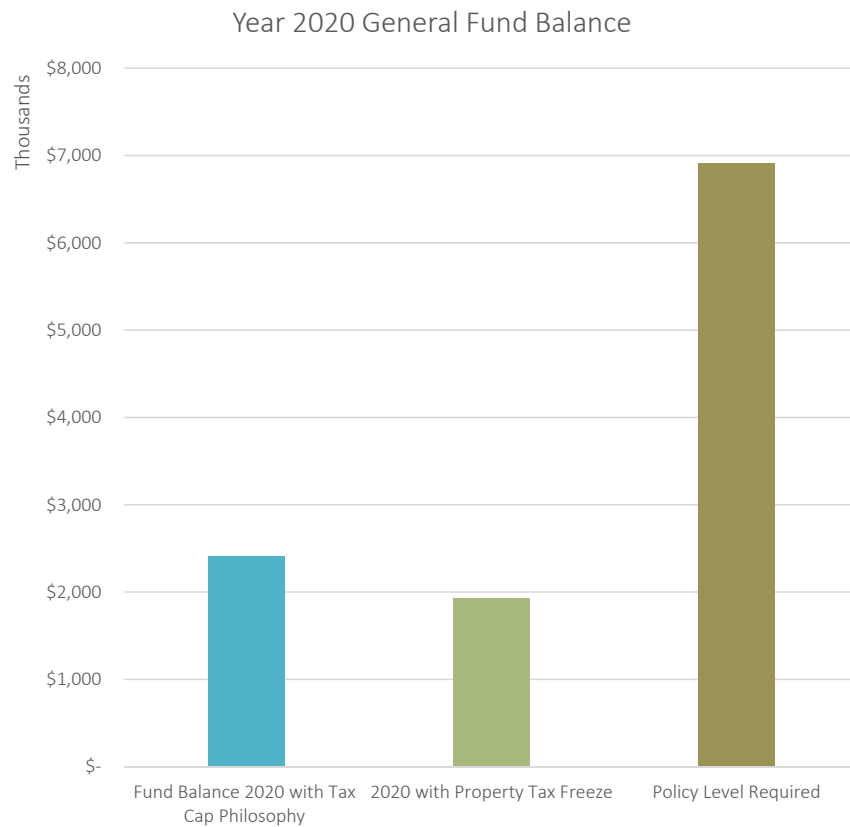
- ∞ The Village relies heavily upon performance of sales tax, home rule sales tax, and income tax to provide for known increases in costs. The Village has little direct control over these revenues that are highly influenced by the economy.
- ∞ Legislation in Springfield may limit the Village's ability to increase the property tax levy.
- ∞ The Governor also proposed an up to 50% reduction in the income tax given to municipalities; although the concept has not gained traction in Springfield.
- ∞ An analysis of user fees has not been done in several years and those revenue streams have remained flat and are not projected to increase in the next 5 years.

What would a property tax freeze cost the Village over 5 years?



- ∞ The Village is a home rule community that is not legally bound by tax caps.
- ∞ However, the Village traditionally holds itself to the tax cap philosophy, which means the Village increases its levy for new growth and CPI only. This philosophy favors gradual increases over time rather than creating spikes in property tax rates.
- ∞ The Village levies one general operating levy for the General Fund.
- ∞ Legislation in Springfield may limit the Village's ability to increase the levy.
- ∞ This slide shows the yearly and cumulative impact if the Village could not increase its tax levy.
- ∞ Over 5 years, the Village would forego \$480,000 of revenue in the General Fund that would have to be made up from other revenue sources or through reductions in service.

Comparison of 2020 General Fund Balance with Property Tax Freeze



- ∞ This slide shows the cumulative impact in the year 2020 if the Village could not increase its tax levy.
- ∞ Fund Balance Levels would nowhere approach the reserve policy set by the Village Board.

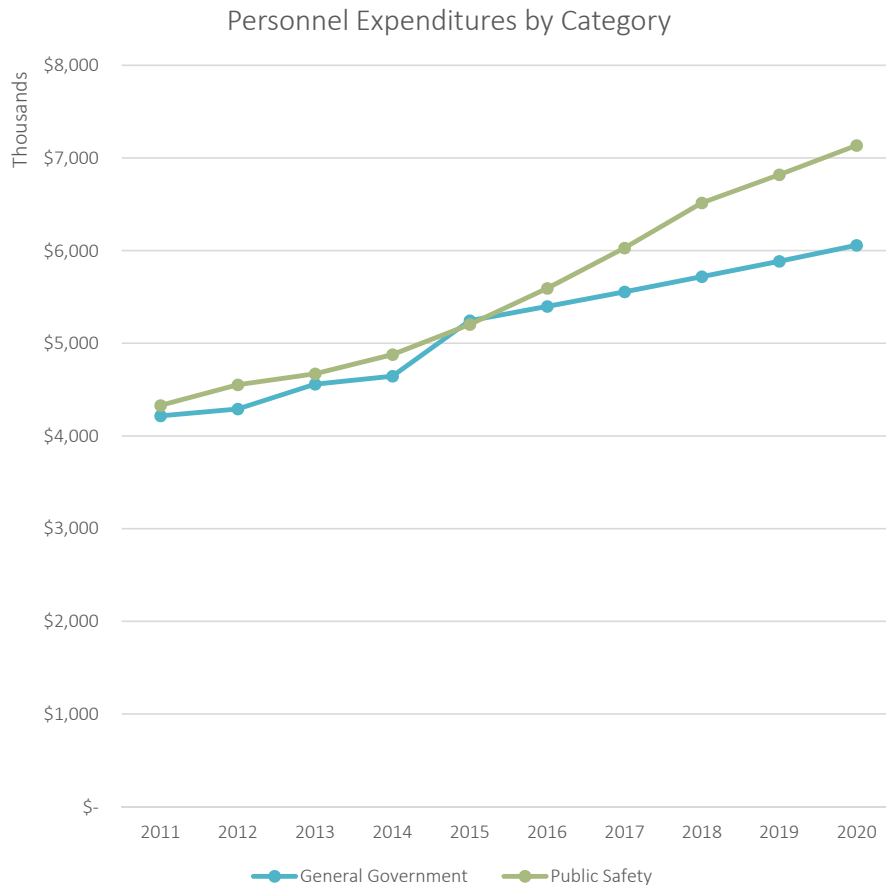
General Fund Expenditures by Type



- ∞ Personnel expenditures comprise approximately 67% of General Fund expenditures.
- ∞ The Village functions accounted for in the General Fund are highly service oriented, therefore it is expected that personnel expenditures would be the main expenditure type.
- ∞ Personnel expenditures grow at a faster rate than capital or other operating costs.

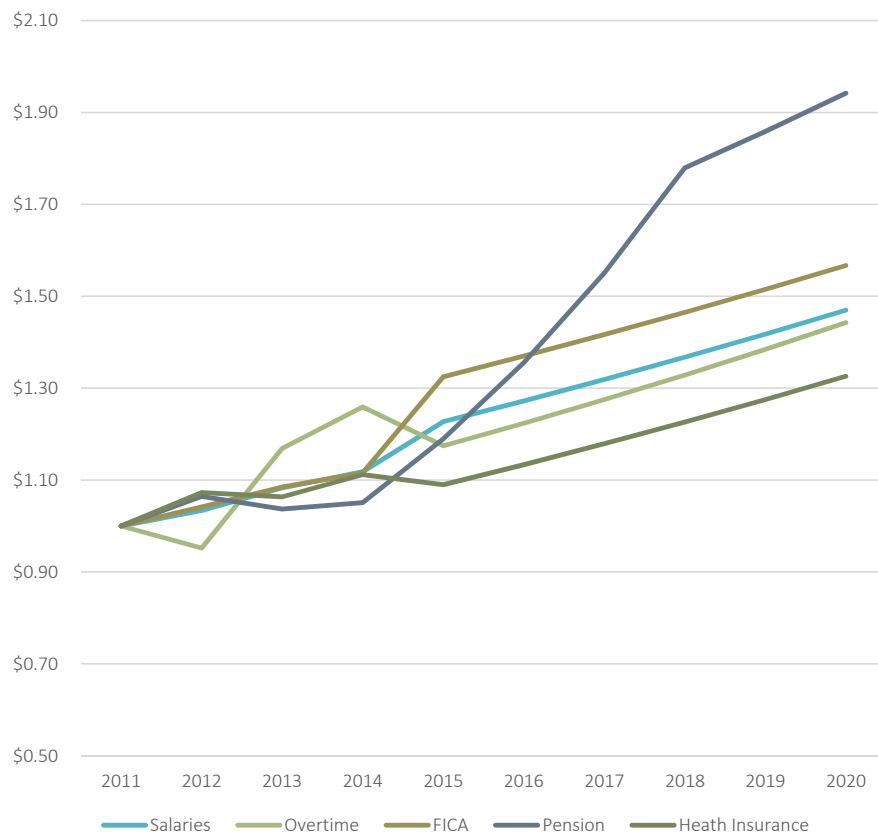
14

Personnel Expenditures by Category



- ∞ Public safety personnel costs are projected to grow at a faster rate (4.5%) than general government (3%).
- ∞ Police contract ends in 2016; future trends depend on what the renegotiated terms are.
- ∞ Police pension costs are also forecast to grow at a higher rate (18% in next three years then 5% thereafter) than municipal pension costs (2%).
- ∞ 18% growth in police pension costs assumes continued revision downward of the investment rate return assumption.

Personnel Expenditures by Type – Relative Growth



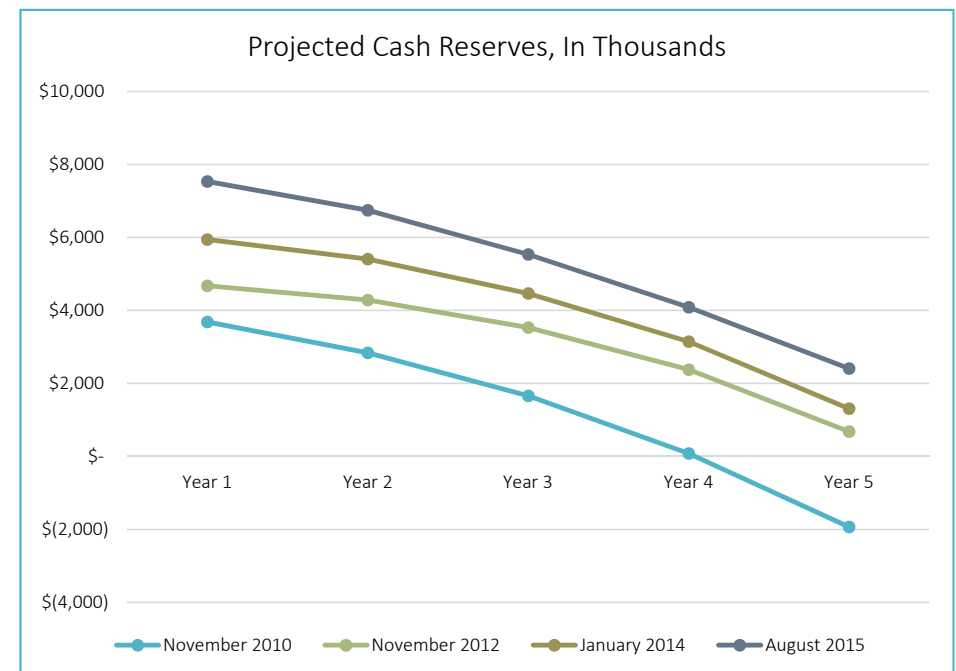
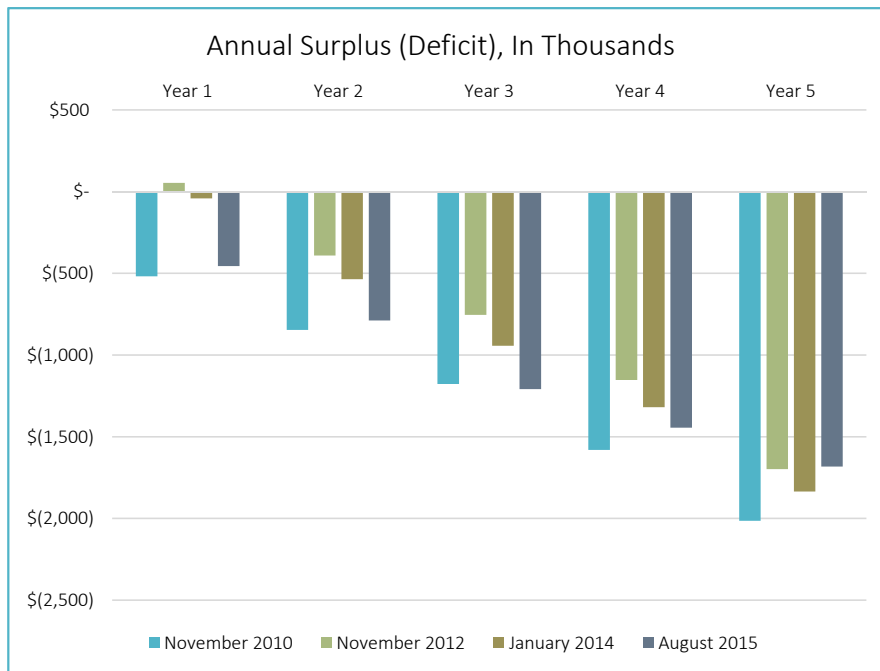
- ∞ Chart at left portrays the growth rate of personnel expenditures.
- ∞ Pension costs grow at the highest rate.
- ∞ The Village has been fortunate through its health insurance pool to mitigate health insurance cost increases seen in the marketplace. The next hurdle is to avoid Cadillac taxes in 2018.

Health Insurance

- ∞ The Village is a member of a health insurance risk-sharing pool.
- ∞ Rates have increased by an average of 2% over the past 5 years, beating the market place trend.
- ∞ Our pool administrators project 4% annual increases, assuming avoidance of the Cadillac Tax.
- ∞ The chart at right evaluates the difference in cost between a 4% trend and a 10% trend. As can be seen, it is important to our financial future to control our healthcare costs to the best of our abilities.

	4% Growth Rate	10% Growth Rate	Difference
2015 Cost	\$925,000	\$925,000	\$0
2020 Cost	\$1,125,404	\$1,489,722	\$364,318
Cumulative Cost over 5 Year Forecast	\$5,210,502	\$6,211,939	\$1,001,437

How does this General Fund Forecast Compare?



- ∞ Similar challenges in the later years of deficit fund balances.
- ∞ Better starting cash position has improved the 5 year outlook.
- ∞ The Cash Reserves graph demonstrates that each year the Village has been successful at meeting some of the challenges identified in the Five Year Forecast.

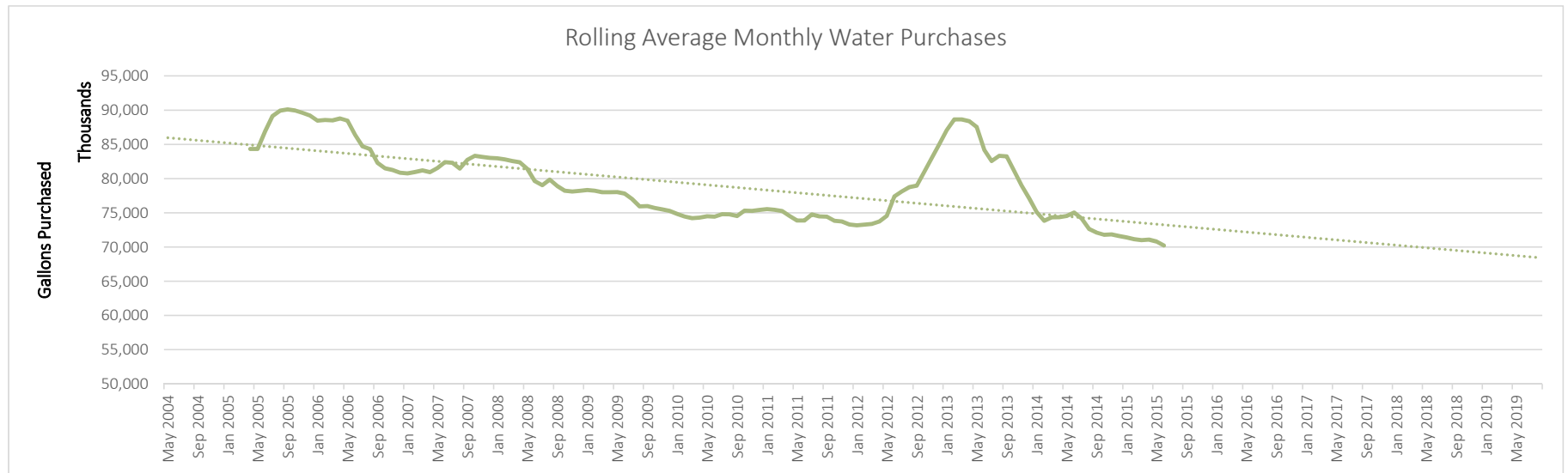
Highlights of General Fund 5-Year Forecast

- ∞ Personnel costs comprise 67% of General Fund expenditures. It will be necessary for the Village to be focused on controlling and meeting the challenges health care and pension costs.
- ∞ The proposed property tax freeze legislation in Springfield could negatively impact the financial health of the General Fund.
- ∞ The Village has little direct control over three revenue sources (sales tax, home rule sales tax, and income tax) which are directly impacted by the economy.
- ∞ The Village has made very few changes to user fee scales in the past several years.
- ∞ The Village's AAA bond rating that it received recently cited strong reserve balances as a key reason for the rating. It is important to maintain the healthy reserve levels to maintain the AAA rating.

WATER & SEWER FUND

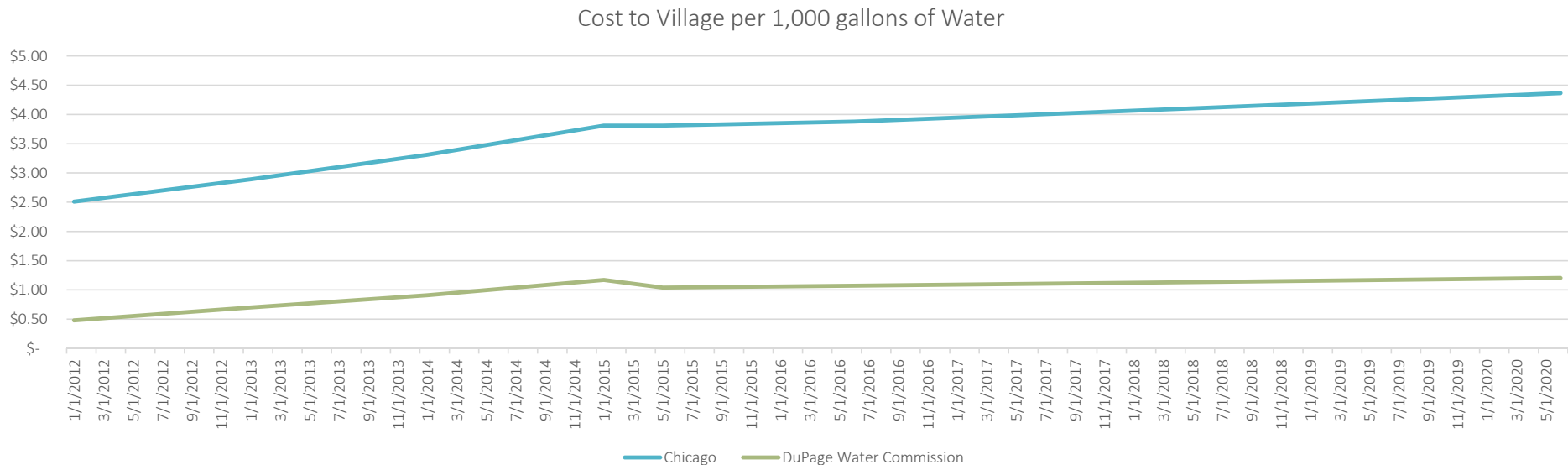
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Historical Water Usage



- Graph depicts a 12 month rolling average water usage
- Linear dotted line highlights projected continued trend in water usage
- Due to conservation through energy efficiency efforts as well as improvements to the water infrastructure, gallons purchased has decreased over the past 10 years.
- The spike in 2013 was due to a summer drought
- Water usage is projected to decrease, on average, by 2% annually.

Historical and Projected Water Costs



- Sharp increases in rates were experienced from 2012 to 2015 as the City of Chicago raised the rates it charged for water.
- DuPage Water Commission announced a decrease in its cost for delivering water as of May 1, 2015
- City of Chicago projects rates shall be increased effective June 1, 2016 and every year thereafter by CPI (max of 5%). Future years are projected to increase each June 1 by 3% for both City of Chicago rates and DuPage Water Commission rates.

Building the Water & Sewer Fund Forecast: Key Assumptions - Revenues

	FY15 Budget (thousands)	Average Historical Growth (2011-2014)	Projected Annual Growth (2016-2020)
Metered Water & Sewer Revenue	\$14,095	12%	0.00% ¹
Intergovernmental Sewer Fees	\$1,148	10%	3.3% ²
Connection Fees	\$80	3%	2.0% ³
Sewer Repair Fee	\$285	0%	0.0% ⁴
Inspections & Permits	\$98	13%	4.1% ⁵
Other Revenues (combined)	\$90	5%	1.0% ⁶

Footnotes:

1. Assumes a decrease of 5% for 2016 (due to DuPage Water Commission decrease) and then rates remaining flat thereafter. Rates were kept flat in this analysis to understand what constraints that would place on the fund. Future rate increases are unknown.
2. Intergovernmental fees are effected by Village rates as well as projected GWA budget.
3. Connection fees occur from new development or annexation agreements. A conservative 2% is projected.
4. This fee is a flat fee added to the Village Services Bill and is not anticipated to increase.
5. Inspections & Permit performance is tied to the performance of the housing market and building permits.
6. Includes SSA taxes, interest income, and other miscellaneous revenue. A conservative projection of 1.0% is used as these revenues tend to be incidental in nature. SSA taxes will remain flat.

Building the Water & Sewer Fund Forecast: Key Assumptions - Expenditures

	FY15 Budget (thousands)	Average Historical Growth (2011- 2014)	Projected Annual Growth (2016-2020)
Salaries, Overtime and FICA	\$651	8.1%	3.0% ¹
Pension	\$55	2.8%	2.0% ²
Health Insurance	\$56	-1.6%	4.0% ³
Water Purchases	\$4,608	26.4%	-2.1% ⁴
Glenbard Wastewater	\$3,526	8.5%	6.4% ⁵
Contractual Services	\$1,184	17.1%	3.0% ⁶
Commodities	\$38	13.9%	3.0% ⁷
Capital Outlay	\$5,632	38.0%	15.6% ⁸
Transfers	\$732	-6.1%	3.0% ¹

Footnotes:

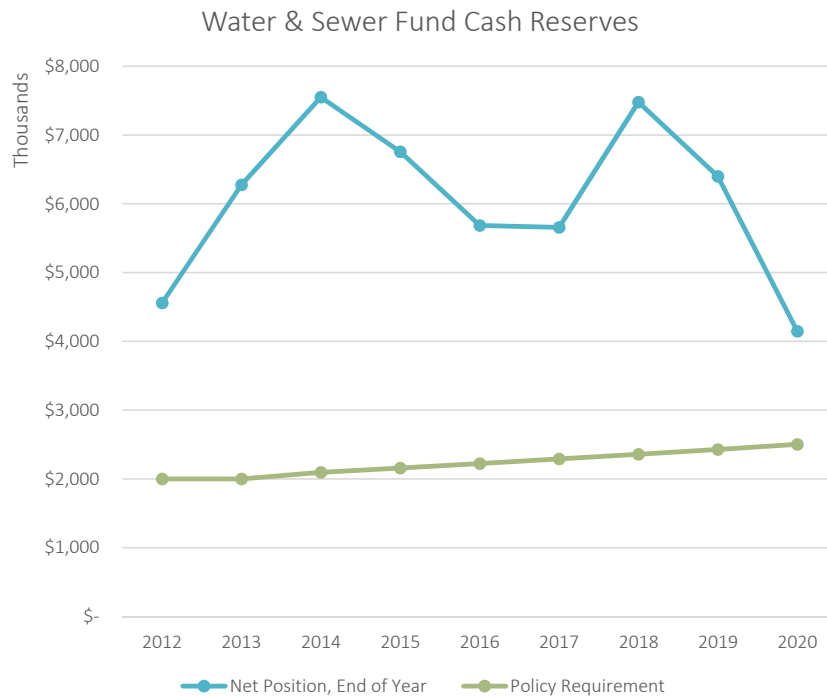
1. A public works reorganization in FY14 resulted in allocating additional personnel costs to the Water & Sewer Fund. Average salary increase has ranged from 2-3% over the last several years. Transfers are closely tied to changes in personnel expenses as other funds reimburse the general fund.
2. IMRF pension costs are stabilizing and are expected to trend closely to salary increases in the future.
3. The Village's insurance pool has helped to beat the market increases for health insurance.
4. In this model, a decrease is shown in year 1, small increases thereafter.
5. Based upon a 3% operating increase and capital increases according to GWA capital plan.
6. Historical increases based upon adding GIS capabilities and upgrades to software systems.
7. Assumed escalator of 3.0%
8. Large spike in 2015 budget affects historical growth due to several large capital projects including Roosevelt Road Water Main. Capital Projects are varied in cost year to year. Anticipate to spend 15.6% more in 2016-2020 than in 2011-2015.

Annual Water & Sewer Fund Forecast



The Forecast assumes no increase to Water & Sewer rates. Great volatility is experienced due to the timing of capital projects throughout the lifetime of the forecast.

Water & Sewer Cash Reserve Projections



- ∞ Cash reserve policy grows by CPI each year.
- ∞ Cash reserve policy does not take into account the savings needed to fund capital improvements. There may be years the cash reserves need to be above policy in order to meet future capital needs.
- ∞ A drought in 2013 increased the cash reserves.

Next Steps for Water & Sewer Fund

- ∞ The Village Engineers are revising the 10 year capital forecast which will be needed to perform a rate analysis.
- ∞ In advance of the rate change for 2016, financial models will be developed to determine how to maintain the financial health of the fund while minimizing the impact on rates.
- ∞ Anticipated completion in Fall 2015.

CAPITAL PROJECTS FUND

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Building the Capital Projects Fund Forecast: Key Assumptions - Revenues

	FY15 Budget (thousands)	Average Historical Growth (2006-2014)	Projected Annual Growth (2016-2020)
Property Taxes	\$3,468	2.4%	3.4% ¹
Telecommunications Tax	\$1,000	-1.7%	-1.7% ²
Electricity Use Tax	\$1,000	0.25%	0.25% ³
Natural Gas Use Tax	\$325	3.16%	3.0% ³
Real Estate Transfer Tax	\$625	0.52%	5.0% ⁴
Interest Income	\$10	-17.79%	1.0% ⁵
Other Revenues	\$13,696	N/A	N/A ⁶

Footnotes:

1. Assumes 2.4% growth in CPI and 1% growth in new construction/annexations.
2. Telecommunication taxes have decreased due to a decline in the number of land lines. We anticipate this revenue will continue to decrease.
3. Electricity and Natural Gas Use Taxes are anticipated to grow at their historical rates.
4. Real Estate transfer tax is \$3 per \$1,000 of the sales price of the house. This revenue stream is affected by increases in housing prices and increased sales volume. The assumption is based upon a 3% increase in housing values and 2% increase in sales volume. Zillow indicates the median house value has gone up 9% over the past year and predicts a 0.5% increase in the coming year. There was a 23% increase in number of stamps issued from 2013 to 2014.
5. Only a very minor increase in interest income is anticipated as interest rates are anticipated to rise very gradually.
6. Other revenues include bond proceeds, grant revenue and miscellaneous revenue, which can not be predicted in future years. Therefore, we have not assumed this income will be generated in future years.

Capital Projects Fund – Expenditures

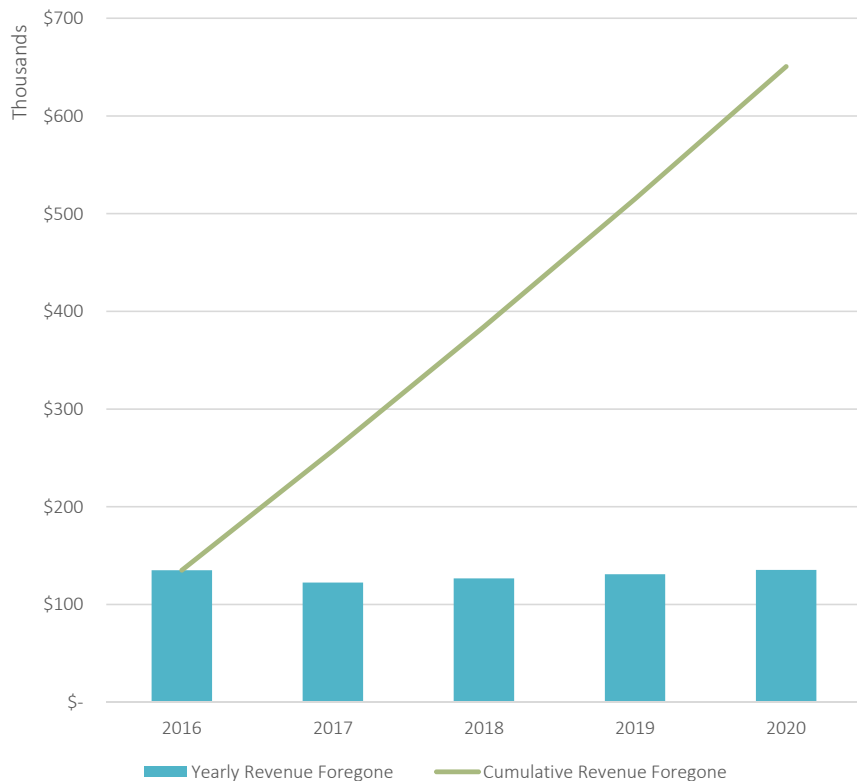
Expenditure Type	2015 Budget	2016	2017	2018	2019	2020
Ancillary expenditures	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Pavement Preservation	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Non-Roadway Construction Projects	\$3,110,000	\$1,485,000	\$550,000	\$375,000	\$375,000	\$375,000
Police Station	\$200,000	\$11,400,000	\$400,000	\$0	\$0	\$0
Roadway Program	\$5,925,000	\$4,405,000	\$5,485,000	\$3,780,000	\$6,715,000	\$4,382,000
Engineering	\$232,600	\$237,000	\$242,000	\$247,000	\$252,000	\$257,000
Debt Service	\$0	\$956,533	\$954,044	\$953,544	\$952,844	\$956,494
Total	\$9,872,600	\$18,888,533	\$8,036,044	\$5,760,544	\$8,699,851	\$6,375,502

Capital Projects Fund Forecast



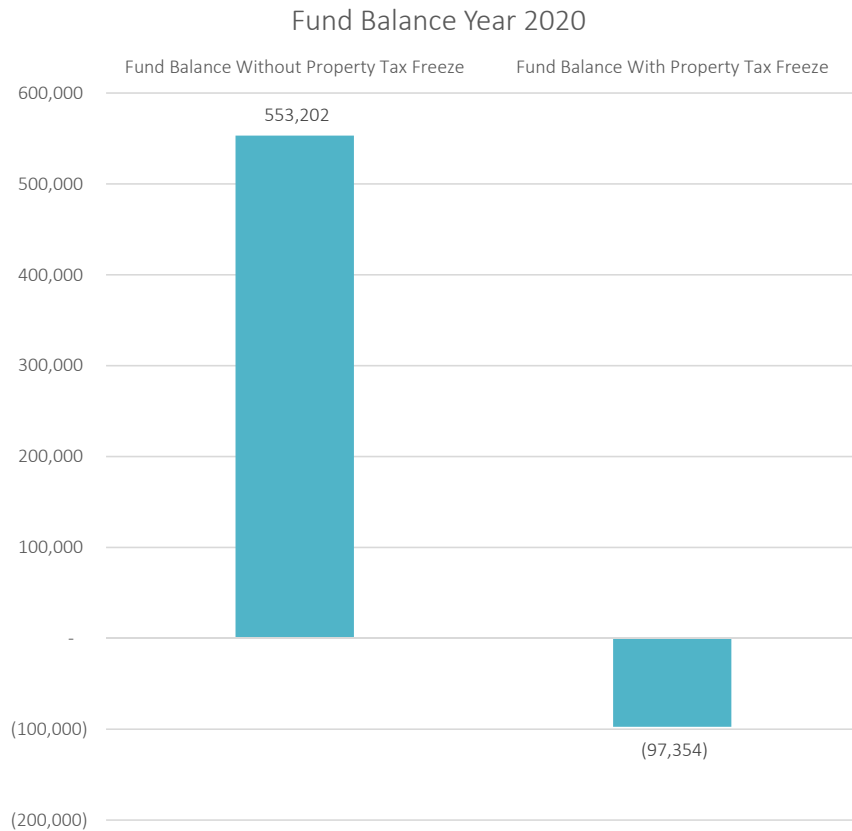
- ∞ In the Capital Projects Fund, expenditures vary year-to-year dependent upon the types of projects that are undertaken.
- ∞ 2019 is projected to have a negative fund balance. Projects will need to be adjusted or deferred to eliminate this negative balance.

What would a property tax freeze cost the Village over 5 years in the Capital Projects Fund?



- ∞ The Village is a home rule community that is not legally bound by tax caps.
- ∞ However, the Village traditionally holds itself to the tax cap philosophy, which means the Village increases its levy for new growth and CPI only. This philosophy favors gradual increases over time rather than creating spikes in property tax rates.
- ∞ Legislation in Springfield may limit the Village's ability to increase the levy.
- ∞ Over 5 years, the Village would forego \$650,000 of revenue that would have to be made up from other revenue sources or through reductions to our capital plan.

Comparison of Ending Fund Balance with Property Tax Freeze



- ∞ This slide shows the yearly and cumulative impact in the year 2020 if the Village could not increase its tax levy.
- ∞ Fund Balance in the Year 2020 would be projected to be \$(97,354) if property taxes were frozen versus \$553,202.

Unscheduled/Unfunded Projects

- ∞ Several projects remain unscheduled and unfunded, namely those projects in the chart at right.
- ∞ Future planning will need to address how to fund these needs.

Project	Estimated Cost	Notes
CBD Pedestrian Tunnel	\$7,000,000	Unscheduled/Unfunded
Viaduct/Underpass	\$26,000,000	Unscheduled/Unfunded
CBD Parking Structure	\$4,000,000	Village portion of mixed use private development
Fire Station	??	Unscheduled/Unfunded
Train Station	??	Unscheduled/Unfunded

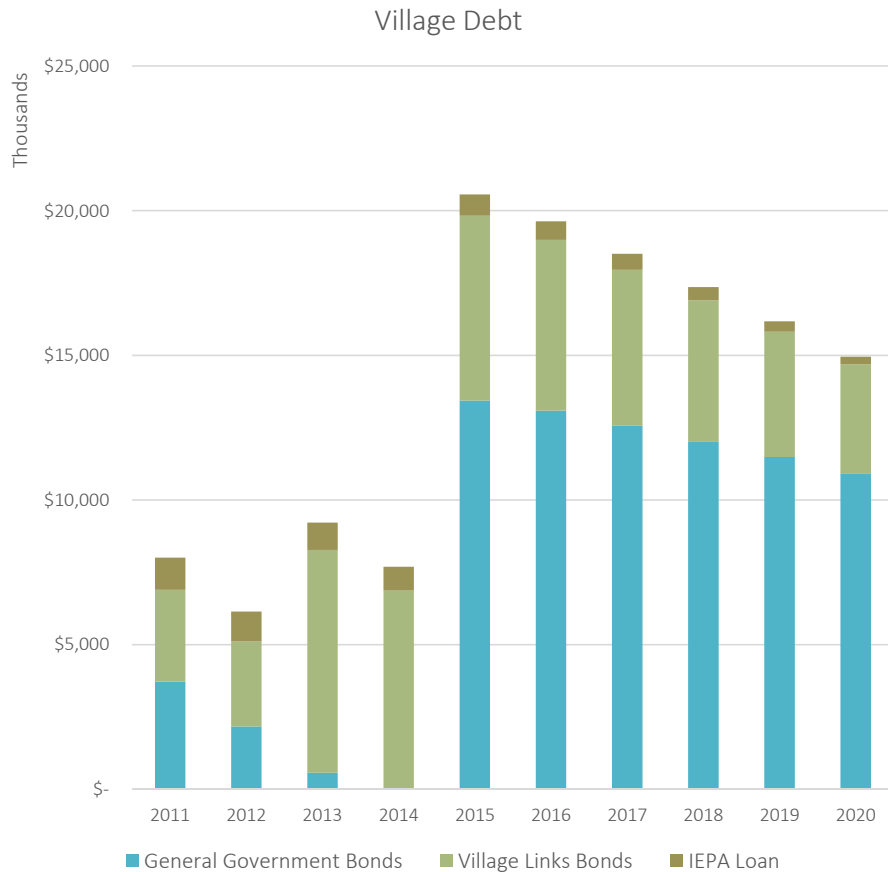
Next Steps for Capital Project Fund

- ∞ The Five Year Capital Plan will be updated as part of the budget cycle.
- ∞ The Village must await decisions in Springfield on any property tax freeze that is passed and must respond accordingly to update its Capital Projects Fund forecast and methodology.
- ∞ In preparation for the 2015 property tax levy, the Village Board must decide if it will continue to employ the tax cap philosophy.
- ∞ The Village Board must provide direction on unscheduled/unfunded projects and how to proceed forward.

LONG TERM LIABILITIES

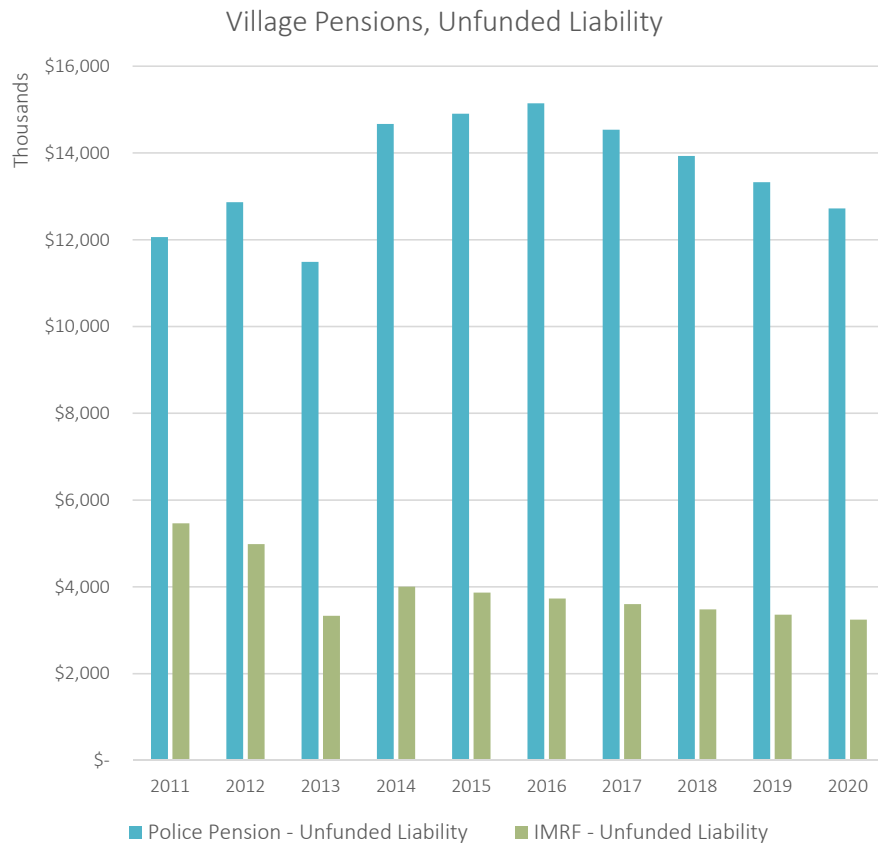
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Village Debt



- ∞ Issuance of General Government Bonds for police station project in 2015.
- ∞ Gradual debt repayment over the five year forecast.

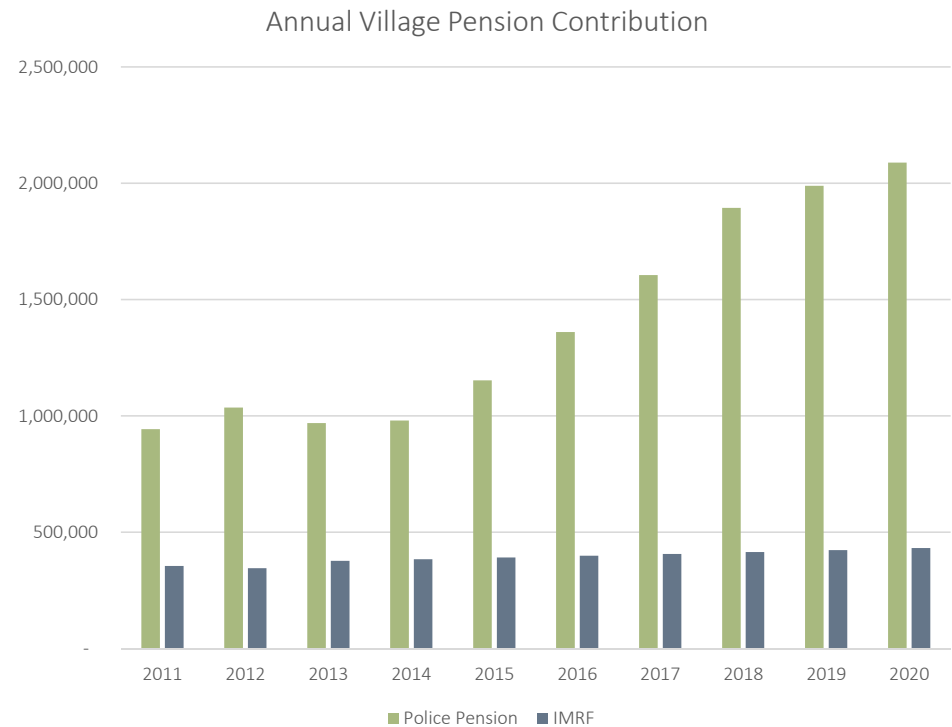
Village Pensions



- ∞ Village has two pensions, the Police Pension Fund and the Illinois Municipal Retirement Fund (IMRF).
- ∞ The increase in police pension is due to a duty disability and due to decreases in the investment rate return assumption in 2014 (and projected for 2015 and 2016).
- ∞ Beginning in 2016, the unfunded liabilities decrease assuming the actuarial assumptions are met.

Annual Village Pension Contributions

- ∞ Police Pension annual contributions grow are projected to grow at approximately 12.8% per year due to revision of actuarial assumptions.
- ∞ IMRF contributions are anticipated to increase minimally. The anticipated rate change from 2015 to 2015 is from 10.81% of covered payroll to 10.82%



Next Steps for Long Term Liabilities

- ∞ The Village will need to revisit the actuarial assumptions for the Police Pension this fall in preparation for the tax levy discussion.
- ∞ The Village will need to be mindful of the negative impact that the increasing pension contributions will have on the General Fund.