FINANCE COMMISSION
MINUTES
MAY 15, 2020

CALL TO ORDER:

Matthew L. Halkyard	Chairman	Present
Jeremy S. VanEk	Vice-Chairman	Present
Michael Campagna	Commissioner	Present
Lea Dan	Commissioner	Excused Absence
Lisa A. Cleaver	Commissioner	Present
Scott R. Greeno	Commissioner	Present
Christopher Oakes	Commissioner	Present
Jose DeLeon	Commissioner	Present
Brenton J. Peck	Commissioner	Present
Ben Harrington	Student Commissioner	Excused Absence

Also, present: Village Manager Franz, Assistant Village Manager Holmer, Finance Director Coyle, Assistant Finance Director Thomas, Trustee Fasules, Professional Engineer Daubert, and Recording Secretary Haslett.

A. **Call To Order**

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

B. **Public Comments**

None.

C. **Approval of Minutes**

1. Finance Commission - Regular Meeting - February 14, 2020 7:00 AM
2. Finance Commission - Regular Meeting - March 13, 2020 7:00 AM
3. Finance Commission - Special Meeting - April 7, 2020 7:00 AM

MOVE TO APPROVE MINUTES OF FINANCE COMMISSION MEETINGS AS PRESENTED FROM 2/14/20, 3/13/20, and 4/7/20.

RESULT	**Motion Unanimously Carried**
MOVER:	**Commissioner VanEk**
SECONDER:	**Commissioner Oakes**
AYES:	**Cleaver, DeLeon, Greeno, VanEk, Oakes, Campagna, Peck, and Halkyard**
ABSENT:	**Dan and Harrington**

D. **Financial Reports**

1. General Fund Update April 2020

Finance Director Coyle updated the Finance Commission on the April 2020 financials. The April financials largely represent pre-Covid receipts. Tax revenues were up 3% from budget and 7% from the prior year. However, this trend will not continue through the remainder of the year. The Avere building permit fee was about $200,000 and positively impacted building permit revenue. Investment income is down due to lower interest rates. Sales, home rule sales, and income taxes were trending upward before COVID. Also, police fines are expected to decrease due to COVID. The food and beverage tax returns since COVID have been all over the board with some restaurants performing better, some restaurants getting by, and some restaurants opted to close. The Village Manager's Office has incurred about $39,000 in COVID related purchases thus far for item such as personal protection equipment. Information Technology costs are higher than last year because now two (2) employees work in this department.

2. Village Links/Reserve 22 Financial Statements - March 2020

Finance Director Coyle noted March 2020 was actually better than last year, with operating income up $64,000 over 2019. Much of this was due to a reduction in expenses with closing the restaurant in mid-March. There was a lay-off of part-time staff at the Links/Reserve22. Village Links operations have been impacted by the new guidelines with only eight (8) golfers allowed to tee-off every hour. Village Manager Franz noted Governor Pritzker may be revisiting some of the golf restrictions. Finance Director Coyle noted the Links will likely be tapping into the line-of-credit issued by the Village especially with next week's payroll and upcoming debt service payments. Commissioner Campagna inquired on the status of operations at Reserve 22. Finance Director Coyle replied Reserve 22 reduced payroll and there has been limited take-out for golfers. Currently Reserve 22 is not driving a profit, but is mitigating losses.

E. **Long Term Capital Plan and Project Prioritization**

Finance Director Coyle referenced the capital planning documents included in the agenda. Staff is looking for direction form the Finance Commission on moving projects forward given the financial impact of COVID. Food and beverage tax receipts have been tempered down from about $1.3 million per year to about half of this for the next two (2) years and returning to the $1.3 million level in 2025. The Village will be receiving about $1.8 million for capital projects over the next three (3) years from the State of Illinois. The Village is looking at applying for a state grant program for shovel ready projects. The State will be awarding anywhere from $500,000 to $5 million. The Central Business District project has been trimmed down by $2 million in the analysis. Commissioner Campagna asked for a detail on the $2 million in cuts. Finance Director Coyle said the design CBD project will be much more simplified, but the specific areas of reduction have not yet been decided.

Finance Director Coyle explained when you look at the bottom-line for the Capital Improvement Fund it does have sufficient cash flow over the ten (1) year plan until the outlying years. Over the 20-year Capital Improvement Fund forecast, the Village is only short by $136,000.

Professional Engineer Daubert noted some of the bigger capital projects have already been awarded by the Village Board for sidewalk improvements, street repairs, and street patching. The capital strategy has been to stay true to the Village's maintenance program. The Village received another $2 million grant for the train station project. Now the Village has accumulated about $20.4 million in federal funding the new train station. Commissioner VanEk asked what is the percentage of the train project that has secured grant funding. Professional Engineer Daubert replied it is actually 100% of the total cost right now, but that the total cost of the train station will most likely be $25 million and federal funding can not exceed 80% of the total project cost. Professional Engineer Daubert noted there is a short-term deferral on some of the projects. Finance Director Coyle explained that the deferred projects are still included in the 10-year plan and have been moved to the correct year in the plan.

Chairman Halkyard said one of the risks of not proceeding with some of the capital projects is the potential for incremental cost increases. Chairman Halkyard noted there is uncertainty right now and recommended deferring slowly until we know where the Village is at with the golf course and pension obligations.

Commissioner Campagna asked when does the Village need to make a decision. Commissioner Campagna said it may be an opportune time to proceed dependent upon what the municipal bond market looks like. Finance Director Coyle said she recently spoke with the Village's financial advisor and the bond market is very stable right now. Another community issued bonds and obtained a 2.25% interest rate on a 20-year issue for $10 million.

Assistant Village Manager Holmer said if the parking garage is deferred, labor costs will most likely increase and winter conditions would increase the project cost as well. Finance Director Coyle noted the Village must notify the parking garage contractor by June 1, 2020 to proceed with buying certain parts for the garage so construction can begin. Finance Director Coyle said staff will be looking for direction from the Village Board if the parking garage should proceed or deferred. Commissioner Greeno asked how long will the parking garage take to construct. Assistant Village Manager Holmer replied about nine (9) months. Commissioner Greeno said the garage is a 100% need, while the street scape project is somewhere between a need and a want. Commissioner Greeno suggested deferring a decision on the street scape longer. Commissioner Cleaver agreed the parking garage is a bigger priority and suggested deferring the street scape program. The Commission cautioned to move forward slowly given the unknown impact to the Village finances.

Chairman Halkyard said the consensus of the Finance Commission is to prioritize the parking garage over the Central Business District street scape project. Village Manager Franz noted from a timing perspective this is the time to do the parking garage before the street scape begins. Village Manager Franz added COVID-19 is hitting finances, which makes this decision more complicated.

F. **Trustee Liaison Report -** None

G. **Chairman's Report -** None

H. **Other Business**

1. Next Meeting Friday, June 12, 2020

I. **Adjournment**

1. Motion to Adjourn

Commissioner VanEk moved and Chairman DeLeon seconded, to adjourn the meeting. The meeting was adjourned at 8:46AM.

Submitted by Aileen Haslett, Recording Secretary