Agenda
Village of Glen Ellyn
Finance Commission
Regular Meeting
Friday, October 9, 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 - Aug 14, 2015 7:00 AM

D. Financial Reports

1. Financial Update
2. Quarterly Capital Project Reporting

E. Pension Recommendation to Village Board

1. Finance Commission Recommendation to Village Board Regarding the Pension Funding Policy

F. Investment Subcommittee Update

G. Trustee Liaison Report

H. Chairman's Report

I. Other Business

1. Economic Development
2. 2016 Budget Update

J. 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, August 14, 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	Present
Yadav N Nathwani	Commissioner	Absent
Steve Rackl	Commissioner	Absent
Jeremy S VanEk	Commissioner	Present
Jeffrey S Wallace	Commissioner	Absent

Also Present: Trustee O'Shea, Village Manager Franz, Finance Director Coyle, Assistant Finance Director Lori Thomas

This Regular Meeting of the Glen Ellyn Finance Commission was called to order at 7:01 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. Finance Commission - Regular Meeting - Jul 10, 2015 7:00 AM

Chairman Ford had corrections to the text, and Trustee O'Shea's presence was added. Commissioner VanEk moved, and Commissioner Cleaver seconded, to approve the July 10, 2015 meeting minutes as revised. The motion was approved unanimously.

RESULT:	**ACCEPTED AS AMENDED [UNANIMOUS]**
MOVER:	Jeremy S VanEk, Commissioner
SECONDER:	Lisa A Cleaver, Commissioner
AYES:	Ford, Cleaver, DeLeon, Greeno, Halkyard, VanEk
ABSENT:	Nathwani, Rackl, Wallace

D. Second Quarter Report

1. Second Quarter 2015 Financial Report

Director Coyle reported she will be appearing before the Village Board Monday night to present the Second Quarter Report, which covers the period April 1 through June 30, 2015, and provides a year-to-date overview. The report is prepared on a cash basis, unadjusted for accruals and is unaudited. It will be posted to the Village website. Results for the General Fund through June 30 are positive, with revenues above last year and above budget, and expenditures less than last year and below budget. Key revenues (Sales Tax, Home Rule Sales Tax and Income Tax) are ahead of last year and budget, although future income tax revenue is being monitored carefully as potential State changes may impact it in the future. It was also noted that the increase in cable franchise fees is due to increased usage, not fee increases.

At the Village Links, golf revenue to date is higher than last year, due to the course opening almost two weeks earlier than last year. Reserve 22 was closed on Mondays in January and February. Banquet sales are up 54% over the prior year's first six months, and restaurant sales are up 19.3% for the same period. Director Coyle noted that the Cost of Goods Sold percentage is on target; however, although the budgeted target for personnel expenses is 35.8 percent, the actual was 42.7 through June 30, 2015. This number does compare favorably with the 47.1% seen in 2014 for the same period.

Director Coyle also noted that Village Services Funds were down due to a rainy start to the summer, and only minor capital expenses have been made through June 30, as most project have just started. She also noted that the Village received another recovery distribution from IMET of $22,324, bringing the total recovered to 5%. It was also discussed that there was an error on the cash available sheet which will be corrected.

RESULT:	**DISCUSSION ONLY**

E. Financial Update

Director Coyle summarized the June financial results. For the General Fund, the positive figures have resulted in a year-to-date net positive change in the Fund balance of $906,000, which nearly ties the June 2013 highest number in the five-year trend presented. She noted key revenue and expense items. The MFT (Motor Fuel Tax) is the only key revenue that is lagging from the State. The results at the Village Links are on target to meet debt service obligations for the remainder of the year.

In response to questions, Manager Franz said that the Village is partnering with other municipalities to lobby the State Legislature for internet sales and cloud services taxes. It was also noted that there have been less unemployment payments, positively affecting administrative costs. Regarding outside legal expenses, outside legal counsel was needed on police matters and municipal boundary agreements.

There was discussion concerning the Village Links. Capital expenditures are down to date as the last contractor payment was made in 2014. Staffing at the restaurant remains an issue. Manager Franz said that there is now a consensus that additional IMRF-eligible employees will have to be hired on the restaurant side, and will be budgeted for 2016. There were also comments about the availability of comment cards at the restaurant.

F. Capital Reporting

1. Capital Project Financial Reporting

Director Coyle said that the Capital Project Report will be reviewed by the Commission on a quarterly basis going forward. The report, as currently formatted, shows the amounts authorized by the Board versus what was actually spent. She noted that more streets were addressed last year because bids came in lower than expected. There was discussion concerning the effect of budgeting a project in one year, but not starting it until a subsequent year. It was noted that street rehabilitation has tended to go a bit over budget, but resurfacing work to be under budget. The projects listed are at least in the feasibility or preliminary engineering stage. Generally, the project has been budgeted and before the Board for consideration at least once. The Taylor Street underpass improvements will not be affected by problems at the state level as the funding grants are federal and are passed through by the State. The only other projects not on the list are a downtown parking garage and the eventual replacement of Fire Station No. 1.

RESULT:	**DISCUSSION ONLY**

G. Five Year Forecast

1. 2015 Five Year Forecast

Director Coyle presented the draft Five Year Forecast, which will be presented to the Board at its next meeting for the start of the budget process. It can help identify trends and future possible imbalances. It is a model as opposed to a prediction. She also noted that the historical results exclude the short year. In addition to covering the General Fund, this year's forecast also includes the Water & Sewer Fund to aid in a rate analysis, the Capital Projects Fund and long term liabilities as these areas have been identified as key focus points.

GENERAL FUND
The General Fund Forecast chart shows expenditures trending up more than revenues. Cash reserves will eventually be affected. Commissioners noted that the change in the Fund balance downward is driven by pension costs, and that the increase in public safety cost is due to salary increases, not additional officers. Some revenues in the General Fund the Village does not have much influence, and are highly subject to economic trends. The Forecast includes an analysis of how a

property tax freeze would affect the Village over five years in that it would lose $480,000 of revenue for the General Fund that would have to be made up from other sources or reductions in service.

On the expense side, personnel is a large part (67%) of General Fund expenditures as its operations are generally service-oriented. Costs for public safety personnel increase faster than for other employees. Health insurance costs will need continued monitoring.

Commissioners discussed cash reserves and the nature of the Forecast in that revenues are projected lower and expenditures projected higher than the eventual outcomes. This allows for flexibility in the cost structure that will allow being able to weather situations worse than projected. Director Coyle said that the Village's AAA bond rating was obtained because of healthy reserves. Commissioners discussed remaining conservative in outlook and being fiscally conservative.

WATER & SEWER FUND

The Forecast shows the decline in water usage, which is due to individual conservation, better appliances, and fewer water main breaks. The spike was the 2013 draught. Rates, which are based on Village cost and capital needs, have increased as usage has decreased. Past rate increases are largely due to increases by the DuPage Water Commission and the City of Chicago on the Village's cost to purchase water. Annual increases may be imposed in the near future, although the Forecast assumes no increase in rates.

The schedule for capital projects will affect the expense side. Commissioners discussed the risk factors for water main breaks. Manager Franz said that the water mains under Roosevelt Road need to be replaced, and a leak detection study is performed each year. Staff knows what materials were used in what area; however, because the infrastructure is underground, there will always be unknowns. Additionally, the Lombard-Glen Ellyn waste treatment plant needs a major upgrade, estimated to cost approximately $15 million.

CAPITAL PROJECTS FUND

Commissioners discussed the key assumptions presented in the Forecast. "Other Revenues" consist of grant funds and bond proceeds. A property tax freeze would cost $650,000 over five years that would have to be made up with increases in other revenue sources or reductions in the capital plan. Commissioners also discussed unfunded projects being looked at, including a new train station and pedestrian tunnel near the station which would require an elevator to keep the size under control. The portions of property taxes going to the General Fund and Capital Projects Fund can be changed.

Commissioners noted that pensions will have spikes over the next two years as return assumptions decrease .25 percent per year. After that, if assumptions are correct, the unfunded liability will be slowly decreased.

Chairman Ford said that the Forecast and this review are very helpful. Commissioners had no other questions for staff.

RESULT:	**DISCUSSION ONLY**

H. Trustee Liaison Report

Trustee O'Shea deferred to Manager Franz, who said that the Five Year Forecast will be presented to the Board at its August 24, meeting. Budget season has arrived, and there will be strategic planning during September and October. A design-build team will be recommended to the Board for the Police Station along with a budget, which will be approximately $1.5 million for design and $10 million for construction with the $50,000 balance designated for construction oversight.

I. Chairman's Report

Chairman Ford reported that he has met with several investment providers.

J. Other Business

1. Bond Update

2. Economic Development

Regarding development within the Village, the Geische site developer is meeting with representatives from St. Petronille regarding the proposed parking garage. The developer has not submitted a formal application to the Village as of this date. The sale of the McChesney's site is anticipated within the next few weeks. The Roosevelt Road office park changes are expected to soon be before the Plan Commission. Nothing is expected at the Dominick's space for the foreseeable future. There is some interest in the property at Main Street and St. Charles, but nothing concrete has been received.

K. Adjournment

1. Motion to Adjourn

Commissioner Halkyard moved and Commissioner Cleaver seconded to adjourn the meeting. The motion was approved by unanimous acclamation at 8:35 AM.

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

Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 10/09/15 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Report
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 1947) DOC ID: 1947

Quarterly Capital Project Reporting

Attached to this memo is the quarterly capital projects financial report as of September 25, 2015. Also included this month is Professional Engineer Bob Minix's latest monthly construction report. This report provides the narrative behind the numbers.

ATTACHMENTS:

- Capital Project Report as of September 25, 2015 (PDF)
- Monthly Construction Report as of September 4, 2015 (PDF)

Village of Glen Ellyn
Capital Projects Financial Status
As of September 25, 2015

Project Number	Project Name	Current Project Stage	Target Date	Project Analysis: Ten Year Plan[1]	Revised Estimated Cost[2]	Grant Funding	Cumulative Fiscal Budget	Expenditures Life to Date	Project Budget Remaining	Board Authorization Analysis: 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	1,595,000	465,647	1,129,353	2,064,500	66,750	2,131,250	462,889	1,668,361
13003	Chidester-Elm-Lenox-Linden (CELL)	Closeout	11/30/2014	3,349,000	3,810,000	-	3,810,000	3,686,984	123,016	3,831,150	87,000	3,918,150	3,664,774	253,376
13004	Oak - Euclid - Forest - Alley	Closed		2,528,000	3,025,000	-	2,936,343	2,887,029	49,314	3,110,000	15,211	3,125,211	2,868,713	256,498
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
13007	Duane/Glenwood Lot	Closeout	Complete	550,000	630,000	414,000	615,000	550,257	64,743	650,000	4,416	654,416	547,112	107,304
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	79,630	517,370	97,000	-	97,000	76,060	20,940
14002	2013 Sanitary Sewer Lining	Closed	Complete	500,000	500,000	-	500,000	500,000	-	350,000	150,000	500,000	500,000	-
14003	2014 Street Resurfacing	Closeout	Substantially Complete	1,670,000	1,085,000	-	1,365,000	1,314,138	50,862	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	2,055,548	1,034,452	2,598,000	-	2,598,000	2,021,358	576,642
14005	Glenwood-Arbor-Ridgewood	Construction	11/1/2015	3,248,000	3,227,000	-	3,510,000	1,813,409	1,696,591	3,347,000	-	3,347,000	1,811,729	1,535,271
14006	CBD Over/Underpass	Feasibility	Unknown - Board?	Unfunded	TBD	-	-	77,739	(77,739)	70,000	-	70,000	70,000	-
14007	IDOT Crosswalks	Design	8/1/2016	N/A	225,000	190,000	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	Design	Summer 2017	N/A	12,000,000	-	-	-	-	-	-	-	-	-
15006	CBD Roadway Rehabilitation & Streetscape	Feasibility	Fall 2017	5,070,000	4,500,000	-	250,000	7,107	242,893	-	-	-	-	-
15007	Nicoll Way Land Bridge	Closeout	Complete	N/A	150,000	-	-	-	-	-	-	-	-	-
15008	Underground Wiring		2016	-	-	-	-	-	-	-	-	-		
15009	Taylor St	Preliminary Design	9/1/2017	-	-	1,800,000	150,000	29,701	120,299	90,000	-	90,000	29,701	60,299

es:
n the Ten-Year Plan published in November 2012.
n 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.
rd approved amounts include an approximate 5-10% contingency above the contracted price.
unts italicized and red are tentative, subject to change.

September 4, 2015

ENGINEERING DIVISION PROJECT ACTIVITY REPORT

CONSTRUCTION PROJECTS

2015 Projects Awarded or in Active Construction Phase:

ELM-GENEVA CONNECTORS-COTTAGE IMPROVEMENTS** – Contractor: **A Lamp
(Project No. 14004; Value of Contract = $2,510,000 including 3% contingency)
The project was substantially completed in August prior to the start of the new school year at Forest Glen School at Elm and Main. The surface course of asphalt was placed on all project roadways. Striping was completed by the Village striping contractor as a cost-savings measure. Since mid-August the contractor has cleaned up parkways and readied areas for topsoil and sod; final landscaping restorations will be performed as soon as weather conditions become suitable. Only miscellaneous Geneva Road sidewalk and hardscape restorations are incomplete on the corridors. A punch list has been developed and transmitted to the contractor. Construction phase expenses are currently estimated at $2.4 million.

SCADA SYSTEM UPGRADE** – Vendor: **Automatic Systems Company
(Value of Contract = $132,000 including 3% contingency)
The preconstruction conference was conducted on July 14. All submittals have been reviewed and approved by Village staff. Off-site programming will be ongoing for about the next three weeks, with field installations and other on-site integration activities and switchovers occurring in the fall.

CRESCENT BOULEVARD RECONSTRUCTION** – Contractor: **Martam Construction
(Project No. 13002; Value of IDOT Contract = $3,153,000; Local Share = $1,480,000)
Substantial completion for the project has been achieved. The roadway was opened on time for the start of the Glenbard West school year on August 24. All concrete pavement and curb and gutter was poured in August with most of the sidewalk completed by the end of August. The roadway has been striped and sealed. Remaining work includes completing electrical hookups; staining of the center median walls; fence erection in the median; irrigation system start-up; topsoil placement; tree/landscaping installations; and some other miscellaneous items. A change order for additional roadway undercuts was approved by the Village Board.

GLENWOOD-ARBOR-RIDGEWOOD IMPROVEMENT** – Contractor: **Swallow Construction
(Project No. 14005; Value of Contract = $3,245,000 including 3% contingency)
Underground work is nearly completed on the project. All new water main has been placed in service. A revised connection at Glenwood and Arlington is required due to an unexpected alignment of the existing Arlington main near Glenwood in private property. All storm sewer has been installed, including numerous private connections as requested by corridor residents. Roadway reconstruction of Glenwood between Hill and Hillside is underway with excavation, undercutting and stone base placement; concrete work is scheduled for the week of September 7. The project

remains on schedule, with the bulk of the remaining work devoted to street construction. Current project costs are estimated to be above the contract amount, but still within the currently allocated dollars, even with the additional water main on Arlington adding $45,000 in extra expenses.

2015 Projects in Detailed Design / Bidding Phase:

CROSSWALK IMPROVEMENTS AT IDOT INTERSECTIONS** – Engineer: **James J. Benes
(Project No. 14007)
The January 2016 letting is targeted for re-bidding the work. The engineer is preparing an updated submittal to IDOT in accordance with the bidding timetable.

Continuing Construction Projects

2014 STREET RESURFACING** – Contractor: **Schroeder Asphalt Services
(Project No. 14003; Value of Contract = $995,000)
Project construction is complete with the exception of some minor remedial work at two locations.

CHIDESTER–ELM–LENOX–LINDEN IMPROVEMENTS** – Contractor: **R. W. Dunteman
(Project No. 13003; Value of Contract = $3,526,000)
Punch list items are finally nearly accomplished. The engineering team continues to review the situation with hair line cracks in some driveway approaches and sidewalks. A project meeting will be convened upon punch list work completion to close-out the project.

NICOLL WAY LAND BRIDGE REPAIRS** – Contractor: **R. W. Dunteman Company
(Project No. 15007; Value of Contract = $130,000)
Sealing of joints was accomplished in July. Final close-out is pending.

Continuing Construction Projects in Closeout Phase:

2013 STREET IMPROVEMENTS** – Contractor: **R. W. Dunteman
(Project No. 13005; Value of Contract = $2,170,000)
A few lingering contractor cost issues still need resolution before close-out can occur. The engineer is reviewing a submittal by the contractor.

DUANE-GLENWOOD METRA PARKING LOT** – Contractor: **Hoppy's Landscaping
(Project No. 13007; Value of Contract = $575,000)
Project close-out is imminent for the construction contract and final Metra reimbursement.

RIGHT TURN LANE ON LAMBERT AT ROOSEVELT** – Contractor: **Alliance Contractors
(Project No. 00506; Value of IDOT Contract = $428,700; Federal Share = $286,000; Village Share = $143,000)
Awaiting contract paperwork closeout by IDOT. It is anticipated that the final invoicing for the project will occur before the end of 2015.

RIFORD ROAD RECONSTRUCTION** – Contractor: **R. W. Dunteman
(Project No. 00505; Value of IDOT Contract = $2,452,000; Federal Share = $1,175,000; County Share = $191,000; Village Share = $1,086,000)
Additional close-out actions will be ready for Board consideration in the near future.

ENGINEERING PROJECTS

LAKE ELLYN DRAINAGE AREA STUDIES** – Engineer: **RHMG and ERA
(Project No. 14001)
Based on discussions with staff, the Park District and consulting engineer, the project schedule will be revised to bid the OCS work in late 2015 for construction following the ice skating season in the winter of 2016. Project completion would be specified for the end of May 2016. Grant-related project information is being provided to the DuPage County Community Development Commission.

TAYLOR AVENUE PEDESTRIAN UNDERPASS** – Engineer: **Alfred Benesch
(Project No. 15009)
The consultant continues to work on preliminary design memos and preparing for needed soil borings.

CENTRAL BUSINESS DISTRICT OVER/UNDERPASS FEASIBILITY** – Engineer: **HDR
(Project No. 14006)
A follow-up Board workshop session will be conducted, with the schedule to be determined.

PARK BOULEVARD REHABILITATION** – Engineer: **Engineering Enterprises
(Project No. 13001)
An application for additional STP funds for the purpose of constructing bike lanes was made to the DuPage Mayors and Managers Conference on August 7.

***DISINFECTION SYSTEM DESIGN** – Engineer: Pending*
A revised Request for Proposal needs to be developed for the project.

***CENTRAL BUSINESS DISTRICT REHABILITATION** – Engineer: Pending*
(Project No. 15006)
The recommendation from the Capital Improvements Commission for the scope of near term roadway and streetscape improvements was completed at the July CIC meeting and were forwarded to the Village Board for discussion in August. Civiltech Engineering completed an application for STP funding for rehabilitation of certain eligible routes in the CBD and submitted it to the DuPage Mayors and Mangers Conference on August 7.

CONTINUED ON NEXT PAGE

PROCUREMENT OF GOODS AND SERVICES

Public Works seeks the best vendor prices for various annual municipal and utility maintenance and operations activities. This effort includes local bidding of projects or joint purchasing initiatives, including the Municipal Partnering Initiative (MPI), a consortium of DuPage County communities. The current status of projects is provided in the following table:

Project	Estimated Glen Ellyn Cost	Status
Asphalt Roadway Crack Sealing	$45,000 (Year 1 award) $40,000 (Year 2 - pending)	Board award on 6/23/14 to Denler, the second low bidder from MPI process; year two award is pending; work will be done in the late summer / early fall of 2015.
Asphalt Roadway Skip Patching and Resurfacing	$70,000 (award amount)	Board award 7/28/14 to Hardin Paving, the low bidder from MPI process; $30,000 in work done in 2014; $40,000 to be applied at locations being determined for 2015 work.
2015 Parking Lot and Prairie Path Paving Project	$175,000 (budget)	Bids will be received on September 15 for resurfacing of selected Village-owned parking lots as well as a section of the Illinois Prairie Path.
Concrete Patching and Sidewalk Concrete Spot Repairs	2014 Project: $135,000 (award amount to DiNatale) 2015 Project: $155,000 (award amount to Mondi)	DiNatale will wrap up work related to the 2014 contract in September. The 2015 sidewalk and concrete street repair project was bid locally – Mondi Construction will be performing work the fall of this year.
Hydrant Painting	$18,450 (Year 1 award) $30,750 (Year 2 - pending) $32,472 (Year 3 - pending)	Board award 7/14/14 to DMD Consultants via the MPI process; Board authorization for years two and three of the contract and funding approval for Year 2 were received in June. Work is currently underway on approximately 800 hydrants.
Pavement Markings	$75,000 (2014 award) $77,500 (2015 award)	2014 contract (awarded 6/9/14) and 2015 contract (awarded 3/9/15) to Superior Road Striping via Suburban Purchasing Cooperative. Recent work included the Elm-Cottage-GC corridors as a cost-savings measure.
Sewer Lining (2013 Project No. 14002; 2015 Project No. 15001)	2013: $500,000 (Insituform) 2014: $200,000 (Insituform) 2015: $425,000 (Hoerr)	The 2013/2014 Insituform contract is now complete with the submittal of post-lining videos. The 2015 Hoerr contract work will begin in the fall of 2015, likely in early October.
Asphalt Rejuvenators	$47,500 (bid)	Project is on hold pending submittal and review of coring tests and analyses.
Spoil Hauling and Delivery of Aggregates	$50,200 (2015 award) $51,000 (2016 award) $52,200 (2017 award)	The Board awarded the overall contract and funded the 2015 work in late May.

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Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 10/09/15 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Commission Recommendation
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 1948) DOC ID: 1948

Finance Commission Recommendation to Village Board Regarding the Pension Funding Policy

Background

Each year, the Finance Commission has made a recommendation to the Village Board regarding the actuarial assumptions which determine the Village's contribution to the Glen Ellyn Police Pension Fund. The recommendation centers on two main assumptions which drive the Village's annual contribution. The first assumption is the salary increase assumption and the second is the investment rate return assumption.

The salary increase assumption has been held at 5.0%. Per review by the Finance Commission, Police Pension Board, and staff, this assumption is reasonable given the current terms of the police contract and that the salary increase assumption should be revisited when the contract terms are renegotiated.

Last year, the Finance Commission's recommendation for the investment return assumption was as follows:

> *"The Village of Glen Ellyn Finance Commission Recommends to the Board of Trustees for the Village of Glen Ellyn the following rate of return assumptions for the Village of Glen Ellyn Police Pension Fund:*
> 1) *6.00% per annum if the policy of the Police Pension Board is to limit the equity allocation of the portfolio to the current 45%; and*
> 2) *6.25% per annum if the policy of the Police Pension Board is changed to allow an equity allocation up to the statutorily allowed 55%.*
>
> *This recommendation is not intended to communicate an opinion on the allocation limits set by the Police Pension Board. These recommendations are solely a reflection of the Commission's view of probable long-term return experience for the above allocation cases."*

The Finance Commission also indicated that it would leave it to the discretion of the Village Board as to how to reach the recommendation made by the Finance Commission.

Last year, the Police Pension Fund recommended that the investment return assumption be set at 7%.

The Village Board ultimately lowered the investment return assumption from 7.25% to 7%, with the directive to bring the issue before their review again in 2015.

Discussion

We have now progressed a year and are again at a juncture where the Finance Commission should provide a recommendation to the Village Board. Therefore, staff is requesting that the Finance

Commission discuss this issue at the October meeting and provide a recommendation; or, reaffirm the recommendation made in the prior year.

The proposed budget will be distributed on Wednesday and includes budgeting for a contribution with an investment return assumption of 6.75%. This results in a contribution from the General Fund to the Police Pension Fund of $1.292 million in fiscal year 2016. This is increased from the contribution of $1.153 million in fiscal year 2015.

Action Requested

Staff is requesting that the Finance Commission either reaffirm the recommendation to the Village Board made in 2014 or propose a different recommendation for the investment return assumption for the Village's pension funding policy.