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

A. Call to Order

Attendee Name	Title	Status
Erik G Ford	Chairman	Present
Lisa A Cleaver	Commissioner	Absent
Jose G DeLeon	Commissioner	Absent
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, Finance Director Coyle, Village Attorney Matthews, Village Manager Franz, Assistant Finance Director Thomas, Student Commissioner O'Shea

It was determined there was no quorum.

B. Public Comment (Non Agenda Items)

None

C. Approval of Minutes

1. Finance Commission - Regular Meeting - Oct 9, 2015 7:00 AM

Minutes could not be considered, no quorum.

RESULT:	**TABLED [UNANIMOUS]**
AYES:	Ford, Greeno, Halkyard, VanEk
ABSENT:	Cleaver, DeLeon, Nathwani, Rackl, Wallace

D. Financial Reports

1. Financial Update - October 2015

The State has not paid approximately $50,000 for each month of September and October due to lack of a budget. The State Senate has passed a bill to release funds owed to municipalities, and it is now in front of the State House. Other revenues are performing well. The Village received a large stormwater engineering fee from the memory care facility on Park Avenue. There is also a large balance in miscellaneous income due to Federal forfeiture revenues, although these funds can be used only for specific purposes. Expenditures were 2% below the prior year and 4% below budget.

In response to questions, Director Coyle said that sales tax revenues are highest since 2008. The Dominick's closure has not impacted revenues, as patrons shop elsewhere in the Village. To be able to react to future economic downturns, staff wants a 35% reserve in the General Fund. It now has approximately 40%.

The Village Links ended October with positive operating income of $1 million, which is ahead of all of the past 5 years. Director Coyle said that the overage in food service has to do with commodities purchases, i.e., services and platters for banquets, etc. Staff hopes to be able to reduce temporary staff with new software that will help to predict staffing needs in the restaurant. Staff is also working through the challenges of IMRF requirements for those working more hours.

Commissioners asked about the plan for the operating reserve at the Links. It is used for meeting expenses in the lean winter months. There are also additional capital improvements staff has identified as necessary to keep the quality of the facility on par with competing courses.

RESULT:	**DISCUSSION ONLY**

2. Third Quarter 2015 Financial Report

During her review of the Third Quarter results, Director Coyle noted that metered water and sewer revenue dropped due to a rainy summer. Other notable items are the real estate transfer tax revenues that are at 91% of budget at the 75% mark of the fiscal year. However, the telecommunications tax is expected to continue to decline as more customers are dropping land lines.

Director Coyle highlighted the cash balances in each fund as of September 30, 2015. She noted that September is the month with the highest reserves over the 12 month calendar year, as that is generally when the most tax revenue is realized. The Solid Waste fund is building reserves back since a major storm event in 2012. Staff continues to monitor this reserve level. Manager Franz commented that, while the State has said that municipalities can use their reserves as opposed to receiving State funds, these reserves are necessary for the efficient operation of the Village, and to maintain its credit rating.

RESULT:	**DISCUSSION ONLY**

E. Pension Recommendation to Village Board

1. Pension Recommendation to the Village Board

Commissioners reviewed the recommendation and memo as drafted by Chairman Ford. The recommendation urges the Village Board to add the approximate

$730,000 revenue increase over budget in the General Fund for 2015 to the Police Pension Fund as an extraordinary contribution. He explained that he wanted to keep the recommendation language simple, and would, hopefully, be able to elaborate on it in person when it is presented to the Board of Trustees. The other part of the recommendation is that the investment return assumption employed in calculating the funded status be set at 6.5% if the fund invests in equities at the statutory allowed maximum, and 6.25% if invested under the current allocation. The Pension Board is interviewing new brokers, so there may be a change in philosophy toward equities. Director Coyle will present the recommendation at the upcoming Board meeting, and Chairman Ford will be in attendance. Commissioners noted that understating the pension liability understates the Village's liability, which will be shown on the balance sheet starting in 2016. The goal is to be fully funded by 2041, which means that there should be an increase of 1 ½% in funding each year.

RESULT:	**DISCUSSION ONLY**

F. Property Tax Levy

1. 2015 Property Tax Levy

The Board of Trustees will consider the 2015 property tax levy later in November. As proposed, the 4% increase will come from new growth and not otherwise increases in the levy. The new growth comes from newly annexed areas and housing tear-downs and redevelopments. The Village tax to an individual homeowner should be flat, and approximately 6.45% of their entire tax bill. Director Coyle noted that the Village is able to abate the bonds from the Village Links project, as they can be paid back from operations. After discussion, the consensus from the Commissioners was to keep revenue expectations as tight as possible.

RESULT:	**DISCUSSION ONLY**

G. Water & Sewer Rates

1. Water & Sewer Rates for 2016

Director Coyle said the rates will need to be considered for 2016. Over the past three years, the rate increases from the City of Chicago/DuPage Water Commission were locked. However, starting in 2016, the City of Chicago will raise rates yearly based on the yearly increase in the calculated rate of inflation, but not to exceed 105% of the previous year. She reviewed the rate model and provided the 2016 Water & Sewer Rate Analysis which presented four scenarios. The goal in reviewing the rate structure is to assure that reserves do not go below the policy-established levels within the five year analysis period. It was noted that the program to replace residential water meters is scheduled to commence in 2020, and will be spread over three years. Testing and analysis shows that about 10% of the cost of water is being lost in the water mains and meters.

The consensus of the Commissioners is to follow the recommendation from staff to not increase rates this year because of hefty increases over the past three years. In the future, scenarios A or B seem to be supported, with less of an increase and support from the reserves. The Board will review rates at its next meeting.

RESULT:	**DISCUSSION ONLY**

H. Trustee Liaison Report

Trustee O'Shea reported that the Village will be receiving the exterior plans for the new Police Station next week. He also noted that the Phase I study for over or underpasses at the railroad tracks will be discussed.

I. Chairman's Report

Nothing additional to report.

J. Other Business

1. Economic Development

Manager Franz reported that the proposed development by Springbank at the McChesneys property was well received. There will be 80,000 square feet of retail space with the hope of attracting more variety of stores. There will be a net of approximately 200 new parking spaces. Parking will be two levels below grade, and the project will be very intensive from a public infrastructure standpoint. The proposal is on the Village's website.

The Opus project is moving forward slowly, which will be amended without the St. Petronille property.

New restaurants are opening, and the property next to the Post Office has been closed with a new owner. At the Roosevelt Road office area, there is a proposal to move the Panera to that location, along with creating additional out lots.

2. 2016 Budget Update

3. Next Meeting: Friday, December 11, 2015 at 7:00AM

K. Adjournment

1. Motion to Adjourn

The meeting was closed without a quorum at 8:20 A.M.

RESULT:	**APPROVED [UNANIMOUS]**
AYES:	Ford, Greeno, Halkyard, VanEk
ABSENT:	Cleaver, DeLeon, Nathwani, Rackl, Wallace