SPECIAL FINANCE COMMISSION MEETING
MINUTES
NOVEMBER 12, 2021

CALL TO ORDER:

Jeremy S. VanEk	Chairman	Present
Michael Campagna	Commissioner	Present
Lea Dan	Commissioner	Present
Lisa A. Cleaver	Commissioner	Excused Absence
Scott R. Greeno	Commissioner	Present
Christopher Oakes	Commissioner	Present
Jose DeLeon	Commissioner	Excused Absence
Brenton J. Peck	Commissioner	Excused Absence
Camille White	Student Commissioner	Present

Also, present: Trustee Payne, Village Manager Mark Franz, Finance Director Coyle, Assistant Finance Director Patrick Brankin, and Recording Secretary Haslett.

A. **Call To Order**

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

B. **Public Comment (Non-Agenda Item)**

None.

C. **Approval of Minutes**

1) Minutes – September 20, 2021

MOVE TO APPROVE MINUTES OF FINANCE COMMISSION MEETINGS AS PRESENTED FROM 9/20/2021.

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

D. **Financial Reports**

1) Village Links/Reserve 22 Financial Statements – September 2021

Finance Director Coyle said September 2021 was another good month for golf, with green fees at $376,962 being the highest on record over the last 10 years. Reserve 22 year-to-date revenues were higher than the prior year and banquet business has returned. The Links and Reserve 22 combined experienced almost a $1.8 million change in net position on a year-to-date basis. With the increase in cash reserves, the Village Board approved purchasing the golf carts rather than the previously approved leasing agreement. The golf cart purchase is actually less costly than

the lease. Also, the Village will be closing on the bond refinance, which will save the Links about $80,000 over the life of the bonds. The 2010 bonds will mature in 2022. When the 2010 bonds are paid-off, staff plans to replace much needed equipment that has been deferred in the past.

2) General Fund Financial Report – September 2021

Assistant Finance Director Brankin provided an overview of the September 2021 General Fund Financial Report. Sales, home rule, and income taxes through September are above budget and the prior year actuals. Sales and home rule taxes are actually at an all-time high. There appears to be a negative trend with vehicle stickers. Liquor licenses are below budget. Miscellaneous revenue is up due to workers compensation reimbursements. Chairman VanEk inquired if the General Fund revenues include the American Rescue Plan Act (ARPA) funds. Assistant Finance Director Brankin replied no that the Village created a separate fund for the ARPA funds. As far as expenses go, Covid costs decreased in 2021 from the prior year thereby reducing the Village Manager's expenses. Legal costs are above budget because of higher TIF and the new parking garage expenses. With the engineering position vacancy, costs are down in Public Works.

E. **Pension Funding Policy**

1) Motion to recommend approval to the Village Board of the revised Pension Funding Policy.

The Commission discussed the change to the 15-year open. Finance Director Coyle noted the Village will transition to the 15-year point in one (1) year increments. The Village's 2022 contribution will be about $50,000 to $60,000 higher than recommended by the actuary, which will help the Village get to the 15-year point. Chairman VanEk inquired if the Village could put more money towards the police pension. Finance Director Coyle replied yes and this is typically done at year-end, when the General Fund surplus amount is known. Finance Director Coyle said the 2021 surplus amount should be known in May of 2022 and this provides flexibility as to how the Village wants to apply this surplus.

MOVE TO RECOMMEND APPROVAL TO THE VILLAGE BOARD TO TRANSITION TO THE 15-YEAR OPEN AMORTIZATION FOR THE POLICE PENSION ACTUARIAL REQUIRED CONTRIBUTION IN ONE (1) YEAR INCREMENTS.

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

F. **Budget Update**

1) Finance Director Coyle will update the Commission on the 2022 Budget.

Finance Director Coyle highlighted the two (2) main operational changes for the 2022 proposed budget. Finance Director Coyle noted the Police Department staffing report recommended the hiring of an additional five (5) police officers and two (2) non-sworn staff with an estimated cost of $525,000. These additional positions have been incorporated into the 2022 proposed budget. In 2023, the cost for these positions will be about $650,000, which includes pension costs. The EMS budget includes about a $500,000 increase for an additional layer of supervision and a rapid response vehicle. This will be funded through a change in the fire capital services fee. Finance Director Coyle went on to explain the FY 2022 staffing additions including a forester and a mechanic for succession planning purposes. In terms of revenues, staff is projecting key revenues to maintain their positive trends.

The 2022 budget includes several one-time expenses which impact its comparison to the prior year.

- $115,000 - Zoning Code Update.
- $60,000 - Hire a consultant to determine the best use of the Roosevelt Road hotel project.
- $23,000 – Conduct a Community Survey

The Village Board asked staff to review the budget for any possible cuts. Staff is suggesting that the Zoning Code Update be deferred by one year, which will save about $115,000 in FY 2022. Finance Director Coyle said there will be a mid-year check-in for the 2022 budget to review the status of the new initiatives and their impact on revenues and expenses. The Village Board will be discussing the budget on Monday, November 15, 2021.

Chairman VanEk inquired how the additional $3.6 million in General Fund revenues for 2022 compare to the 2021 projections. Finance Director Coyle replied the 2022 sales and home rule sales tax projections are flat and are based upon the 2021 year-to-date actuals. Total General Fund revenues are estimated to increase 6.5% over the current year projections. Higher projected 2022 revenues are expected for the following sources: taxes, police ordinance fines, licenses and permits due to the Glenwood Station which is estimated at $300,000, and reinstatement of business registration fees. Chairman VanEk asked if the $3.6 million increase includes the $800,000 in ARPA funds. Finance Director Coyle replied yes. Finance Director Coyle noted significant capital projects are included in the 2022 budget. These projects include the first phase of the central business district projects, the deferred 2020 street program, the 2022 street program, water and sewer improvements on Park south of Taft, and an interconnect with American Water on the south side of town to improve redundancy.

The 2022 budget allocates $2.06 million in ARPA funding to allowable spending categories as follows:

The 2022 ARPA funds are allocated as follows:

- Public Health Response - $50,000: This amount will cover $20,000 in direct covid-19 related expenses and also proposes $30,000 in additional behavioral health services allowed by the Act.
- Replace Public Sector Lost Revenue – This includes $500,000 of support to other taxing bodies such as the library and park district, $450,000 to support the Village's Parking

Fund which has been impacted by the pandemic, and $810,000 to support lost revenue in 2020 in the General Fund.

- Address Negative Economic Impacts of Covid-19 – This includes $125,000 in business support, either directly to businesses or through support of business organizations, $75,000 in water & sewer bill assistance, $25,000 in tourism and business support through programs such as the polar plaza, and $25,000 in community grants to be targeted to other community organizations such as the Chamber and the Downtown Alliance.

G. **Trustee Liaison's Report**

Trustee Payne updated the Finance Commission on recent Village Board activities.

H. **Chairman's Report**

Chairman VanEk welcomed new Student Commissioner Camille White and said candidate interviews for the open Commissioner positions will be taking place.

I. **Other Business**

1) Economic Development Update

Village Manager Franz updated the Finance Commission on recent economic development activities.

2) Next Meeting: Friday, December 10, 7:00AM

J. **Adjournment**

1. Motion to Adjourn

Commissioner Oakes moved and Commissioner Campagna seconded, to adjourn the meeting. The meeting was adjourned at 8:15AM.

Submitted by Aileen Haslett, Recording Secretary