



Minutes
Village of Glen Ellyn
Finance Commission
Special Meeting
Friday, June 17, 2016
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
Jeremy S VanEk	Commissioner	Present
Jeffrey S Wallace	Commissioner	Present

Also Present: Finance Director Coyle, Village Manager Franz, Assistant Finance Director Thomas

B. Public Comment (Non Agenda Items)

None

C. Approval of Minutes

1. Finance Commission - Special Meeting - Apr 22, 2016 7:00 AM

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Jeffrey S Wallace, Commissioner
SECONDER:	Jeremy S VanEk, Commissioner
AYES:	Ford, Cleaver, DeLeon, Greeno, Halkyard, VanEk, Wallace
ABSENT:	Nathwani, Rackl

D. 2015 Audit Report

1. Presentation of the Draft Audited Financial Statements 2015
2. Motion to make recommendation to the Village Board to disburse the General Fund surplus in a manner determined by the Finance Commission

Finance Director Coyle reviewed the Audit Report, starting with the summary. The Village received an unmodified audit opinion, the highest possible opinion. The Village implemented GASB Statement No. 68. The IMRF and police pension liabilities are now shown on the Statement of Net Position.

Chairman Ford noted that the IMRF has a higher return assumption than the police pension. This is because the IMRF investing criteria provides for more investing

options. The footnotes to the report show sensitivity analyses concerning the discount rate, and moving it from the current 6.75% up or down 1%. Concern was expressed on the bond return assumption when many bonds are in negative returns.

Director Coyle reviewed the General Fund showing prior year and budget comparisons. She noted that the prior year was only eight months. There was an overall surplus of \$1.2 million in 2015. Uncompleted projects of \$325,000 and \$425,000 from the good performance of taxes and other revenues contributed to the surplus. There were questions from Commissioners concerning open positions. Manager Franz said that some positions have intentionally not been filled or been delayed on being filled while waiting for the State to pass a budget.

Staff recommends that the Commission proposes to the Village Board a \$400,000 contribution of the 2015 General Fund surplus to Police Pension and \$200,000 to Facilities Maintenance Reserve Fund. The remainder of the surplus will be kept in reserves, which will bring reserves over the 35% minimum desired level. It was noted that it is important to keep reserves high in view of the unpredictability of the State, and to keep the Village's excellent bond rating. There were questions and comments concerning the impact of the extra contribution to the pension fund. The contribution will help to make up for the short fall in returns seen in 2015. The additional contribution also matters for future compounding. There were also questions on the facilities management contribution. The cost of retrofitting the Civic Center once the Police Department moves will be revisited as original proposals were too costly. Planning and Development will be able to expand, and Engineering, currently housed in the Public Works building, will be brought into the Civic Center.

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

E. Sales Tax SIC Analysis

1. Analysis of Sales Taxes by SIC Codes

Director Coyle highlighted the Analysis of the Sales Tax Report. Because the SIC codes are self-reported by businesses, it is difficult to assess which business is reported in which code. There has been a steady increase in eating and drinking places. Automobile sales have been rocky and just now are starting to rebound. The drop in the food category is due to both Dominick's closing and Mariano's opening. Commissioners expressed that it would be nice to see how the Village compares to other communities as some have a higher industrial base. Food, drugs and auto make up the majority of sales taxes for the Village. Over the past twenty years, the Village has become more reliant on food and restaurants. There was discussion on how to continue this trend, and the need to focus on what the Village does well.

RESULT:	DISCUSSION ONLY
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F. Financial Update

1. Financial Update - May 2016

Director Coyle reported that revenues for May were \$214,310 lower than May of 2015. Income tax receipts were lower than estimated. Although more information will be available when the State reports are released, she does not believe this is due to the State holding back funds. Chairman Ford noted that the State is not growing and is losing jobs, thus contributing to a drop in income taxes across the State. Building permits were also down for May as some projects are stalled, and others were completed in 2015. Use taxes are doing well, but are subject to being held up at the state level due to the continuing budget impasse. The audit of the ambulance fees resulted in a refund of \$43,000. Federal forfeiture dollars have been released after being frozen earlier in the year, with \$190,000 received in June.

Expenditures were down in May as compared to May 2015. This was due to two payrolls in May 2016 compared to three in May 2015. The Police Department had three sergeants retire, leaving positions opened temporarily. Although these retirements will require other officers to put in more overtime, in the long run there will be less pension obligation as new officers will be brought on board at a different tier structure.

RESULT:	DISCUSSION ONLY
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2. Village Links/Reserve 22 Financial Report - April 2016

RESULT:	DISCUSSION ONLY
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3. Village Links/Reserve 22 Financial Report - May 2016

Due to the weather in April, The Village Links experienced low numbers. May was much better, and June to date has been going well with good weather bringing more patrons to the facility. The accounting procedures have been going well with the reports prepared by Finance Department personnel. Commissioners noted that there is much activity at the facility with the increased number of outings and banquets. Manager Franz said that the Links has exceeded expectations in terms of growth.

RESULT:	DISCUSSION ONLY
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G. Trustee Liaison Report

None

H. Chairman's Report

1. Police Pension Investment Consultant Search Update

Chairman Ford reported that he attended the Police Pension Board meeting receiving presentations from two finalists for the consultant position. Bringing on a consulting firm should be a positive change in the pension management, and will not be a significant change in overall cost. The process has been an eye-opening experience for the Board members.

I. Other Business

1. Economic Development Update

Manager Franz reported that a new gas station will be occupying the empty lot at Five Corners. There will be curb cuts on both Main and St. Charles. Although it will be tight, there was a gas station there previously.

Along Roosevelt Road, there may be some interest in the Dominick's store. Panera may move down the street, as it has been proposed to demolish the two buildings fronting on Roosevelt Road. The owners of the outbuildings at Pickwick Plaza want to do something with them, but movement is sporadic. Further west, the Grandma Sallie building has been demolished, and will be replaced with a mattress store and another tenant yet to be identified. Hardee's is no longer planning to move into the Beijing restaurant site.

In the downtown district, new businesses, and the purchaser of the Schmidt's building should close shortly and begin working on turning it into a brew concept pub. A couple of restaurants have closed, but are expected to be replaced shortly. Opus is expected to resubmit its plans soon for the Geische and surrounding properties. Springbank is moving again on consolidating properties around its planned development. Both redevelopment project are alive and will generate sales tax dollars in the future. There is a Board of Trustees workshop on Monday to discuss how to improve the process for selling Village-owned property. In response to questions, Manager Franz said that there is space for larger retailers in the Springbank project. To attract larger retailers, there must be more people living in the downtown area; thus the new projects bringing in 250 more residents will be helpful.

The weekend of July 16 there will be a jazz event and a bike race around Lake Ellyn, the combination of which will make for a busy weekend in the Village. The Lake Ellyn boathouse will be functional for the boat regatta.

2. Next Meeting: Friday, July 8, 2016 at 7:00AM in Room 301

J. Adjournment

1. Motion to Adjourn

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