Minutes
Village of Glen Ellyn
Finance Commission
Special Meeting
Friday, September 23, 2016
7:00 AM
Village Links

A. Call to Order

Attendee Name	Title	Status
Erik G Ford	Chairman	Present
Lisa A Cleaver	Commissioner	Present
Jose G DeLeon	Commissioner	Absent
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: Christina Coyle, Finance Director; Lori Thomas, Assistant Finance Director; Mark Franz, Village Manager; Chris Pekarek, Golf Course Superintendent; Mike Concepcion, Executive Chef / Director of Food & Beverage

B. Public Comment (Non Agenda Items)

None.

C. Approval of Minutes

1. Finance Commission - Regular Meeting - Jul 8, 2016 7:00 AM

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

2. Finance Commission - Special Meeting - Aug 26, 2016 7:00 AM

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

D. Financial Update

1. Financial Update - August 2016

Director Coyle reported that revenues in August were $141,647 over last August. Also reported that sales and home rule tax were above the budget and prior year. Income tax and vehicle sticker lagged behind from last August. Overall, positive trends in sales tax, ambulance fees and cable franchise revenue offset the decrease in income taxes, vehicle stickers and building permits.

Director Coyle also reported that in economic developments M and 'Em's received $15,000 for HVAC updates. Also, she reported that a third engineer is on staff this year to provide a succession plan when current Engineer retires and to be able to do more in-house work.

Chairman Ford asked if there is any other information as to why sales tax is so high. Director Coyle responded that she is still waiting for data from the State.

Commissioner Van Ek asked if Director Coyle is budgeting a lower sales tax for next year. Director Coyle responded that there is an increase being budgeted but the Village is also tempering that increase for the Mariano's opening in Lombard.

There was a general discussion regarding protests against Jewel among neighborhood groups, given the recent Chicago Tribune article regarding the vacant Dominick's.

RESULT:	**DISCUSSION ONLY**

2. Village Links/Reserve 22 Financial Statements - August 2016

Director Coyle included Financial Statement packet for Village Links in Agenda packet for all Commissioners to review.

Overall even though weather in August was not ideal for golfing and patio business, Reserve 22 still ended above prior year for August. Banquet and golf outings have increased 43% from last year.

Golf Course Superintendent Pekarek added that 2015 was a very profitable year and due to poor weather this past summer it will be difficult to match, but the numbers show that Village Links is performing very favorably.

Food and Beverage Director Concepcion added that if Reserve 22 were to match last year's numbers, the restaurant would have to average $7,200 in sales through September. Concepcion stated that if the weather stays nice with all the outings that are scheduled on the restaurant side it should not be a problem to make this goal.

Director Concepcion noted a correction from this year to last year relating to alcohol inventory. Last year, the inventory counted bottles as cases. The error was corrected, but leaves a variance in the year over year comparison.

RESULT:	**DISCUSSION ONLY**

E. Village Links/Reserve 22 Five Year Forecast

1. Village Links and Reserve 22 Five Year Forecast

Director Coyle reminded attendees that the five-year forecast included in the packet is a general tool the Village uses at the beginning of the budget process. The purpose of this forecast is to identify trends in expenses and identify any major concerns - it is not meant to be a prediction of what is to come. The General Fund forecast is more conservative in its approach but the Village Links forecast is more aggressive based on trends they see evident in the business.

Commissioner Van Ek questioned why 1-2% growth assumption was used for the Village Links/Reserve 22 and not higher or lower in revenues. Coyle responded that this is their estimate and hopeful projection for 2017 based on known expenses and historic patterns. Van Ek also asked how Village Links is performing based on national trends. Superintended Pekarek said that Village Links is performing very well against trends (top 2% performance) and would like to keep growing at about 1-2% mainly through marketing.

Commissioner Cleaver asked if courses can be converted during the slow months to cross-country skiing. Superintended Pekarek stated that the research has been done and converting the grounds during the winter months to cross-country skiing or ice skating is a "money loser." Equipment rentals, trail preparation and staff time is very expensive. The idea itself may bring bodies in but no dollars. Competitors in the area that do this during winter months stated people generally don't stay for meals mainly just consume hot chocolate so the restaurant suffers.

Director Coyle and Manager Franz added that a great area of growth is banquet facility and golf outings. Superintended Pekarek added that the only trick with golf outings is to not squeeze out regular play and at times can get tricky with timing the outings.

Directory Coyle added that new golf carts being purchased in 2017 instead of leasing carts. Superintendent Pekarek discussed the benefit of buying carts vs. Trading in old carts.

Chairman Ford asked why the golf and restaurant forecasts are moving in different directors - i.e. if restaurant is driven by golf volume how are they moving in different directions. Golf is dropping off in net income and restaurant is spiking from $225,000 to $400,000. Director Coyle stated part of that spike is because 2016 is performing below the expectations.

Superintendent Pekarek added that weather statistics are kept and recorded so that numbers can be explained at the end of year. Commissioner Wallace asked if Pekarek is comfortable with the $400,000 2017 projection and Pekarek confirmed that he is very comfortable.

Director Concepcion added that there are stronger marketing tools on how to grow banquets and based on trends, banquets are improving. There is a new sous chef and new banquet coordinator which will help Concepcion focus on marketing, promotions and new holiday menus.

Commissioner Halkyard asked about local banquet competition and how Reserve 22 is keeping up. Director Concepcion stated that competitors such as Arrowhead & Cantigny have been in the banquet industry for a lot longer than Reserve 22. However, with keeping prices a little below competitor prices and word of mouth, Reserve 22 is thriving. Director Concepcion also added that it has been tough keeping personnel on board but that with the transfer of certain employees from part-time to full-time (with IMRF benefits), this will help keep personnel in place to have continuity for future growth.

Commissioner Halkyard asked Director Concepcion to state his favorite/worst things to come in 2017 for the business. Director Concepcion stated that his favorite thing is the return of guests, new customers and the great feedback. The toughest thing is the inability to have more full time people in the kitchen but it is very difficult to compete with competitors such as Hilton that offer benefits.

Director Coyle commented that one of the challenges for Village Links is to hit operating income targets based on what we know of debt service and budgeting for spending costs for improvements.

Superintendent Pekarek and Director Concepcion were excused at 7:56.

RESULT:	**DISCUSSION ONLY**

F. Vehicle Sticker Analysis

1. Vehicle Sticker Analysis

Vehicle stickers are required for all residents of Glen Ellyn. This process is managed in-house and has been very time consuming over the years but has generated nearly $400,000 in revenues. There are pros and cons to this program. Pros included the $400,000 in revenues, a diversified revenue stream for the General Fund, and identification of vehicles for police. The con is that this program is very labor intensive and unpopular with many residents. Village costs are $6,200-$8,600 per year for maintenance of this program.

Director Coyle would like input from Finance Commission as to what their thoughts are of this program.

Coyle added that program cannot be eliminated without making up the $400,000 elsewhere. Commissioner Halkyard asked to increase the cost of commuter parking but Coyle said that revenue goes to the Parking Fund and not the General Fund.

Chairman Ford added that he does not like the option of boosting property tax to make up the cost of a user fee.

Commissioner Cleaver questioned even if you cut down on vehicle stickers, personnel are still sitting at the desk so why change anything. Director Coyle added that there is not a lot of labor savings but maintaining the database is highly burdensome.

The general consensus among the room was that the need for a vehicle sticker is generally to avoid a parking ticket, from a resident standpoint.

Directory Coyle analyzed local community behavior with respect to village stickers and it was noted that those who do not have the program have a food & beverage tax, something Glen Ellyn does not have. It was added that if food & beverage tax was imposed at ½ percent, it would make up the $400,000 lost from the vehicle sticker program if eliminated.

Commissioner Wallace favors the increase Home Rule Sales Tax because you are getting both residents & non-residents. The Home Rule Sales Tax would be a ¼ percent increase to make up the revenue lost from vehicle sticker program if eliminated.

Chairman Ford would like to table this discussion until next meeting to obtain more information on alternatives.

RESULT:	**DISCUSSION ONLY**

G. Trustee Liaison Report

None.

H. Chairman's Report

None.

I. Other Business

1. Economic Development

Manager Franz delivered the economic development report.

1. No new report on the Dominick's space aside from the Chicago Tribune article that openly discussed the holdup that Albertsons is placing on numerous old Dominick's sites. The Village is continuing to try and put the pressure on Jewel to release Dominick's space. Village would like to see a grocery store in that space.
2. Panera project is moving forward and will be a standalone building with a pharmacy interested in the corner space.
3. Opus and SpingBank property is moving forward. There will be 70,000 square feet of retail space from the SpingBank project.
4. Cabs space is being leased to a whiskey bar.
5. Schmidts space is moving forward with craft beer brewery.
6. 825 Main (near Stacy's Corners) is moving forward as gas station but Village is still working with State to determine entry points.

2. Next Meeting: Friday, October 14, 7:00 AM, Room 301

J. Adjournment

1. Motion to Adjourn

The meeting was adjourned at 8:32 AM.

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