FINANCE COMMISSION MEETING
MINUTES
MAY 13, 2022

CALL TO ORDER:

Jeremy S. VanEk	Chair	Present
Lea Dan	Commissioner	Present
Jose DeLeon	Commissioner	Present
Christopher Goodman	Commissioner	Present
Scott R. Greeno	Commissioner	Present
Christopher Oakes	Commissioner	Present
Camille White	Student Commissioner	Present

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

A. **Call To Order**

The regular meeting was called to order at 7:00AM. By Chair Jeremy VanEk at 535 Duane Street, in Glen Ellyn, Illinois.

MOVE TO ALLOW COMMISSIONER LEA DAN TO ATTEND MEETING REMOTELY.

RESULT	**Motion Unanimously Carried**
MOVER:	**Commissioner Oakes**
SECONDER:	**Commissioner Goodman**
AYES:	**Dan, DeLeon, Goodman, Greeno, Oakes, and J. VanEk**
ABSENT:	**None.**

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

None.

C. **Approval of Minutes**

1) Minutes – April 8, 2022

MOVE TO APPROVE THE MINUTES OF THE FINANCE COMMISSION MEETING AS PRESENTED FROM 4/8/2022.

RESULT	**Motion Unanimously Carried**
MOVER:	**Commissioner Oakes**
SECONDER:	**Commissioner DeLeon**
AYES:	**Dan, DeLeon, Goodman, Greeno, Oakes, and J. VanEk**
ABSENT:	**None.**

D. **Police Pension Actuary Presentation**

1. Heidi Andorfer from Foster & Foster will present the 2022 Police Pension Actuarial Report

Chair VanEk introduced Heidi Andorfer from Foster & Foster. Andorfer highlighted the key components of the report. The total recommended contribution for the valuation period of January 1, 2022 through December 31, 2023 is $2,082,272, up from last year's $1,981,581. This increase is attributable to a higher headcount and the increase in the amortization payment due to the payroll growth assumption. Plan experience was overall favorable and the investment return was 8.38%, exceeding the 6.5% assumption.

There were some actuarial assumption method changes since the prior valuation. The updated 2022 mortality, retirement, disability, and termination tables were used for this valuation. Also, payroll growth was reduced from 3.5% to 3.25%. The amortization of the unfunded liability was moved from an open methodology to a 15-year period as approved by the Village Board on January 24, 2022. Although this change had no impact on this report, the move to the 15-year open will affect the required contribution over time.

Andorfer noted the new funding policy Section 3.1E states the actuarial value of assets will now be based upon a market valuation without any smoothing applied. Andorfer recommended changing this provision to continue to smooth over a five (5) year period over gains/losses at 5%. The Finance Commission concurred to revise Section 3.1E of the Police Pension Funding policy as detailed in the be motion below.

MOVE TO REVISE POLICE PENSION FUNDING POLICY SECTION 3.10E TO SMOOTHING GAINS AND LOSSES OVER A FIVE (5) YEAR BASIS BEGINNING WITH THE 2022 ACTUARIAL VALUATION REPORT.

RESULT	**Motion Unanimously Carried**
MOVER:	**Commissioner Oakes**
SECONDER:	**Commissioner Greeno**
AYES:	**Dan, DeLeon, Goodman, Greeno, Oakes, and J. VanEk**
ABSENT:	**None.**

Andorfer will provide updated verbiage for this revision. The unfunded liability for the police pension is $18.8M and the funded ratio is 67.5%, which improved from the prior year of 62.4%. Andorfer showed in the report, how the unfunded liability continues to decrease and is expected to be around $12.7M in 2041. Chair VanEk thanked Andorfer for her comprehensive report and asked for future reports to include a 15-year open graph.

E. **Financial Reports**

1. General Fund Financial Report – March 2022

Assistant Finance Director Brankin said revenue performance through March continues to be strong. A budget amendment is in the works for the hotel purchase. When this amendment is done, year-to-date expenditures will be more in line with the budget. The Village is still waiting on building permits from Glenwood Station. The Village received $1M in income taxes for the month of May, which is an unprecedented amount and is about 50% higher than normal.

2. Village Links/Reserve 22 Financial Reports – March 2022
   Reserve 22 had a stronger revenue performance for March 2022 compared to March 2021, even with higher cost of goods sold. The golf course opened on March 16, 2022, but the weather has not been cooperative for playing golf. Revenues were lower for the Village Links and expenditures were higher due to the cost of personnel, utilities, and cost of goods sold. Assistant Finance Director Brankin expects a turn-around in May and June. Cash reserves remain in a strong position and should improve during the period of May through August.

3. First Quarter Cash and Investment Report 2022
   Assistant Finance Director Brankin discussed the 2022 First Quarter Cash and Investments report. Assistant Finance Director Brankin noted there is about $79M in cash and investments on-hand as of March 31, 2022, compared to $75.5 M last year. Through March 2022, the Village earned about $19,056 in interest compared to $11,453 last year, due to higher interest rates.

F. **Trustee Liaison's Report**

Trustee Payne provided an update on Village Board activities. Village Manager Franz noted that Larry Noeller accepted the Finance Director position with the Village and will begin at the end of the month. Noeller served as the Assistant Finance Director with the Village of Glen Ellyn about 10 years ago. Village Manager Franz commended Assistant Finance Director Brankin's efforts during this interim period.

G. **Chair Report**

Chair VanEk shared three (3) Commissioners including: Cleaver, Campagna, and Peck recently resigned from the Finance Commission. New commissioner interviews will be taking place over the next couple of weeks. Trustee Payne said he would like to participate in the interviews. Chair VanEk is still working on compiling the self-assessment for the Finance Commission. Chair VanEk said the next meeting in June will cover the audit and a mid-year budget review. Chair VanEk noted the July Finance Commission meeting will be canceled.

H. **Other Business**

1) Economic Development Update

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

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

I. **Adjournment**

1. Motion to Adjourn
   Commissioner Oakes moved and Commissioner Greeno seconded, to adjourn the meeting. The meeting was adjourned at 8:10AM.

Submitted by Aileen Haslett, Recording Secretary