



Minutes
Village of Glen Ellyn
Finance Commission
Regular Meeting
Friday, December 9, 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
John Mulherin	Commissioner	Present
Yadav N Nathwani	Commissioner	Absent
Jeremy S VanEk	Commissioner	Present
Jeffrey S Wallace	Commissioner	Present

Also Present: Finance Director Christina Coyle, Village Manager Mark Franz, Trustee Liaison Tim O'Shea

B. Public Comment (Non Agenda Items)

None.

C. Approval of Minutes

1. Finance Commission - Regular Meeting - Oct 14, 2016 7:00 AM

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

D. Financial Reports

1. General Fund Update, November 2016

Director Coyle reported that November was a good month. Sales & Use Tax, Cable Franchise Fees and Building Permits are all showing positive trends for the month. The Information Technology renewed its document imaging service for 2017 in November, creating a timing variance from the prior year. The Police Operations division incurred approximately \$10,000 in additional overtime in November. In the EMS division, the DuComm bill was paid in November in 2015, but was paid in October in 2016. Public Works has also done additional tree work in 2016 and spent \$74,000 in November 2016 versus \$33,000 in 2015. In total, expenditures year-to-date are \$1,269,685 ahead of the prior year and \$522,796 below the year-to-date budget.

Director Coyle reported that income tax has fallen below budgeted expectations. Director Coyle reported that the State of Illinois finally responded to a question posed back in August regarding the decreased Income Tax receipts. The response cited legislative changes as the reason for the decrease. Director Coyle also stated that the Illinois Municipal League (IML) released a statement regarding income tax which stated they were working with the Illinois Department of Revenue to identify the cause of the decrease, but that the reason was not yet clear. Director Coyle stated that this further conflicts with information from an Illinois Department of Revenue report earlier in the year that stated the decrease was due to software programming issues on the part of employers when the income tax rate decreased. Chairman Ford asked if there is any benefit going through lobbyist to push for an answer. Coyle stated that IML does have lobbyists and is working with the Department of Revenue on our behalf and the best course of action is to wait for an update from them which will likely come in January.

Director Coyle reported that Police/Court Fines are down from the prior year. The City of Naperville has been investigating fines remitted by DuPage County. They have found that the amount of revenue that they are receiving for particular cases is decreasing. Village Manager Franz clarified that we are watching Naperville's investigation to gather further information. He also stated that Village is looking at moving some court cases locally through administrative adjudication.

Director Coyle reviewed the 2016 projections. Revenues are projected to end the year very close to budget. Coyle estimated to end 2016 with approximately a positive of \$140,000. Commissioner Van Ek clarified it is really positive \$740,000 because the \$600,000 was carried over from last year.

Chairman Ford asked why Sales Tax is so positive and what is behind the increase. Coyle stated it is due to vehicle sales being positive. Director Coyle stated she would bring the most recent classification information to the Finance Commission when it was available from the State.

It was noted that the Police Department has struggled with staff shortages and vacancies. Manager Franz stated that the Village is hoping to increase recruitment. However, the time it takes to get an officer from date of hire till the officer has finished training is a long process.

2. Village Links/Reserve 22 Financial Update, October 2016

October was a good month for golf, despite the cool, wet weather. Overall Village Links performed its best October since 2011. November showed a steady stream of revenue. Reserve 22 is seeing a steady increase in banquets and were up 68% over a year ago. Director Coyle does not see that the revenue budget will be hit but will revenues will be increased over the prior year. Overall year to date revenue is up 4% but expenses are up 3% mainly due to an extra payroll year-to-date.

RESULT:	DISCUSSION ONLY
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3. Investment Report as of November 30, 2016

The Village began purchasing investment through PMA. The PMA portfolio became operational in October, which is a more active approach than the past passive strategy.

Chairman Ford asked Coyle for her opinion on the new PMA and she commented that she is very pleased with its performance and the agency's services, thoroughness and promptness.

Commissioner Van Ek asked how much of the \$53 million is currently invested. Coyle stated there is about \$24 million in the PMA portfolio.

Director Coyle asked the Committee to review the investment strategies & data and provide any feedback.

RESULT:	DISCUSSION ONLY
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E. Water & Sewer Rates

1. 2017 Water & Sewer Rates

A Village Board workshop on rates was held in November. The consensus of the Board was a 1% rate increase in water rates.

Director Coyle asked the Committee for their input on the increase. Director Coyle identified the concern is that since water rate is based on consumption and usage, even if the Village increases the rates by 1%, if usage is lower the Village still has the possibility of losing revenue for water and sewer rates. That is to say, if residents use less water overall, then the increase in rates does not necessarily produce a positive outcome. The Village's goal in choosing a rate structure is to ensure the financial health of the Water & Sewer Fund while minimizing the impact on our residents.

Trustee O'Shea asked if a temporary meter replacement fee can be imposed to help collect the needed funds to replace the water meters. He believes that if you can justify to residents that by charging a little a month to help forecast the upcoming hit of changing the water meters, then a 1% increase is not necessary. The increase will

go away once the project is complete. Director Coyle responded that Trustee O'Shea's suggestion should be researched and looked into.

The overall issue is not to alarm residents with this increase and raise water rates too much when DuPage water rates are going down. A rate study in the future might be necessary to determine the right time for the increase.

The Commission further discussed the concept of charging a meter replacement fee which would be ended when the meters were replaced. Director Coyle said that the cost of changing all the meters is not firm yet because there has not been a decision on which components will be replaced. If it is just the reading device, then the spending is lower. Manager Franz feels like it might be a little too late to impose a fee on residents' invoices. He feels that every year we are trying to keep rates as low as possible and to add a small increase of 1% is the best option this year. Manager Franz also stated that rates will continue to be revisited every year. The Commission generally agreed with this rationale and was comfortable with the 1% increase for 2017.

F. Trustee Liason Report

None.

G. Chairman's Report

Chairman Ford reported that Commissioner Wallace will be leaving the Finance Commission for 2017. Chairman Ford praised his work on this Commission and wished him luck in his future endeavors.

H. Other Business

1. Economic Development

Manager Franz reviewed economic development, giving an update on a recent press conference that several mayors held to discuss the status of vacant Dominick's sites.

2. Next Meeting: Friday, January 13, 2017, 7:00 AM Room 301

I. Adjournment

1. Motion to Adjourn

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