Minutes
Village of Glen Ellyn
Village Board Workshop
Monday, October 24, 2022
6:00 PM
Glen Ellyn Civic Center, Room 301

A. Call to Order – 6:03PM

B. Pledge of Allegiance

C. Roll Call

Upon roll call by Village Manager Franz, President Senak, and Trustees Christiansen, Fasules, Kalinich, Gould, and Thompson answered "Present." Trustee Payne was absent, as was Village Clerk Cosby.

Also in attendance: Village Manager Franz, Finance Director Noller, General Manager Vesevick.and Attorney Mathews.

D. Audience Participation

No audience participation.

E. Discussion - Budget Kick-off and Village Links budget

Before he began, Finance Director Noller thanked everyone involved in developing the budget, particularly Assistant Finance Director Brankin. He also emphasized that the budget is definitely a team effort.

Finance Director Noller lead the budget kick-off and overview, outlining the logistics of how the review would be conducted, and the public hearing that will follow. He also gave a brief explanation of each fund within the budget.

Finance Director Noller stated that the budget structure consists of Capital and Operating expenditures. This review also included a comparison to the 2022 budget.

Trustee Fasules suggested that a column headed "2022 actual" needs to be added to the summary page. It was agreed that this would be added.

Trustee Gould asked if the housing study had been budgeted for 2022. Finance Director Noller replied that it was and will be continued into next year.

Finance Director Noller stated that the staffing assessment will continue and is resulting in right sizing some departments. He added that this is a result of the "great resignation." He then reviewed some of the staffing changes happening in various departments and employee benefits.

Finance Director Noller stated that inflation pressure on labor and materials has contributed to the increased cost to capital projects. He added that seeking grants could offset the increased costs.

Trustee Fasules requested an Excel spreadsheet of all the major objects above $10,000 from 2020 to present across the Village. Village Manager Franz replied that this would be provided.

General Manager Vesevick presented the Village Links budget. He explained the process used to develop the budget for each year. He added that the budget includes an annual minimum wage increase consistent with State law.

General Manager Vesevick reiterated that the Village Links is planning to hire a full-time mechanic as part of the 2023 budget.

General Manager Vesevick stated that historically, the Village Links budget fluctuates due to weather and that personnel is the biggest expense.

General Manager Vesevick then moved on to the 5-year capital plan, stating that it adjusts annually. He added that it reflects an increase in spending, partially because of the rise of the cost of equipment and that most of the equipment is golf course related but some is allocated for improvements for Reserve 22.

General Manager Vesevick stated that the goal of the Village Links budget is to take the operating profits and be able to pay for the debt and capital expenditures, as well as operating expenses.

President Senak asked how much of the cash reserve will be put back into the club. General Manager Vesevick replied that next year it is $466,000 of the $507,000 in the reserve. Trustee Thompson pointed out that the reserve is drawn down in January through April. Village Manager Franz stated that it's important to look at this as a 5-year plan as far as cash reserves and operational expenses are concerned. General Manager Vesevick then gave an example of how this would apply, as some years require more funds to meet capital needs.

Trustee Thompson stated that the Rec Commission looks through the capital budget pretty carefully because there are a lot of wants and wish lists. He added that it costs a lot of money to manage all the equipment at the Village Links as well.

Trustee Fasules confirmed that if they are on a self-funding basis, their budget for capital is in the revenue, and that the only year that is not self-funding is 2026, where there would be a need to go into reserves. He added that some of the reserve could be moved up and be used sooner.

General Manager Vesevick cited 2018 as a year when the reserve was used to pay debt and operating expenses and brought the Village Links below the reserve line. President Senak reiterated that he thought that the excess should be spent. Village Manager Franz added that the reserve policy needs to have some flexibility, especially in this type of business.

President Senak stated that for him, holding cash above the reserve levels is a waste of money. Trustee Christiansen added that she saw his point, but don't they also want to save money when the big projects are needed.

Trustee Thompson added that we are not good at estimating what improvements are going to need to be made in the future. Village Manager Franz replied that Trustee Thompson was correct, but he would say it differently: the Village has great trend history and having flexibility and building above reserves is smart policy.

President Senak agreed with this but encouraged use of the reserve cash so increased revenue projections are not needed.

Trustee Fasules gave his thoughts on the reserve and how it can be designated. He added that the storm water retention aspect of the golf course is important and if the Village needs to bail them out in the future, it is worth it from that point of view.
The discussion turned to the use of some of the reserve being used for Panfish Park renovations, which is also part of the storm water retention plan, which is appropriate use of funds. Attorney Mathews added that using a public facility to make a profit is not appropriate and that the golf course is really a water retention facility.

Trustee Christiansen added that this is a philosophical discussion as to what to do with the money above the cap and there needs to be a discussion as to what to do with moneys above and beyond the reserve policy.

President Senak asked if the reserve level needs to be changed. General Manager Vesevick gave a closure disaster scenario to illustrate the need for the cash reserve. President Senak countered that if there are risks that are insurable, they should be insured.

Village Manager Franz suggested that perhaps a little more detail is needed on how money is planned to be spent so excess cash can be accounted for.

General Manager Vesevick showed a slide illustrating how the Village Links cash flow works annually. He also showed a graph of where they have been on cash based on average cash on hand.

Trustee Thompson said that he really appreciates what General Manager Vesevick and his staff do at Reserve 22, it's a pleasure to be on the Rec Commission, and that it is one of the crown jewels of the Village.

Village Manager Franz wanted to add that it is hard to find a public golf course that is not subsidized by property tax revenues. In 50+ years, no property tax revenues have been dedicated to the Village Links and added kudos for good citizenship of the facility. President Senak whole-heartedly agreed.

Trustee Gould asked if the servers were paid minimum wage or the server wage. General Manager Vesevick replied that they are paid the server wage. Trustee Gould followed up with whether there has been a problem staffing because of this. General Manager Vesevick replied that they have and need to look at perhaps paying a higher base wage, plus tips, to get more staff.

General Manager Vesevick added that a few key part-time positions will be moved to full-time in order to staff and manage Reserve 22 with continuity.

President Senak asked about the budgeted amount for overtime in the 2023 budget and the rationale. General Manager Vesevick replied and hopes this will be remedied with the new Director of Food and Beverage and a Banquet Coordinator.

F. Adjourn – 6:56 PM

Moved: Trustee Thompson. Seconded: Kalinich. Unanimous vote to adjourn.