FINANCE COMMISSION MEETING
MINUTES
OCTOBER 14, 2022

CALL TO ORDER:

Jeremy S. VanEk	Chair	Present
Anne Arnold Andino	Commissioner	Present
Lea Dan	Commissioner	Excused Absence
Jose De Leon	Commissioner	Present
Christopher Goodman	Commissioner	Present
Mike Graham	Commissioner	Present
Scott R. Greeno	Commissioner	Present
Christopher Oakes	Commissioner	Present
Brian Niksa	Commissioner	Present
Camille White	Student Commissioner	Excused Absence

Also, present: Village Manager Mark Franz, Finance Director Larry Noller, Assistant Finance Director Patrick Brankin, Assistant Public Works Director John Hubsky, 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.

MOTION TO ALLOW COMMISSIONER DE LEON TO TELECONFERENCE.
Finance Director Noller noted Commissioner De Leon could attend via teleconference, but would not be able to vote on any matters.

RESULT	**Motion Unanimously Carried**
MOVER:	**Commissioner Goodman**
SECONDER:	**Commissioner Oakes**
AYES:	**Andino, Graham, Goodman, Greeno, Oakes, Niksa, and J. VanEk**
ABSENT:	**Dan**

B. **Public Comment (Non-Agenda Item)**
None.

C. **Approval of Minutes**
1) Minutes – September 9, 2022

MOVE TO APPROVE THE MINUTES OF THE FINANCE COMMISSION MEETING AS AMENDED FROM 9/9/2022.

RESULT	**Motion Unanimously Carried**
MOVER:	**Commissioner Greeno**
SECONDER:	**Commissioner Niksa**
AYES:	**Andino, Graham, Goodman, Greeno, Oakes, Niska, and J. VanEk**
ABSENT:	**Dan**

D. **Water and Sewer Rate Study**

1) Presentation and Discussion of Water and Sewer Rate Study by NewGen Strategies and Solutions
Eric Callocchia from NewGen Strategies presented the changes that were made to the Water and Sewer Rate Study since the Finance Commission meeting held on September 9, 2022. Callocchia said after the meeting, there was a discussion about changes to the study that would reduce the customer impact. Toward this end, several assumptions were modified as follows. The Glenbard Wastewater cost escalation factor was reduced from 5% to 3%. The interest earned on fund balance was increased to 3.5% in FY 2023 and FY 2024 and 2% thereafter (was previously 1% for all years). The specific rate increases were also adjusted to better align with the FY 2027 fund balance. The revised rate recommendation included a 2.0% increase in FY 2023 and FY 2024, a 3% increase in FY 2025, a 4% increase in FY 2026 and a 5% increase in FY 2027. The compounded growth rate over this time period is 17%. The new fixed fee percentage of revenues will be phased in over the next five (5) years with 2% of revenues coming from fixed fees in FY 2023 and up to 10% in FY 2027. The fixed fee component of monthly water bills will be based upon a customer's meter size. Callocchia said best practices recommend water rate structures include a fixed fee component that represents between 25% to 30% of total revenues. Callocchia provided some metrics on how the proposed increases would impact different customer profiles. Chair VanEk asked what determines the meter size per property. Assistant Public Works Director Hubsky replied Illinois plumbing codes and the number of fixtures at the property.

Chair VanEk commended staff and Callocchia's efforts in preparing the revised Water Rate Study and said it goes a long way in addressing the concerns identified by the Finance Commission at the last meeting. Chair VanEk asked what staff is looking for from the Finance Commission regarding the study. Finance Director Noller replied staff is looking for direction from the Finance Commission regarding:

1. should the water rates be increased; and,
2. should the water rate structure be changed.

Finance Director Noller clarified the water rate increase would be for 2023 and then the rate increase would be reviewed annually. The water rate structure would be a permanent change going forward. Assistant Public Works Director Hubsky said the new industry standard includes a fixed fee component for water bills. Finance Director Noller added if the water rate structure change is approved, then the fixed fee portion would be effective later in the year in order to publicize this information.

MOTION TO APPROVE THE REVISED RATE STRUCTURE WITH THE SHIFT TO THE FIXED COMPONENT BEGINNING IN 2023 ALONG WITH THE PROPOSED INCREASE IN VARIABLE RATES.

RESULT	**Motion Unanimously Carried**
MOVER:	**Commissioner Graham**
SECONDER:	**Commissioner Goodman**
AYES:	**Andino, Graham, Goodman, Greeno, Oakes, Niksa, and J. VanEk**
ABSENT:	**Dan**

E. **Police Pension Funding Policy**

1. Police pension funding policy revision.

   Finance Director Noller said the current policy states the Village will make contributions in June and September of each year, which coincide with the receipt of property taxes. With the recent consolidation, staff recommends moving to monthly contributions to the Police Pension. This change will improve cash flow.

MOTION TO CHANGE TO MONTHLY CONTRIBUTIONS TO THE POLICE PENSION FUND.

RESULT	**Motion Unanimously Carried**
MOVER:	**Commissioner Oakes**
SECONDER:	**Commissioner Greeno**
AYES:	**Andino, Graham, Goodman, Greeno, Oakes, Niksa, and J. VanEk**
ABSENT:	**Dan**

F. **Financial Reports**

1. General Fund Financial Report – August 2022

   Assistant Finance Director Brankin shared tax performance continues to do well. Overall General Fund expenses for August are below budget, while revenues are above budget. Year-to-date expenses and revenues are above budget. Investment income is much stronger this year, than in recent years. Chair VanEk noted the Village is still a little light in building permits. Assistant Finance Director Brankin noted the Village is stating waiting for the Glenwood Station permit fee.

   Finance Director Noller said budget amendments were discussed with the Village Board including moving the ARPA monies into the General Fund for public safety. Another amendment discussed was moving the hotel property purchase to the Corporate Reserve Fund. The US Bank property will be purchased with TIF funds. The Board also discussed moving $2 million in reserves to the Capital Projects Fund to finance additional projects.

2. Village Links/Reserve 22 Financial Reports – August 2022

   Finance Director Finance Director Noller said it has been a great year for golf. September proved to be an excellent month as well. Assistant Finance Director Brankin said historically 2022 is the number one year for revenues for the Village Links.

G. **Trustee Liaison's Report**

Village Manager Franz provided an update on Village Board activities. Chair VanEk asked for the budget meeting schedule to be shared with the Finance Commission. Discussion ensued regarding an investment sub-committee of the Finance Commission. Commissioner Mike Graham and Commissioner Brian Niksa both offered to serve on this sub-committee.

H. **Chairperson's Report**

No report.

I. **Other Business**

1) Economic Development Update
No report.

2) Next Meeting: Friday, November 18, 2022 at 7:00AM

J. **Adjournment**

Commissioner Oakes moved and Commissioner Goodman seconded, to adjourn the meeting. The meeting was adjourned at 8:11AM.

Submitted by Aileen Haslett, Recording Secretary