Agenda
Village of Glen Ellyn
Finance Commission Meeting
Friday, February 10, 2023
7:00 AM
Glen Ellyn Civic Center
Room 301

Any individual with a disability requiring a reasonable accommodation in order to participate in a meeting should contact The Village of Glen Ellyn ADA Coordinator, (630) 469-5000, in advance of the next scheduled meeting. All matters on the Agenda may be discussed, amended, and acted upon.

A. Call to Order

B. Roll Call

C. Public Comment

D. Approve Minutes

1) January 13, 2023

E. Water and Sewer Rate Study

1) Presentation and discussion of Water and Sewer Rate Study by NewGen Strategies and Solutions

F. Financial Reports

1) General Fund - December 2022
2) Village Links/Reserve 22 - December 2022
3) Year End Financial Report 2022

G. Five Year Forecast

1) Review Prior Five Year Forecast
2) Five Year Forecast Discussion and Recommendations

H. Staff Report

1) Economic Development Update
2) Investment Sub-committee Update

I. Chairperson's Report

1) 2023 Finance Commission Agenda Topics

J. Trustee Liaison's Report

K. Reminders

1) Next meeting Friday, March 10, 2023 7:00 A.M.

L. Adjourn

Glen Ellyn Finance Commission
535 Duane Street
Glen Ellyn, IL 60137

Meeting 2/10/2023 7:00 AM
Department: Finance
Department Head: Larry Noller
Category: Minutes
Prepared By: Larry Noller

AGENDA ITEM (ID # 2023-138)

DOC ID: 2023-138

January 13, 2023 Minutes

Statement of the Issue:
Consider approval of minutes for the January 13, 2023 meeting.

Analysis:

Budget Impact:

Contribution to Strategic Plan (if applicable)

Action Requested:

Attachments:
1. 1.13.2023 Finance Commission Minutes

FINANCE COMMISSION MEETING
MINUTES
JANUARY 13, 2023

A. **Call To Order**

The regular meeting was called to order at 7:02AM. by Chair Jeremy VanEk at 535 Duane Street, in Glen Ellyn, Illinois.

B. **Roll Call**

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

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

C. **Public Comment**

None.

D. **Approval of Minutes**

1) Minutes – November 18, 2022

MOVE TO APPROVE THE MINUTES OF THE FINANCE COMMISSION MEETING AS PRESENTED FROM 11/18/2022.

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

E. **Financial Reports**

1. General Fund Financial Report – November 2022

Assistant Finance Director Brankin noted this past fall there was a $2M transfer from the General Fund budget reserves to the Capital Projects Fund. Also, the hotel purchase was reclassed from the General Fund to the Corporate Reserve Fund, with a corresponding transfer to offset this. The US Bank purchase was reclassed from the General Fund to the TIF Fund. Also, a $3.8M ARPA transfer into the General Fund was completed. With these changes there was about a $1.5M increase in the fund balance of the General Fund. Investment income continued to perform well, due to higher interest rates. Sales tax and home rule sales taxes have plateaued a bit, but in a year with all-time revenue highs, this is still welcome news.

2. Village Links/Reserve 22 – November 2022

Finance Director Noller indicated golf and Reserve 22 had another great month in November. Rounds played were up 34%. Golf revenues were down 3% for the year, while Reserve 22 was up 15%. Golf expenditures were down 14% for the year, while Reserve 22 expenditures were significantly higher. The Village Links cash reserves remain very strong. Staff plans on doing some capital projects in 2023. Village Manager Franz noted staff is working on a golf course Master Plan, which is one of the reasons why we are building up cash reserves in this fund.

F. **Staff Report**

1) 2023 Budget Update

Finance Director Noeller discussed some of the revisions made to the 2023 budget from the first draft originally discussed by the Finance Commission in November 2023. The revisions were driven by the Village Board's interest to lower the operating portion of the property tax levy. The updated budget included an increase to 0.6% to capture new growth only for the final levy. The levy was approved with a 4.9% increase. However, the Village Board will be adopting an abatement to the General operating side of the property tax levy at the second meeting in January. This will reduce the total increase to the property tax levy to 2.8% over the prior year. In order to accommodate this change, the revised budget included $99,000 in reductions. The net effect of the budget changes resulted in a revised net change in fund balance of negative $84,147 for the General Fund. Some changes were made to the Fire Services Fund with a revised positive net change in fund balance of $313,014. There will also be a $100,000 transfer from the Village Links to the Capital Projects Fund for the Panfish Park expenditure.

Chair VanEk inquired about the potential uses for the General Fund future reserves. Finance Director Noeller responded there has been some discussion about using reserves for capital projects, rather than issuing bonds. There is still a gap in the future with the Capital Program, some work is still necessary to close-out this gap. Village Manager Franz shared that the bids for phases two (2) and three (3) of the downtown project are due in February, so this will provide a better idea of the funding needed. Village Manager Franz noted there will be three (3) check-in points with the Board for the downtown project with the first being the bids, second the audit, and the upcoming grant notifications for the new train station.

Finance Director Noeller commented that the Water and Sewer Rate Study will be presented to the Village Board at the January 17, 2023 meeting.

2) Investment Sub-committee Update

Finance Director Noeller said the Investment Sub-committee has met a couple of times over the last months and held phone conferences with the Village's investment advisors. Commissioner Niksa thanked Noeller for setting up the meetings. The investment advisors provided the current yields for the Village's cash and noted rates have increased dramatically. The Village is currently earning about 4% to 4.25% on cash. The advisors suggested the Village may be able to take advantage of slightly higher interest rates to capture market growth.

3) Economic Development Update

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

G. **Chairperson's Report**

Chair VanEk thanked everyone for completing the skills inventory. Chair VanEk said we have achieved our goal of creating a well-rounded and skilled group for the Finance Commission. Chair VanEk shared that some of the Commissioner terms will expire this year so he will be reaching out to see if they wish to remain on the Finance Commission.

Chair VanEk said he wished to brainstorm some ideas on upcoming topics for the Finance Commission. Chair VanEk sees the Finance Commission as another set of eyes for the Village and a sounding board for the Finance Department. The second function of the Finance Commission is to tackle projects such as the water and sewer rate study. The third function is to determine their own topics of interest for the agenda. Commissioner Niksa suggested a broader perspective to evaluate the Village Links in comparison to other clubs. Trustee Payne explained that the Village Links serves two (2) purposes for storm water and for the golf course. Finance Director Noeller noted the Village Links is a self-supporting enterprise. Discussion ensured regarding the long-term outlook for the Village Links. Chair VanEk will follow-up with Village Manager Franz on this. Chair VanEk identified parking as another upcoming topic. Trustee Payne suggested getting input from the Finance Commission before the Village Board reviews the proposed budget. Chair VanEk said the financial scorecard could be updated because it is a helpful tool. Commissioner Goodman suggested the financial scorecard be compiled annually or bi-annually with possibly simplifying some of the report, so the data collection is not so onerous. Commissioner Goodman suggested the report include five (5) pages of key metrics. Chair VanEk suggested looking at the scope and determining useful metrics for the scorecard. Chair VanEk appreciated the Commission's suggestions for future topics.

H. **Trustee Liaison Report**

Trustee Payne provided an update on Village Board activities.

I. **Other Business**

None.

J. **Reminders**

1) Next Meeting: Friday, February 10, 2023 at 7:00AM

K. **Adjournment**

Commissioner Oakes moved and Commissioner Goodman seconded, to adjourn the meeting. The meeting was adjourned at 8:05AM.

Submitted by Aileen Haslett, Recording Secretary

Glen Ellyn Finance Commission
535 Duane Street
Glen Ellyn, IL 60137

Meeting 2/10/2023 7:00 AM
Department: Finance
Department Head: Larry Noller
Category: Report
Prepared By: Larry Noller

AGENDA ITEM (ID # 2023-151)

DOC ID: 2023-151

Presentation and discussion of Water and Sewer Rate Study by NewGen Strategies and Solutions

Statement of the Issue:
Eric Callocchia from NewGen Strategies & Solutions will present an update on the water and sewer rate study following the January Village Board workshop discussion.

Analysis:
The Village Board approved the preparation of a water and sewer rate study by NewGen Strategies and Solutions in February 2022. NewGen was selected by a steering group composed of Public Works and Finance staff following a request for proposal process with four firms responding. The intent of the study is to ensure that the Village's water and sewer rates are sufficient to generate the revenue necessary to operate, maintain, repair, rehabilitate, and replace the Village's water and sewer systems.

NewGen presented the draft report to the Finance Commission at their September meeting. The study recommends increasing water and sewer rates and adopting an alternative rate structure, which includes a fixed fee component based on a customer's meter size. The study noted that the fixed fee component would impact residents differently based on meter size and usage, with lower usage customers experiencing a greater percentage increase than higher usage customers. The Finance Commission requested that NewGen provide further details on how the rate changes would impact residents if the Village adopted the alternative rate structure and options to minimize the impact to residents with lower water usage.

NewGen and Village staff met and discussed potential revisions to the proposed rate structure to further minimize the impact on residents. Some of the rate model assumptions were modified and the forecasted cash reserves allowed to move closer to the recommended minimum balance. Additionally, the fixed fee component would be phased in over a longer term. The Finance Commission reviewed and discussed the additional information and the revised proposed rates at their October meeting and unanimously approved recommending the alternative rate structure and rate increases to the Village Board.

The Village Board discussed the report and the Finance Commission's recommendation at the January 17 workshop. Following discussions, the Village Board directed NewGen to provide additional information for the Finance Commission's review regarding the potential of a tiered rate structure to reduce the impact on low usage customers and promote water conservation.

Budget Impact:
NewGen's study includes recommended rate increases starting in 2023.

Contribution to Strategic Plan (if applicable)

Action Requested:
The Finance Commission is requested to review the additional information and consider a recommendation to the Village Board regarding water and sewer rates.

Attachments:
1. Rate Study Presentation

February 10, 2023

WATER AND SEWER RATE STUDY ADDITIONAL DISCUSSION

VILLAGE OF GLEN ELLYN

PRESENTATION TO THE VILLAGE FINANCE COMMISSION

NewGen Strategies & Solutions

AGENDA

- Board Workshop Debrief
- Water Rate Structure Advantages/Disadvantages
- Case Studies – Price Impact on Water Demand
- Tiered Water Rate Calculation
- Customer Impacts

BOARD WORKSHOP ON JANUARY 17TH, 2023

- NewGen presented the recommendations of the rate study:

Rate Increase	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Water	2.0%	2.0%	3.0%	4.0%	5.0%
Sewer	2.0%	2.0%	3.0%	4.0%	5.0%
Fixed Fee Percentage	2.0%	4.0%	6.0%	8.0%	10.0%

- Discussion led to two primary concerns:
  - Fixed Charge resulting in large impact on low use customer bills
  - The uniform volumetric rate structure did not encourage conservation
- Direction was given to staff and NewGen to develop a tiered water rate structure for consideration, with the goals being:
  - Lower cost impact to low usage customers
  - Higher incentive to conserve for high usage customers.

RATE STRUCTURE ADVANTAGES/DISADVANTAGES

WATER RATE POLICY BALANCE

Revenue Stability	Affordability
Existing Customer Base	Economic Development
Encouraging Use	Discouraging Use
Detail and Equity	Ease of Understanding and Implementation

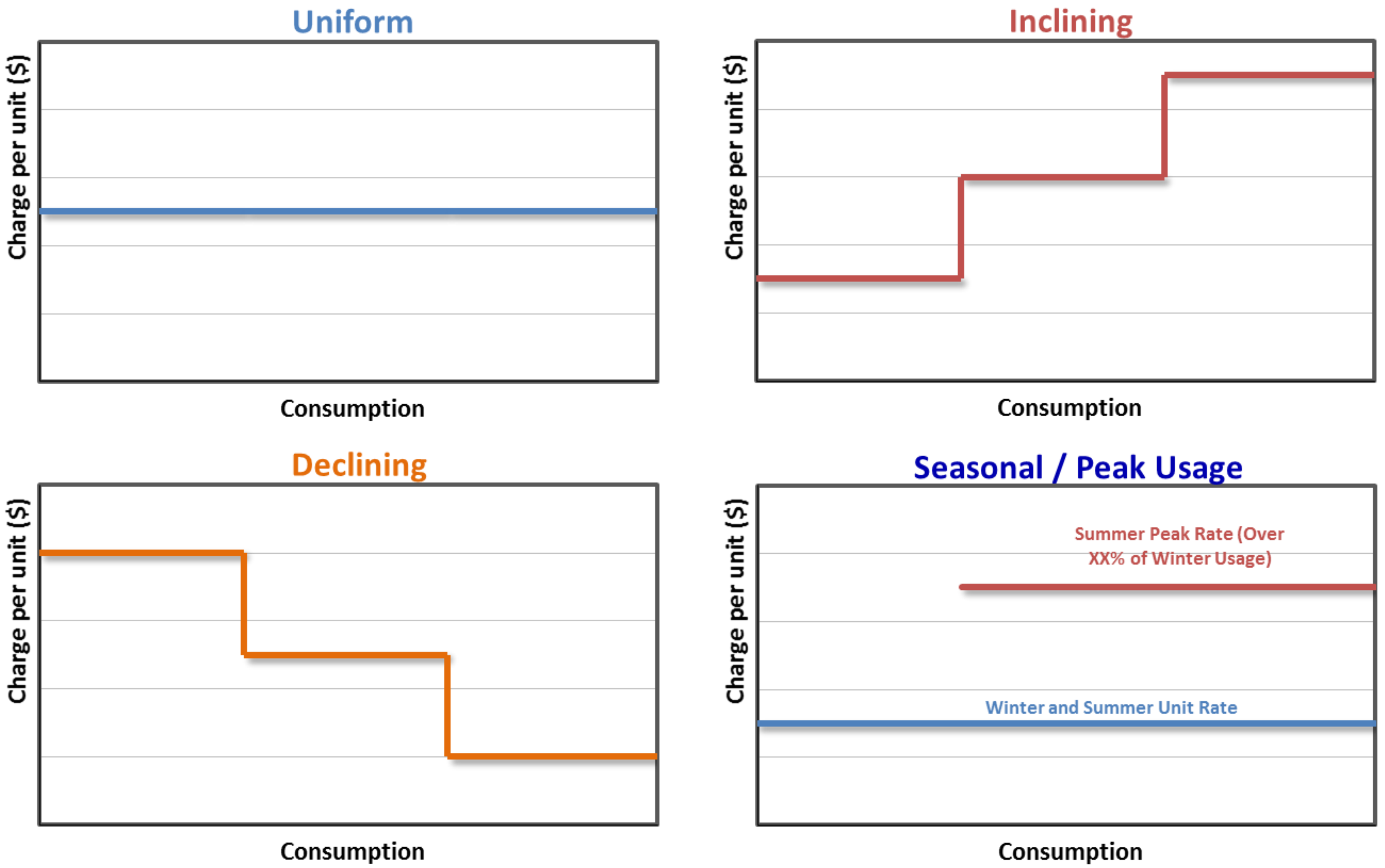
Volumetric Water Rate Designs

Each design has positive and negative impacts on financial stability and customer bills

Current: Uniform

Alternative: Uniform

Discussion: Inclining



CASE STUDIES

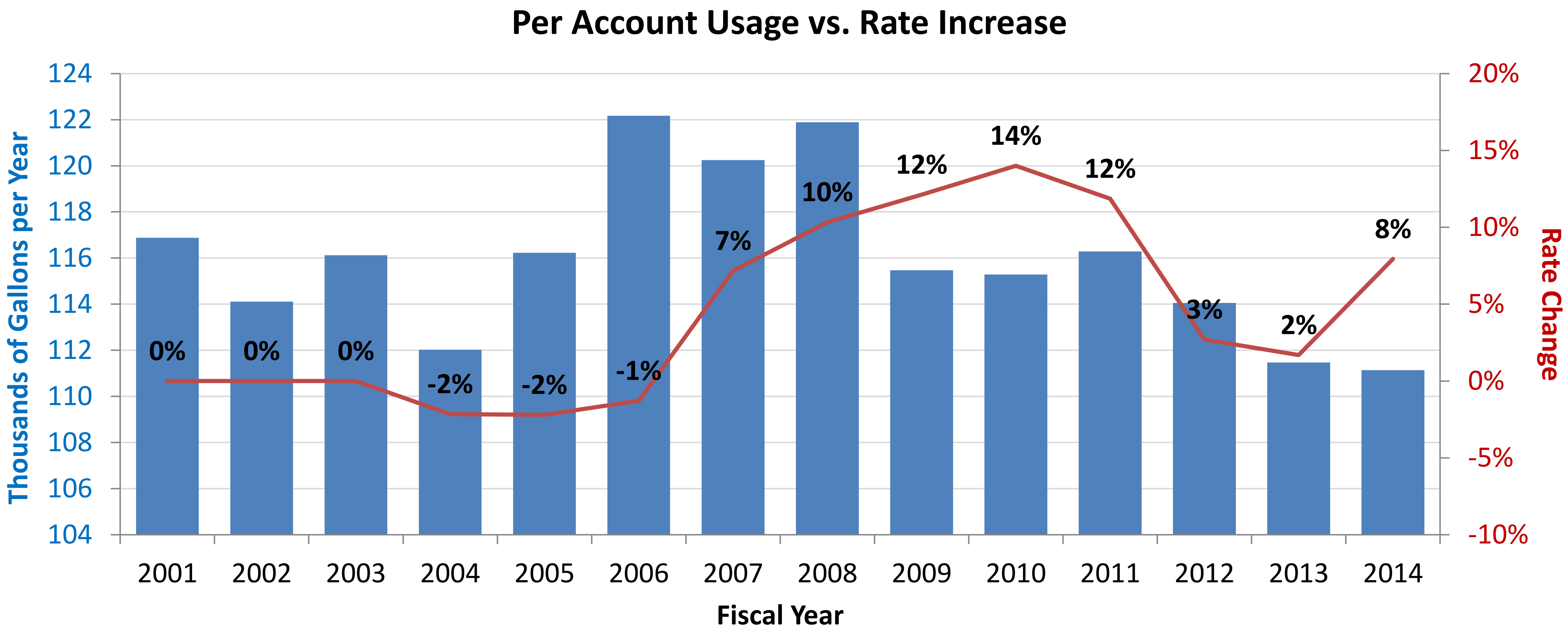
DOES THE PRICE OF WATER IMPACT CUSTOMER DEMAND?

- Washington Suburban Sanitary Commission (WSSC), MD
  - Fifteen-year analysis of factors that impact customer demand

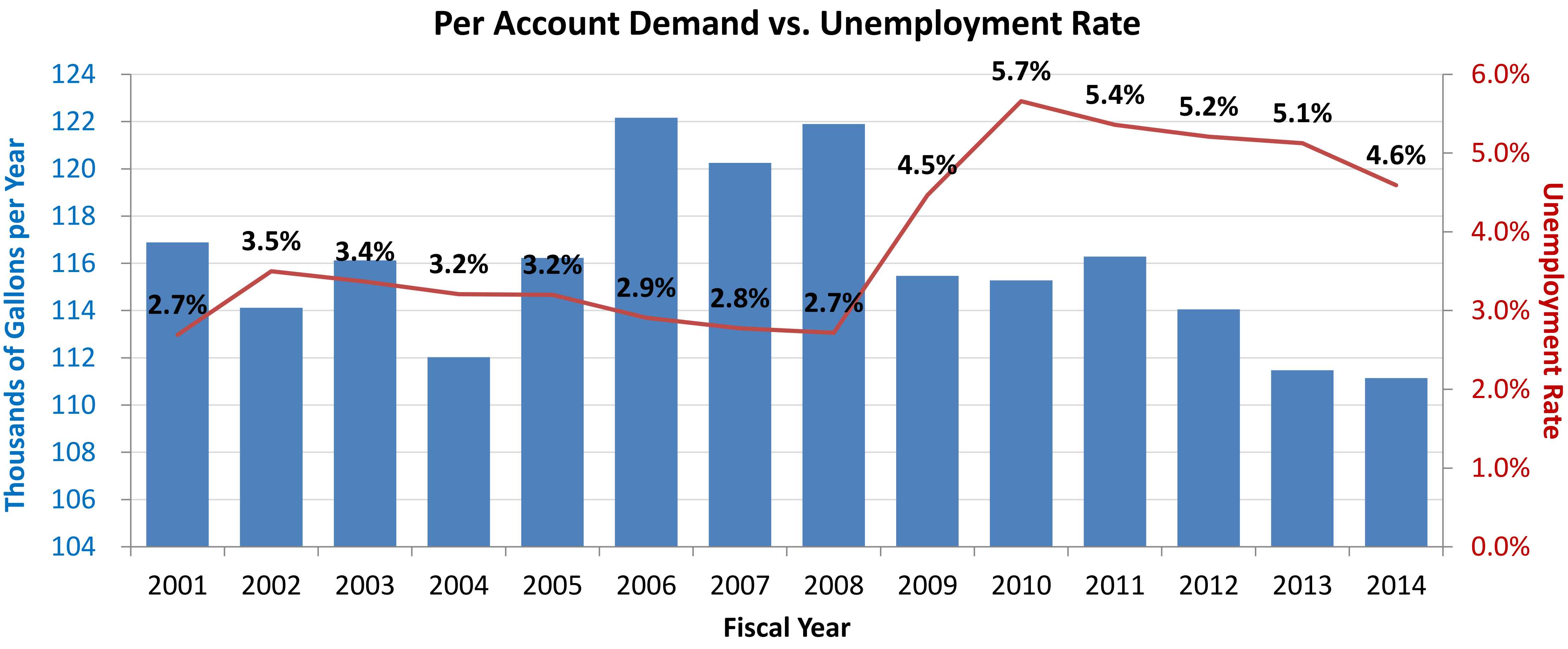
- Village of Libertyville, IL
  - Adopted NewGen recommendation to change from a uniform volumetric rate to a three-tiered water rate

- Township of East Brunswick, NJ
  - Adopted NewGen recommendation of increasing water rates by 100%

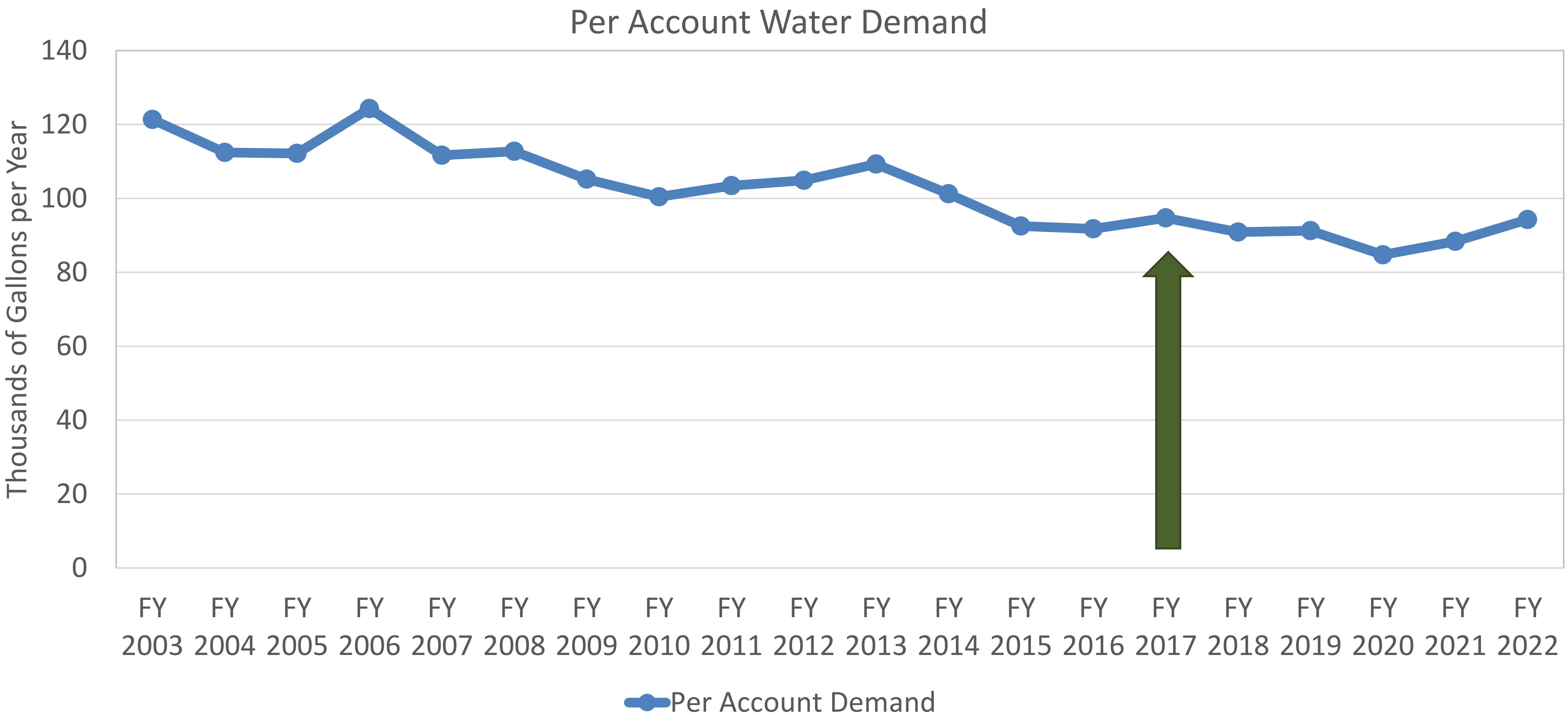
WSSC – MONTGOMERY COUNTY, MD



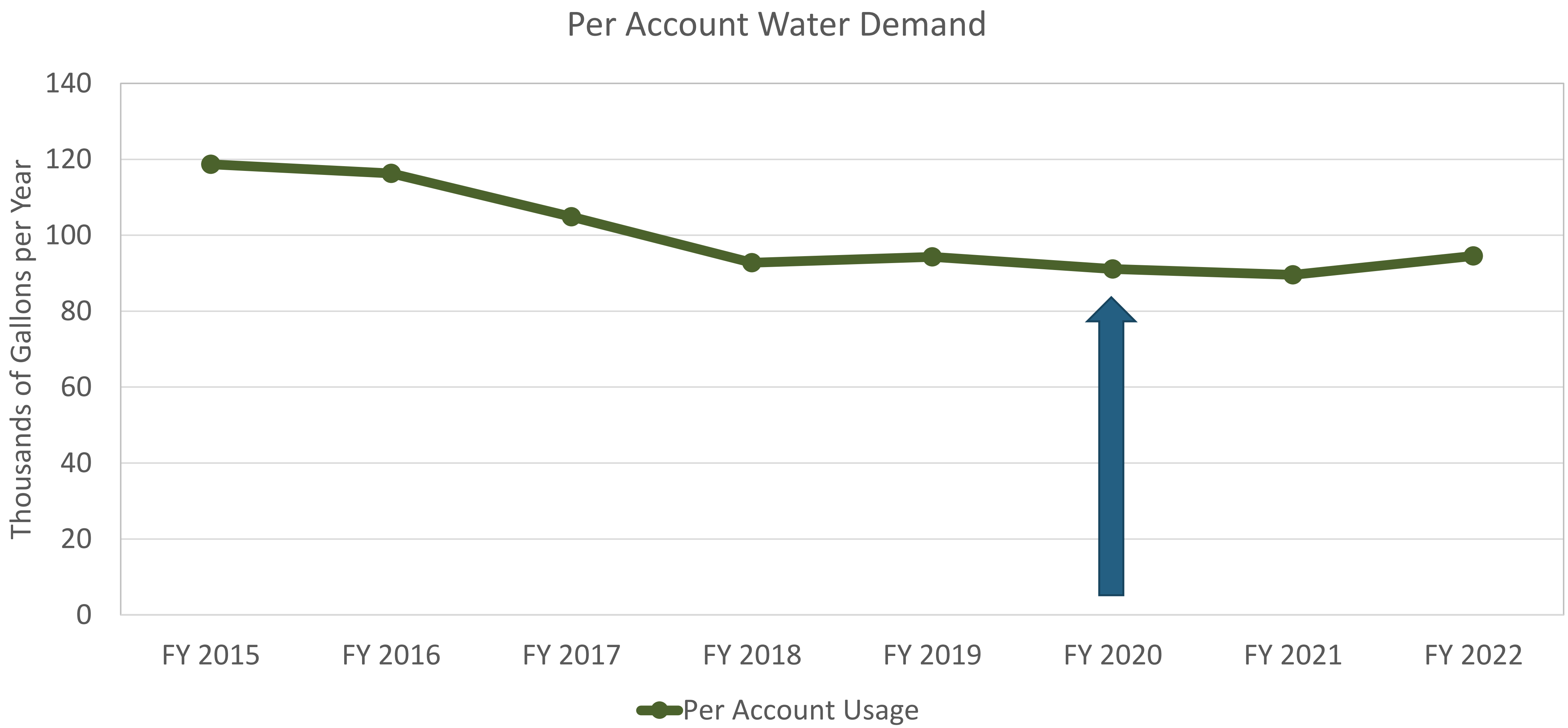
WSSC – MONTGOMERY COUNTY, MD



VILLAGE OF LIBERTYVILLE, IL



EAST BRUNSWICK, NJ



GLEN ELLYN TIERED WATER RATES

TIERED RATE STRUCTURE DETERMINATION (ALL USERS)

Usage Tier	Tier Cutoff (kgal)	Bills	% of Bills	Cumulative % of Bills	Consumption	% of Consumption	Cumulative % of Consumption
Tier 1	5,000	56,036	56%	56%	381,278	51%	51%
Tier 2	20,000	40,057	40%	96%	187,520	25%	75%
Teir 3	Over 20,000	4,489	4%	100%	185,105	25%	100%
	Total	**100,582**	**100%**		**753,903**	**100%**	

- Tier 1 targeted 50% of system demand
  - 56% of bills fall within this tier
- Tier 2 targeted 75% of system demand
  - 40% of bills fall within this tier
- 4% of customer bills account for a quarter of system demand

GLEN ELLYN WATER CUSTOMER DEMAND PROFILE

Meter Size	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"
Average Monthly Usage	5,000	5,000	6,000	22,000	41,000	114,000	99,000	581,000
Percent of Customers	**37%**	**37%**	**21%**	**3%**	**2%**	**0.2%**	**0.1%**	**0.04%**
Residential	96%	96%	93%	20%	0%	0%	0%	0%
Commercial	4%	4%	7%	80%	100%	100%	100%	100%

97% of accounts and 100% of Residential accounts

Usage Tier	Residential	Bills	% of Bills	Cumulative % of Bills
Tier 1	5,000	52,740	57%	57%
Tier 2	20,000	38,144	41%	98%
Tier 3	Over 20,000	1,595	2%	100%
	Total	**92,479**	**100%**	

Commercial	Bills	% of Bills	Cumulative % of Bills
5,000	3,296	41%	41%
20,000	1,913	24%	64%
Over 20,000	2,894	36%	100%
Total	**8,103**	**100%**	

TIERED WATER RATE STRUCTURE (INSIDE VILLAGE)

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Recommended Alternative						
All Usage	$9.93	$9.93	$9.93	$10.00	$10.18	$10.46
Tiered Rate Structure	**Differential**					
Tier 1 - Up to 5 kgal	1.0	$5.77	$5.77	$5.93	$6.09	$6.31
Tier 2 - next 15 kgal	2.0	$11.54	$11.54	$11.85	$12.17	$12.62
Tier 3 - Over 20 kgal	3.0	$17.31	$17.31	$17.78	$18.26	$18.92

- All other recommendations remain unchanged:
  - Revenue Increase per year
  - Fixed fee phase-in
  - Maintain $3.00 Infrastructure Fee (Sewer/Stormwater)
  - Inside / Outside differential on 1.50

CUSTOMER IMPACT OF TIERED WATER RATE STRUCTURE

		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Minimum Use		**$37.22**	**$30.37**	**$31.86**	**$33.78**	**$36.08**	**$38.86**
2 kgal/mo.	*$ Change*		*($6.85)*	*$1.49*	*$1.92*	*$2.30*	*$2.77*
5/8" Meter	*% Change*		*(-18.4%)*	*4.9%*	*6.0%*	*6.8%*	*7.7%*
Average Use		**$71.44**	**$56.27**	**$57.76**	**$60.04**	**$62.91**	**$66.51**
4 kgal/mo.	*$ Change*		*($15.17)*	*$1.49*	*$2.28*	*$2.87*	*$3.60*
5/8" Meter	*% Change*		*(-21.2%)*	*2.6%*	*4.0%*	*4.8%*	*5.7%*
High Use		**$345.20**	**$352.27**	**$355.99**	**$365.80**	**$378.20**	**$394.65**
20 kgal/mo.	*$ Change*		*$7.07*	*$3.73*	*$9.80*	*$12.40*	*$16.46*
1 1/2" Meter	*% Change*		*2.0%*	*1.1%*	*2.8%*	*3.4%*	*4.4%*
Very High Use		**$7,394.52**	**$10,462.49**	**$10,484.86**	**$10,714.65**	**$10,997.50**	**$11,391.30**
432 kgal/mo.	*$ Change*		*$3,067.97*	*$22.36*	*$229.80*	*$282.85*	*$393.79*
3" Meter	*% Change*		*41.5%*	*0.2%*	*2.2%*	*2.6%*	*3.6%*

If 50,000 average bills are reduced by $15.00 each, then 280 Very High Use bills need to be increased by $3,000 each to be revenue neutral.

THANK YOU!

NEWGEN STRATEGIES AND SOLUTIONS
911-A COMMERCE RD
ANNAPOLIS, MD 21401

ERIC CALLOCCHIA
ECALLOCCHIA@NEWGENSTRATEGIES.NET
443-951-4207

Glen Ellyn Finance Commission
535 Duane Street
Glen Ellyn, IL 60137

Meeting 2/10/2023 7:00 AM
Department: Finance
Department Head: Larry Noller
Category: Report
Prepared By: Patrick Brankin

AGENDA ITEM (ID # 2023-139)

DOC ID: 2023-139

General Fund - December 2022

Statement of the Issue:
Please see the attached report.

Analysis:
N/A

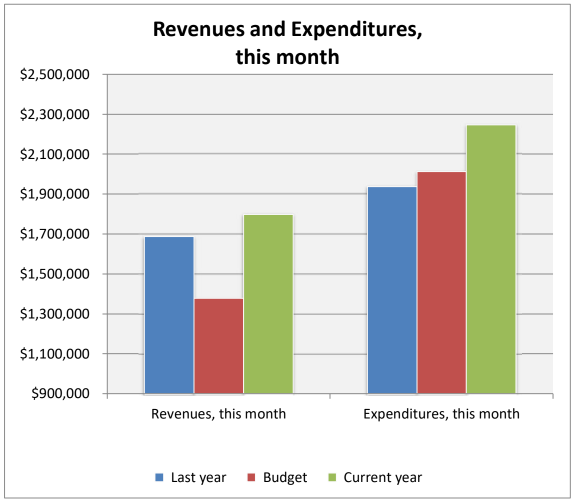
Budget Impact:
N/A

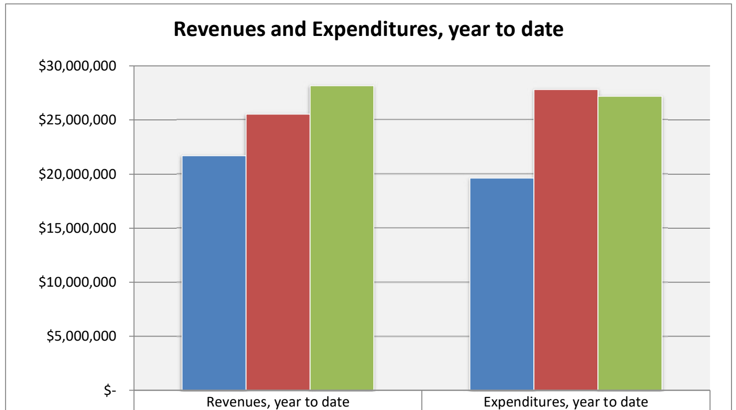
Contribution to Strategic Plan (if applicable)

Action Requested:
None - discussion only.

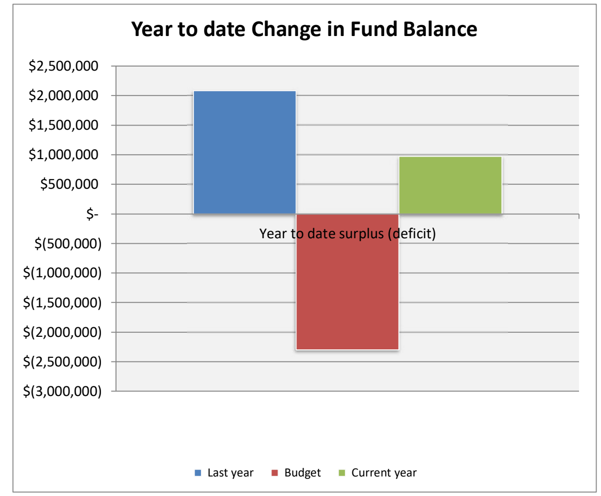
Attachments:
1. General Fund Update December 2022

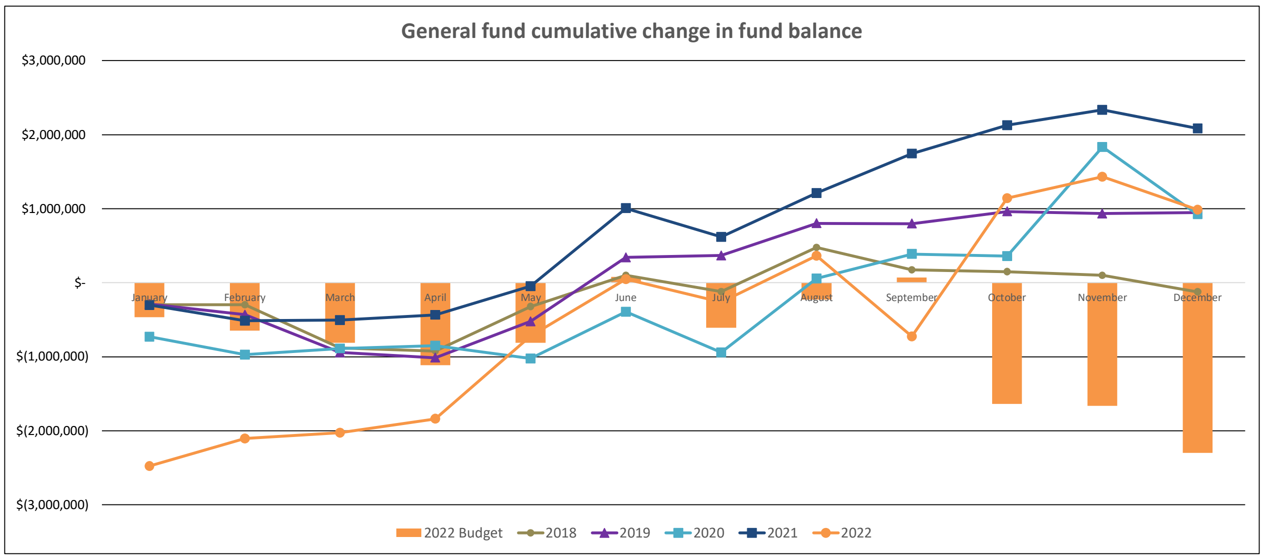
General Fund Budget Summary
For the Period Ended December 31, 2022





	Revenues, year to date	Expenditures, year to date
Last year	21,707,666	19,623,492
Budget	25,524,342	27,821,854
Current year	28,161,054	27,189,636

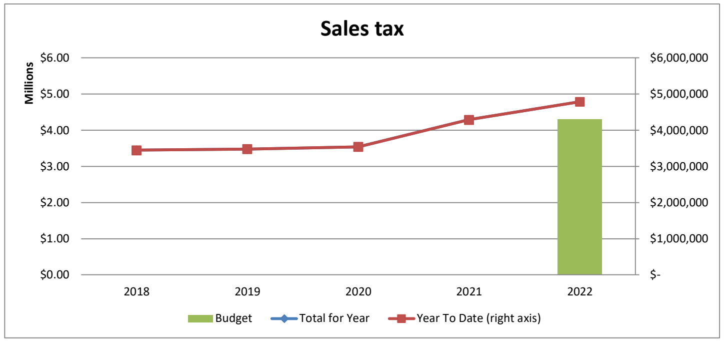


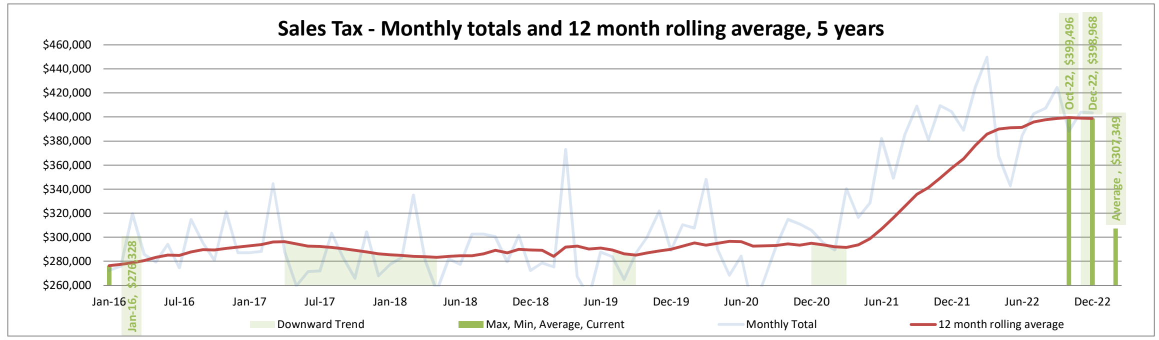


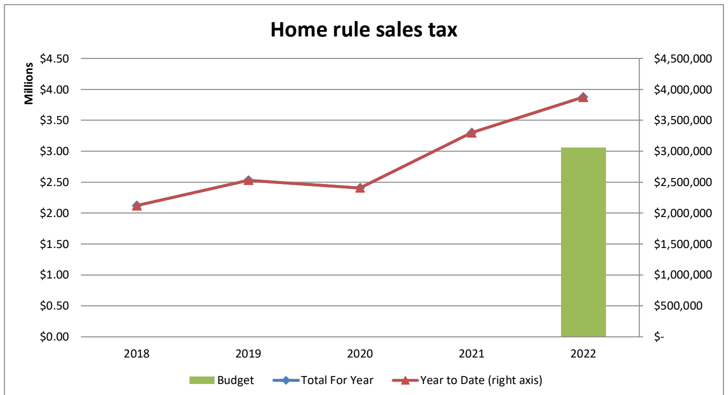
General Fund Budget Summary
For the Period Ended December 31, 2022

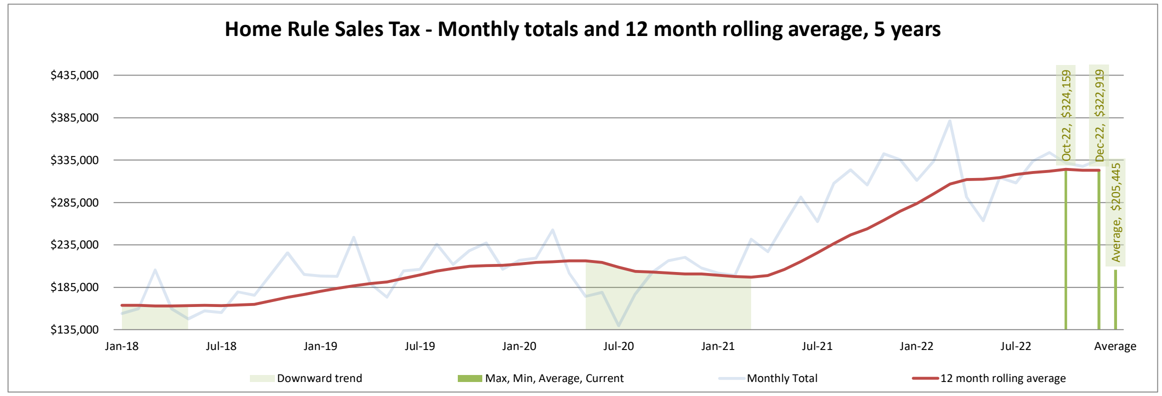
	MONTH							YTD						
	Last Year	Current Budget	Current Year	Variance from LY $	%	Variance from Budget $	%	Last Year	Current Budget	Current Year	Variance from LY $	%	Variance YTD Budget $	%
REVENUES														
TAXES														
Property Tax	10,660	31,844	21,342	10,682	100%	(10,502)	-33%	3,644,033	3,799,874	3,809,510	165,477	5%	9,636	0%
Econ Dev SSA Tax	812	1,228	3,323	2,511	309%	2,095	171%	143,787	146,250	142,052	(1,735)	-1%	(4,198)	-3%
Sales Tax	404,218	344,385	403,460	(758)	0%	59,075	17%	4,290,830	4,303,000	4,787,610	496,780	12%	484,610	10%
Home Rule Sales Tax	335,635	261,771	335,632	(3)	0%	73,861	28%	3,298,539	3,058,000	3,875,029	576,490	17%	817,029	21%
State Income Tax	220,750	190,855	264,372	43,622	20%	73,517	39%	3,676,010	3,393,000	4,700,378	1,024,368	28%	1,307,378	28%
Other Taxes	112,175	147,530	157,102	44,927	40%	9,572	6%	1,756,345	1,856,000	2,082,860	326,515	19%	226,860	11%
Subtotal Taxes	**1,084,250**	**977,613**	**1,185,231**	**100,981**	**9%**	**207,618**	**18%**	**16,809,544**	**16,556,124**	**19,397,439**	**2,587,895**	**15%**	**2,841,315**	**15%**
LICENSES & PERMITS														
Vehicle Licenses	2,484	2,548	2,647	163	7%	99	4%	323,647	321,000	309,659	(13,988)	-4%	(11,341)	-4%
Business Registration	-	3,779	875	875	100%	(2,904)	-77%	-	85,000	59,680	59,680	100%	(25,320)	-42%
Liquor Licenses	-	994	68	68	100%	(926)	-93%	108,388	135,000	122,220	13,832	13%	(12,780)	-10%
Building Permits/Reg./Fees	72,614	106,646	34,798	(37,816)	-52%	(71,848)	-67%	910,307	1,328,600	891,511	(18,796)	-2%	(437,089)	-49%
Subtotal Licenses & Permits	**75,098**	**113,967**	**38,388**	**(36,710)**	**-49%**	**(75,579)**	**-197%**	**1,342,342**	**1,869,600**	**1,383,070**	**40,728**	**3%**	**(486,530)**	**-35%**
CHARGES & FEES														
Cable Franchise Fees	-	-	-	-	0%	-	0%	535,002	536,600	521,092	(13,910)	-3%	(15,508)	-3%
Ambulance Service Fees	-	-	4,371	4,371	100%	4,371	100%	-	-	10,243	10,243	100%	10,243	100%
Police Service Reimbursements	7,654	9,114	6,213	(1,441)	-19%	(2,901)	-32%	248,717	188,600	205,717	(43,000)	-17%	17,117	8%
Reimbursements - Other Agencies	11,543	10,927	11,703	160	1%	776	7%	175,725	185,438	186,949	11,224	6%	1,511	1%
Subtotal Charges & Fees	**19,197**	**20,041**	**22,287**	**3,090**	**16%**	**2,246**	**10%**	**959,444**	**910,638**	**924,001**	**(35,443)**	**-4%**	**13,363**	**1%**
OTHER														
Police/Court Fines/Adjudication	36,114	33,002	29,961	(6,153)	-17%	(3,041)	-9%	467,216	486,200	525,130	57,914	12%	38,930	7%
Investment Income	588	1,496	54,061	53,473	9094%	52,565	3513%	13,116	15,000	251,975	238,859	1821%	236,975	94%
Miscellaneous Income	90,632	92,605	92,916	2,284	3%	311	0%	370,985	404,930	397,597	26,612	7%	(7,333)	-2%
Transfers from Other Funds	382,080	138,933	376,116	(5,964)	-2%	237,183	171%	1,745,019	5,281,850	5,281,842	3,536,823	203%	(8)	0%
Subtotal Other	**509,414**	**266,036**	**553,054**	**43,640**	**9%**	**287,018**	108%	**2,596,336**	**6,187,980**	**6,456,544**	**3,860,208**	**149%**	**268,564**	**4%**
Revenue Totals	**1,687,959**	**1,377,657**	**1,798,960**	**111,001**	**7%**	**421,303**	**31%**	**21,707,666**	**25,524,342**	**28,161,054**	**6,453,388**	**30%**	**2,636,712**	**9%**
EXPENDITURES														
Village Board & Clerk	6,847	8,564	7,125	278	4%	(1,439)	-17%	109,701	103,285	108,287	(1,414)	-1%	5,002	5%
Village Manager's Office	82,271	140,789	148,687	66,416	81%	7,898	6%	1,005,052	3,754,350	3,951,860	2,946,808	293%	197,510	5%
Facilities Maintenance	95,388	97,066	99,018	3,630	4%	1,952	2%	806,565	969,435	924,035	117,470	15%	(45,400)	-5%
Information Technology*	152,681	83,282	173,619	20,938	14%	90,337	108%	737,805	870,109	838,127	100,322	14%	(31,982)	-4%
Senior Services	8,341	9,947	11,044	2,703	32%	1,097	11%	84,566	94,820	90,407	5,841	7%	(4,413)	-5%
History Park	4,983	2,616	6,101	1,118	22%	3,485	133%	28,797	31,850	29,070	273	1%	(2,780)	-9%
Law	27,369	34,479	45,008	17,639	64%	10,529	31%	380,333	333,250	348,624	(31,709)	-8%	15,374	5%
Finance - Administration	49,264	79,111	79,290	30,026	61%	179	0%	598,733	735,640	679,176	80,443	13%	(56,464)	-8%
Finance - Cashiers Office	33,814	37,074	35,587	1,773	5%	(1,487)	-4%	316,420	334,195	333,294	16,874	5%	(901)	0%
Planning	74,390	71,069	66,919	(7,471)	-10%	(4,150)	-6%	546,443	636,900	658,405	111,962	20%	21,505	3%
Building	164,149	152,266	160,362	(3,787)	-2%	8,096	5%	1,306,324	1,518,500	1,448,987	142,663	11%	(69,513)	-5%
Economic Development	24,267	30,069	108,546	84,279	347%	78,477	261%	419,871	3,543,580	3,535,641	3,115,770	742%	(7,939)	0%
Police - Administration	118,013	148,392	139,820	21,807	18%	(8,572)	-6%	1,315,944	1,538,056	1,359,030	43,086	3%	(179,026)	-12%
Police - Operations	590,753	585,858	551,997	(38,756)	-7%	(33,861)	-6%	6,833,452	7,588,736	7,264,812	431,360	6%	(323,924)	-4%
Police - Investigations	111,099	116,359	124,168	13,069	12%	7,809	7%	1,326,158	1,421,920	1,451,788	125,630	9%	29,868	2%
Fire	29,066	23,988	23,320	(5,746)	-20%	(668)	-3%	354,095	356,510	344,441	(9,654)	-3%	(12,069)	-3%
EMS	36,617	38,333	109,473	72,856	199%	71,140	186%	601,858	562,500	668,665	66,807	11%	106,165	19%
Public Works - Admin & Eng.**	89,143	94,199	107,510	18,367	21%	13,311	14%	760,490	859,067	794,588	34,098	4%	(64,479)	-8%
Public Works - Streets	119,660	147,734	132,833	13,173	11%	(14,901)	-10%	1,234,516	1,418,410	1,299,916	65,400	5%	(118,494)	-8%
Public Works - Forestry	119,832	111,213	115,789	(4,043)	-3%	4,576	4%	856,369	1,150,741	1,060,483	204,114	24%	(90,258)	-8%
Expenditure Totals	**1,937,947**	**2,012,408**	**2,246,216**	**308,269**	**16%**	**233,808**	**12%**	**19,623,492**	**27,821,854**	**27,189,636**	**7,566,144**	**39%**	**(632,218)**	**-2%**
Net Surplus / (Deficit)	**(249,988)**	**(634,751)**	**(447,256)**	**(197,268)**		**187,495**		**2,084,174**	**(2,297,512)**	**971,418**	**(1,112,756)**		**3,268,930**	

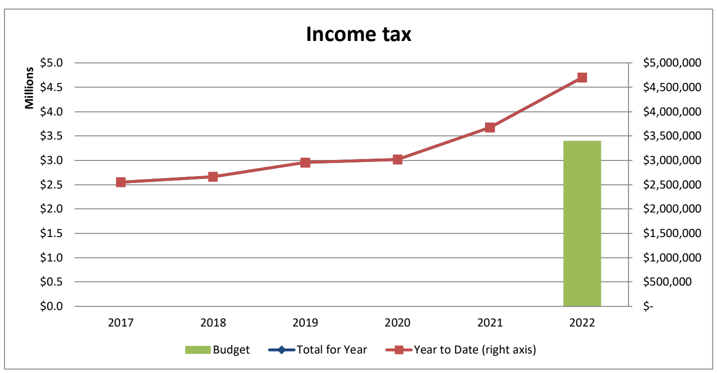
Key General Fund Revenues
For the Period Ended December 31, 2022

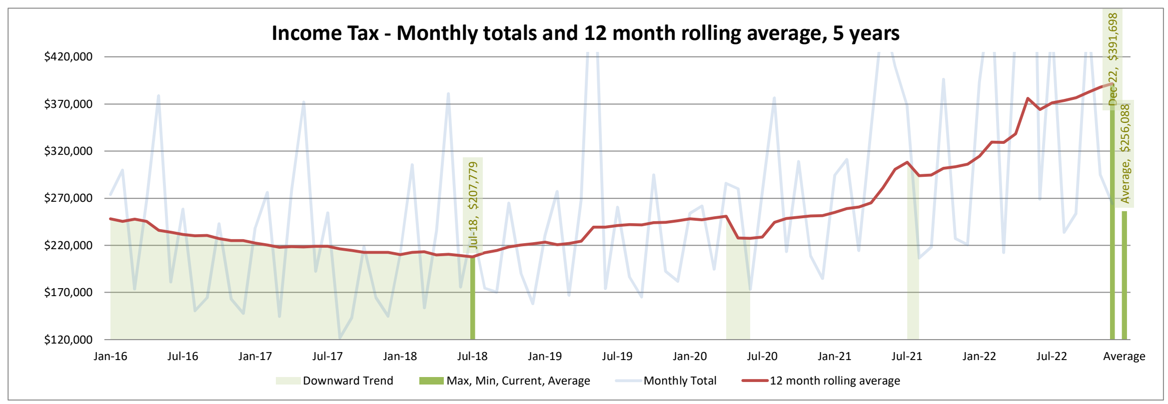


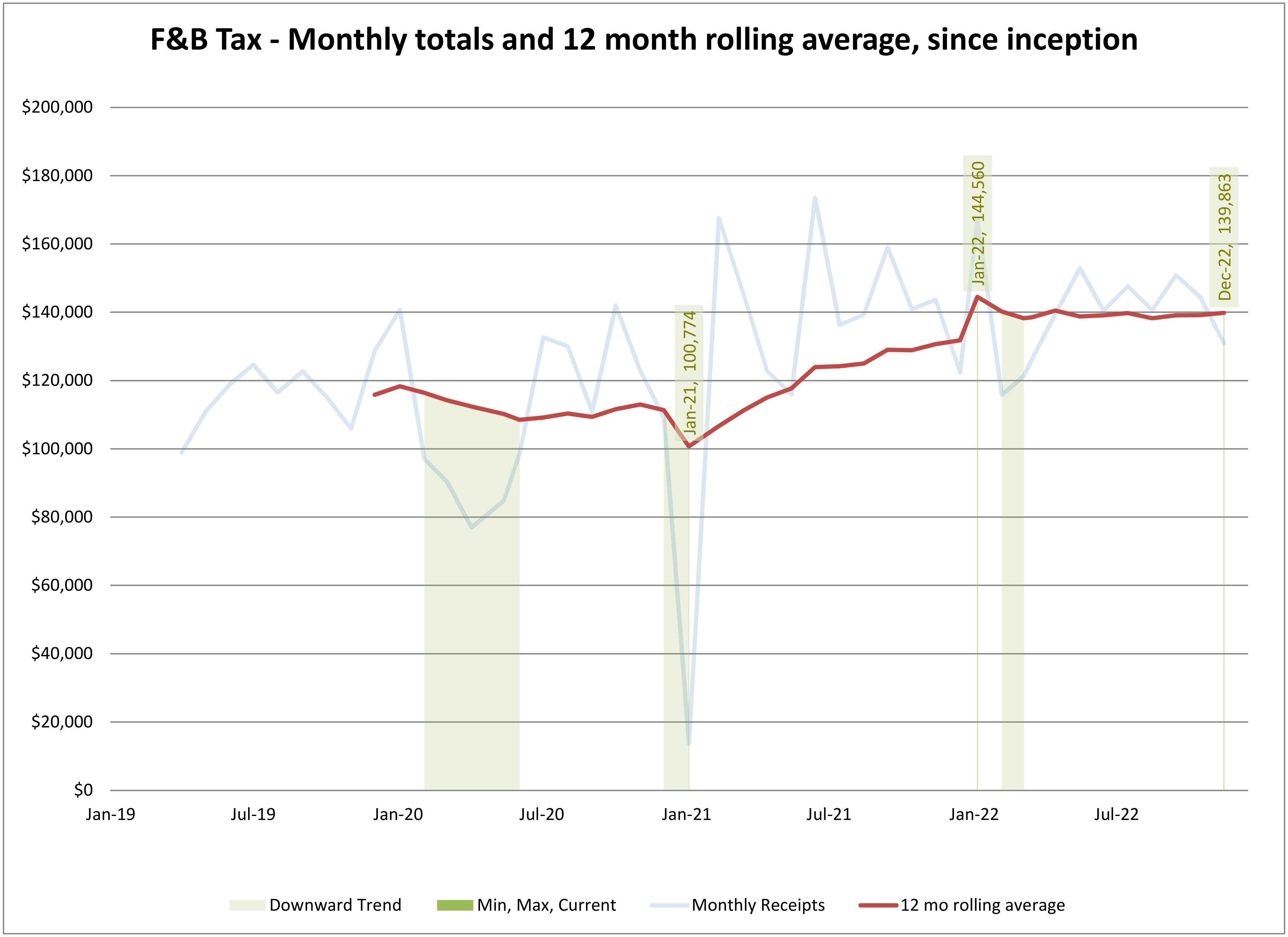











F&B Tax - Monthly totals and 12 month rolling average, since inception
$200,000
$180,000
$160,000
$140,000
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$0
Jan-19
Jul-19
Jan-20
Jul-20
Jan-21
Jul-21
Jan-22
Jul-22
Jan-21, 100,774
Jan-22, 144,560
Dec-22, 139,863
Downward Trend
Min, Max, Current
Monthly Receipts
12 mo rolling average

Glen Ellyn Finance Commission
535 Duane Street
Glen Ellyn, IL 60137

Meeting 2/10/2023 7:00 AM
Department: Finance
Department Head: Larry Noller
Category: Report
Prepared By: Larry Noller

AGENDA ITEM (ID # 2023-140)

DOC ID: 2023-140

Village Links/Reserve 22 - December 2022

Statement of the Issue:
Please see the attached report.

Analysis:

Budget Impact:

Contribution to Strategic Plan (if applicable)

Action Requested:

Attachments:
1. Village Links Managers Report Nov-Dec 22
2. Village Links - Financial Statements - December 2022

VILLAGE LINKS
GLEN ELLYN

RESERVE 22 TWENTY-TWO

"Committed to Excellence since 1967"

Manager's Report for NOVEMBER-DECEMBER 2022

Submitted by Jeff Vesevick, General Manager

November 2022 was a good month of golf weather….for the first half, the last 13 days were quite cold and wet, and not conducive to golf. First half revenues matched last year's entire November. December was cold, had a bit of snow, and a lot of wind. Looking at December observations from O'Hare, average temperature was 29.1°F (1.4°F below normal), precipitation was 2.16" (0.05" above normal), snowfall was 3.2" (4.4" below normal). The golf course closed for the season on December 5th. We experienced frost delays on two of the four days, and the course was closed due to below freezing temperatures for one of the four days. Carts were available every day that the course was open (100% availability rate).

High Temperatures in November

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
70º days	5		6				2	3				1	1	2	3			1				1	2	4
60º days	4	3	3			2	11	7	4	1	3	5	5	3	2	2	7	11	4	6	6	12	1	9
50º days	8	7	3	6	3	4	7	10	7	6	9	11	10	14	3	11	6	4	12	8	4	12	4	8
40º days	4	18	17	9	7	17	7	4	4	13	14	11	9	11	10	8	15	8	12	10	15	5	9	7
30º days	8	2	1	13	17	6	3	5	7	7	4	2	5		11	9	2	3	2	6	5		12	2
20º days	1			1	3	1		1	7	3					1			3					2	
10º days				1					1															
0º days																								
Rain		1.6"	1.5"	1.3"	2.3"	3.2"	1.8"	3.5"	1.5"	2.1"	1.0"	3.4"	2.5"	1.5"	1.0"	1.3"	3.3"	2.1"	3.0"	5.4"	1.0"	1.6"	4.0"	0.4"
Snow				4"	9.5"			8"		0.8"									5.8"		3.5"			

High Temperatures in December

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
70º days																						
60º days				1		1		2			3											2
50º days	4		3	4	3	4	1	8	1	1	2	3	1	1	2	2	9		4	1	2	2
40º days	7		8	11	12	5	1	8	8	7	12	14	1	2	4	3	10	2	9	16	10	14
30º days	11		15	8	14	11	16	8	17	8	14	13	12	18	13	18	8	13	9	9	15	4
20º days	5		5	7	2	4	8	4	4	9		1	15	9	8	8	2	11	4	5	4	6
10º days	3					4	3		1	5			2	1	3		2	5	5			3
0º days	1					2	1			1					1							
Rain	2.6		1.7"	1"	2"	0.2"	4.3"	4.3"	0.9"	0.8"	2.1"	2.0"	1.1"	1.5"	1.9"	3.5"	3.2"	0.7"	1.1"	1.9"	1.5"	1.1"
Snow	3.2"		2.5"		1.4"	5.3"	15.5"	6.5"		8"		2"	16"	28"	16"	18"	6"	17"	3"	2"	6"	

GOLF - NOVEMBER

Rounds played were up 34% for the month, and were down 3% for the year.
Green Fee revenue was up 23% for the month, and was down 3% for the year.
Driving Range revenue was up 24% for the month, and was down 1% for the year.
Motor Car revenue was up 40% for the month, and was down 6% for the year.
Pro Shop sales were up 74% for the month, and were up 17% for the year.
Overall Golf revenues were up 37% for the month, and were down 2% for the year.

Golf Revenue November											
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Rounds	2,003	1,110	1,028	2,401	2,721	1,091	457	418	5,285	2,393	3,196
Green Fees	40,758	21,967	18,154	42,317	52,351	17,587	9,877	5,747	113,993	63,277	77,656
Driving Range	577	2,073	1,825	4,597	5,115	1,723	984	1,296	17,756	8,915	11,054
Pro Shop	4,927	5,652	5,470	8,646	9,101	2,157	1,391	2,928	7,279	4,340	7,552
Carts	10,343	6,333	5,682	15,978	18,424	5,060	2,156	452	34,670	19,219	26,951
Resident Cards	0	0	0	0	0	0	0	0	20	0	0
Miscellaneous	1,283	3,321	2,778	6,208	4,793	1,106	751	1,664	2,469	927	2,122
Total Revenue	**57,804**	**38,958**	**33,908**	**77,747**	**89,783**	**27,633**	**15,159**	**12,087**	**176,186**	**96,678**	**132,026**
2022 was the 2nd best November for golf in the last 10 years											

Golf Revenue December											
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Rounds	994	15	378	612	18	499	67	260	366	741	138
Green Fees	71,007	93,621	71,219	110,688	97,043	172,228	174,850	90,293	52,739	77,570	70,944
Driving Range	0	159	912	884	19	1,051	301	1,329	1,322	2,258	467
Pro Shop	4,302	7,775	7,884	9,912	6,589	9,521	6,253	5,194	4,106	2,623	2,356
Carts	5,178	0	1,164	2,014	76	3,500	0	0	0	3,621	426
Resident Cards	0	0	0	20	0	20	0	0	0	-20	0
Miscellaneous	1,429	63	298	310	741	1,338	474	732	106	319	21,741
Total Revenue	**91,805**	**101,618**	**81,477**	**123,828**	**104,469**	**187,658**	**181,878**	**97,547**	**58,272**	**86,372**	**103,147**
December 2022 was not a great month for golf											

GOLF – YEAR-END TOTALS

Rounds played were down 4% for the year.
Green Fee revenue was down 3% for the year.
Driving Range revenue was down 2% for the year.
Motor cart revenue was down 6% for the year.
Pro Shop sales were up 17% for the year.
Overall Golf revenues were down 1% for the year.

A determined and hearty 96 golfers participated in the **11th Annual Iron Man Open,** on Sunday, November 13, which turned out to be the beginning of the cold second half of the month, as golfers battled the biting winds and temperatures struggling to reach 40°. Hot chili and their favorite beverages were ready to ease the pain. December was relatively cold, and it produced little in the way of golf activity.

Outings accounted for roughly 11% of green fee revenues for the year, and continued through December. A milder aeration process was less disruptive than in the past, allowing groups to enjoy the course at a slightly lower rate. Outings continue to be strong for the past two seasons, following the disruptions from COVID.

While overall volume and revenues for the year were hampered by a very difficult spring, the summer and fall of 2022 remained strong for golf, as rounds played for the second half of the year beat last year's record by 5%.

GOLF COURSE AND GROUNDS

Grounds

1. Topdressing of all greens, and Par 3 tees.
2. Working on securing 2023 Capital pricing and place in line.
3. Master Plan process ongoing.
4. Began women's room refresh at Halfway House.
5. Staff attended some local education events.
6. Began shop reorganization to streamline equipment maintenance.
7. Began refreshing course accessories (flagsticks, bunker rakes, etc.).

Mechanical and Building Maintenance

1. 5 pieces of equipment were repaired and/or serviced.
2. 4 repairs made at Clubhouse & Halfway House.
3. Waterline froze and burst at outdoor bar.
4. New LED lighting installed at maintenance through ComEd Program.
5. Staff assisted in setting up the Holiday Pop Up in restaurant and bar.

Horticulture/Conservation

1. Panfish Park and Lambert Lake garbage picked up as needed.
2. Continuing pond study and future planning for Panfish Park with Park District.
3. Finalized planting plans for annuals next year.
4. Tropical plants monitored, cleaned, watered in basement.

RESERVE 22

Reserve 22 - NOVEMBER				Year to Date		
	2021	2022	+/-	2021	2022	+/-
Restaurant & Bar	68,361	104,036	*52.2%*	1,593,706	1,623,392	*1.9%*
Banquets	37,836	56,762	*50.0%*	548,472	805,356	*46.8%*
	0					
Beverage Cart	15	1,457	*9613.3%*	82,838	113,991	*37.6%*
Halfway House	3,307	5,938	*79.6%*	143,770	145,113	*0.9%*
Other	7,011	11,021	*57.2%*	133,950	183,697	*37.1%*
Total Reserve 22	**231,518**	**179,214**	***-22.6%***	2,502,736	2,871,548	***14.7%***

November sales in the restaurant and bar continued to be strong through November, up 52% over a good 2021, partly fueled by the relatively mild first half of the month. Staff decorated the facility, including the upgrading of our very popular Holiday Pop Up with the addition of a 20-foot tree in the middle of the dining room. Guests gravitated toward the festive atmosphere, and nearly 250 guests enjoyed Chef Tom and Chef Cesar's Thanksgiving Buffet.

Banquets continued on their record breaking pace, and was also up about 50% for the month, over 2021 sales.

Reserve 22 - DECEMBER				Year to Date		
	2021	2022	+/-	2021	2022	+/-
Restaurant & Bar	82,078	129,663	*58.0%*	1,675,784	1,753,055	*4.6%*
Banquets	68,558	67,045	*-2.2%*	617,030	872,401	*41.4%*
	0					
Beverage Cart	0	0	*#DIV/0!*	82,838	113,991	*37.6%*
Halfway House	0	0	*#DIV/0!*	143,770	145,113	*0.9%*
Other	10,924	10,504	*-3.8%*	144,874	194,201	*34.0%*
Total Reserve 22	**161,560**	**207,212**	***28.3%***	2,664,296	3,078,760	***15.6%***

New Food & Beverage Director ***Jon Satinover*** coordinated the re-introduction of holiday specialty drinks, and guests responded well, enjoying the atmosphere of the holiday decorations. ***Angela Stafford*** accepted her new position as Event Planning and Sales Coordinator, after stepping in on a part-time basis since July, with the assistance of ***Lynn Heuring-Stack.*** Angela has a background in the corporate event business, and she has been with Reserve 22 since the fall of 2021. Banquet sales finished the year up 41% from the COVID-hampered 2021, and up 24% from our previous high in 2019. We welcome Angela to the team!

VILLAGE LINKS GLEN ELLYN | RESERVE 22 TWENTY-TWO

VILLAGE LINKS / RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of December 31, 2022

ORG	DESCRIPTION	2022 BUDGET	MONTH 2022	MONTH 2021	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2022	YEAR-TO-DATE 2021	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
	REVENUES:									
5500	Village Links Revenues	$ 3,564,300	$ 103,147	$ 88,303	$ 14,843	17%	$ 3,858,171	$ 3,942,328	$ (84,157)	-2%
5520	Reserve 22 Revenues	2,746,400	207,212	161,623	45,589	28%	3,078,759	2,664,359	414,399	16%
	Total Revenues	**$ 6,310,700**	**$ 310,358**	**$ 249,926**	**$ 60,432**	**24%**	**$ 6,936,930**	**$ 6,606,688**	**$ 330,242**	**5%**
	EXPENDITURES:									
55700	Administration	$ 462,737	$ 46,281	$ 44,197	$ 2,084	5%	$ 480,900	$ 464,270	$ 16,630	4%
55710	Golf Course Maintenance	1,052,878	72,332	74,283	(1,951)	-3%	969,864	839,349	130,515	16%
55720	Golf Services	824,516	61,734	59,076	2,659	5%	829,334	762,800	66,534	9%
55730	Reserve 22	2,443,495	299,759	253,269	46,490	18%	2,857,763	2,386,102	471,661	20%
55740	Stormwater Management	28,500	519	1,006	(487)	-48%	18,166	14,764	3,402	23%
55750	Pro Shop Merchandise	154,031	5,046	5,501	(455)	-8%	166,039	151,878	14,161	9%
55780	Motorized Carts	47,515	660	718	(58)	-8%	63,229	55,889	7,341	13%
557X5	Mechanical Maintenance	214,278	20,126	28,297	(8,171)	-29%	267,825	201,733	66,092	33%
	Total Operating Expenses	$ 5,227,950	$ 506,456	$ 466,346	$ 40,110	9%	$ 5,653,118	$ 4,876,784	$ 776,334	16%
	Operating Income (Loss)	**$ 1,082,750**	**$ (196,098)**	**$ (216,420)**	**$ 20,322**	**-9%**	**$ 1,283,811**	**$ 1,729,904**	**$ (446,093)**	**-26%**
	Debt Service	429,176	379,590	605,877	(226,287)	-37%	429,180	648,918	(219,738)	-34%
	Capital Expenditures	548,550	-	-	-	0%	660,858	155,112	505,746	326%
	CHANGE IN NET POSITION	**$ 105,024**	**$ (575,688)**	**$ (822,297)**	**$ 246,608**	**-30%**	**$ 193,773**	**$ 925,873**	**$ (732,100)**	**-79%**

KEY METRICS

	Goal	Month 2022	Month 2021	Month Diff	YTD 2022	YTD 2021	YTD Diff
Personnel Expenses as % of Sales	*47%*	*93%*	*100%*	*-7%*	*44%*	*40%*	*3%*
Cash Balance (End of Month, in $000's)	*$ 1,307*	*$ 1,859*	*$ 1,670*	*$ 189*			

VILLAGE LINKS GLEN ELLYN | RESERVE 22 TWENTY-TWO

VILLAGE LINKS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GOLF
(Including Administration, Grounds, & Mechanical Maintenance)
As of December 31, 2022

ORG/ OBJECT	DESCRIPTION	2022 BUDGET	MONTH 2022	MONTH 2021	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2022	YEAR-TO-DATE 2021	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
5500	**VILLAGE LINKS REVENUES:**									
440550	Green Fees	$ 2,250,000	$ 70,944	$ 77,570	$ (6,626)	-9%	$ 2,420,581	$ 2,502,134	$ (81,553)	-3%
440554	Pro Shop - Sales	170,100	2,356	2,623	(267)	-10%	199,091	170,773	28,318	17%
440555	Motor Carts	600,300	426	3,621	(3,195)	-88%	606,620	645,858	(39,238)	-6%
440556	Driving Range	421,200	467	2,258	(1,791)	-79%	445,304	456,376	(11,072)	-2%
440557	Resident Cards	31,500	-	(20)	20	-100%	33,405	35,166	(1,761)	-5%
460100	Investment Income	100	7,258	0	7,257	2419117%	29,109	1,098	28,011	2552%
489000	Miscellaneous Revenue	91,100	21,741	491	21,250	4324%	124,346	105,123	19,224	18%
489100	Miscellaneous - Over/Short	-	(46)	(474)	428	-90%	(285)	(999)	714	-72%
490800	Operating Transfer In	-	-	2,233	(2,233)	-100%	-	26,800	(26,800)	-100%
	Total Revenues	**$ 3,564,300**	**$ 103,147**	**$ 88,303**	**$ 14,843**	**17%**	**$ 3,858,171**	**$ 3,942,328**	**$ (84,157)**	**-2%**
	COST OF GOODS SOLD:									
520945	Cost of Goods Sold - Pro Shop	$ 122,472	$ 1,854	$ 2,113	$ (259)	-12%	$ 132,842	$ 117,338	$ 15,503	13%
	Total Cost of Goods Sold	**$ 122,472**	**$ 1,854**	**$ 2,113**	**$ (259)**	**-12%**	**$ 132,842**	**$ 117,338**	**$ 15,503**	**13%**
	Gross Profit	**$ 3,441,828**	**$ 101,293**	**$ 86,190**	**$ 15,102**	**18%**	**$ 3,725,329**	**$ 3,824,990**	**$ (99,661)**	**-3%**
	OTHER OPERATING EXPENSES:									
510100	Salaries - Pensionable	$ 977,352	$ 94,313	$ 88,271	$ 6,041	7%	$ 949,424	$ 871,616	$ 77,808	9%
510120	Salaries - Non-Pensionable	341,000	5,953	4,474	1,479	33%	320,040	253,858	66,182	26%
510200	Salaries - Overtime	6,000	394	-	394	0%	13,704	6,496	7,208	111%
510400	FICA Taxes	101,314	7,406	6,762	644	10%	95,674	83,841	11,834	14%
510500	IMRF	66,950	6,223	7,485	(1,262)	-17%	63,457	74,518	(11,062)	-15%
590600	Health Insurance	129,500	14,774	14,833	(59)	0%	132,569	127,870	4,699	4%
52XXXX	Contractual Services	686,192	60,427	54,232	6,195	11%	704,886	639,432	65,455	10%
53XXXX	Commodities	353,675	15,354	34,907	(19,554)	-56%	382,760	315,714	67,047	21%
	Total Operating Expenses	**$ 2,661,983**	**$ 204,843**	**$ 210,964**	**$ (6,121)**	**-3%**	**$ 2,662,514**	**$ 2,373,344**	**$ 289,171**	**12%**
	Operating Income (Loss)	**$ 779,845**	**$ (103,550)**	**$ (124,774)**	**$ 21,223**	**-17%**	**$ 1,062,815**	**$ 1,451,646**	**$ (388,831)**	**-27%**
	Operating Income (Loss) Percentage	**22%**	**-100%**	**-141%**			**28%**	**37%**		

KEY METRICS

	Goal	*Month 2022*	*Month 2021*	*Month Diff*	*YTD 2022*	*YTD 2021*	*YTD Diff*
Rounds Played	*78,000*	*138*	*741*	*(603)*	*77,236*	*80,533*	*(3,297)*
Revenue Per Round	*$ 45.70*	*$ 747.44*	*$ 119.17*	*$ 628.27*	*$ 49.95*	*$ 48.95*	*$ 1.00*
Resident Cards Sold	*N/A*	*-*	*(1)*	*1*	*2,636*	*2,816*	*(180)*
Cost of Goods Sold % - Pro Shop	*72%*	*79%*	*81%*	*-2%*	*67%*	*69%*	*-2%*
Personnel Expenses as % of Sales	*46%*	*125%*	*138%*	*-13%*	*41%*	*36%*	*5%*

VILLAGE LINKS
GLEN ELLYN
RESERVE 22 TWENTY-TWO

VILLAGE LINKS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GOLF
(Including Administration, Grounds, & Mechanical Maintenance)
As of December 31, 2022

ORG/ OBJECT	DESCRIPTION	2022 BUDGET	MONTH 2022	MONTH 2021	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2022	YEAR-TO-DATE 2021	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
	MISCELLANEOUS REVENUE									
	Miscellaneous Revenue includes the following items, which don't fit into any of the major revenue categories:									
	Adult & Junior Golf Lessons		$ -	$ -	$ -		$ 62,973	$ 52,015	$ 10,958	
	Hand Cart Rentals		40	309	(269)		22,933	24,913	(1,980)	
	Handicaps		-	-	-		-	9,350	(9,350)	
	Golf Club Rentals		-	-	-		7,710	5,490	2,220	
	Golf Club Repairs		-	-	-		-	738	(738)	
	Locker Rentals		-	-	-		2,400	2,720	(320)	
	Miscellaneous Outings		-	-	-		-	1,048	(1,048)	
	Illinois Sales Tax (1.75%)		218	156	62		3,851	3,440	410	
	Glen Ellyn Food & Beverage Tax (1%)		24	16	8		395	324	71	
	Tree Donation		-	-	-		750	250	500	
	ATM Machine Commission		-	-	-		-	11	(11)	
	Miscellaneous		21,459	10	21,449		23,335	4,824	18,510	
	Total	$ 91,100	$ 21,741	$ 491	$ 21,250		$ 124,346	$ 105,123	$ 19,224	

VILLAGE LINKS
GLEN ELLYN

RESERVE 22 TWENTY-TWO

RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of December 31, 2022

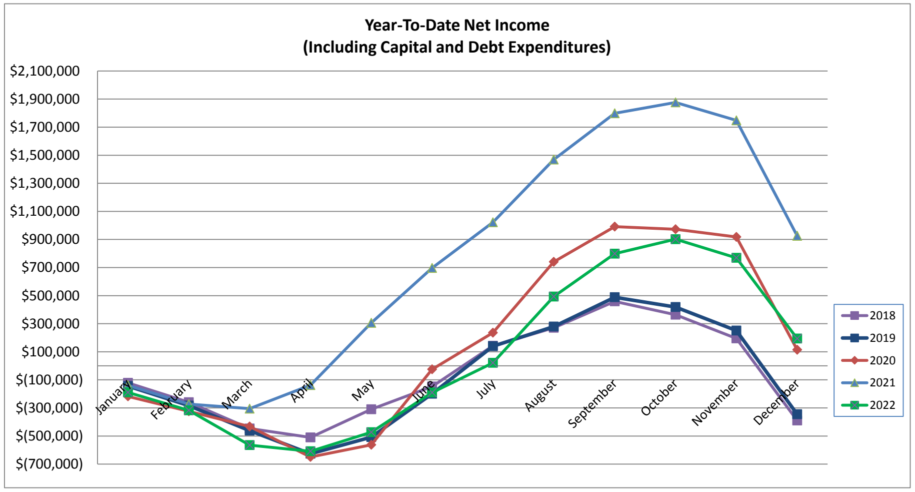
ORG/ OBJECT	DESCRIPTION	2022 BUDGET	MONTH 2022	MONTH 2021	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2022	YEAR-TO-DATE 2021	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
5520	**RESERVE 22 REVENUES:**									
441100	Food	$ 1,500,000	$ 131,761	$ 99,964	$ 31,797	32%	$ 1,708,527	$ 1,464,859	$ 243,668	17%
441101	Liquor	270,000	24,554	20,159	4,395	22%	328,654	293,632	35,022	12%
441102	Beer	485,000	14,403	12,355	2,049	17%	535,181	475,491	59,690	13%
441103	Wine	235,000	19,826	13,393	6,433	48%	218,473	202,751	15,722	8%
441104	NA Beverages	90,000	2,131	1,276	855	67%	96,042	88,735	7,307	8%
441106	Room Charges	4,000	-	-	-	0%	2,268	6,896	(4,628)	-67%
441107	Service Charges	160,000	14,398	14,433	(35)	0%	189,133	123,798	65,335	53%
489000	Miscellaneous Revenue	2,400	139	42	96	228%	481	8,197	(7,717)	-94%
	Total Revenues	**$ 2,746,400**	**$ 207,212**	**$ 161,623**	**$ 45,589**	**28%**	**$ 3,078,759**	**$ 2,664,359**	**$ 414,399**	**16%**
55730	**COST OF GOODS SOLD:**									
530400	Cost of Goods Sold - Beer	$ 135,800	$ 8,668	$ 4,497	$ 4,172	93%	$ 134,023	$ 131,917	$ 2,106	2%
530401	Cost of Goods Sold - Wine	72,850	8,341	5,785	2,556	44%	67,054	63,055	3,999	6%
530402	Cost of Goods Sold - Liquor	54,000	9,398	5,485	3,914	71%	78,954	63,334	15,620	25%
530405	Cost of Goods Sold - NA Beverages	37,800	4,670	5,429	(759)	-14%	59,240	56,042	3,198	6%
530420	Cost of Goods Sold - Food	480,000	63,149	64,735	(1,586)	-2%	608,828	513,097	95,731	19%
	Total Cost of Goods Sold	**$ 780,450**	**$ 94,226**	**$ 85,931**	**$ 8,296**	**10%**	**$ 948,100**	**$ 827,445**	**$ 120,654**	**15%**
	Gross Profit	**$ 1,965,950**	**$ 112,985**	**$ 75,692**	**$ 37,293**	**49%**	**$ 2,130,659**	**$ 1,836,914**	**$ 293,745**	**16%**
	Gross Profit Percentage	**72%**	**55%**	**47%**			**69%**	**69%**		
55730	**OTHER OPERATING EXPENSES:**									
510100	Salaries - Pensionable	$ 615,000	$ 59,010	$ 55,156	$ 3,853	7%	$ 526,655	$ 519,464	$ 7,192	1%
510120	Salaries - Non-Pensionable	505,000	74,281	48,529	25,752	53%	723,033	475,306	247,727	52%
510200	Salaries - Overtime	10,000	3,999	1,653	2,346	142%	31,557	26,630	4,927	19%
510399	Tips Paid Through Payroll	-	3,314	1,925	1,389	72%	(1,658)	(3,889)	2,231	-57%
510400	FICA Taxes	122,040	13,025	9,521	3,504	37%	125,789	102,131	23,658	23%
510500	IMRF	42,128	5,188	6,189	(1,002)	-16%	46,892	58,229	(11,338)	-19%
590600	Health Insurance	79,200	3,445	7,614	(4,169)	-55%	38,367	70,033	(31,666)	-45%
52XXXX	Contractual Services	140,677	24,900	12,529	12,371	99%	230,496	160,499	69,997	44%
53XXXX	Commodities	149,000	18,372	24,222	(5,849)	-24%	188,534	150,254	38,280	25%
	Total Operating Expenses	**$ 1,663,045**	**$ 205,533**	**$ 167,338**	**$ 38,195**	**23%**	**$ 1,909,663**	**$ 1,558,657**	**$ 351,006**	**23%**
	Operating Income (Loss)	**$ 302,905**	**$ (92,548)**	**$ (91,646)**	**$ (902)**	**1%**	**$ 220,996**	**$ 278,257**	**$ (57,261)**	**-21%**
	Operating Income (Loss) Percentage	**11%**	**-45%**	**-57%**			**7%**	**10%**		

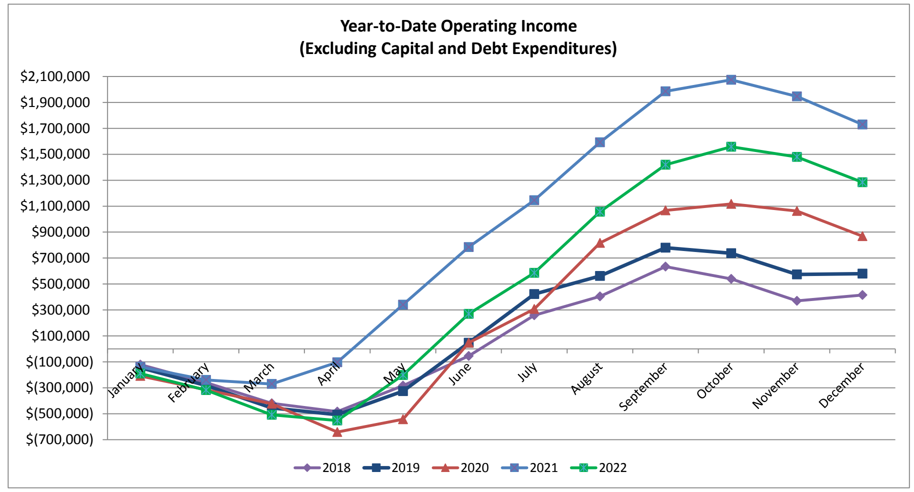
VILLAGE LINKS GLEN ELLYN | RESERVE 22 TWENTY-TWO

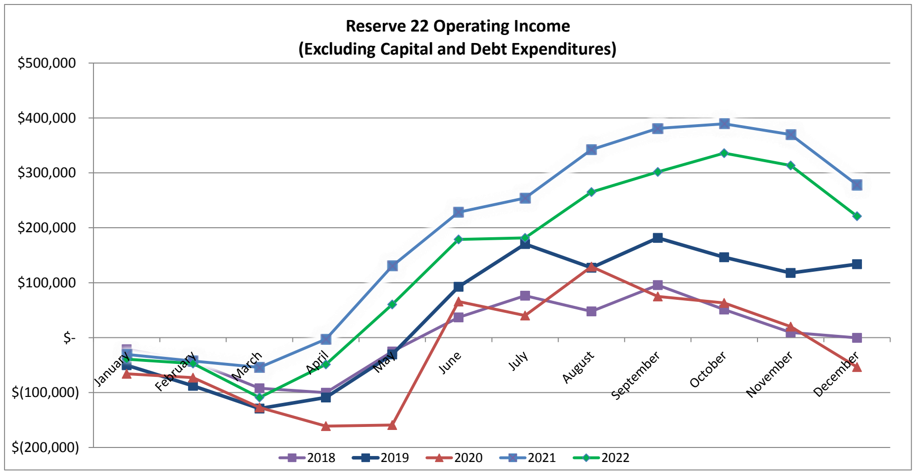
RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of December 31, 2022

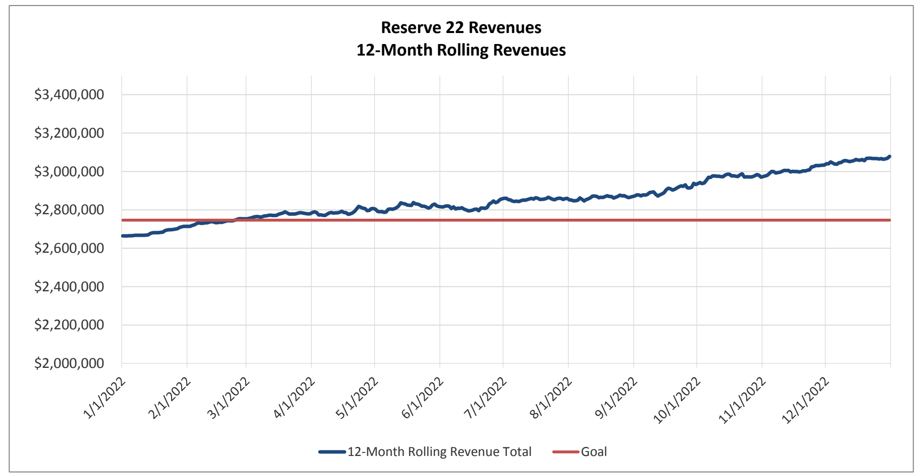
ORG/ OBJECT	DESCRIPTION	2022 BUDGET	MONTH 2022	MONTH 2021	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2022	YEAR-TO-DATE 2021	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
	KEY METRICS									
		Goal								
	Revenue Source:									
	Restaurant/Bar	*N/A*	*$ 129,524*	*$ 82,078*	*$ 47,446*	*58%*	*$ 1,752,512*	*$ 1,681,490*	*$ 71,021*	*4%*
	Banquets	*N/A*	*77,541*	*78,975*	*(1,434)*	*-2%*	*1,011,382*	*713,543*	*297,838*	*42%*
	Other	*N/A*	*146*	*570*	*(423)*	*-74%*	*314,865*	*269,326*	*45,540*	*17%*
	Total	*$ 2,746,400*	*$ 207,212*	*$ 161,623*	*$ 45,589*	*28%*	*$ 3,078,759*	*$ 2,664,359*	*$ 414,399*	*16%*
	Reserve 22 Revenues (Last 12 Months)	*$ 2,746,400*					$ 3,078,759	$ 2,664,359	*$ 414,399*	*16%*
	Reserve 22 Expenses (Last 12 Months)	*$ 2,443,495*					$ 2,857,763	$ 2,386,102	*$ 471,661*	*20%*
	# Guest Checks (Restaurant/Bar)	*N/A*	*2,513*	*1,734*	*779*		*43,892*	*43,031*	*861*	
	Revenue Per Guest Check	*N/A*	*$ 51.54*	*$ 47.33*	*$ 4.21*		*$ 39.93*	*$ 39.08*	*$ 0.85*	
	# Guests (Restaurant/Bar)	*N/A*	*4,501*	*2,928*	*1,573*		*72,862*	*72,115*	*747*	
	Average Guest Spend	*N/A*	*$ 28.78*	*$ 28.03*	*$ 0.74*		*$ 24.05*	*$ 23.32*	*$ 0.74*	
	Cost of Goods Sold %	*28%*	*45%*	*53%*	*-8%*		*31%*	*31%*	*0%*	
	Cost of Goods Sold % (By Category):									
	Cost of Goods Sold - Beer	*28%*	*60%*	*36%*	*24%*		*25%*	*28%*	*-3%*	
	Cost of Goods Sold - Wine	*31%*	*42%*	*43%*	*-1%*		*31%*	*31%*	*0%*	
	Cost of Goods Sold - Liquor	*20%*	*38%*	*27%*	*11%*		*24%*	*22%*	*2%*	
	Cost of Goods Sold - NA Beverages	*42%*	*219%*	*425%*	*-206%*		*62%*	*63%*	*-1%*	
	Cost of Goods Sold - Food	*32%*	*48%*	*65%*	*-17%*		*36%*	*35%*	*1%*	
	Personnel Expenses as % of Sales	*50%*	*75%*	*80%*	*-5%*		*47%*	*47%*	*0%*	
	Prime Cost (Cost of Goods Sold + Personnel Expenses) as % of Sales	*78%*	*122%*	*133%*	*-11%*		*79%*	*78%*	*1%*	

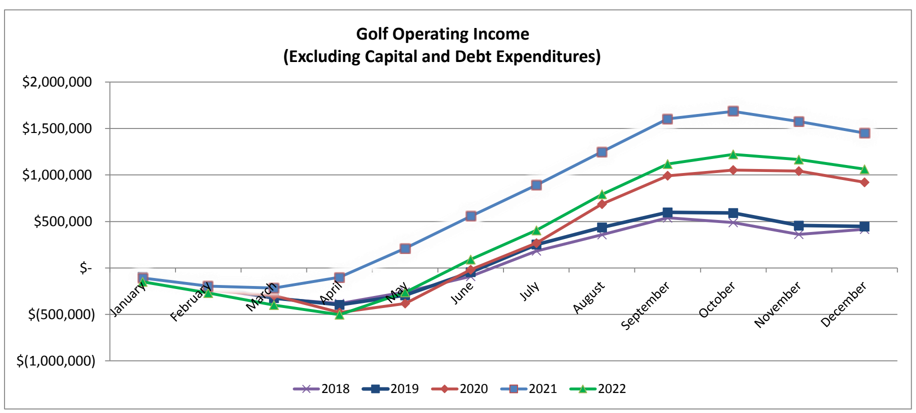
Village Links / Reserve 22
Dashboard Financial Reports
As of December 31, 2022

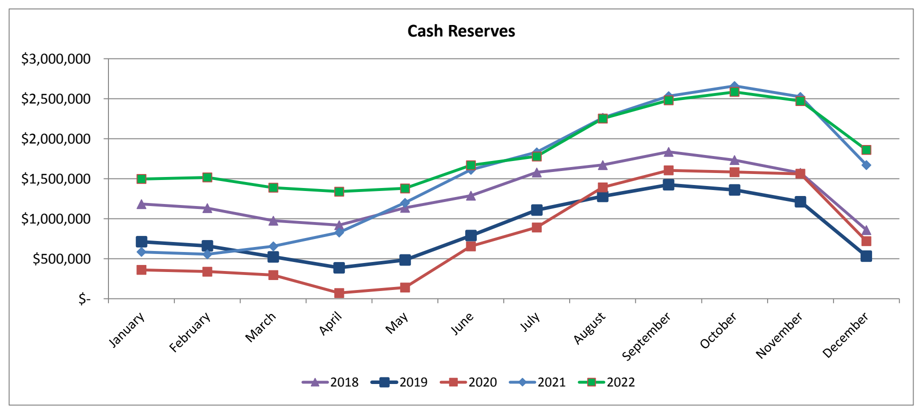












Glen Ellyn Finance Commission
535 Duane Street
Glen Ellyn, IL 60137

Meeting 2/10/2023 7:00 AM
Department: Finance
Department Head: Larry Noller
Category: Report
Prepared By: Larry Noller

AGENDA ITEM (ID # 2023-142)

DOC ID: 2023-142

Year End Financial Report 2022

Statement of the Issue:
Please see attached reports.

Analysis:

Budget Impact:

Contribution to Strategic Plan (if applicable)

Action Requested:

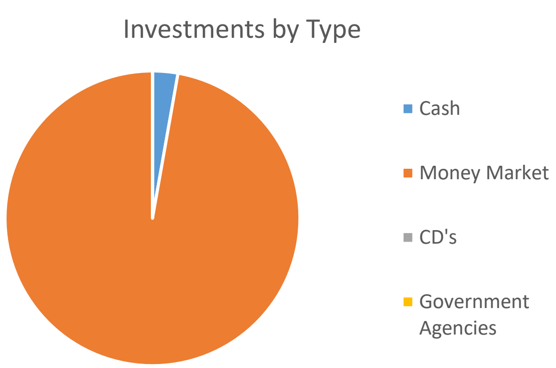
Attachments:
1. 2022 Q4 All Funds Summary
2. Cash and Investment Report 2022-12-31

Village of Glen Ellyn
All Funds Summary
For the Period January 1, 2022 to December 31, 2022
(Preliminary and Unaudited)

	Current Year Activity								Prior Year Activity				
	Revised Budget			Year to date					Year to date				
Fund	Revised Budget Revenues	Revised Budget (Expenses)	Net Income (Loss)	Year to date Revenues	Expenditures (Expenses)	Net Income (Loss)	Encumbrances	Net Income Less Encumbrances	Year to date Revenues	Expenditures (Expenses)	Net Income (Loss)	Encumbrances	Net Income Less Encumbrances
Governmental Funds													
General	$ 25,524,342	$ 27,821,854	$ (2,297,512)	$ 28,161,147	$ 27,190,036	$ 971,111	$ 573,106	$ 398,005	$ 21,707,655	$ 19,623,487	$ 2,084,168	$ 353,391	$ 1,730,777
Debt Service	2,231,719	2,233,169	(1,450)	2,232,206	2,234,218	(2,012)	-	(2,012)	2,233,998	2,235,069	(1,071)	-	(1,071)
Capital Projects	14,486,011	20,603,266	(6,117,255)	10,774,226	12,249,696	(1,475,470)	4,926,811	(6,402,281)	8,514,458	16,504,684	(7,990,226)	2,747,921	(10,738,147)
Corporate Reserve	3,000,100	2,521,578	478,522	3,184,349	2,639,431	544,918	25,879	519,039	1,239	32,915	(31,676)	3,693	(35,369)
Motor Fuel Tax	1,734,000	3,527,849	(1,793,849)	1,803,966	832,034	971,932	196,574	775,358	1,695,829	751,832	943,997	280,915	663,082
Central Business District (CBD) TIF	887,050	2,121,923	(1,234,873)	773,680	2,072,146	(1,298,466)	41,441	(1,339,907)	523,494	219,238	304,256	236,733	67,523
Roosevelt Road TIF	153,400	370,370	(216,970)	137,240	372,054	(234,814)	27,547	(262,361)	146,300	34,764	111,536	50,521	61,015
Fire Services	1,860,507	2,186,542	(326,035)	1,928,018	1,311,956	616,062	724,547	(108,485)	1,856,569	817,752	1,038,817	-	1,038,817
Forfeiture Fund	-	-	-	326,731	69,729	257,002	28,686	228,316	33,398	222,208	(188,810)	64,971	(253,781)
ARPA	1,885,000	4,571,450	(2,686,450)	1,885,725	3,771,450	(1,885,725)	-	(1,885,725)	1,885,725	-	1,885,725	-	1,885,725
Facilities Maint Reserve	376,000	534,443	(158,443)	384,058	709,845	(325,787)	18,230	(344,017)	376,016	140,924	235,092	583,240	(348,148)
TOTAL GOVERNMENTAL FUNDS	**$ 52,138,129**	**$ 66,492,444**	**$ (14,354,315)**	**$ 51,591,346**	**$ 53,452,595**	**$ (1,861,249)**	**$ 6,562,821**	**$ (8,424,070)**	**$ 38,974,681**	**$ 40,582,873**	**$ (1,608,192)**	**$ 4,321,385**	**$ (5,929,577)**
Enterprise Funds													
Water and Sanitary Sewer	$ 14,011,275	$ 19,295,863	$ (5,284,588)	$ 14,923,150	$ 15,851,353	$ (928,203)	$ 2,696,874	$ (3,625,077)	$ 14,475,621	$ 12,584,293	$ 1,891,328	$ 1,113,434	$ 777,894
Village Links/Reserve 22	6,310,700	6,205,676	105,024	6,936,930	6,743,156	193,774	34,018	159,756	6,606,688	5,680,814	$ 925,874	264,461	661,413
Parking	682,623	1,064,671	(382,048)	1,211,802	879,944	331,858	452,639	(120,781)	9,610,356	9,574,121	$ 36,235	758,426	(722,191)
Residential Solid Waste	1,817,700	1,851,900	(34,200)	1,853,100	1,875,235	(22,135)	-	(22,135)	1,769,376	1,714,639	54,737	-	54,737
TOTAL ENTERPRISE FUNDS	**$ 22,822,298**	**$ 28,418,110**	**$ (5,595,812)**	**$ 24,924,982**	**$ 25,349,688**	**$ (424,706)**	**$ 3,183,531**	**$ (3,608,237)**	**$ 32,462,041**	**$ 29,553,867**	**$ 2,908,174**	**$ 2,136,321**	**$ 771,853**
VILLAGE OPERATIONS TOTAL	**$ 74,960,427**	**$ 94,910,554**	**$ (19,950,127)**	**$ 76,516,328**	**$ 78,802,283**	**$ (2,285,955)**	**$ 9,746,352**	**$ (12,032,307)**	**$ 71,436,722**	**$ 70,136,740**	**$ 1,299,982**	**$ 6,457,706**	**$ (5,157,724)**
Internal Service Funds													
Insurance	$ 3,651,575	$ 3,687,395	$ (35,820)	$ 3,454,596	$ 3,508,582	$ (53,986)	$ -	$ (53,986)	$ 3,423,848	$ 3,714,672	$ (290,824)	$ -	$ (290,824)
Equipment Services	1,617,800	2,274,846	(657,046)	1,705,315	1,508,078	197,237	485,617	(288,380)	1,599,063	1,393,979	205,084	461,141	(256,057)
ST Internal Service Funds	**$ 5,269,375**	**$ 5,962,241**	**$ (692,866)**	**$ 5,159,911**	**$ 5,016,660**	**$ 143,251**	**$ 485,617**	**$ (342,366)**	**$ 5,022,911**	**$ 5,108,651**	**$ (85,740)**	**$ 461,141**	**$ (546,881)**
Trust Fund													
Police Pension	**$ 4,779,050**	**$ 2,899,825**	$ 1,879,225	**$ (2,238,120)**	**$ 2,720,038**	**$ (4,958,158)**	**$ 130**	**$ (4,958,288)**	**$ 6,465,832**	**$ 3,187,288**	**$ 3,278,544**	**$ 375**	**$ 3,278,169**
VILLAGE TOTAL	**$ 85,008,852**	**$ 103,772,620**	**$ (18,763,768)**	**$ 79,438,119**	**$ 86,538,981**	**$ (7,100,862)**	**$ 10,232,099**	**$ (17,332,961)**	**$ 82,925,465**	**$ 78,432,679**	**$ 4,492,786**	**$ 6,919,222**	**$ (2,426,436)**

Village of Glen Ellyn
Schedule of Cash and Investment Balances
For the Month Ended December 31, 2022

Summary of Investments by Type	Par Value	Market Value	Maturity < 1 year	1-3 years
Cash/Checking	$ 2,002,868	$ 2,002,868	$ 2,002,868	$ -
Cash/Checking - Federal Drug	72,790	72,790	72,790	-
Cash/Checking - State Drug	4,228	4,228	4,228	-
Cash/Checking - FLEX	8,652	8,652	8,652	-
Cash/Checking - Seized Property	67,066	67,066	67,066	-
Money Market - IL Funds	29,708,159	29,708,159	29,708,159	-
Money Market - IL Funds State Drug	1,024	1,024	1,024	-
Money Market - IL Funds Fed Drug	140,948	140,948	140,948	-
Money Market - IL Funds MFT	3,908,342	3,908,342	3,908,342	-
Money Market - IMET Convenience Fund	3,819	3,819	3,819	-
PFM Illinois Trust	15,502,307	15,502,307	15,502,307	-
PMA 2020 Bond Account - Money Market	1	1	1	
PMA Portfolio - Money Market	26,172,596	26,172,596	26,172,596	-
PMA Portfolio - CD's	-	-	-	-
	$ 77,592,800	**$ 77,592,800**	**$ 77,592,800**	**$ -**
			100%	**0%**



Portfolio Concentration	Percent of Portfolio	Policy Limit
Cash/Checking Total (Glen Ellyn Bank & Trust)	2.78%	25%
IL Funds Total	43.51%	75%
IMET Total	0.00%	25%
PFM Total	19.98%	25%
PMA Total	33.73%	N/A

Investment Income	FY2021	FY2022
Investment Income	$ 54,559	$ 1,295,707

Investment Performance	FY2021	FY2022
Average Yield YTD - IL Funds	0.041%	1.644%
Average Yield YTD - IMET Convenience Fund	0.188%	1.673%
Average Yield YTD - PFM	0.039%	1.625%
Average Yield YTD - PMA	0.035%	1.412%
Benchmark - Three Month T-Bill	0.060%	4.300%

Village of Glen Ellyn
Analysis of Available Cash Reserves
For the Month Ended December 31, 2022

	Fund	A Last Year Cash & Investment Balances	B Current Year Cash & Investment Balances	C Less Encumbrances	D Transfer between Funds	E Less Deposits/ Other	F Restricted by Statute	G Assigned for Capital Projects	I Assigned for Liab/Health Ins.	L Balance Subject to Reserve Policy	M Less Minimum Reserve Policy	N Cash Above Minimum Policy	
1	General	$ 15,914,948	$ 15,530,608	$ (573,106)	$ -	$ (1,532,875)	$ -	$ -	$ -	$ 13,424,627	$ (6,554,000)	$ 6,870,627	1
2	Corporate Reserve	566,035	1,010,179	(25,879)	-	-	-	-	-	984,300	-	984,300	
3	Motor Fuel Tax	2,936,410	3,908,342	(196,574)	-	-	(3,711,768)	-	-	-	-	-	
4	Fire Services	4,921,343	5,539,651	(724,547)	-	-	-	(4,815,104)	-	-	-	-	
5	CBD TIF	1,169,265	43	(41,441)	-	-	41,398	-	-	-	-	-	
6	Roosevelt Road TIF	361,369	126,554	(27,547)	-	-	(99,007)	-	-	-	-	-	
7	Forfeiture Fund	126,028	286,056	(28,686)	-	-	(257,370)	-	-	-	-	-	
8	ARPA	1,885,725	-	-	-	-	-	-	-	-	-	-	
9	Debt Service	39,417	37,406	-	-	-	(37,406)	-	-	-	-	-	
10	Capital Projects	19,525,184	18,123,147	(4,926,811)	-	-	-	(13,196,336)	-	-	-	-	
11	Facilities Maint Reserve	978,296	652,509	(18,230)	-	-	-	(634,279)	-	-	-	-	
12	Water and Sanitary Sewer	21,582,997	20,796,225	(2,696,874)	-	(192,987)	-	(15,426,124)	-	2,480,240	(2,480,240)	-	2
13	Parking	1,758,418	2,089,953	(452,639)	-		-	-	-	1,637,314	(126,000)	1,511,314	2
14	Residential Solid Waste	572,229	550,365	-	-	-	-	-	-	550,365	(456,000)	94,365	2
15	Village Links/Reserve 22	1,670,020	1,859,448	(34,018)	-	(17,665)	-	-	-	1,807,765	(1,307,000)	500,765	
16	Insurance	1,429,953	1,302,533	-	-	-	-	-	(1,302,533)	-	-	-	
17	Equipment Services	5,582,534	5,779,781	(485,617)	-	-	-	(4,926,236)	-	367,928	-	367,928	
		$ 81,020,170	$ 77,592,800	$ (10,231,969)	$ -	$ (1,743,527)	$ (4,064,153)	$ (38,998,079)	$ (1,302,533)	$ 21,252,539	$ (10,923,240)	$ 10,329,299	
18	Police Pension	$ 38,881,396	$ 33,989,667	$ (130)	$ -	$ -	$ (33,989,537)	$ -	$ -	$ -	$ -	$ -	

Footnotes:

(a) Encumbrances represent the unexpended portion of approved contracts for goods and services as of the end of the quarter. While encumbrances are not expenditures, they do represent a reduction in the level of available spendable cash.

(b) Transfer between funds represents Capital Projects Fund and bond proceeds to be transferred to the Parking Fund for the parking garage project.

(c) Deposits/Other represents money that the Village is holding but either is due to others such as deposits or other payables.

(d) Amounts restricted by statute are required by state or federal law to only be spent on specific expenditures.

(e) Amounts that are assigned have been designated by the Village's ordinances or budget to be spent on specific purposes. Amounts per fund are as follows:

- Fire Services: Designated by Village code for fire operations, equipment and facilities.
- Capital Projects: Designated by the 5 year Capital Improvement Plan
- Facilities Maintenance Reserve: Designated by the 5 year Plan to be used for Village facilities.
- Water & Sewer: Designated by the 5 year Capital Improvement Plan
- Equipment Services: Designated by the Equipment Replacement Plan

(f) The Village has reserve policies as follows:

- General Fund: Amount subject to reserve is 30% of operating expenditures.
- Water and Sanitary Sewer Fund: Amount subject to reserve is $2,480,240, which will be adjusted annually by CPI-U or 3%, whichever is less.
- Parking Fund: Amount subject to reserve is 25% of operating expenses.
- Residential Solid Waste Fund: Amount subject to reserve is 25% of operating expenses
- Village Links/Reserve 22 Fund: Amount subject to reserve is 25% of operating expenses.

(g) The cash above minimum policy is the amount undesignated above the minimum required level. In some cases, these funds may be restricted to the purpose for which the fund exists.

Notes on cash above/below reserve policy:

1 The Village hits a cash peak in June through September and a low point in April/May.

2 These are enterprise funds and are meant to be treated as separate enterprises/businesses. Generally, these funds cannot be repurposed to other funds.

Glen Ellyn Finance Commission
535 Duane Street
Glen Ellyn, IL 60137

Meeting 2/10/2023 7:00 AM
Department: Finance
Department Head: Larry Noller
Category: Other
Prepared By: Larry Noller

AGENDA ITEM (ID # 2023-156)

DOC ID: 2023-156

Review Prior Five Year Forecast

Statement of the Issue:
Review prior Five Year Forecast and develop recommendations to report.

Analysis:

Budget Impact:

Contribution to Strategic Plan (if applicable)

Action Requested:

Attachments:
1. Five Year Forecast 2019

Village of Glen Ellyn

General Fund Five Year Forecast

2020 BUDGET

Goals of Five Year Forecast

- Understand long-term financial trends in revenues and expenditures/expenses.
- Identify future imbalances (deficits).
- Identify potential areas where programs can be implemented now to avoid future deficits.
- Understand how this forecast aligns with past forecasts.
- Compare past forecasts with actual results.

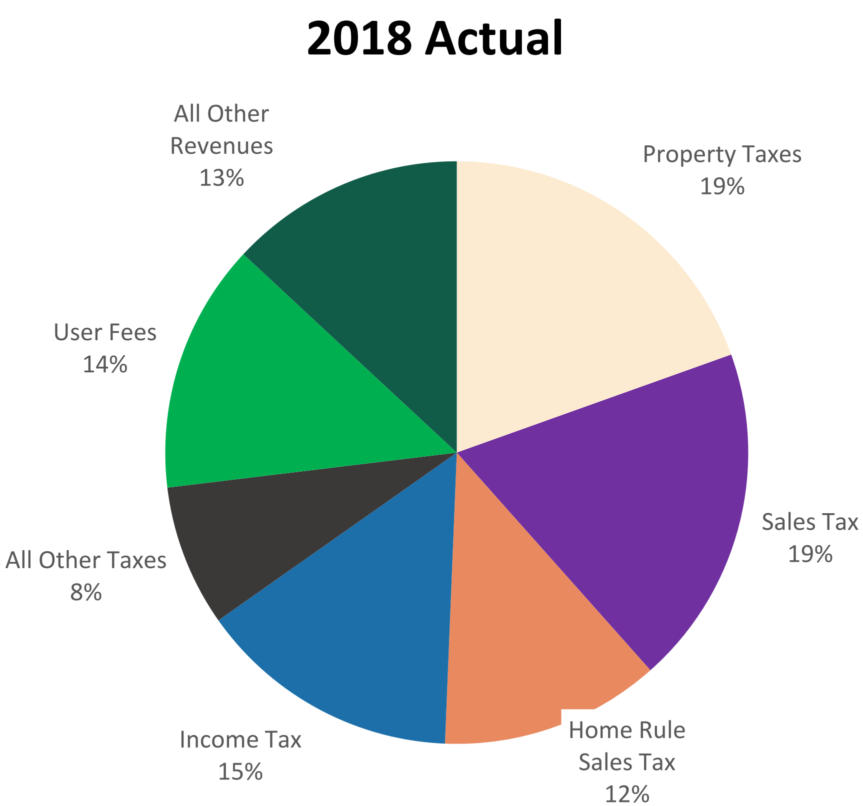
Facts on the Five Year Forecast

- Developed annually as a tool for the budget process.
- Forecast is a model to project future activity and is not a prediction of what will happen.
- Each year’s experience will vary.
  - The goal is that annual budgets will be balanced.
  - Each year’s actual results will vary.

Executive Summary

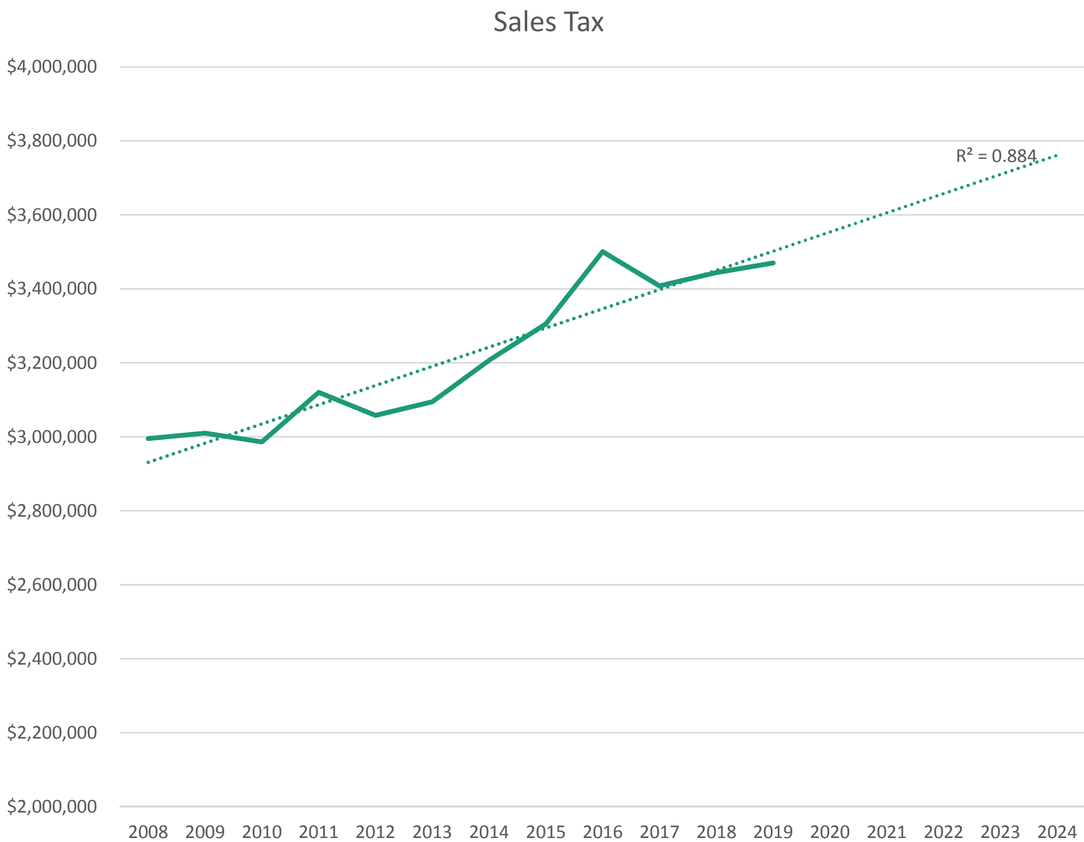
- Revenues are forecast to grow slower than expenses, eventually bringing the Village's fund balance down below policy level without action to the contrary.
- Key revenues such as sales tax, home rule sales tax, and income tax performed well prior to 2017, which mitigated the losses predicted in earlier forecasts. Growth in those revenue streams have moderated.
- The General Fund is driven mostly by personnel costs, including pensions.

Composition of General Fund Revenues



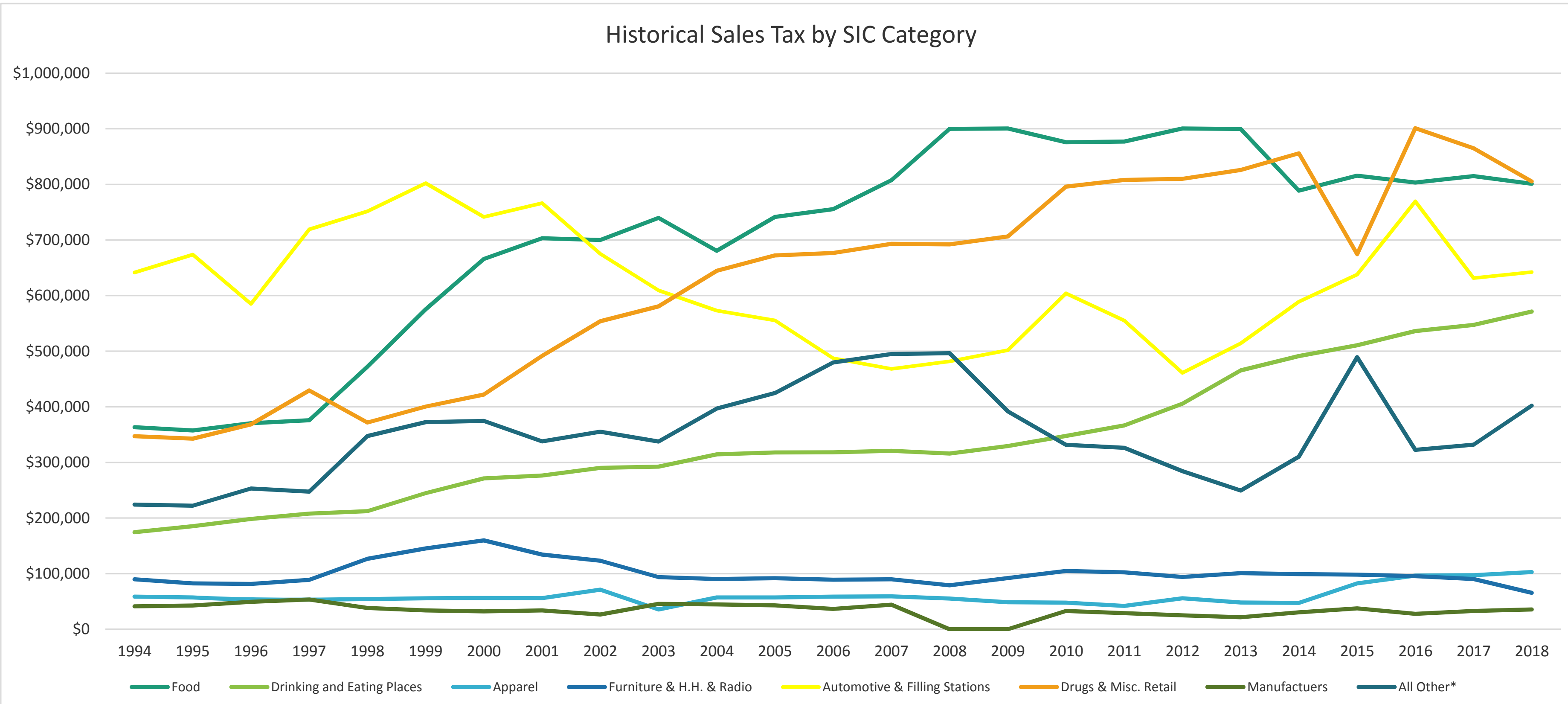
- 46% of General Fund revenue comes from our key revenues (sales tax, home rule sales tax, and income tax)
  - Village has no direct influence on income tax or sales tax
  - This is increased 2% from 2017
- 19% of General Fund revenue is from property tax levy
  - This is decreased 1% from 2017
- 14% is from user fees which are designed to charge a fee for services used
  - Unchanged from 2017

General Fund Key Revenues – Sales Tax



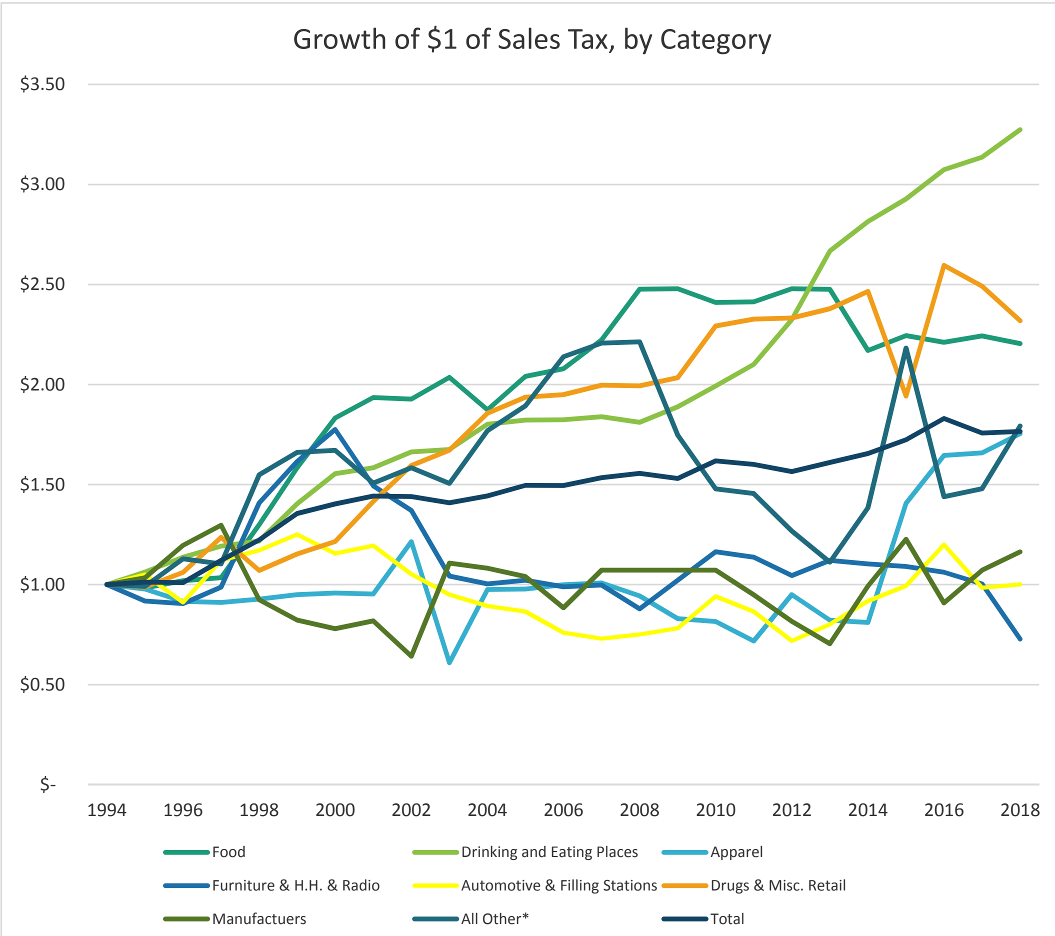
- Sales Tax has grown by an average of 1.47% per year over the past 10 years
- Preliminary 2020 Budget includes a 5.6% increase in sales tax
- Sales tax forecasted to grow at 2% in the 5 year forecast
- Largest Business Categories for Sales Tax (2018 data):
  - Drug and Misc. Retail (805K)
  - Food (801K data)
  - Automotive & Filling (642K)
  - Eating & Drinking Places (571K)
- Wayfair Supreme Court ruling (online sales tax) may help the Village's sales tax, but it is too soon to know the impact. It may also draw from our current Use tax.

Historical Sales Tax by Category



Food and Drugs and Miscellaneous Retail make up the largest sector of sales tax base.

Growth of Sales Tax by Category



- Largest growth has been in the drinking and eating places category.

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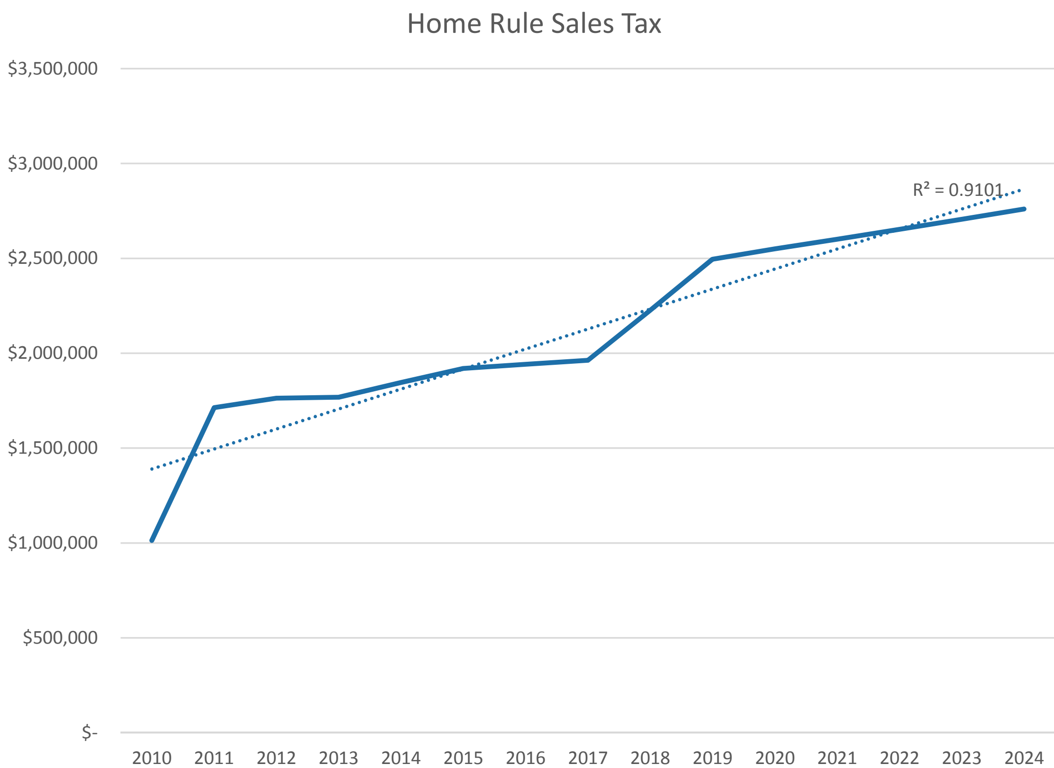
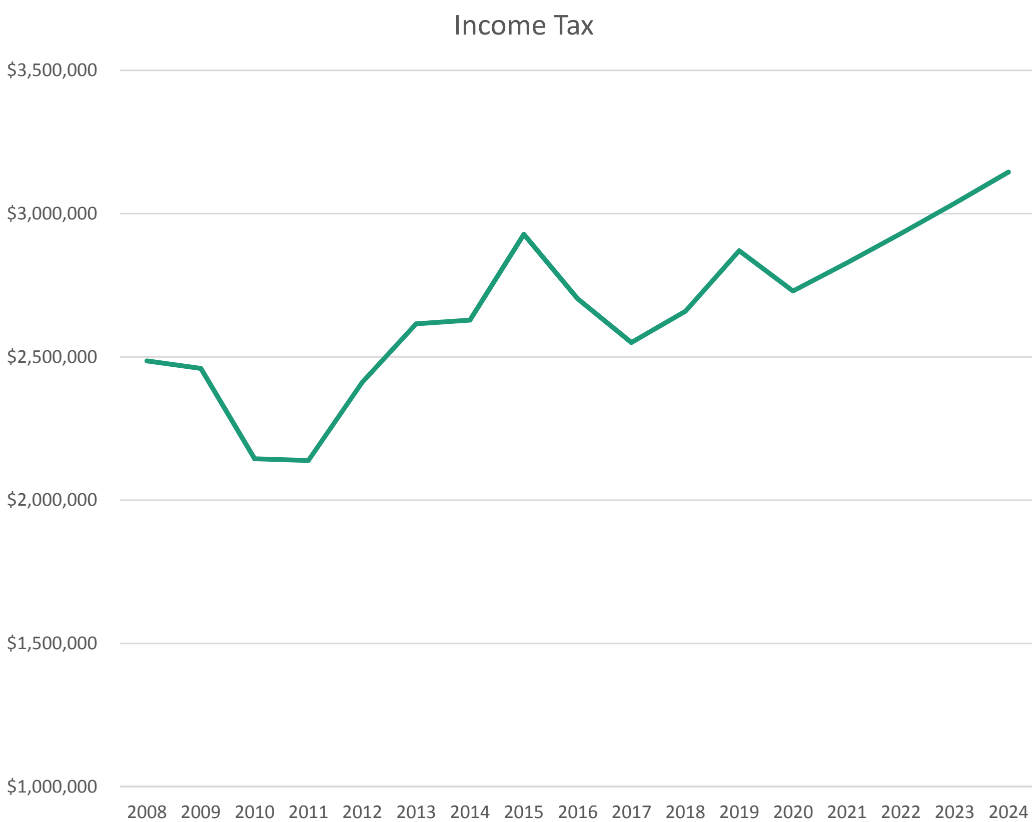
General Fund Key Revenues – Home Rule Sales Tax



- Home Rule Sales Tax has grown by an average of 2.3% per year (excepting 2018/2019 when rate was increased)
- Preliminary 2020 Budget realizes the second full year of the 1.25% rate.
- Forecasted to grow at 2% in the 5 year forecast
- Largest Business Categories for Home Rule Sales Tax (2018 data):
  - Eating & Drinking Places (633K)
  - Drug and Misc. Retail (549K)
  - Agriculture & All Others (322K)

General Fund Key Revenues – Income Tax



- Income Tax is more volatile than sales tax streams
- Income Tax has grown by an average of 1.89% per year over the past 10 years
    - State of Illinois reduced income tax by 10% in SFY 18 (Village FY 17/18) and 5% in SFY 19 & 20 (Village FY18-20)
- Large payment received in May 2019 which is not anticipated to be repeated
- The forecast includes 3.6% growth in income tax
    - IML Estimates per capita ($106.30 for MFY2020 or $2,951,632)
    - 2020 budget currently set at $2,730,000
- Income tax is still being reduced by 5% by the State of Illinois (approximately $125,000)

General Fund Key Revenues – Property Tax

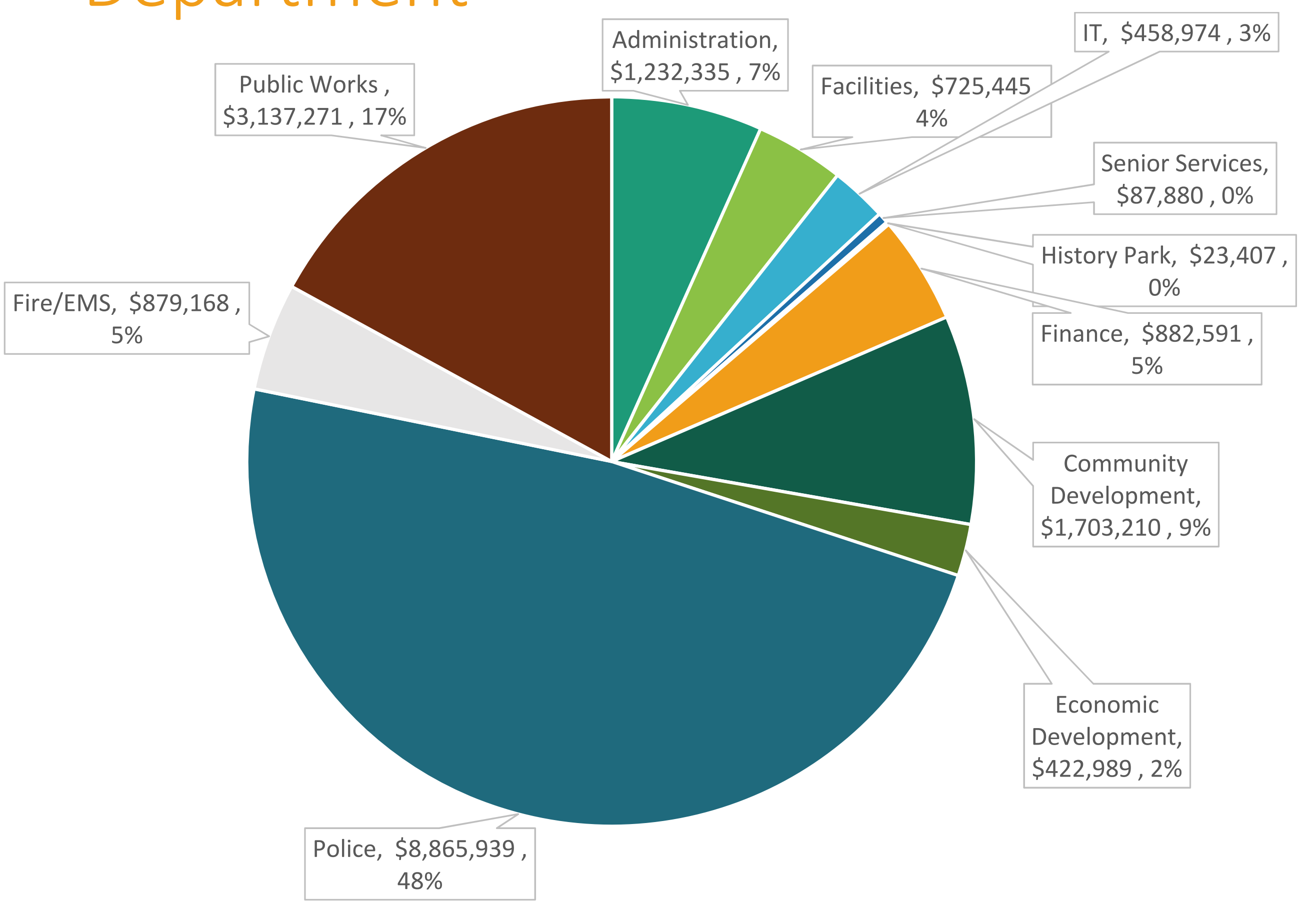
- Village has adhered to the tax cap rules of CPI and new growth although not required to by its home rule status
- Average increase over 10 years is 3.28%
- 2020 preliminary budget includes:
    - 1.9% CPI set by DuPage County
    - 0.9% New Growth (last year's actual growth)
- Property tax is forecast to grow at 2.5% over the five year forecast
    - 5.0% growth - $1.4M additional
    - 1.0% growth - $872K less
- Property tax freeze concerns are no longer imminent, but remain a possibility
    - A freeze would cost the Village $922K over the five year forecast

Challenges in Revenue Streams

Several challenges and decision points are on the horizon regarding General Fund Revenues:

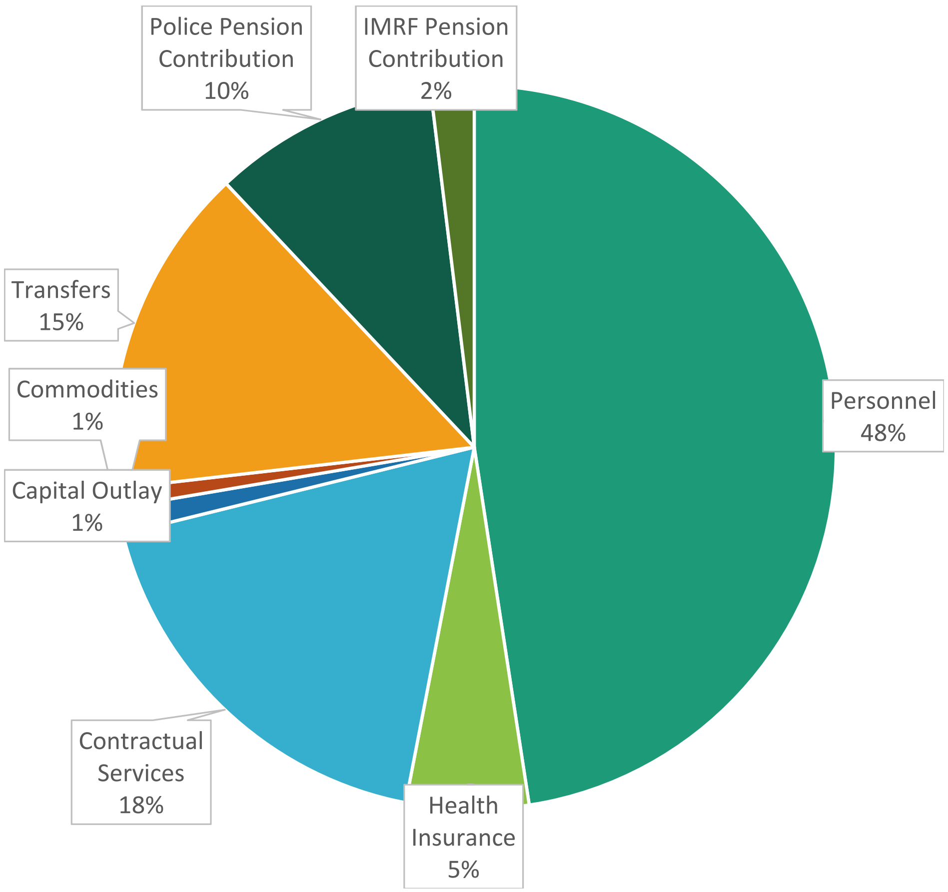
- ∞ The Village relies heavily upon performance of sales tax, home rule sales tax, and income tax to provide for known increases in costs. The Village has little direct control over these revenues that are highly influenced by the economy.
- ∞ The State of Illinois continues to threaten state shared revenues.
- ∞ Challenges may be mitigated by redevelopment, especially in the Central Business District.

Composition of General Fund Expenditures – by Department



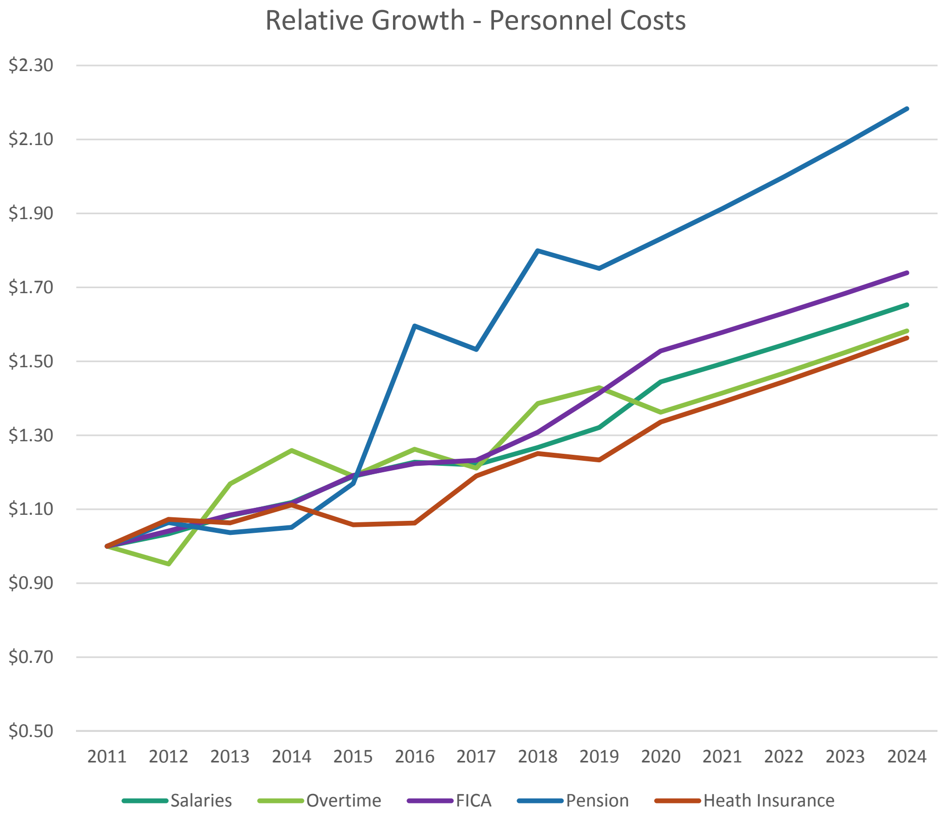
- From the 2018 actual expenses, Police is the largest department in the General Fund at 48% with Public Works at 17%.
- The Village does not have a career fire department, therefore the pie would display differently than those communities do have a career fire department.

Composition of General Fund Expenditures – By Type



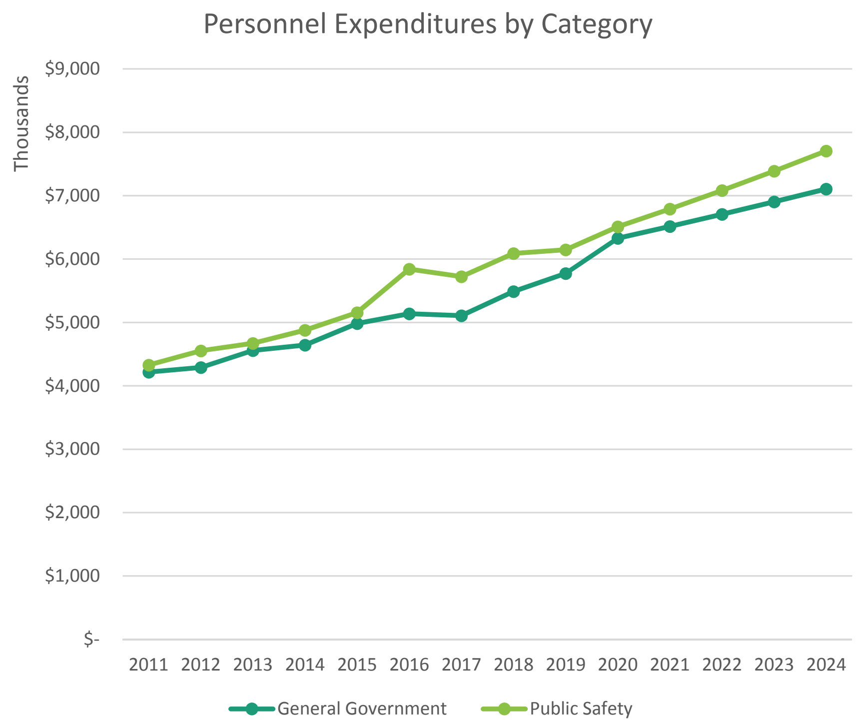
- Personnel is the largest portion of the General Fund expenses, $9.2 million of $19.4 million in expenses (2018 data)
- Once pension and health insurance costs are aggregated with salary costs, personnel comprises 65% of General Fund expenditures
- The Village functions accounted for in the General Fund are highly service oriented; therefore, it is expected that personnel expenditures would be the main expenditure type.
- Personnel expenditures grow at a faster rate than capital or other operating costs.
- Notable contractual services include DuComm, Ambulance Contract, Tree costs, etc.

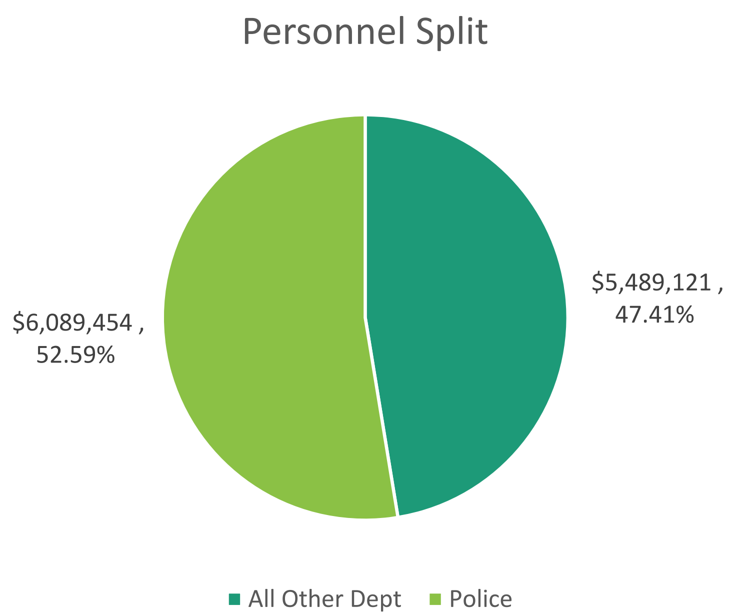
Personnel Expenditures by Type – Relative Growth



- Chart at left portrays the growth rate of personnel expenditures.
- Pension costs grow at the highest rate, although saw a decrease from 2016 to 2019 due to decreases in IMRF (non sworn) pension costs.
- The Village has been fortunate through its health insurance pool to mitigate health insurance cost increases seen in the marketplace.

Personnel Expenditures by Category





- Police comprises 53% of General Fund personnel.
- Public safety personnel costs are projected to grow at a faster rate (4%) than general government (3%).
- Police pension costs are also forecast to grow at a higher rate (5%) than municipal pension costs (2%).

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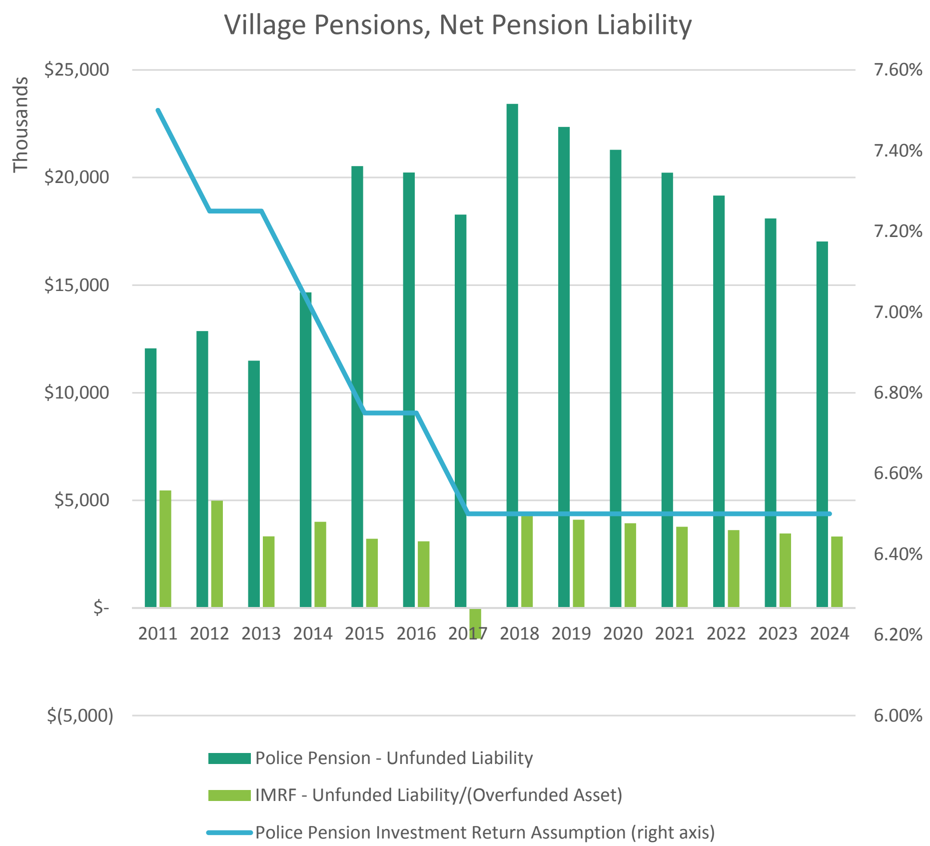
Health Insurance

- The Village is a member of a health insurance risk-sharing pool.
- Pool champions cost saving initiatives such as wellness and encouraging shopping of health care services.
- Health insurance costs have increased by an average of 2.8% over the past 8 years, beating the market place trend.
- Our pool administrators project 4% annual increases, assuming avoidance of the Cadillac Tax (if it moves forward).
- The chart at right evaluates the difference in cost between a 4% trend and a 10% trend. As can be seen, it is important to our financial future to control our healthcare costs to the best of our abilities.
- The Village has made plan adjustments to control costs, most recently a copay and specialist copay adjustment which was effective July 2019.

	4% Growth Rate	**10% Growth Rate**	**Difference**
2019 Cost	$1,046,880	$1,046,880	$0
2024 Cost	$1,326,620	$1,686,011	$359,391
Cumulative Cost over 5 Year Forecast	$6,142,108	$7,030,438	$888,330

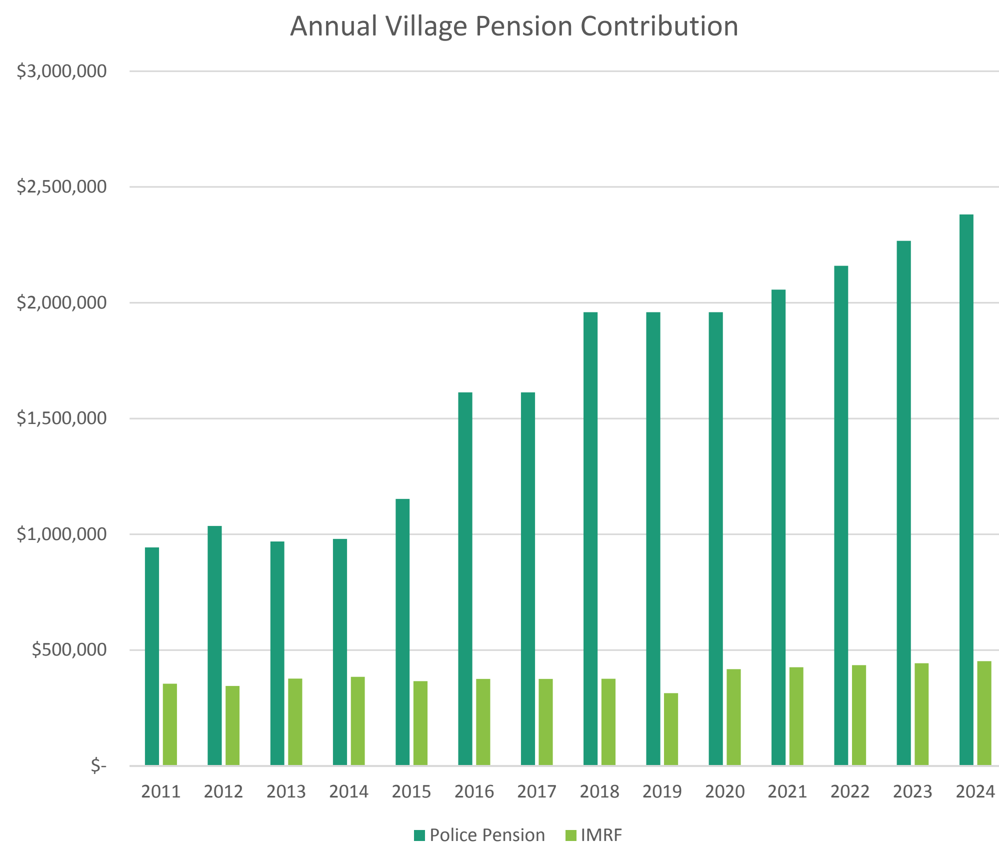
Village Pensions



- Village has two pensions, the Police Pension Fund and the Illinois Municipal Retirement Fund (IMRF).
- Police Pension Contribution is 10% of General Fund expenditures
- IMRF is 2% of General Fund expenditures
- Police Pension is 55.19% funded.
- IMRF is 90.14% funded.
- 2018 investment market ended poorly which affected our 2018 actuarial valuation and increased pension liabilities for both plans.
- IMRF lowered discount rate in 2020 to 7.25% (from 7.5%). This increased IMRF contribution rate from 7.15% in 2019 to 9.09% in 2020.
- Village has been lowering the investment return assumption for Police Pension. This increases the unfunded liability but provides for more sound funding.
  - 2012 – 7.25%
  - 2014 – 7.00%
  - 2015 – 6.75%
  - 2017 – 6.50%
- Police Pension liability began decreasing in 2016, as the Village increased contributions and the Pension Board modified investment strategy.
- The Police Pension Fund has $28.8M in assets. This would pay current benefit payments for twelve years without accumulating another dollar.

Annual Village Pension Contributions

- Police Pension annual contributions are projected to grow at 5%
- IMRF lowered discount rate for 2020 which increases our rate. However, the 2020 rate with the increase is still lower than the 2018 rate.
- IMRF anticipated to grow at 2%.



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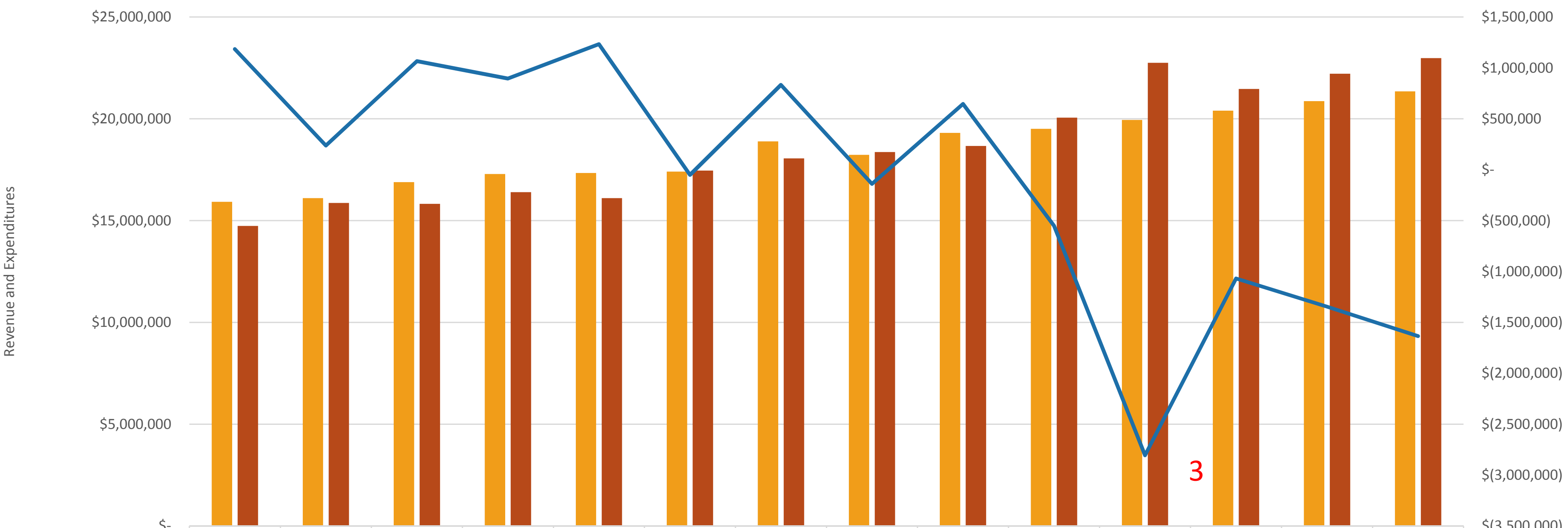
Other General Fund Expenditure Categories

	FY19 Est (thousands)	Average Historical Growth (2012-2019)	Projected Annual Growth (2019-2023)
Contractual Services	$3,584	2.5%	3.0%[1]
Commodities	$260	4.7%	3.0%[1]
Capital Outlay	$194	11.1%	5.0%[2]
Transfers	$1,659	1.4%	3.0%[3]

Footnotes:

1. Commodities and Contractual Services are anticipated to increase at a conservative 3%, also consistent with historical increases.
2. Capital replacement was deferred during the economic downturn; recent purchases have been meeting deferred needs. Capital is incidental in nature, mostly driven by operating initiatives.
3. Transfers are reimbursements to other funds.

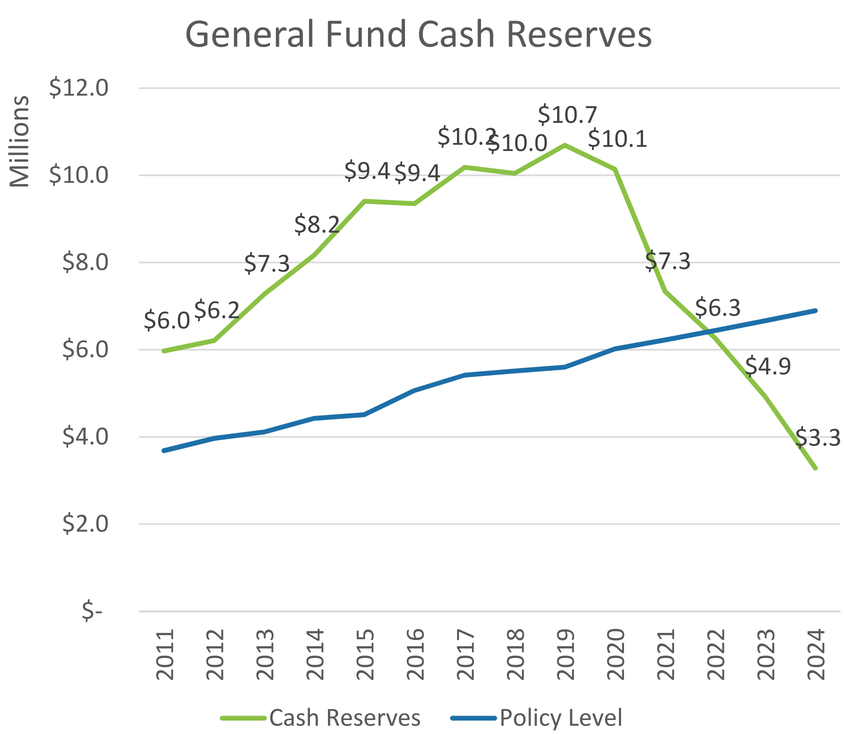
Annual General Fund Forecast

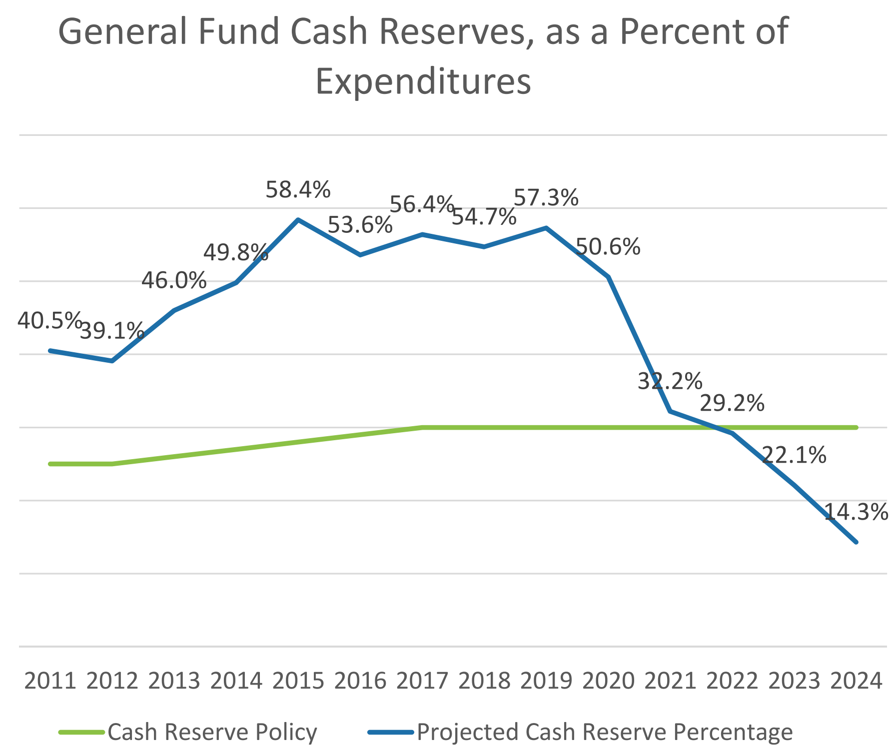


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues	$15,921,600	$16,105,939	$16,886,658	$17,290,193	$17,337,822	$17,405,406	$18,887,359	$18,229,546	$19,310,348	$19,505,085	$19,942,710	$20,398,351	$20,866,873	$21,347,775
Expenditures	$14,736,501	$15,869,009	$15,820,651	$16,394,227	$16,104,865	$17,457,079	$18,054,549	$18,369,188	$18,664,482	$20,055,712	$22,749,248	$21,467,740	$22,212,124	$22,983,372
Change in Fund Balance	$1,185,099	$236,930	$1,066,006	$895,966	$1,232,957	$(51,673)	$832,810	$(139,642)	$645,866	$(550,627)	$(2,806,538)	$(1,069,389)	$(1,345,251)	$(1,635,597)

- Revenues are forecast to grow at approximately 2.0% per year while expenditures grow at 4.7%, which would decrease the General Fund's fund balance by $3.9 million over the next 5 years.
- Historical growth of revenues has been 2.3%, while expenses have grown 3.3%.
- A planned contribution to the Capital Fund of $2.0M is planned for 2021 as part of Capital Plan (see "3" above).

General Fund Balance Projections





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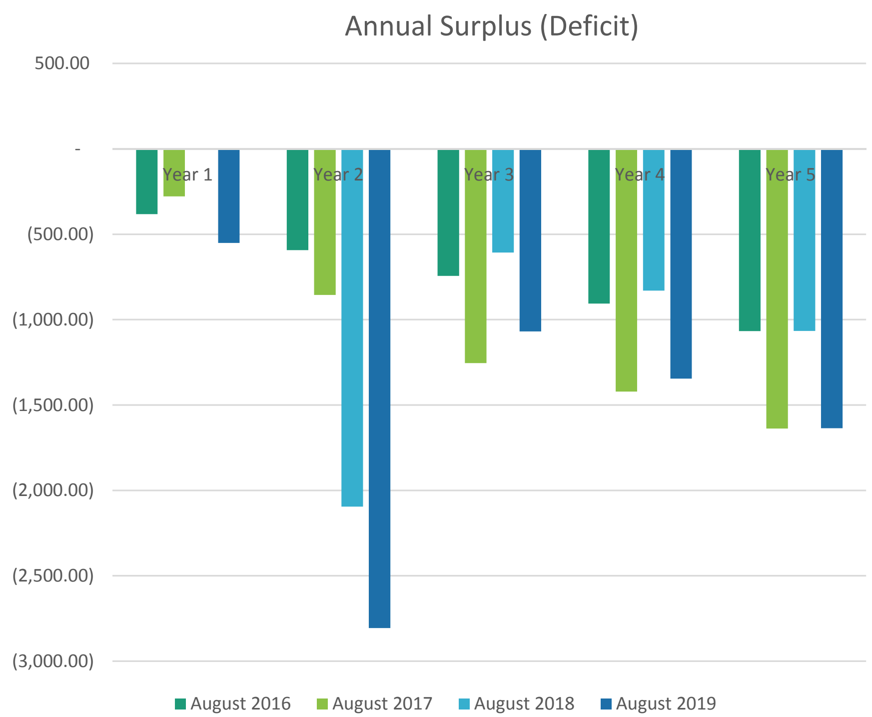
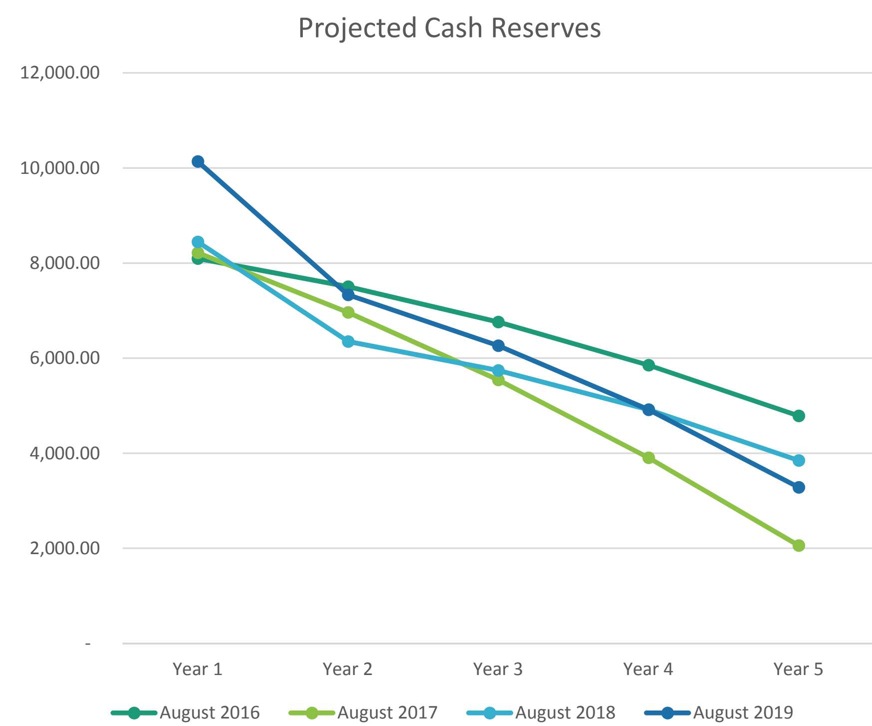
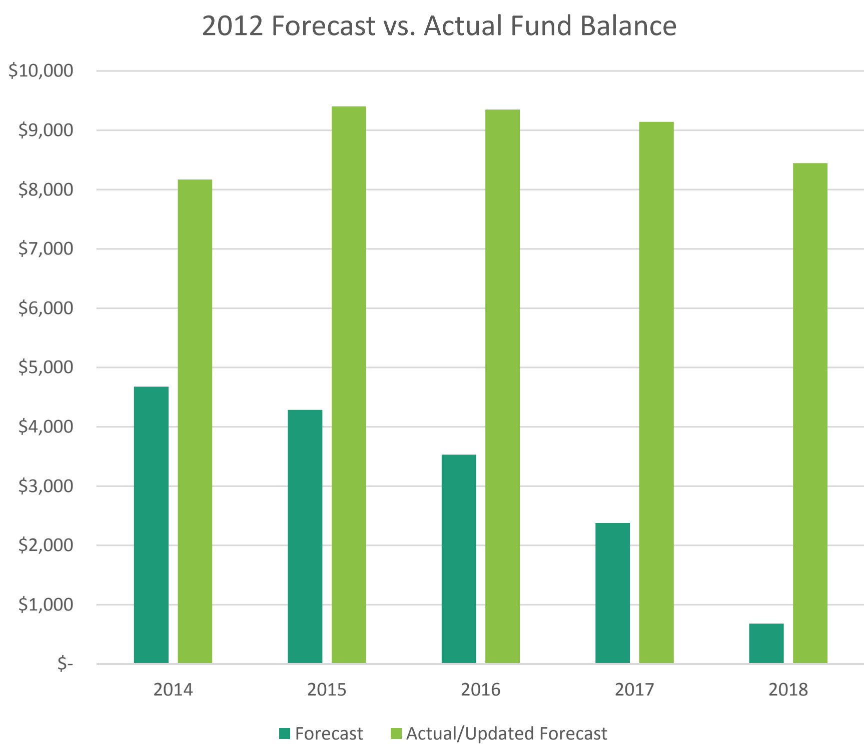
How does this General Fund Forecast Compare?





- Forecast improved over other forecasts (HRST increase last year, changes in state revenues, moderation of pension costs)
- $2.0M contribution towards capital projects planned in 2021

Forecast Versus Actual/Current Forecast – November 2012 Forecast



- Actual results fared better than forecast.
  - Sales, Home Rule Sales, and Income tax have far outperformed expectations in years prior to 2017, but have stagnated in 2017 and 2018.
  - Lower salary increases than anticipated.
  - Lower healthcare cost increases than anticipated.
  - Pension costs began to moderate in 2018; especially municipal pension costs.
  - Annual balanced budgets and good fiscal management have allowed cash reserves to increase.

Highlights of General Fund 5-Year Forecast

- Personnel costs comprise 65% of General Fund expenditures. It will be necessary for the Village to be focused on controlling and meeting the challenges of health care and pension costs.
- Pension costs remain a focus with Police Pension being 10% of the General Fund expenditures.
- The Village has little direct control over three revenue sources (sales tax, home rule sales tax, and income tax) which are directly impacted by the economy.
- The Village has started to make changes to user fees in 2018, namely in Community Development. It is important to continue to review and change user fees; otherwise a larger part of the burden is placed on taxes.
- Home Rule Sales Tax increase in 2018 helps the 5 year outlook, but does not solve revenues that are growing slower than expenses
- Operating costs continue to rise, despite stagnant revenues.
- Strong financial decisions have helped the Village to be able to contribute $2.0M towards the Capital Fund in 2021, but will reduce the reserves to the policy limit.
- The Village's AAA bond rating received in 2015 and reaffirmed in 2018 cited strong reserve balances as a key reason for the rating. It is important to maintain the healthy reserve levels to maintain the AAA rating ($160K savings from AA to AAA on a $9.6 million issue).

Glen Ellyn Finance Commission
535 Duane Street
Glen Ellyn, IL 60137

Meeting 2/10/2023 7:00 AM
Department: Finance
Department Head:
Category: Report
Prepared By:

AGENDA ITEM (ID # 2023-144)

DOC ID: 2023-144

2023 Finance Commission Agenda Topics

Statement of the Issue:

Analysis:

Budget Impact:

Contribution to Strategic Plan (if applicable)

Action Requested:

Attachments:

1. 2023 Finance Commission Agenda Topics

2023 Finance Commission Agenda Topics
Generally speaking, Fincom to take a longer term and broader focus

Priority	Topic	Explanation
High	LT fund forecasts	Parking, Links, TIF, Fire/EMS
High	Five-year Forecast	Focus on General Fund & Capital Projects Annual activity at beginning of year
High	Simplified Financial Scorecard	Determine small number of key metrics, publish biennially
High	Fincom involvement in budgeting process	Determine how fincom can do advance work to help expedite the process
Mid	Police Dept measures of success	What does success look like? What key metrics do other municipalities use?
Mid	Grant writer evaluation	Would there be ROI from the village hiring a grant writer to proactively seek more grant money?
Mid	Alternative Revenue Sources	The art of taxation is to generate revenue in the least painful ways possible. What can we do better to align taxation with consumption?
Low	US Bank transaction	Evaluate & recommend valuation & deal structure for sale to GEPD
Low	Housing unit economic analysis	What type of units should we be pushing developers to build? (Rental vs. owned, price range, supportive housing, senior-focused, etc.)

Suggested approach to high-priority topics:

1. LT Fund forecasts
    - Meeting 1 - brainstorm questions, determine scope of analysis, identify potential data sources, assign work (fincom & staff)
    - Meeting 2 - review first cut analysis, determine gaps or additional questions
    - Meeting 3 - review final analysis
    - Question - should we handle these all in a batch or one by one?
2. Five-year forecast (General & Cap Proj Funds)
    - Meeting 1 - review past template, recommend changes
    - Meeting 2 - review draft
    - Meeting 3 - review final
3. Financial Scorecard
    - Meeting 1 - review past scorecard, brainstorm key questions

- Meeting 2 - confirm scope, assign work (fincom & staff)
- Meeting 3 - review draft, determine comms strategy
- Meeting 4 - review final, implement comms strategy

4. Fincom involvement in budgeting process
   - Discussion with Board prez, VM, FD, & Fincom chair to determine approach
   - Review with fincom
   - Implement approach