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. <u>General Fund Financial Report – November 2022</u>

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) <u>Next Meeting: Friday, February 10, 2023 at 7:00AM</u>

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