FINANCE COMMISSION MEETING
MINUTES
MARCH 10, 2023

A. **Call To Order**
The March 10, 2023 Finance Commission meeting was called to order at 7:00AM. by Chair Jeremy VanEk at 535 Duane Street, in Glen Ellyn, Illinois.

B. **Roll Call**

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

Also present: Trustee Bill Payne, Village Manager Mark Franz, Finance Director Larry Noller, Assistant Finance Director Patrick Brankin, Public Works Director Dave Buckley, Assistant Public Works Director John Hubsky, and Recording Secretary Aileen Haslett.

C. **Public Comment**
None.

D. **Approval of Minutes**
1) Minutes – February 10, 2023

MOVE TO APPROVE THE MINUTES OF THE FINANCE COMMISSION MEETING AS PRESENTED FROM 2/10/2023.

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

E. **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 and Solutions, presented an update on the water and sewer rate study based upon the direction from the Finance Commission at the February 2023 meeting. Callocchia said the updated recommendation includes: a 0% increase is the current year, a 4% increase in 2024, a 4% increase in 2025, a 4% increase in 2026, and a 5% increase in 2027. The new fixed rate monthly service charge based upon meter size would not be imposed until 2024.

Commissioner Niksa said this was the best presentation by far and he likes the simplicity of the updated rate structure. Callocchia noted the updated rate recommendation includes a better fiscal position for the Water Fund than originally projected.

MOTION TO RECOMMEND THE UPDATED WATER RATE INCREASES TO THE VILLAGE BOARD AS RECOMMENDED BY THE CONSULTANT.

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

Finance Director Noller clarified that the Finance Commission's motion included a fixed fee component and a 4% rate increase beginning in 2024. Village Manager Franz thanked the Finance Commission and Eric Callocchia for his efforts. Village Manager Franz noted this recommendation will be discussed during an upcoming Village Board workshop.

F. **Financial Reports**

1. Year End Financial Report 2022

Finance Director Noller noted the 2022 year-end financial report covers the period of January 1, through December 31, 2022. The information presented is unaudited and is on a budget basis. The biggest change for the 2022 budget was adding the ARPA grant to the General Fund budget. For 2022, revenues were just under $1M over the expenditures. Income taxes came in significantly higher than budgeted. Village Manager Franz noted the number one priority of the DuPage Mayors and Managers Conference is to fully restore income tax allotments to local municipalities. Village Manager Franz added there is an effort for the State to revert back to the 10% allotment of income taxes, of which municipalities will apply this increase towards rising pension costs.

Sales and home rules sales taxes came in higher than budget partly due to inflation and an increase in taxes from online retailers. Personal property replacement taxes were above budget due to higher corporate earnings and new legislation. Interest income exceeded the budget estimates due to rate increases. Building permits were below budget because the anticipated Glenwood Station fees were not recorded until the current year. Police and Public Works expenses were lower than the budget due to staff turnover and unfilled positions. The Village Manager department expenses were higher than budget due to an increase in recruiting and temporary staff costs. Also EMS costs increased due to enhanced services and additional staff. Village Manager Franz noted the EMS changes were made mid-year. The General Fund ended with about a $1M increase in fund balance.

Finance Director Noller said about $5M in Capital Projects will be carried over into 2023. Food and beverage taxes are doing fairly well and remain a strong source of income in the Capital Projects Fund. There is a little bit of concern for real estate transfer taxes, which are significantly lower than the past two (2) years. Staff will continue to keep a close eye on this. The $3.77M in ARPA funds were reallocated to the General Fund for governmental services. The Corporate Reserve Fund financed the $2.58 Roosevelt Road property purchase, while TIF funds were applied towards the bank property purchase in the amount of $1.65M. The fund balance in the Water Fund exceeded

$20 million which led to higher interest income. Water and Sewer Fund revenues were 6.5% above budget, while expenditures were 4% below budget. The permit revenue in the Parking Fund were above budget due to recent fee increases. There is just under $300,000 in outstanding work remaining for the new Civic Center parking garage, which should be completed in 2023. The state mandated police pension consolidation was completed in April 2022. The consolidated fund performance from April through December 2022 was -8.74%. Chair VanEk thanked Finance Director Noller for the comprehensive report.

G. **Staff Report**

H. **Five-Year Forecast**

1. Five-Year Forecast Discussion and Recommendations

   Chair VanEk noted the last Five-Year Forecast was completed several years ago and the preparation of this report will resume this year. Chair VanEk said the 2020 budget forecast included many key items including an analysis of revenues and expenses by major type. Chair VanEk said his problem with past forecasts is the doomsday scenario presented. Chair VanEk said the forecasting methodology needs to be very careful and thoughtful to make sure we are not creating a doomsday scenario, when this does not really exist. Village Manager Franz commented the further you go out in a forecast, the less likely it is to occur. Chair VanEk said the Village has the ability to actively manage the forecast as we go through the next five (5) years. The margin of errors for forecasts was discussed. Chair VanEk said the May 2023 meeting includes a first draft of the forecast, where the Finance Commission can discuss changes. At the June meeting, a final draft of the Five-Year forecast will be presented.

I. **Chairperson's Report**

1. 2023 Finance Commission Agenda Topics

   Chair VanEk referenced the 2023 Finance Commission Agenda topic list included in the agenda packet.

J. **Trustee Liaison's Report**

Trustee Payne updated the Finance Commission on recent Village Board activities. Trustee Payne asked the Finance Commission to review the Capital Improvement Plan going forward. Chair VanEk said the Finance Commission will be happy to take a look.

K. **Other Business**

L. **Reminders**

1) Next Meeting: Friday, April 14, 2023 at 7:00AM

M. **Adjournment**

Commissioner Goodman moved and Commissioner Oakes seconded, to adjourn the meeting. The meeting was adjourned at 8:24AM.

Submitted by Aileen Haslett, Recording Secretary