Finance Commission Minutes
June 14, 2024

A. Call to Order

The June 14, 2024, Finance Commission Meeting was called to order at 7:01 a.m. by Chair, Jeremy VanEk, at the Glen Ellyn Civic Center, Room 301.

B. Roll Call

Jeremy Van Ek	Chair	Present
Chris Goodman	Vice-Chair	Present
Anne Arnold	Commissioner	Absent
Lea Dan	Commissioner	Absent
Mike Graham	Commissioner	Present
Leo Hoerdermann	Commissioner	Present
Kevin Moffitt	Commissioner	Present
Brian Niksa	Commissioner	Present
Scott Waldbusser	Commissioner	Present

Also Present:

Finance Director	Patrick Brankin
Assistant Finance Director	Michele Chaparro
Foster & Foster Consulting Actuaries	Jason Franken
Resident	Graham Van Ek

C. Public Comment

None

D. Approval of Minutes

Approval of the April 12th, 2024 meeting's minutes

Motion to Approve Minutes from April 12, 2024, Finance Commission Meeting Motion by: Chair Van Ek Mover: Commissioner Moffitt Seconded by: Commissioner Goodman Result: Unanimous Approval

E. Police Pension Actuarial Valuation

Jason Franken of Foster & Foster Actuaries presented the Finance Commission with the annual actuarial valuation of the Village of Glen Ellyn Police Pension Fund. Mr. Franken pointed out that there are several factors to consider when reviewing the report.

1. Returns are currently smoothed over five years, however due to new investment policy in 2022, there was a “fresh start” at that time. 2022 returns for the 2023 valuation were significantly below actuarial expectations, and as a result 20% of the loss is being recognized each year until absorbed.
2. New contract with the police union affects the valuation through increased salaries which eventually leads to higher pension benefits and increases the overall liabilities and the contribution requirements.
3. More actives this year than last year therefore more benefits being accrued.
4. Minor change to the timing of cost-of-living adjustments.

The above factors contributed to the 600k increase to contribution requirement for the current year report(2025 budget). Mr. Franken then went through the actual report and further explained the report and the 2022 loss. Chair Van Ek clarified that the finance commission recommended the five year smoothing to the investment returns to lessen the volatility of the projections.

Mr. Franken then continued going through the provided packet and report. Questions arose to Social Security Safe Harbor, benefits, and requirements, especially when it comes to Tier 2 IMRF employees and the impact on the Village of Glen Ellyn.

F. Financial Reports

Finance Director Brankin began his report by introducing the new assistant Finance Director Michele Chaparro. Finance Director Brankin then reviewed the Q1 2024 financial report with the Commission. He did point out that because the Village uses cash basis accounting during the year that there may be some timing differences due to year-end expenses. He continued to explain the report and the timing differences.

G. Staff Report

Finance Director Brankin began by reporting on the fire service fees discussion that took place with the Village Board. The discussion was brought to the Board at a workshop where Finance Commission Chair Van Ek was also present. Director Brankin mentioned that several board members are interested in moving the fees to a property tax bill rather than the utility bill. The board did indicate that they would support increasing the fire service fees. Further explanations of the workshop were made. Director Brankin did report that the board did approve a one-time fire service fee increase with no annual CPI component. Additionally, the board did approve an EMS contract. Further discussions ensued relating to the fire service fees and alternative revenues. Director Brankin reported that the removal of the state Grocery Tax has passed and will be effective as of January 2026 and preliminarily explained the impact and the Board’s response.

H. Motor Fuel Tax Fund Forecast

Finance Director Brankin explained the main source of revenue for this fund is the motor fuel tax allotment based received from the State based on where the fuel is sold. The projections for 2024 for motor fuel tax and interest income are higher than what was budgeted for 2024. Additionally, the capital projects fund transfers were explained. Further discussions were had on the future forecasts for the Motor Fuel tax. Three (3) scenarios were presented and discussed. First, a scenario with no increase to the motor fuel tax. Secondly, a 1% increase and lastly a yearly decrease of motor fuel tax to 90% tax of the prior year's tax. All scenarios showed a surplus in MFT fund balance. Director Brankin explained that surplus funds would likely be used to supplement the Capital Projects Fund through eligible projects. Brankin also explained that a goal for the next meeting would be to have a preliminary forecast for the general fund and a first pass of the Village Links forecast.

I. Chairperson's Report

Chairperson Van Ek announced that there were three (3) Commission terms up on July 31st, himself, Commissioner Dan, and Commissioner Goodman. Commission Dan has opted to renew her term. Chairperson Van Ek is stepping down after 11 years on the Commission. Commissioner Goodman will be taking over the Chairperson commission from Chairperson Van Ek. There is an opening for Vice-Chair, an open Commission position, and a student representative. Recruiting for all open memberships was encouraged.

J. Trustee Liaison's Report

None

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K. Other Business

None

L. Reminders

The next meeting is Friday, July 12, 2024, at 7:00 AM

M. Adjourn

Commissioner Moffitt moved to adjourn, and Commissioner Goodman seconded. The meeting was adjourned at 8:20 a.m.

Submitted By: Colette Ameche, Recording Secretary