Finance Commission Minutes
July 14, 2024

A. Call to Order

The July 14TH, 2024, Finance Commission Meeting was called to order at 7:00 a.m. by Chair, Jeremy VanEk, at the Glen Ellyn Civic Center, Room 301.

B. Roll Order

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

Also Present:

Village Manager	Mark Franz
Finance Director	Patrick Brankin
Assistant Finance Director	Michele Chaparro
Village Trustee	Kelli Christiansen

C. Public Comment

None

D. Approval of Minutes

Approval of the June 14th, meeting's minutes

Motion to Approve Minutes from June 14th,2024 Finance Commission Meeting Motion by: Jeremy Van Ek, Chairperson Mover: Chris Goodman, Vice-Chairperson Seconded by: Scott Waldbusser, Commissioner Result: Unanimous Approval

E. Financial Reports

Finance Director Brankin began by introducing the Annual Comprehensive Financial Report or ACFR. Due to the size of the file, the report is available in the packet. He further explained that the items that are included in the report are part of the unmodified audit report. The next report that F.D. Brankin introduced was the Popular Annual Financial Report or the PAFR. He further explained that it is another type of financial report which is encouraged by the Government Finance Officers Association or GFOA. This is the first time the Village has created a PAFR and will be submitting for an award that is given annually for the PAFR. The information was gathered by the audit team. The PAFR is designed to take the information from the ACFR and make it more accessible and more easily understood by the public as well as elected officials. F.D. Brankin went through the PAFR and further explained the information provided in the report. Discussions ensued regarding information in the PAFR. Both reports will be made public when the ACFR report is reviewed and accepted by the Village Board. The reports go to the Village Board on July 22nd.

F. Village Links/Reserve 22 Forecast

Finance Director Brankin began by stated that there are two (2) different approaches to the forecasting and that the Village Links and General Fund Forecasts are done differently. The Village Links Forecast used a projection for the current year and updating numbers from budgeted to actual to assist the Village Links in their 2025 budget process that has begun. F.D. Brankin suggested that the Village Links Forecast review be postponed to the next meeting due to time constraints.

G. General Fund Forecast

Finance Director Brankin began by explaining that there are four (4) primary revenues that he will be focusing on in the forecast: Sales Tax, Home Rule Sales Tax, Property Tax and State Income Tax. F.D. Brankin further explained the changes in revenues, over time, for each of the four revenue sources. Questions were brought up concerning “Other Revenues” which is a fifth revenue source for all miscellaneous revenues that are not identified as one of the four primary revenue sources and the fluctuation of said revenues. Various charts and slides were presented to assist in the review of each revenue source’s projections and actuals numbers.

Sales Tax: Finance Director Brankin went through the causes & effects for sales tax variances and past projected growth that was reported in the 2019 forecast. The projected growth was significantly higher than projected. It was noted that the Grocery tax will be eliminated as of January 2026. Additionally, Village Manager Franz added that

Glen Ellyn's sales tax is steadier because of the sources of Glen Ellyn's sales tax revenue. Questions and discussions ensued.

Home Rule Sales Tax: Predicted to grow at 2% rate in the 2019 forecast; however, there was a significant increase in 2021. F.D. Brankin explained the growth and gave different scenarios of trends and effects of the growth in the charts provided in the packet. It was also noted that an increase in the HRST from 1.25% to 1.5% would cover the lost Grocery Tax revenue that begins in 2026.

The State Income Tax/LGDF: It was pointed out that this is the most volatile of the other discussed revenues primarily because it is subject to the state interference. It has been noted that the percentage that the State shares with municipalities fluctuates at times. F.D. Brankin further explained the forecasting for State Income Tax/LGDF and answered commissioner's questions. Suggestions were made to look longer term trend lines to further assist with forecasting going forward. Discussions ensued on the forecasting of state income tax and reasoning to why the forecasting numbers were used.

Property Tax: It was noted that this is the only significant revenue that is totally under the Village's control; not subject to volatility. However, there are potential political implications if changes are implemented. F.D. Brankin explained the Property Tax Extension Limitation Law or PTELL and its limitations. Although Glen Ellyn is not subject to the limits of PTELL it does follow its guidelines. The Property Tax charts were presented differently than the other revenue forecasting charts to highlight the cumulative effect of not increasing the municipalities property tax levy and the effects it has on future levies. F.D. Brankin presented forecasting charts that are provided in the packet. The property tax forecast does not include abatement that could potentially be included in a levy. The potential levy increases, and potential revenue increases were discussed.

Other Revenues: F.D. presented the charts for other revenue and stressed that IML is projecting large decrease in PPRT. Various revenue sources categorized in Other Revenue were discussed.

F.D. Brankin stated that the forecasting information would be presented to the Village Board and there is a kick-off budget meeting slated for August 12, 2024.

He also stated that the forecast leans on the conservative side for budgeting purposes and provided charts to present projected growth. Looking forward 2024 revenues are expected to exceed budget but lower than 2023 revenues which can be mainly attributed to building permits being unusually strong in 2023.

Chair Van Ek stated that the intention is to put the information on the agenda for the next Finance Commission meeting so can further discuss and finalize.

H. Staff Report

Village Manager Franz reported that the audit report will be going to board on July 22nd. Additionally, the July 22nd meeting will include final decisions on the Train Station and pedestrian tunnel design project. F.D. Brankin reported that typically Village Engineer

Rich Daubert attends a Fall Finance Commission meeting and gives an overview of the capital improvement plan. Because Rich Daubert also gives the report to other committees he will combine and give one report to the CIC on Wednesday, September 11th. If interested, F.D. Brankin encourages commissioners to attend that meeting.

I. Chairperson's Report

Chairperson Van Ek officially stepped down after 10 years on the board with 3 years as Chairperson. Vice-Chair Goodman will assume the role as Chairperson.

J. Trustee Liaison's Report 117

Trustee Christianson gave an update on the upcoming Village Board meeting. Additionally, she mentioned that the 4th of July parade was again held on the south side of the village and appeared to have equal attendance as when was on the north side of town. She reminded the committee of the Jazz Fest on July 13 and the Sidewalk sale in the next weekend. Next Village Board meeting is scheduled for July 22, 2024.

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K. Other Business

None

L. Reminders

The next meeting is Friday, August 9, 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