

Finance Commission Minutes

June 27, 2025

A. Call to Order

The June 27th Finance Commission Meeting was called to order at 7:00 a.m. by Chairperson Chris Goodman, at the Glen Ellyn Civic Center, Room 301.

B. Roll Order

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

Also Present:

Finance Director	Patrick Brankin
Village Trustee	Kelli Christiansen
Foster & Foster Actuary Consultant	Heidi Andorfer, FSA, EA MAAA

C. Public Comment

None

D. Police Pension Actuarial Valuation

Finance Director Brankin introduced Heidi Andorfer of Foster & Foster Actuary Consultants, who presented the 2025 Actuarial Valuation to the commission. She opened by comparing the current report with the prior year, highlighting key shifts in funded status and required contributions. Two primary unfavorable experiences were noted: investment returns continue to recover from previous losses, and salary increases exceeded expectations. A portion of the discussion focused on the differences between Tier 1 and Tier 2 plans, with the potential alignment of Tier 2 benefits more closely with Tier 1. Ms. Andorfer emphasized that such changes would significantly impact future liabilities, prompting detailed questions and analysis.

Finance Director Brankin specifically asked Ms. Andorfer to address the recent growth of the Village's contributions to the Police Pension Plan and to confirm whether this rate is expected to slow in the future. In response, Ms. Andorfer highlighted various factors affecting this increase, most notably the Village's recent adoption of a 15-year rolling amortization. This will continue to cause increases until the 15 year period is reached. Additionally, Ms. Andorfer explained that the current assumption of a 6.5% interest rate is conservative compared to many peer plans using higher return assumptions. She noted that raising this assumption would likely lead to reduced contributions compared to leaving the assumption unchanged. It was pointed out that implementing this change would require an amended funding policy.

A five-year comparative review followed, focusing on return volatility and the logic behind the 6.5% assumption. Ms. Andorfer described how the assumption was selected and reinforced that alterations to it aren't permissible without a formal policy change. Chairperson Goodman added context by noting the prior formation of a subcommittee dedicated to evaluating the Police Pension Fund.

The presentation included a participant reconciliation chart, which demonstrated year-over-year changes in census data. Ms. Andorfer reiterated that the actuaries use a "snapshot" valuation method that captures plan membership as of January 1. Any mid-year changes will be reflected in the subsequent year's valuation. She then walked through the principal valuation results, explaining asset volatility, assumption methods, and the bottom-line funding requirement as of January 1, 2025. Throughout this segment, participants asked numerous questions regarding realized versus projected contributions, asset value fluctuations, and actuarial assumptions.

Further discussion addressed payroll growth assumptions and provisions for buyouts. In conclusion, Ms. Andorfer reviewed the Plan Provisions chart, which detailed the distinctions between Tier 1 and Tier 2 benefits, reinforcing the implications of any proposed changes.

E. Financial Reports

Finance Director Brankin introduced the 2025 First Quarter Financial Report, noting that it is preliminary, unaudited, and prepared on a cash basis. Revenues are slightly behind last year's figures, primarily due to lower building permit receipts, but remain in line with budget projections. While expenditures exceeded the prior year, they are still under budget. Brankin explained various timing differences and highlighted the Sales, home rule sales, and income tax revenues.

Core revenue sources and General Fund expenditures were examined, with discussion about how they aligned with budget expectations and actual first-quarter outcomes. Similar presentations were made for all other funds, showing actual results compared to budgeted figures.

Quarterly financials for the Village Links followed, showing results comparable to the same period last year. Cash reserves were reviewed, including the minimum amounts required by policy and current actual balances. Brankin highlighted any instances where reserves dipped below policy and explained the timing for remediating shortfalls.

Finance Director Brankin provided an update on the Police Pension Fund, detailing its financial performance relative to long-term target allocations.

F. Staff Report

On June 23rd, the Village Board unanimously approved a new \$6/month fee to be added to all utility accounts to assist in covering the cost of the Lead Line Replacement Program. The Board has not yet decided on private line replacement or determined any reimbursement amounts for any homeowners who have already replaced lines; therefore, neither issue is included in the current ordinance.

The July Finance Committee meeting is tentatively cancelled, but further communications will follow.

The investment sub commission recently met to discuss continuing the existing investment strategy.

G. Chairperson Report

The Finance Committee summer meeting schedule will be consolidated, and information will be forthcoming.

H. Trustee Liaison's Report

The Lead Services Replacement Program was presented to the Village Board and as mentioned above did approve a \$6/month fee onto utility bills. A sign variation was approved for the Glen Ellyn Food Pantry. The next Board meeting is July 14th.

I. Other business

None

J. Reminders

Look for updates for the timing of the next Finance Committee meeting.

K. Adjourn

Chairperson Goodman motioned to adjourn; Commissioner Dan moved, and Commissioner Moffit seconded the motion. The meeting was adjourned at 8:06 a.m.

Submitted By: Colette Ameche, Recording Secretary