Minutes
Village of Glen Ellyn
Finance Commission
Special Meeting
Friday, February 16, 2018
7:00 AM
Glen Ellyn Civic Center, Room 301

A. Call to Order

Attendee Name	Title	Status
John Mulherin	Commissioner	Present
Brenton J. Peck	Commissioner	Present
Lisa A Cleaver	Commissioner	Present
Jose G DeLeon	Commissioner	Absent
Scott R Greeno	Commissioner	Present
Jeremy S VanEk	Commissioner	Present
Matthew L Halkyard	Chairman	Present
Christopher D. Oakes	Commissioner	Present

Chairman Halkyard called the meeting to order at 7:02 A.M.
Also Present: Finance Director Coyle, Village Manager Franz, Assistant Finance Director Thomas and Recording Secretary Haslett.

B. Public Comment (Non Agenda Items)

Resident Ryan Gibson stated he applied to be a member of the Finance Commission. Finance Director Coyle indicated there is one open spot. Chairman Halkyard welcomed Mr. Gibson to the meeting.

C. Approval of Minutes

1. Finance Commission - Regular Meeting - Jan 12, 2018 7:00 AM

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	John Mulherin, Commissioner
SECONDER:	Jeremy S VanEk, Commissioner
AYES:	Mulherin, Peck, Cleaver, Greeno, VanEk, Halkyard, Oakes
ABSENT:	DeLeon

D. Financial Reports

1. Village Links - Financial Statements - December 2017

The 2017 Reserve 22 operating income was not as good as the prior year, but banquet revenues were up and the restaurant was down slightly from the prior year. Operating income was lower for 2017 compared to 2016 due to increased expenses. Golf income was in-line with the last two (2) years and the number of rounds decreased for 2017 due to poor weather in October. VanEk asked why expenses were higher in 2017. Finance Director Coyle responded due to higher salaries and contractual services. Franz further explained the increase was partially due to employee turnover costs.

RESULT:	DISCUSSION ONLY

2. Finance Director Coyle will present the 2017 year-end financial report.

Finance Director Coyle referenced the preliminary 2017 financial report included in the agenda packet. The information presented is on a budget basis and some year-end accruals still need to booked. The Finance Department is preparing for the auditor's field work in March and the final report should be presented to the Finance Commission in May or June. Finance Director Coyle discussed some of 2017's key revenues. Income taxes were lower by almost 6% for 2017 because the State eliminated the $100,000 limit in net operating loss recognition on tax returns which decreased taxable income. In addition, the State reduced the income tax by 10% beginning in July of 2017. In Governor Rauner's recent budget address he proposed continuing the 10% reduction for the next budget year as well. Sales taxes were down by almost 2% due to lower vehicle sales. Finance Director Coyle is hopeful that sales taxes will rebound in 2018.

Utility taxes, which fund capital projects, were 7.73% lower than last year. Included in the utility tax category are electric, gas, and telecommunications. Telecommunication taxes dwindled in recent years as people swap their home phone with their cell phone and the Village only receives taxes based upon the phone service, not the data. Building permit revenues were 14.2% higher than last year. Commissioner Oakes indicated this will have a positive impact on future property tax revenues. Overall revenues were within budgeted expectations and Police pension investment income came in much higher than anticipated. Commissioner Greeno noted the Police Pension investment strategy changed this past year. A total of 659 real estate transfer tax stamps were issued in 2017 compared to 743 in 2016, representing about a $100,000 decrease, but still above the 2015 amount.

Chairman Halkyard asked if the police pension levy will be segregated on future tax bills. Finance Director Coyle responded no. Chairman Halkyard indicated separating out the police pension will explain to residents the impact of the pension costs on the Village and will improve transparency. Chairman Halkyard suggested this item be placed for discussion on a future agenda.

Finance Director Coyle discussed the 2017 expenses and noted that all the expenditure categories were at or below budget except for Police overtime, which is not a high dollar value. Commissioner VanEk asked about the 2017 surplus. Finance Director Coyle responded the 2017 surplus is estimated at $200,000, but after audit adjustments it could go down by $100,000. Commissioner VanEk asked about the gap for the 2018 budget. Finance Director Coyle replied the total gap was $848,000 and further explained the Village Board plans to discuss a quarter percent increase in the home rule sales tax to fill some of this gap and is also looking to use $600,000 in reserves to fill the gap. Finance Director Coyle said the General Fund reserves currently exceed the policy. Finance Director Coyle noted last year's snow removal and tree work costs were below budget, while legal costs exceeded the budget due to ongoing litigation.

RESULT:	**DISCUSSION ONLY**

3. Cash and Investments Report 2017-12-31

The Village's interest income doubled over last year due to higher interest rates and investment portfolio changes. All investments were within limits of the portfolio policies. Finance Director Coyle said she would like to review alternatives to the Illinois Funds in order to reduce the investment concentrations here. Commissioner VanEk asked if the Village has heard from IMET regarding the fraud recovery efforts. Finance Director Coyle replied she recently received an email indicating the Village should receive some of the funds in the near future and IMET projected that 50% of the total loss will be recovered this year, which represents approximately $300,000.

RESULT:	**DISCUSSION ONLY**

4. Capital Projects Report

Village Manager Franz updated the Commission on the status of the primary capital projects for 2018. The Taylor Street Underpass has been in the planning stages for the past four (4) years and has endured some delays because the Village is working with both the State and the Union Pacific railroad. The project is estimated to cost $2.8 million of which $2 million in grants has been secured. Bids for this project will be let hopefully in April of this year. If this deadline is met, then the project will begin in the fall. Some road and water main improvements along Park from Roosevelt north to the train tracks will take place in 2018. Also, some of the water mains along Roosevelt Road will be replaced. Some signal improvements are planned for the Baker Hill Shopping Center.

Franz noted the Village Board will discuss the proposed parking garage and the downtown streetscape project, which is estimated to cost approximately $10 million, at the Tuesday, February 20, 2018 meeting.

RESULT:	**DISCUSSION ONLY**

E. Reserve Policy

1. Finance Director Coyle will present an update to the Village's Reserve Policy

Finance Director Coyle noted the Finance Commission and the Village Board have reviewed reserve policies for the different funds. Finance Director Coyle referenced the memorandum included in the agenda packet which takes a comprehensive look at all of the reserve policies. The Finance Commission still needs to review the reserve policy for the Village Links/Reserve 22 Fund.

Attorney Mathews recently reviewed insurance policies to determine coverage in the event of a disaster at the Village Links. City Attorney Mathews found that the current policy does not cover diseased greens. The Village Board asked staff to compare the cost of adding this coverage to the Village's insurance policies or self-insuring against this. Chairman Halkyard said it should be less expensive to self-insure. Finance Director Coyle said General Manager Vesevick recommended the reserve policy include full-time staff costs of $1 million and $654,000 for debt service. Finance Director Coyle said in order to meet this reserve amount, the current policy would need to be increased by $300,000.

RESULT:	**DISCUSSION ONLY**

F. Trustee Liaison Report

None.

G. Chairman's Report

Chairman Halkyard mentioned the recent article in the *Daily Herald* regarding police pension funding.

H. Other Business

1. Economic Development Update

Village Manager Franz briefed the Commission on the current economic development projects.

2. Next Meeting: Friday, March 9, 7:00AM, Room 301

I. Adjournment

1. Motion to Adjourn

The meeting was adjourned at 8:17 a.m.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	John Mulherin, Commissioner
SECONDER:	Christopher D. Oakes, Commissioner
AYES:	Mulherin, Peck, Cleaver, Greeno, VanEk, Halkyard, Oakes
ABSENT:	DeLeon