Agenda
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

B. Public Comment (Non Agenda Items)

C. Approval of Minutes

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

D. Financial Reports

1. Village Links - Financial Statements - December 2017
2. 2017 Year End Financial Report
3. Cash and Investments Report – December 2017
4. Capital Projects Report

E. Reserve Policy

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

F. Trustee Liaison Report

G. Chairman's Report

H. Other Business

1. Economic Development Update
2. Next Meeting: Friday, March 9, 7:00AM, Room 301

I. Adjournment

1. Motion to Adjourn

Individuals with disabilities who plan to attend the hearing and who require certain accommodations in order to allow them to observe and participate, or who have questions regarding the accessibility of the meeting or facilities, are requested to contact the Village at least 24 hours before the meeting.

Minutes
Village of Glen Ellyn
Finance Commission
Regular Meeting
Friday, January 12, 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	Absent
Jose G DeLeon	Commissioner	Present
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 7:00 A.M.
Also Present: Finance Director Coyle, Village Manager Franz and Recording Secretary Haslett.

B. Public Comment (Non Agenda Items)

None.

C. Approval of Minutes

1. Finance Commission - Regular Meeting - Dec 8, 2017 7:00 AM

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

D. Financial Reports

1. General Fund Update

Finance Director Coyle distributed the preliminary December 2017 report and noted General Fund revenues were level with last year and below the 2017 budget. The sales tax, home rule sales tax, and income taxes performed disappointingly. Finance Director Coyle estimated a small operating profit of $85,000 for 2017, which is really close to a break-even point. This amount could change based upon year end accruals. Two (2) non-operating one-time transfers were made in 2017 including:

1. General Fund transferred the CY16 surplus of $548,331 to the Facilities Maintenance Reserve Fund; and,

2. General Fund transferred $300,000 in forfeiture funds to the Capital Projects for the new Police Station.

The 2017 sales taxes were lower than the budget estimate, while home rule sales experienced a positive variance from last year, but still lagged behind the budget. Income taxes were $350,000 lower than the budget and $150,000 below the prior year. Property taxes increased by 1% over last year. Use taxes continued to perform well and include a per capita distribution, part of which is from internet sales. Building permits rebounded almost $100,000 over the prior year. Ambulance fees increased $20,133 from the prior year. Glen Oak Country Club reimbursed the Village $36,780 as part of their annual annexation agreement fee. Rising interest rates and a change in investment strategy contributed to higher interest income, which was about $50,000 over the prior year.

Expenditures ended the year $840,427 above the prior year, but $873,174 below FY17 budget. Legal fees for 2017 increased due to the professional services associated with the proposed gas station at 825 N. Main Street. A mild winter contributed to a reduction in snow costs, which was $63,000 below budget.

Chairman Halkyard inquired about the cause for the lower senior transportation expense. Finance Director Coyle said ridership decreased. Village Manager Franz indicated since the numbers dropped, it might be a good idea to reach-out more to the senior community regarding the available commuter services. Chairman Halkyard asked if the holiday lights are outsourced. Village Manager Franz replied yes because the crews are busy with year-end projects and the light decorating project is more specialized.

2. Village Links/Reserve 22 - Financial Statements - November 2017

Finance Director Coyle reported the combined YTD operating income for November 2017 was $718,000 for the current year compared to $854,000 last year. Finance Director Coyle explained part of this decrease is due to the poor weather experienced in October. The operating income is sufficient to cover debt service of $650,000. Village Manager Franz noted over the last few months the Recreation Commission has been considering when another capital investment at the Links should take place. Village Manager Franz noted the Recreation Commission will be looking at its reserve policy along with prioritizing capital projects and drafting a detailed capital plan. Village Manager Franz said they need to determine a sufficient reserve amount to handle if the greens were damaged by weather (similar to the golf courses up north that experienced severe flooding last year) and if this would be covered by insurance. Commissioner Mulherin asked if the Links has business interruption insurance. Village Manager Franz replied yes and currently there is a closer review of this policy to determine what is covered and not covered.

The YTD operating income for the Village Links was $644,000 compared to $671,000 last year. Village Links Reserve 22's YTD operating income was $74,000 compared to $183,000 last year. Finance Director Coyle noted there has been revenue growth but there have also been increased staffing costs at Reserve 22 compared to last year. YTD Reserve 22 banquet revenue increased by $105,000 over the prior year.

Chairman Halkyard asked if there is a staff profit incentive structure in place for Reserve 22. Village Manager Franz noted Reserve 22 experienced significant turnover this past year and currently only the banquet manager receives commission. Commissioner Mulherin indicated the Links staff was helpful during the Rotary's citrus sale.

RESULT:	**DISCUSSION ONLY**

E. Water & Sewer Fund Reserve Policy

1. Finance Director Christina Coyle will present a proposed update to the Water & Sewer Reserve Policy.

Finance Director Coyle noted as part of the strategic goals; the reserve policies for all the funds are being reviewed. To date, the Board has reviewed the Solid Waste Fund, the General Fund, and the Parking Fund. Prior to 2011, the operating reserve for the Water and Sewer Fund was set at 25% of operating expenses. In 2011, the Village Board changed this guideline to a flat $2 million with an annual CPI escalator. The reserves meet cash flow needs, stabilize water rates, and fund emergencies. Currently there is $2.6 million in reserves for the Water and Sewer Fund. This fund only has an IEPA loan and no outstanding general obligation debt.

Commissioner Mulherin asked what the Village's biggest exposure was for the Water and Sewer Fund. Finance Director Coyle replied if a natural disaster obstructed the standing infrastructure such as the Water Tower or if the system was contaminated. Finance Director Coyle noted overall this fund has a relatively low risk profile. Commissioner Greeno asked if the rating agencies would look at the Water and Sewer Fund even if the debt was not being issued from this fund. Finance Director Coyle replied yes that the rating agencies would look at this fund and all the Village's funds to ensure healthy reserves were on hand as well as the Village's ability to meet its obligations.

Finance Director Coyle recommended the current reserve policy remain in place while explicitly stating that any amount above the operating reserve is for capital projects.

The Finance Commission agreed with staff's recommendation as outlined above.

RESULT:	**DISCUSSION ONLY**

F. Trustee Liaison Report

None.

G. Chairman's Report

None.

H. Other Business

1. Economic Development Update

Village Manager Franz briefed the Commission on the current economic development projects. Village Manager Franz also distributed a listing of new businesses that opened in 2017 and will be opening in 2018. Village Manager Franz noted that the upcoming workshops for the Village Board will include discussions on parking alternatives and the proposed improvements to the downtown train station.

2. Next Meeting: February 9, 7:00 A.M., Room 301

I. Adjournment

1. Motion to adjourn

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

Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 02/16/18 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Report
Prepared By: Ann Pedersen

SCHEDULED

AGENDA ITEM (ID # 3084) DOC ID: 3084

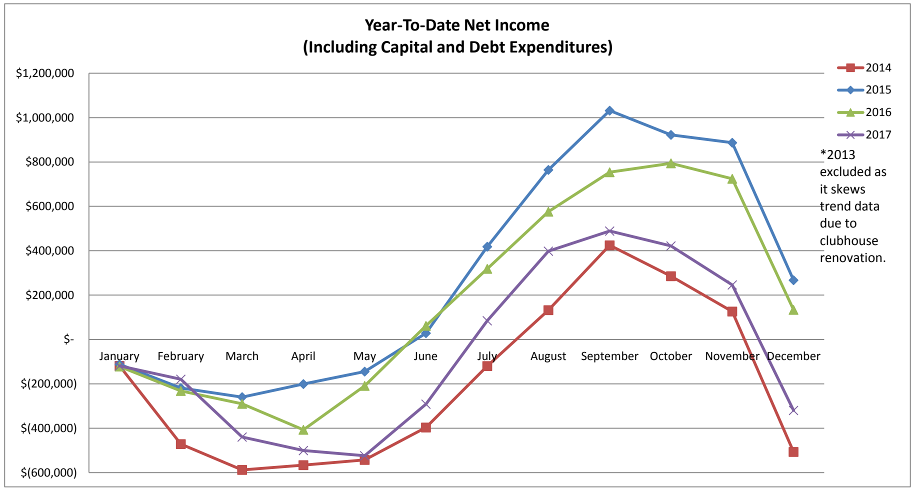
Village Links - Financial Statements - December 2017

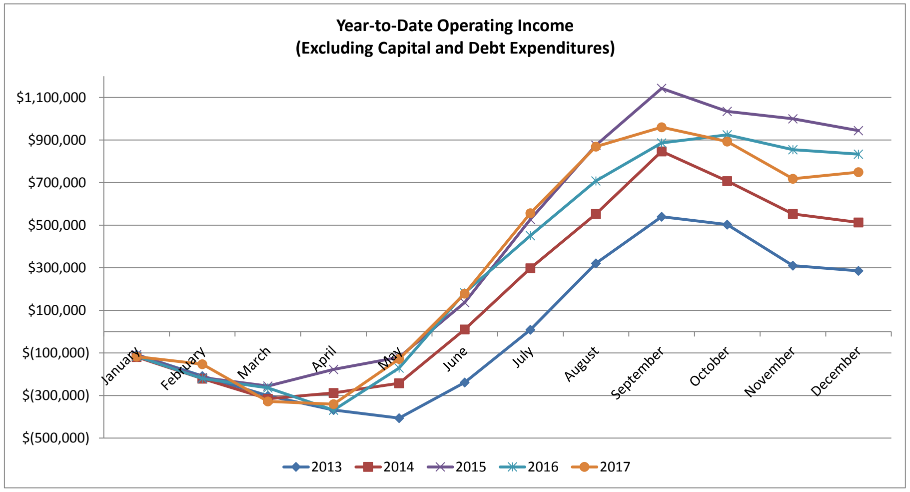
Please see the attached report.

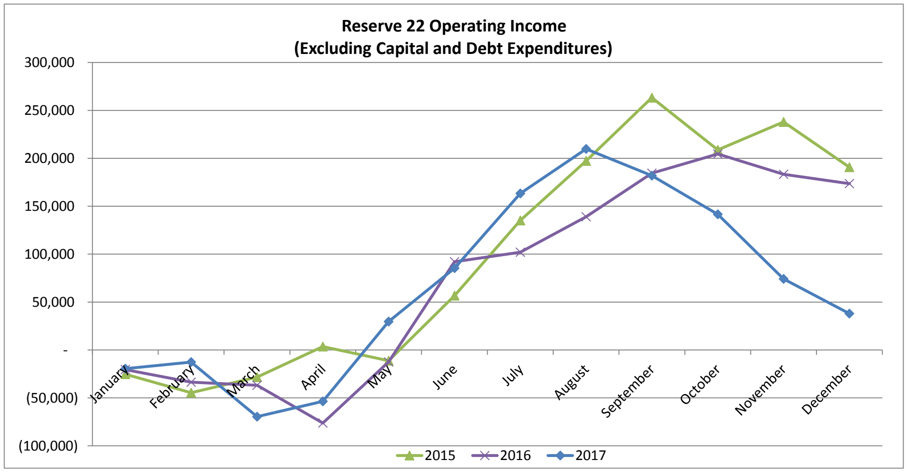
ATTACHMENTS:

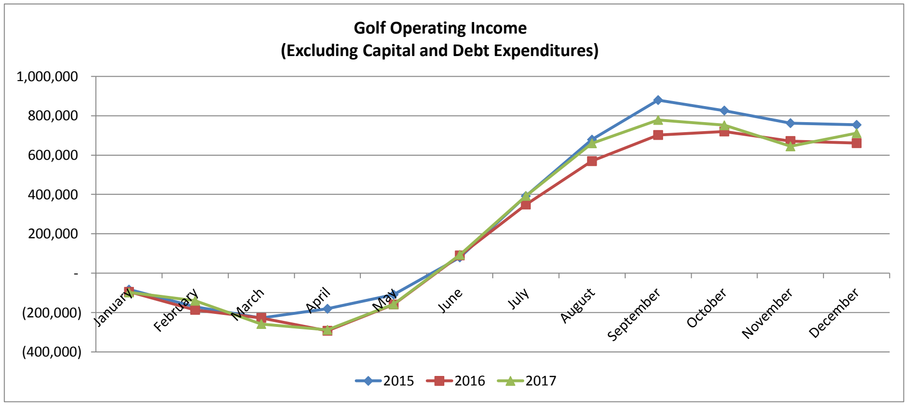
- Village Links - Financial Statements - December 2017 (PDF)
- Manager's Report - November December 2017 (PDF)

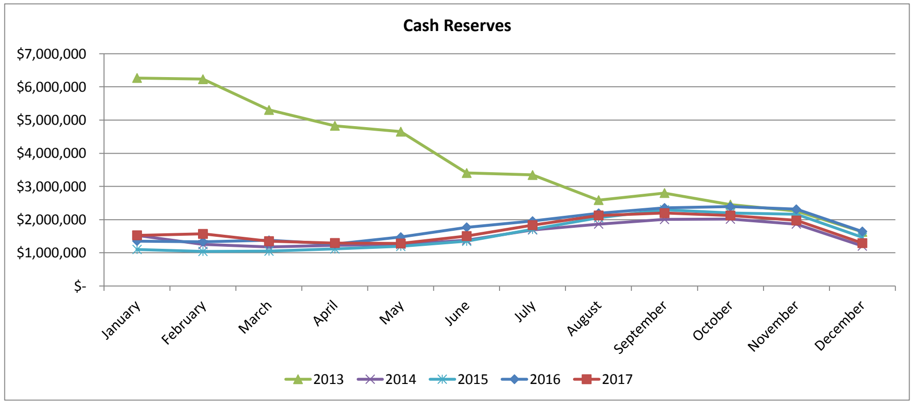
Village Links / Reserve 22
Dashboard Financial Report
As of December 31, 2017











Attachment: Village Links - Financial Statements - December 2017 (3084 : Village Links - Financial

VILLAGE LINKS / RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of December 31, 2017

ORG	DESCRIPTION	2017 BUDGET	MONTH 2017	MONTH 2016	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2017	YEAR-TO-DATE 2016	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
	REVENUES:									
5500	Village Links Revenues	$ 2,997,000	$ 188,654	$ 104,915	$ 83,739	80%	$ 2,899,953	$ 2,846,462	$ 53,491	2%
5520	Reserve 22 Revenues	2,475,500	128,895	98,894	30,002	30%	2,383,951	2,317,461	66,490	3%
	Total Revenues	**$ 5,472,500**	**$ 317,550**	**$ 203,809**	**$ 113,741**	**56%**	**$ 5,283,905**	**$ 5,163,923**	**$ 119,981**	**2%**
	EXPENDITURES:									
55700	Administration	$ 341,598	$ 30,317	$ 27,582	$ 2,735	10%	$ 360,866	$ 347,583	$ 13,284	4%
55710	Golf Course Maintenance	832,446	30,535	36,947	(6,412)	-17%	698,261	743,395	(45,134)	-6%
55720	Golf Services	713,206	39,301	30,515	8,786	29%	706,782	703,173	3,609	1%
55730	Reserve 22	2,176,975	165,095	110,412	54,683	50%	2,346,067	2,145,618	200,449	9%
55740	Stormwater Management	38,537	272	260	12	4%	43,071	20,669	22,401	108%
55750	Pro Shop Merchandise	186,158	10,214	8,087	2,127	26%	167,932	166,036	1,896	1%
55780	Motorized Carts	51,619	1,282	75	1,207	1606%	43,332	48,622	(5,290)	-11%
557X5	Mechanical Maintenance	165,692	9,603	12,324	(2,721)	-22%	168,219	156,529	11,691	7%
	Total Operating Expenses	$ 4,506,231	$ 286,619	$ 226,202	$ 60,417	27%	$ 4,534,529	$ 4,331,625	$ 202,904	5%
	Operating Income (Loss)	**$ 966,269**	**$ 30,931**	**$ (22,393)**	**$ 53,323**	**-238%**	**$ 749,375**	**$ 832,299**	**$ (82,923)**	**-10%**
	Debt Service	655,146	582,573	568,485	14,088	2%	655,145	646,970	8,175	1%
	Capital Expenditures	396,000	14,333	1,116	13,217	1184%	414,071	53,159	360,912	679%
	CHANGE IN NET POSITION	**$ (84,877)**	**$ (565,975)**	**$ (591,994)**	**$ 26,019**	**-4%**	**$ (319,841)**	**$ 132,170**	**$ (452,011)**	**-342%**
	KEY METRICS	*Goal*								
	Personnel Expenses as % of Sales	*45%*	*44%*	*65%*	*-21%*		*47%*	*45%*	*2%*	
	Cash Balance (End of Month, in $000's)	*$ 1,352*	*$ 1,295*	*$ 1,643*	*$ (348)*					

VILLAGE LINKS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GOLF
(Including Administration, Grounds, & Mechanical Maintenance)
As of December 31, 2017

ORG/ OBJECT	DESCRIPTION	2017 BUDGET	MONTH 2017	MONTH 2016	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2017	YEAR-TO-DATE 2016	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
5500	**VILLAGE LINKS REVENUES:**									
440550	Green Fees	$ 1,850,000	$ 172,228	$ 97,043	$ 75,185	77%	$ 1,821,518	$ 1,800,477	$ 21,042	1%
440554	Pro Shop - Sales	205,000	9,521	6,589	2,931	44%	179,464	175,844	3,620	2%
440555	Motor Carts	545,000	3,500	76	3,424	4505%	498,023	477,037	20,986	4%
440556	Driving Range	265,000	1,051	19	1,032	5375%	248,365	248,545	(181)	0%
440557	Resident Cards	36,000	20	-	20	0%	32,455	34,815	(2,360)	-7%
460100	Investment Income	4,000	988	326	662	203%	9,972	4,487	5,485	122%
489000	Miscellaneous Revenue	92,000	1,462	877	585	67%	110,633	105,576	5,057	5%
489100	Miscellaneous - Over/Short	-	(116)	(16)	(100)	623%	(477)	(319)	(159)	50%
	Total Revenues	**$ 2,997,000**	**$ 188,654**	**$ 104,915**	**$ 83,739**	**80%**	**$ 2,899,953**	**$ 2,846,462**	**$ 53,491**	**2%**
	COST OF GOODS SOLD:									
520945	Cost of Goods Sold - Pro Shop	$ 154,775	$ 8,067	$ 5,935	$ 2,132	36%	$ 138,635	$ 137,079	$ 1,555	1%
	Total Cost of Goods Sold	**$ 154,775**	**$ 8,067**	**$ 5,935**	**$ 2,132**	**36%**	**$ 138,635**	**$ 137,079**	**$ 1,555**	**1%**
	Gross Profit	**$ 2,842,225**	**$ 180,587**	**$ 98,980**	**$ 81,607**	**82%**	**$ 2,761,319**	**$ 2,709,383**	**$ 51,935**	**2%**
	OTHER OPERATING EXPENSES:									
510100	Salaries - Pensionable	$ 854,463	$ 45,509	$ 52,406	$ (6,897)	-13%	$ 830,126	$ 795,056	$ 35,071	4%
510120	Salaries - Non-Pensionable	180,875	3,967	1,860	2,107	113%	163,967	181,622	(17,655)	-10%
510200	Salaries - Overtime	1,000	108	-	108	0%	4,770	1,500	3,270	218%
510400	FICA	79,280	3,664	4,027	(363)	-9%	74,971	73,403	1,568	2%
510500	IMRF	88,350	4,542	5,495	(953)	-17%	84,044	80,141	3,903	5%
590600	Health Insurance	101,300	8,157	7,574	583	8%	104,048	83,574	20,474	24%
52XXXX	Contractual Services	515,713	37,065	27,835	9,229	33%	505,568	521,709	(16,141)	-3%
53XXXX	Commodities	353,500	10,446	10,657	(211)	-2%	282,332	311,923	(29,590)	-9%
	Total Operating Expenses	**$ 2,174,481**	**$ 113,457**	**$ 109,855**	**$ 3,603**	**3%**	**$ 2,049,828**	**$ 2,048,928**	**$ 900**	**0%**
	Operating Income (Loss)	**$ 667,744**	**$ 67,130**	**$ (10,875)**	**$ 78,005**	**-717%**	**$ 711,491**	**$ 660,456**	**$ 51,035**	**8%**
	Operating Income (Loss) Percentage	**22%**	**36%**	**-10%**			**25%**	**23%**		

KEY METRICS

	Goal	MONTH 2017	MONTH 2016	MONTH DIFF	YTD 2017	YTD 2016	YTD DIFF
Rounds Played	*72,000*	*499*	*18*	*481*	*68,259*	*71,180*	*(2,921)*
Revenue Per Round	*$ 41.63*	*$ 378.06*	*$ 5,828.63*	*$ (5,450.57)*	*$ 42.48*	*$ 39.99*	*$ 2.49*
Resident Cards Sold	*N/A*	*2*	*-*	*2*	*2,620*	*2,797*	*(177)*
Cost of Goods Sold % - Pro Shop	*76%*	*85%*	*90%*	*-5%*	*77%*	*78%*	*-1%*
Personnel Expenses as % of Sales	*44%*	*35%*	*68%*	*-33%*	*44%*	*43%*	*1%*

MISCELLANEOUS REVENUE

The following items were recorded as Miscellaneous Revenue. These items don't fit into any of the major revenue categories. Totals are for Year 2017.

VILLAGE LINKS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GOLF
(Including Administration, Grounds, & Mechanical Maintenance)
As of December 31, 2017

ORG/ OBJECT	DESCRIPTION	2017 BUDGET	MONTH 2017	MONTH 2016	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2017	YEAR-TO-DATE 2016	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
	Handicap Service	*$ 24,900*								
	Police Station Landscaping Credit	*22,391*								
	Hand Cart Rentals	*21,911*								
	Adult & Junior Golf Lessons	*13,064*								
	Club Repair	*6,321*								
	Golf Club Rentals	*5,770*								
	Locker Rentals	*3,600*								
	Sales Tax (1.75%)	*3,273*								
	Misc. Tournament Prize	*3,234*								
	Misc. Outing	*536*								
	Memorial Tree Donation	*500*								
	Foot Golf Ball Rentals	*480*								
	ATM Machine Commissions	*295*								
	Caddie Equipment	*120*								
	Misc./Misc.	*4,238*								
	Total Miscellaneous Revenue	***$ 110,633***								

RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of December 31, 2017

ORG/ OBJECT	DESCRIPTION	2017 BUDGET	MONTH				YEAR-TO-DATE			
			2017	2016	DIFF	% DIFF	2017	2016	DIFF	% DIFF
5520	**RESERVE 22 REVENUES:**									
441100	Food	$ 1,405,000	$ 82,146	$ 63,064	$ 19,082	30%	$ 1,290,762	$ 1,287,187	$ 3,575	0%
441101	Liquor	250,000	10,980	8,405	2,575	31%	241,814	245,344	(3,530)	-1%
441102	Beer	490,000	11,432	11,855	(423)	-4%	456,097	474,710	(18,613)	-4%
441103	Wine	195,000	12,114	11,468	646	6%	186,811	190,081	(3,270)	-2%
441104	NA Beverages	110,000	1,506	1,657	(151)	-9%	95,889	93,606	2,284	2%
441106	Room Charges	1,500	-	290	(290)	-100%	4,980	1,406	3,573	254%
441107	Service Charges	24,000	10,717	2,155	8,562	397%	106,400	25,128	81,273	323%
489000	Miscellaneous Revenue	-	-	-	-	0%	1,199	-	1,199	0%
	Total Revenues	**$ 2,475,500**	**$ 128,895**	**$ 98,894**	**$ 30,002**	**30%**	**$ 2,383,951**	**$ 2,317,461**	**$ 66,490**	**3%**
	COST OF GOODS SOLD:									
530400	Cost of Goods Sold - Beer	$ 132,600	$ 6,122	$ 5,957	$ 165	3%	$ 120,750	$ 132,062	$ (11,312)	-9%
530401	Cost of Goods Sold - Wine	64,260	3,513	3,990	(476)	-12%	58,042	77,554	(19,513)	-25%
530402	Cost of Goods Sold - Liquor	40,800	1,050	2,817	(1,768)	-63%	46,296	48,492	(2,196)	-5%
530405	Cost of Goods Sold - NA Beverages	40,800	8,072	801	7,271	908%	41,924	42,368	(444)	-1%
530420	Cost of Goods Sold - Food	469,200	47,183	19,975	27,208	136%	489,860	456,551	33,309	7%
	Total Cost of Goods Sold	**$ 747,660**	**$ 65,940**	**$ 33,539**	**$ 32,401**	**97%**	**$ 756,872**	**$ 757,028**	**$ (156)**	**0%**
	Gross Profit	**$ 1,727,840**	**$ 62,955**	**$ 65,354**	**$ (2,399)**	**-4%**	**$ 1,627,080**	**$ 1,560,433**	**$ 66,646**	**4%**
	Gross Profit Percentage	**70%**	**49%**	**66%**			**68%**	**67%**		
	OTHER OPERATING EXPENSES:									
510100	Salaries - Pensionable	$ 565,000	$ 41,332	$ 34,593	$ 6,740	19%	$ 611,033	$ 499,908	$ 111,125	22%
510120	Salaries - Non-Pensionable	340,000	18,972	11,727	7,245	62%	361,423	345,820	15,603	5%
510399	Tips Paid Through Payroll	-	(1,068)	(1,233)	165	-13%	2,293	(3,094)	5,387	-174%
510200	Salaries - Overtime	25,000	269	1,118	(849)	-76%	32,967	46,414	(13,447)	-29%
510400	FICA	96,720	5,416	4,807	609	13%	97,089	95,832	1,256	1%
510500	IMRF	58,421	4,654	4,667	(14)	0%	73,574	68,507	5,067	7%
590600	Health Insurance	45,600	3,186	3,906	(719)	-18%	44,848	29,233	15,615	53%
52XXXX	Contractual Services	178,724	15,887	11,679	4,209	36%	225,505	172,471	53,034	31%
53XXXX	Commodities	119,850	10,507	5,609	4,898	87%	140,463	133,500	6,963	5%
	Total Operating Expenses	**$ 1,429,315**	**$ 99,154**	**$ 76,872**	**$ 22,282**	**29%**	**$ 1,589,195**	**$ 1,388,590**	**$ 200,605**	**14%**
	Operating Income (Loss)	**$ 298,525**	**$ (36,199)**	**$ (11,518)**	**$ (24,681)**	**214%**	**$ 37,885**	**$ 171,843**	**$ (133,958)**	**-78%**
	Operating Income (Loss) Percentage	**12%**	**-28%**	**-12%**			**2%**	**7%**		

RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of December 31, 2017

ORG/ OBJECT	DESCRIPTION	2017 BUDGET	MONTH 2017	MONTH 2016	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2017	YEAR-TO-DATE 2016	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
	KEY METRICS									
		Goal								
	Revenue Source:									
	Restaurant/Bar	*N/A*	*$ 66,727*	*$ 59,445*	*$ 7,282*	*12%*	*$ 1,551,266*	*$ 1,607,062*	*$ (55,796)*	*-3%*
	Banquets	*N/A*	*61,693*	*39,449*	*22,244*	*56%*	*657,916*	*530,325*	*127,591*	*24%*
	Other	*N/A*	*475*	*-*	*475*	*0%*	*174,769*	*180,074*	*(5,305)*	*-3%*
	Total	*$ 2,475,500*	*$ 128,895*	*$ 98,894*	*$ 30,002*	*30%*	*$ 2,383,951*	*$ 2,317,461*	*$ 66,490*	*3%*
	Reserve 22 Revenues (Last 12 Months)	*$ 2,475,500*					*$ 2,383,951*	*$ 2,317,461*	*$ 66,490*	*3%*
	Reserve 22 Expenses (Last 12 Months)	*$ 2,176,975*					*$ 2,346,067*	*$ 2,145,618*	*$ 200,449*	*9%*
	# Guest Checks (Restaurant/Bar)	*N/A*	*1,845*	*1,663*	*182*		*53,969*	*57,244*	*(3,275)*	
	Revenue Per Guest Check	*N/A*	*$ 36.17*	*$ 35.75*	*$ 0.42*		*$ 28.74*	*$ 28.07*	*$ 0.67*	
	# Guests (Restaurant/Bar)	*N/A*	*3,622*	*3,225*	*397*		*95,190*	*97,791*	*(2,601)*	
	Average Guest Spend	*N/A*	*$ 18.42*	*$ 18.43*	*$ (0.01)*		*$ 16.30*	*$ 16.43*	*$ (0.14)*	
	# Banquets & Events Held	*N/A*	*31*	*22*	*9*		*380*	*344*	*36*	
	Cost of Goods Sold %	*30%*	*51%*	*34%*	*17%*		*32%*	*33%*	*-1%*	
	Cost of Goods Sold % (By Category):									
	Cost of Goods Sold - Beer	*27%*	*54%*	*50%*	*3%*		*26%*	*28%*	*-1%*	
	Cost of Goods Sold - Wine	*33%*	*29%*	*35%*	*-6%*		*31%*	*41%*	*-10%*	
	Cost of Goods Sold - Liquor	*16%*	*10%*	*34%*	*-24%*		*19%*	*20%*	*-1%*	
	Cost of Goods Sold - NA Beverages	*37%*	*536%*	*48%*	*488%*		*44%*	*45%*	*-2%*	
	Cost of Goods Sold - Food	*33%*	*57%*	*32%*	*26%*		*38%*	*35%*	*2%*	
	Personnel Expenses as % of Sales	*46%*	*57%*	*61%*	*-4%*		*51%*	*47%*	*4%*	
	Prime Cost (Cost of Goods Sold + Personnel Expenses) as % of Sales	*76%*	*108%*	*95%*	*13%*		*83%*	*80%*	*3%*	

VILLAGE LINKS
GLEN ELLYN

RESERVE 22 TWENTY-TWO

"Committed to Excellence since 1967"

Manager's Report for NOVEMBER-DECEMBER 2017

Submitted by Jeff Vesevick, General Manager

November 2017 was a bad month for both golf and course maintenance. It rained 8 days during the month. There was 3.23" of rain versus an average November rainfall of 3.2". Golf carts were grounded 6 days during the month. Below normal temperatures kept the golf course closed 5 days. There were frost delays 14 mornings. December 2017 allowed us to play 499 rounds before the snow and cold set in, the third most in the past 10 years.

High Temperatures in November																			
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
70º days		2	3				1	1	2	3			1				1	2	4
60º days	2	11	7	4	1	3	5	5	3	2	2	7	11	4	6	6	12	1	9
50º days	4	7	10	7	6	9	11	10	14	3	11	6	4	12	8	4	12	4	8
40º days	17	7	4	4	13	14	11	9	11	10	8	15	8	12	10	15	5	9	7
30º days	6	3	5	7	7	4	2	5		11	9	2	3	2	6	5		12	2
20º days	1		1	7	3					1			3					2	
10º days				1															
0º days																			
Rain	3.2"	1.8"	3.5"	1.5"	2.1"	1.0"	3.4"	2.5"	1.5"	1.0"	1.3"	3.3"	2.1"	3.0"	5.4"	1.0"	1.6"	4.0"	0.4"
Snow			8"		0.8"									5.8"		3.5"			

High Temperatures in December																			
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
70º days																			
60º days	1		2			3											2		
50º days	4	1	8	1	1	2	3	1	1	2	2	9		4	1	2	2		3
40º days	5	1	8	8	7	12	14	1	2	4	3	10	2	9	16	10	14		14
30º days	11	16	8	17	8	14	13	12	18	13	18	8	13	9	9	15	4	10	7
20º days	4	8	4	4	9		1	15	9	8	8	2	11	4	5	4	6	9	4
10º days	4	3		1	5			2	1	3		2	5	5			3	9	3
0º days	2	1			1					1								3	
Rain	0.2"	4.3"	4.3"	0.9"	0.8"	2.1"	2.0"	1.1"	1.5"	1.9"	3.5"	3.2"	0.7"	1.1"	1.9"	1.5"	1.1"		1.2"
Snow	5.3"	15.5"	6.5"		8"		2"	16"	28"	16"	18"	6"	17"	3"	2"	6"		40"	5"

GOLF - NOVEMBER

Rounds played were down 60% for the month, and are down 5% for the year
Green Fee revenue was down 66% for the month, and is down 3% for the year
Driving Range revenue was down 66% for the month, and is flat for the year
Motor Car revenue was down 73% for the month, and is up 4% for the year
Pro Shop sales were down 76% for the month, and are flat for the year
Overall Golf revenues were down 69% for the month, and are down 2% for the year

Golf Revenue November	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Rounds	1,690	2,440	2,490	2,497	2,003	1,110	1,028	2,401	2,721	1,091
Green Fees	27,710	41,340	42,227	45,127	40,758	21,967	18,154	42,317	52,351	17,587
Driving Range	2,749	5,166	3,421	3,129	577	2,073	1,825	4,597	5,115	1,723
Pro Shop	4,697	3,418	4,748	8,167	4,927	5,652	5,470	8,646	9,101	2,157
Carts	7,766	7,195	13,648	13,541	10,343	6,333	5,682	15,978	18,424	5,060
Resident Cards	0	-15	0	0	0	0	0	0	0	0
Miscellaneous	542	1,246	2,404	5,049	1,283	3,321	2,778	6,208	4,793	1,106
Total Revenue	**43,455**	**58,583**	**66,516**	**75,011**	**57,804**	**38,958**	**33,908**	**77,747**	**89,783**	**27,633**

2017 was the worst November for golf revenues in the last 10 years

GOLF – YEAR END TOTALS

Rounds played were down 4% for the year
Green Fee revenue was up 1% for the year
Driving Range revenue was flat for the year
Motor cart revenue was up 4% for the year
Pro Shop sales was up 2% for the year
Overall Golf revenues were up 1% for the year

Golf Revenue December	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Rounds	22	111	15	348	994	15	378	612	18	499
Green Fees	38,099	39,487	40,020	56,563	71,007	93,621	71,219	110,688	97,043	172,228
Driving Range	25	68	39	246	0	159	912	884	19	1,051
Pro Shop	9,801	7,515	6,369	9,112	4,302	7,775	7,884	9,912	6,589	9,521
Carts	0	0	0	0	5,178	0	1,164	2,014	76	3,500
Resident Cards	0	0	0	0	0	0	0	20	0	20
Miscellaneous	792	25,735	328	292	1,429	63	298	310	741	1,338
Total Revenue	**49,681**	**72,806**	**46,744**	**66,227**	**91,805**	**101,618**	**81,477**	**123,828**	**104,469**	**187,658**

2017 was the 3rd most active December in the last 10 years

Annual FALL FEST promotions continued through November. Golf green fees are discounted 25% for the remainder of the season.

The 7th **Annual Iron Man Open,** scheduled for Sunday, November 19, was postponed due to weather, and re-scheduled for the following Sunday, November 26, and hosted only 30 players.

The onset of cold temperatures forced an earlier than scheduled closing of the golf courses. Temporary greens and tees were set up on the 9-hole course on Tuesday, December 5, two weeks earlier than planned.

Assistant Golf Professional and PGA member **Jim Lazarko** announced his retirement from the Village Links after 11 seasons. We thank Jim for his service, and wish him well.

GROUNDS

1. Fairways, the rough, wear areas and the driving range were fertilized.
2. Fifteen large potted tropical plants were loaned to the Glen Ellyn Library for their annual fundraising event.
3. Turf around our more than 1,200 sprinklers, gate valves and quick-couplers was hand trimmed in preparation for winterizing the irrigation system.
4. Thirty golf ball washers were brought in for the winter.
5. Both pumping stations were drained and winterized.
6. The irrigation system was drained by forcing the water out of the lines with compressed air.
7. Bunker rakes were brought in for the winter.
8. All golf greens and practice greens were treated to prevent winter diseases.
9. Indoor/outdoor holiday decorations were installed.

Mechanical and Building Maintenance

1. The Blue Heron room carpet was cleaned.
2. Fifteen drinking fountains were brought in for the winter and their supply lines were drained.
3. The cart fleet was cleaned and serviced for the winter. Engine oil was replaced, brakes were adjusted and fluids were replaced.
4. Three televisions were brought in from the outdoor bar for the winter.
5. A failed supply line for the kitchen dishwasher was replaced.

Lambert Lake/Panfish Park/Police Station

1. Staff continued coordinating the removal of invasive trees at Lambert Lake with volunteer residents Claudia and Dave D'Hooge. They are the volunteer stewards for the Environmental Commission's pilot program to improve village owned property. Removed trees were chipped 4 times during October.
2. Annual flower beds were stripped.
3. The tropical plants were brought in for the season.

RESERVE 22

The unfavorable November weather was not kind to RESERVE 22 revenues, as restaurant and bar patronage mirrored the lower volume the golf course experienced, with overall revenues down 19%. There was somewhat of a rebound in December, as sales rose 11% over last year, but finished 4% behind for the year. Revenue from banquets continues its steady ascension, finishing up 8% from a year ago.

RESERVE 22	NOVEMBER			DECEMBER			YEAR-TO-DATE		
Restaurant	**2016**	**2017**		**2016**	**2017**		**2016**	**2017**	
Beverages	1,817	1,585	*-12.8%*	1,099	1,320	*20.1%*	48,932	55,511	*13.4%*
Beer	15,980	10,946	*-31.5%*	10,830	10,310	*-4.8%*	326,131	318,291	*-2.4%*
Wine	8,378	8,676	*3.6%*	8,295	9,907	*19.4%*	142,200	153,864	*8.2%*
Spirits	7,148	6,221	*-13.0%*	6,497	8,533	*31.3%*	164,201	169,474	*3.2%*
Food	47,366	39,815	*-15.9%*	32,725	35,658	*9.0%*	867,524	854,126	*-1.5%*
Total	**80,689**	**67,242**	***-16.7%***	**59,445**	**65,727**	***10.6%***	**1,607,727**	**1,551,266**	***-3.5%***
Banquet & Outings	**2016**	**2017**		**2016**	**2017**		**2016**	**2017**	
Beverages	1,949	583	*-70.1%*	523	119	*-77.2%*	12,759	13,630	*6.8%*
Beer	2,632	1,304	*-50.5%*	1,026	870	*-15.2%*	48,660	49,939	*2.6%*
Wine	4,467	600	*-86.6%*	3,173	2,207	*-30.5%*	40,753	32,946	*-19.2%*
Spirits	3,572	1,866	*-47.8%*	1,908	2,418	*26.7%*	54,022	50,634	*-6.3%*
Food	26,384	22,711	*-13.9%*	31,970	45,363	*41.9%*	346,453	399,143	*15.2%*
Misc.	2,235	2,340	*4.7%*	2,545	1,320	*-48.1%*	29,222	29,436	*0.7%*
Total	**41,239**	**29,404**	***-28.7%***	**41,144**	**52,297**	***27.1%***	**532,576**	**575,729**	***8.1%***
Other	4,069	4,876	*19.8%*	0	10,871	*100.0%*	177,282	179,749	*1.4%*
Total Reserve 22	**125,997**	**101,522**	***-19.4%***	**100,589**	**128,895**	***28.1%***	**2,317,585**	**2,306,743**	***-0.5%***

Building on the promising results from last year's efforts, staff upgraded the menu offerings, and hosted 184 hungry guests for a **Buffet Dinner on Thanksgiving Day**, about a 12% decline from 2016.T**ake-out/catering offerings** generated 23 orders totaling $1,675 in revenue, also down about 12%. Total revenues for the day were down about 7%.

This year's **Breakfast with Santa** attracted 150 guests, as Santa was available for photos and handed out gifts. The event was held the morning of the annual **Holiday Open House**, making for a busy and festive day. All guests received money savings coupons for both the Restaurant and Golf Shop.

The annual **Ugly Sweater Christmas party** was held on Friday, December 14, and was lightly attended.

New Year's Eve celebrations included a popular Family Countdown at 8:00pm. About 80 Guests were treated to a kid's buffet and party favors. RESERVE 22 also hosted an adult party, featuring a dinner buffet, open bar, and dancing to the sounds of DJ **Benjamin Garvey.** This initial celebration was quite successful, attracting around 90 partiers.

The Restaurant and Bar will be closed on Mondays in December, January, and February.

Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 02/16/18 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Discussion Item
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 3087) DOC ID: 3087

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

Please see the slide deck attached.

ATTACHMENTS:

- Year End Financial Report 2017 (PDF)

2017 FINANCIAL REPORT

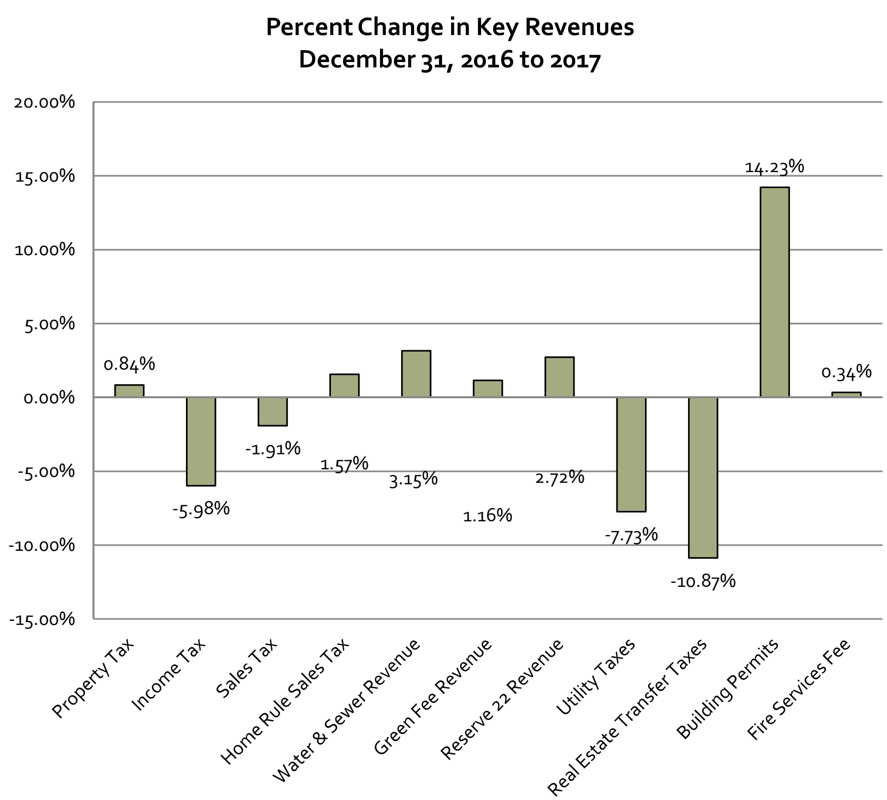
VILLAGE OF GLEN ELLYN, ILLINOIS

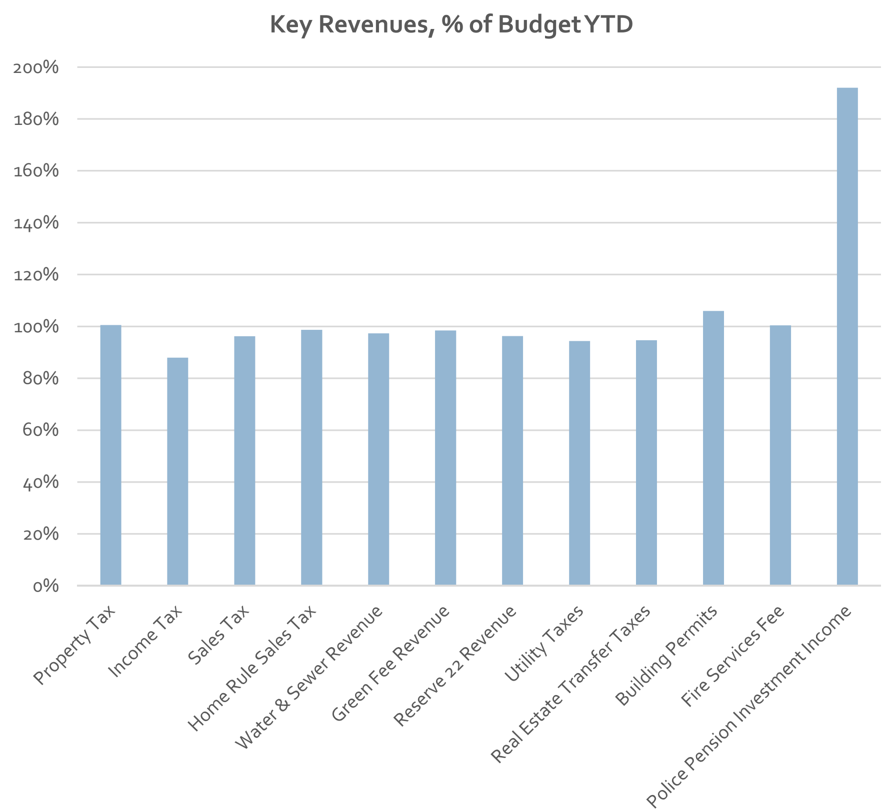
For the Fiscal Year January 1, 2017 to December 31, 2017

Overview

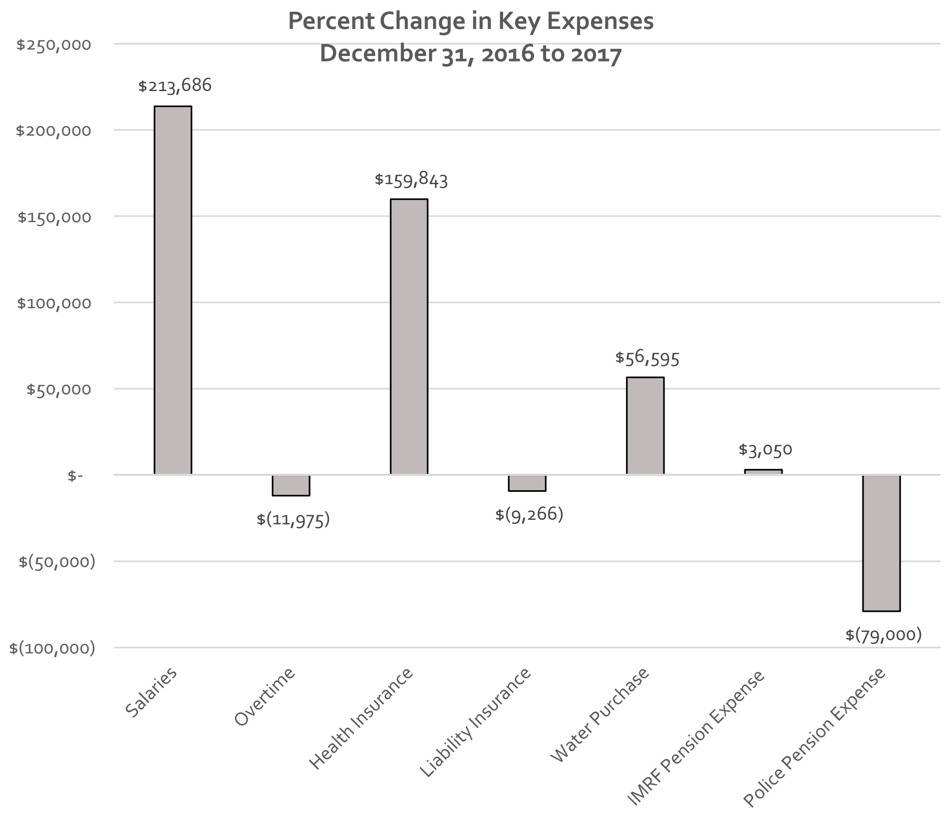
- Report is on a budget basis
  - Cash basis
  - Unadjusted for accruals
  - Unaudited
- Report will be posted on the Village website

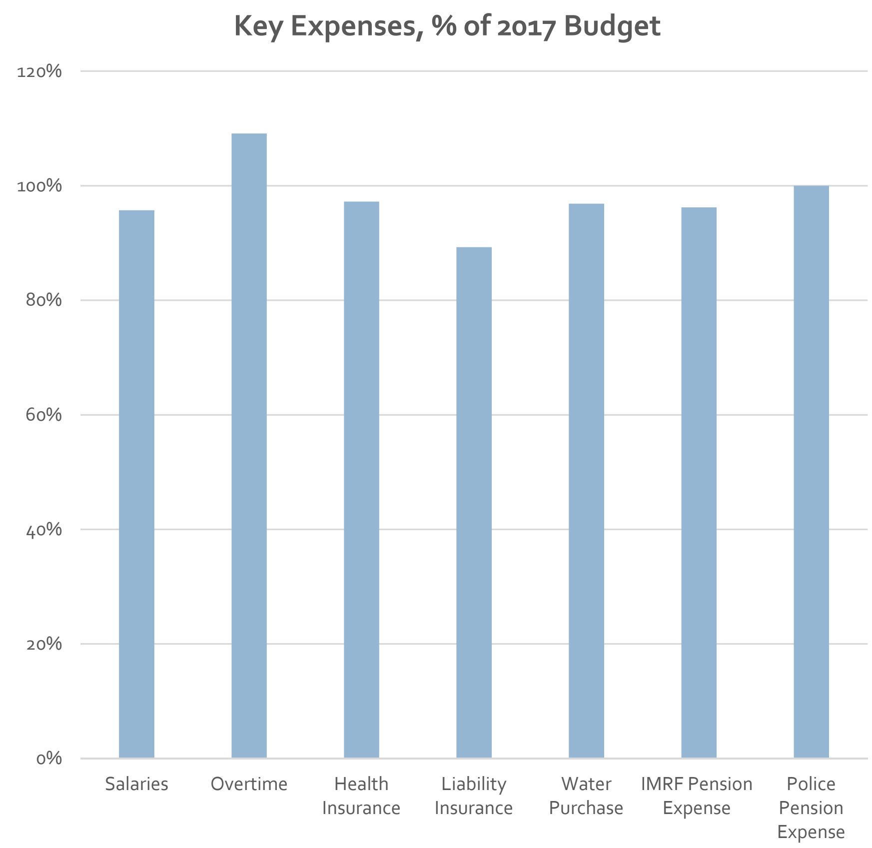
Key Revenues



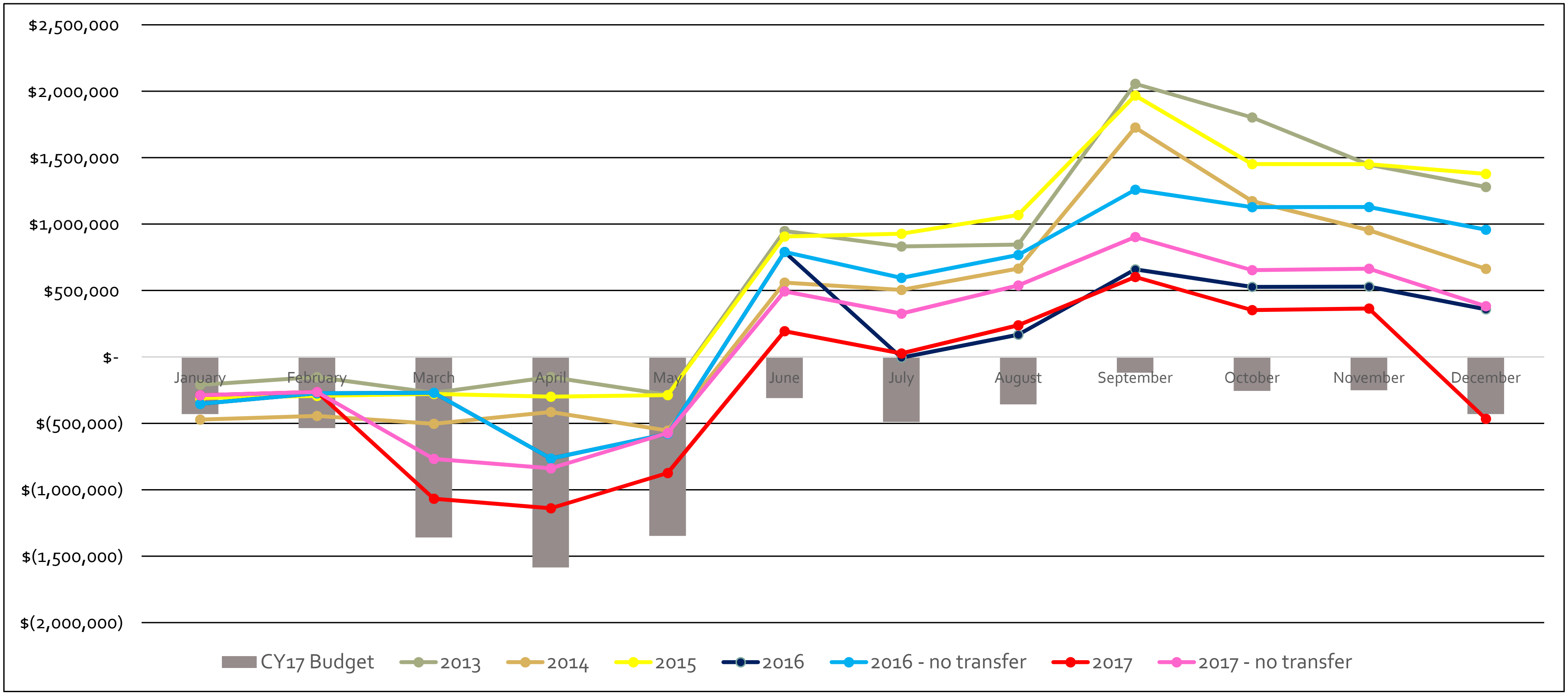


Key Expenses





General Fund – 5 Year Historical Trend – Cumulative Change in Fund Balance

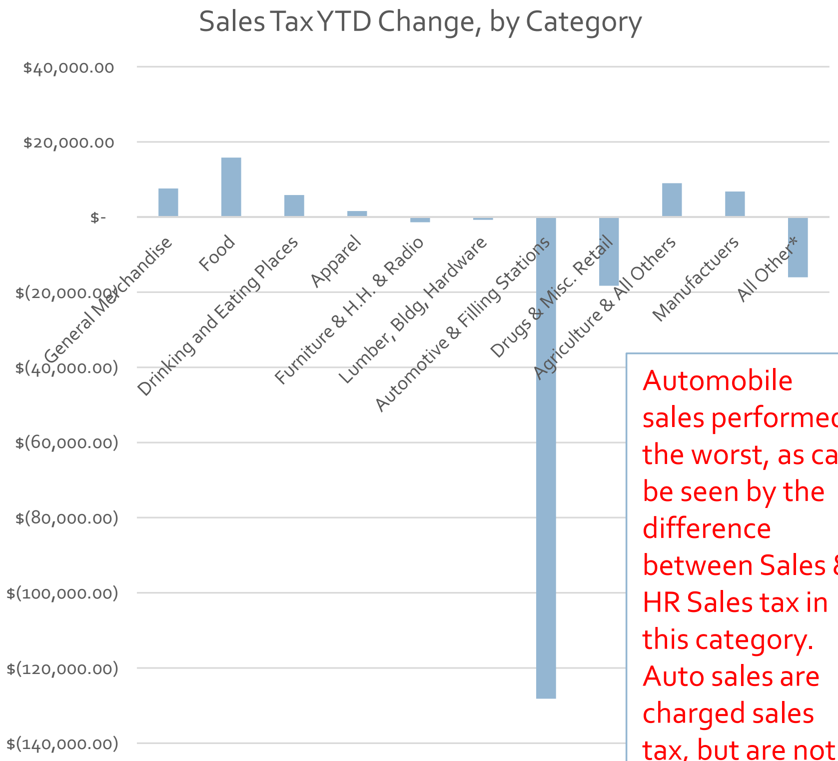


General Fund Highlights

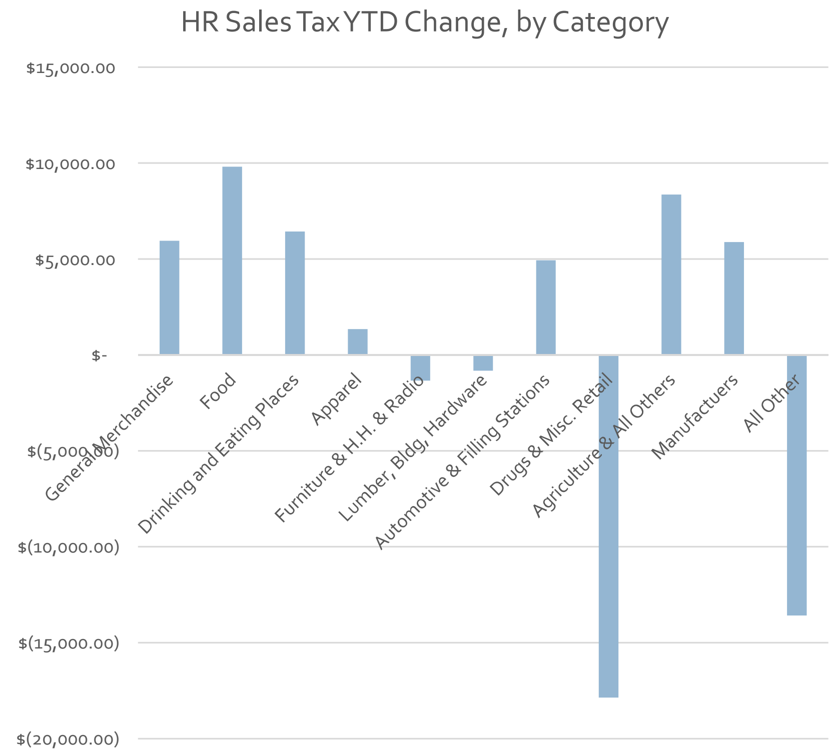
- Key Revenues performed poorly
  - Income tax receipts were down 5.6% from 2016 and have dipped below 2013 levels due to state 10% reduction.
  - Sales tax increased 1.9% from the prior year, particularly due to vehicle sales.
  - Home rule sales tax increased 1.6% from the prior year, but did not hit the 2017 budget level.
- Building permits increased by 14%
- Forfeiture Funds (federal, state, and seized property) were transferred into a new fund in Q4.

- Additional contributions was made to the Facilities Maintenance Reserve Fund ($548K).
- Snow costs were $63,000 below budget due to a mild winter on both ends of 2017.
- The amended budget had $408,545 in tree work (removals, trimming, replacements); while only $232,000 was completed and paid.
- Total outside legal costs to date are $48,434 (compared to $3,941 in the prior year). Total budget for the year for this line item is $5,000.

Sales and Home Rule Sales Tax by SIC, 1st – 3rd Quarter 2017



Automobile sales performed the worst, as can be seen by the difference between Sales & HR Sales tax in this category. Auto sales are charged sales tax, but are not charged home rule sales tax.



Note: 4Q info not yet available from Illinois Dept of Revenue

Unaudited estimated General Fund FY17 surplus

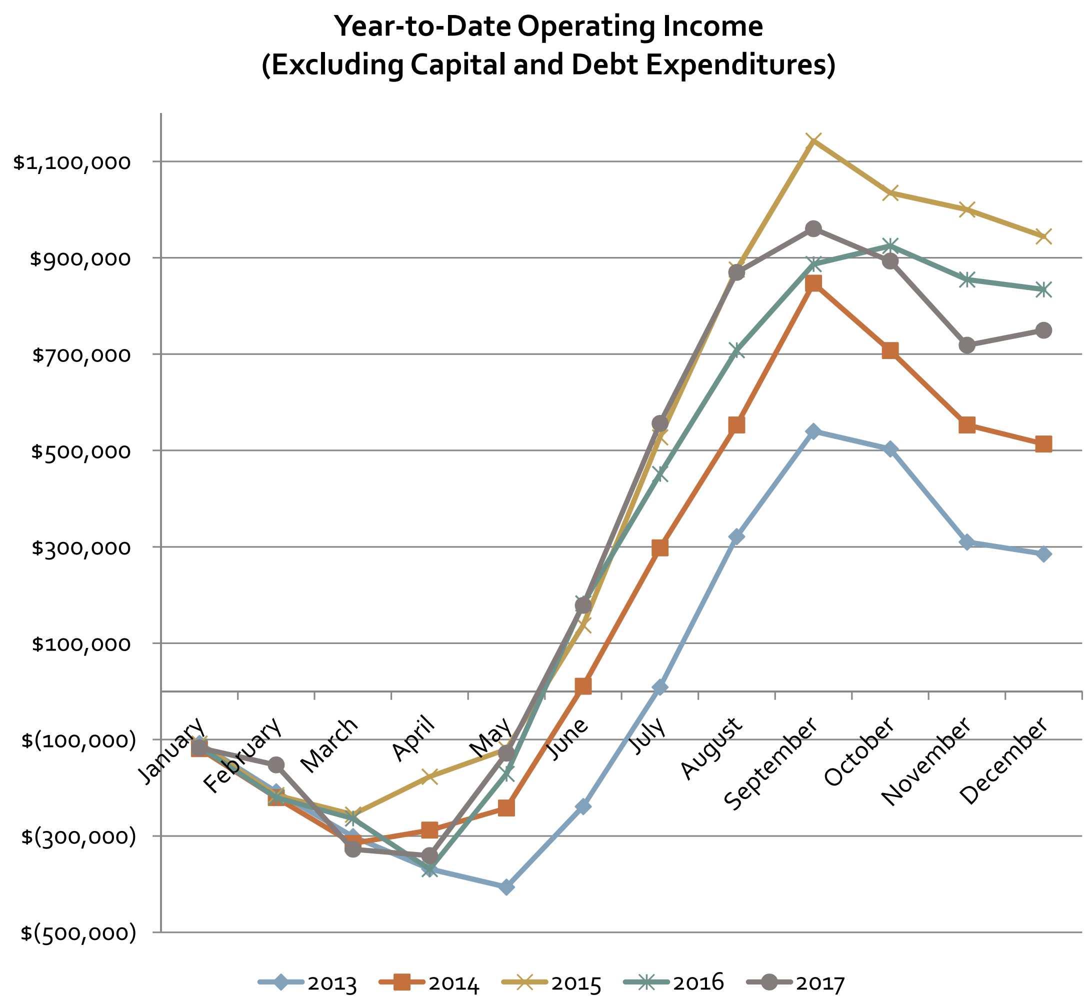
Item	Amount
Net Surplus/(Deficit)	($466,211)
Less Encumbrances	($172,208)
Add Back One Time Transfers	848,331
Estimated General Fund FY17 Surplus	$209,912

Notes:

- Estimate is before any accrual adjustments for the audit and is subject to change.
- Encumbrances represent amounts to be paid in FY18 with FY17 monies.
- One time transfers include $300,000 transfer to Capital Projects Fund to pay for a portion of the Police Station and the $548,331 FY16 surplus that was transferred to the Facilities Maintenance Reserve Fund.

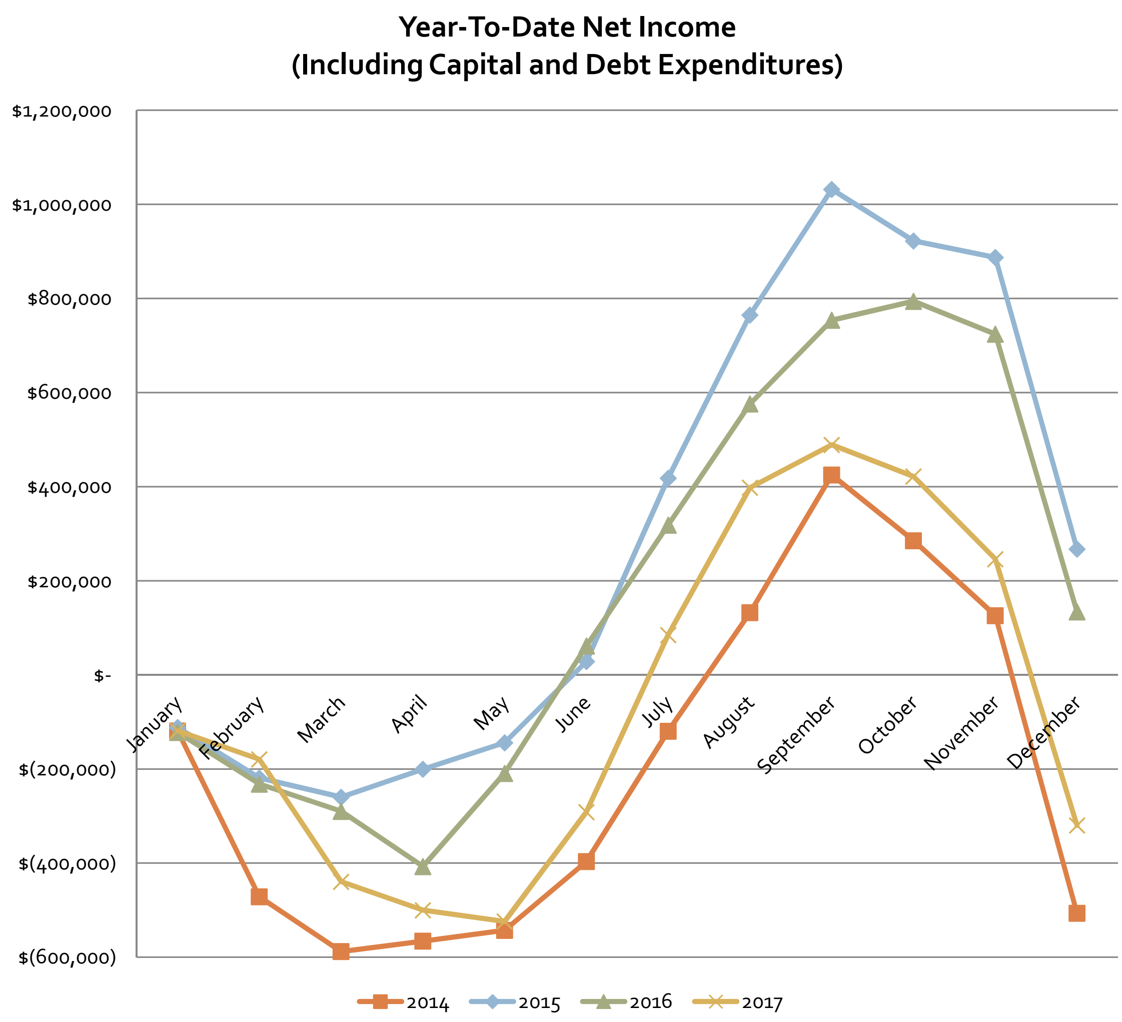
Village Links/Reserve 22 Fund

Calendar Year Cumulative Change in Net Position, excluding capital and debt expense



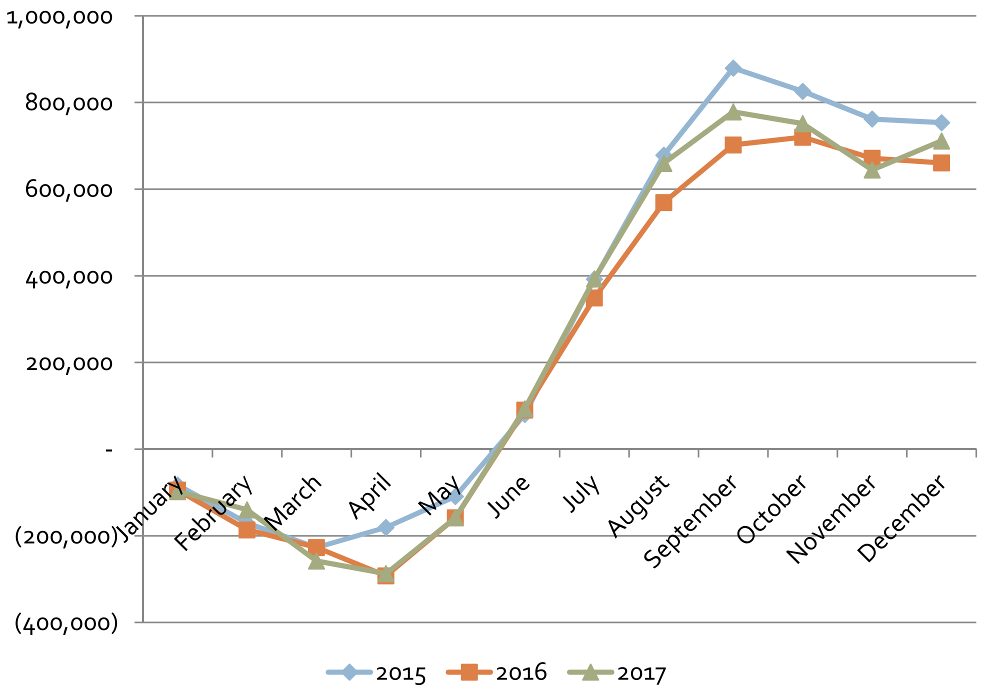
Village Links/Reserve 22 Fund

Calendar Year Cumulative Change in Net Position, including capital and debt expense



Village Links (Golf Operations)

Operating Income (excludes debt and capital)

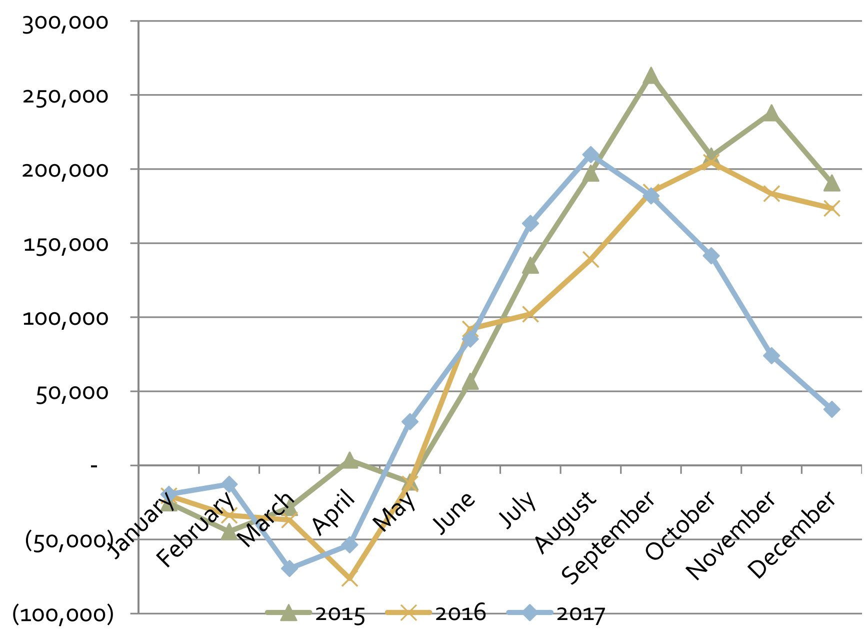


- Golf Rounds 2017: 68,259
- Golf Rounds 2016: 71,180

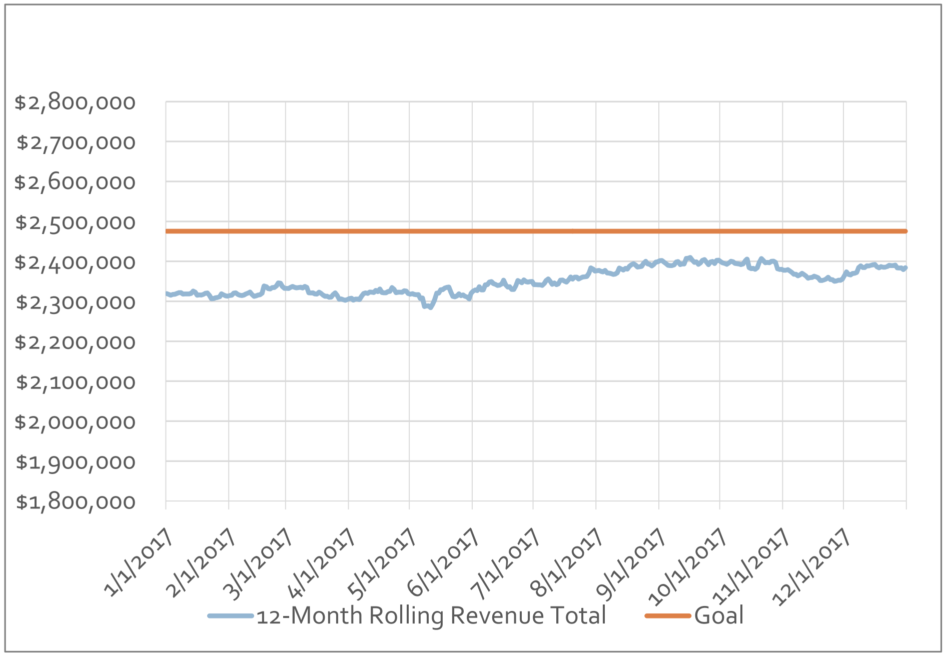
Reserve 22

Restaurant Operations

CUMULATIVE OPERATING INCOME (EXCLUDES CAPITAL AND DEBT)



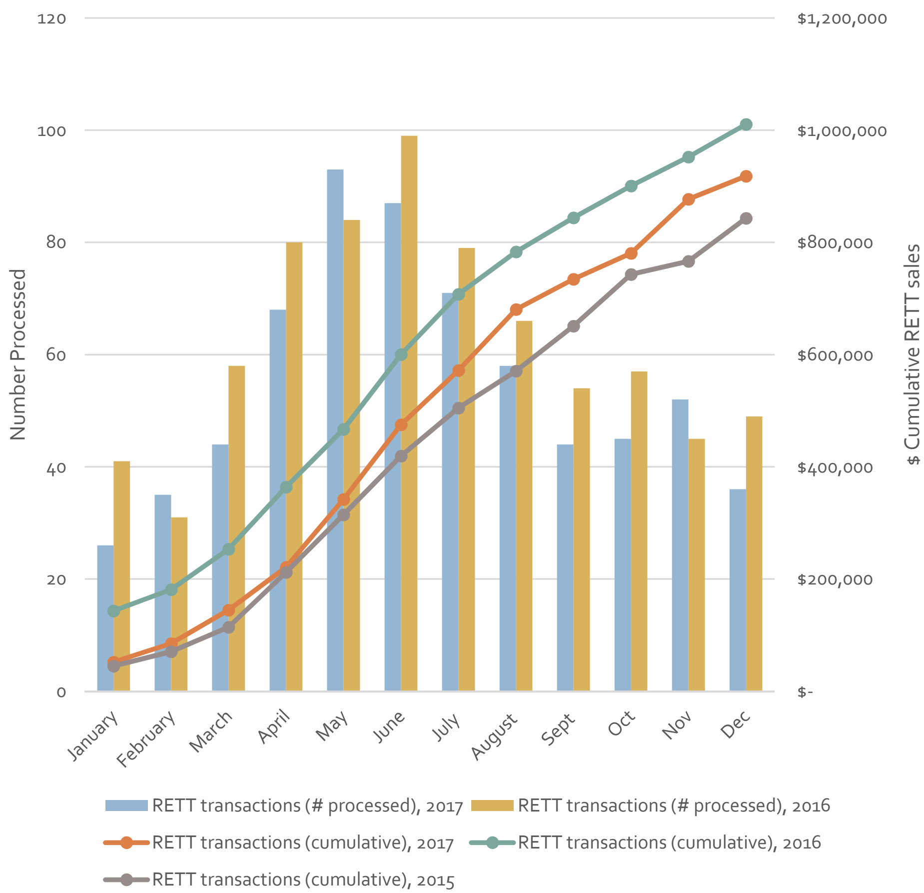
TWELVE MONTH ROLLING REVENUE



Village Links/Reserve 22 Fund

- Village Links (Golf Operations)
  - Rounds were down 5% from the prior year.
  - Gross Profit was up 2% while expenses were held flat from the prior year.
- Reserve 22 (Restaurant Operations)
  - Restaurant sales were down 3.5% while banquet sales were up 8.1%.
  - Operating expenses were up 14%.

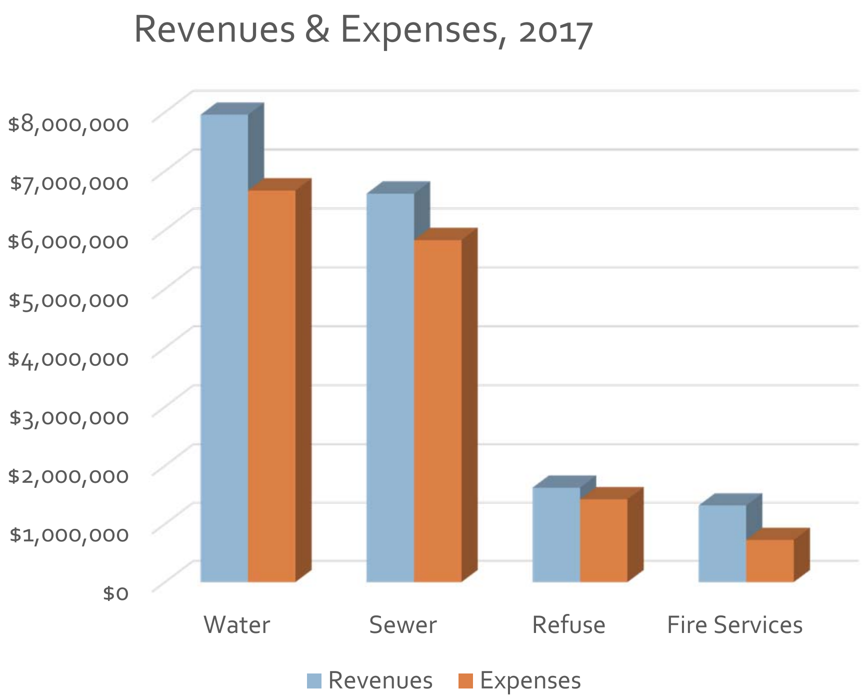
Real Estate



Year-to-Date Real Estate Metrics		
	2016	2017
RETT Stamps Issued (#)	743	659
RETT ($)**	$1,010,691	$918,227
New Resident Applications (#)	728	651

*New resident applications differs from RETT stamps due to both timing as well as new resident applications from renters. Also, RETT stamps can be issued for changes in deed where no change in ownership occurs.
**RETT collected is before refunds.

Village Services Funds



- $1.33 million of encumbrances at year end for Water & Sewer capital expenses.
- New refuse contract in 2017 which decreased costs to the resident and brought back the clean sweep.
- Additional Capital Fire Service Fee went into effect on the October 1 Village Services Bill.

Appendix A – Summary of Activity by Fund Type

Current Year Activity

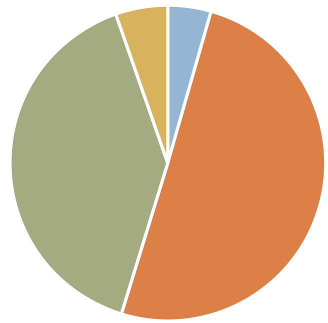
Fund	Revised Budget Revenues	Revised Budget (Expenses)	Net Income (Loss)	Year to date Revenues	Expenditures (Expenses)	Net Income (Loss)	Encumbrances	Net Income Less Encumbrances
	Revised Budget			**Year to date**				
Governmental Funds								
General	$ 17,917,068	$ 18,984,624	$ (1,067,556)	$ 17,645,236	$ 18,797,596	$ (1,152,360)	$ 371,927	$ (1,524,287)
Debt Service	1,462,352	1,462,502	(150)	1,462,308	1,462,602	(294)	-	(294)
Capital Projects	9,651,691	22,750,305	(13,098,614)	7,128,041	15,220,484	(8,092,443)	3,815,712	(11,908,155)
Corporate Reserve	541,600	41,000	500,600	632,004	15,210	616,794	-	616,794
Motor Fuel Tax	727,200	1,012,266	(285,066)	721,205	590,269	130,936	240,262	(109,326)
Central Business District (CBD) TIF	131,950	194,590	(62,640)	148,802	69,230	79,572	85,250	(5,678)
Roosevelt Road TIF	24,780	27,000	(2,220)	37,347	-	37,347	-	37,347
Fire Services	1,022,100	1,792,560	(770,460)	1,317,976	725,485	592,491	-	592,491
Forfeiture Fund	-	-	-	685,881	-	685,881	-	685,881
Facilities Maint Reserve	800,831	938,300	(137,469)	824,121	276,192	547,929	310,363	237,566
TOTAL GOVERNMENTAL FUNDS	**$ 32,279,572**	**$ 47,203,147**	**$ (14,923,575)**	**$ 30,602,921**	**$ 37,157,068**	**$ (6,554,147)**	**$ 4,823,514**	**$ (11,377,661)**
Enterprise Funds								
Water and Sanitary Sewer	$ 14,939,500	$ 17,911,750	$ (2,972,250)	$ 14,574,507	$ 12,592,217	$ 1,982,290	$ 1,327,033	$ 655,257
Village Links/Reserve 22	5,472,500	5,557,377	(84,877)	5,283,905	5,604,887	(320,982)	41,295	(362,277)
Parking	381,300	676,910	(295,610)	350,997	466,217	(115,220)	18,219	(133,439)
Residential Solid Waste	1,669,600	1,545,995	123,605	1,624,611	1,424,619	199,992	-	199,992
TOTAL ENTERPRISE FUNDS	**$ 22,462,900**	**$ 25,692,032**	**$ (3,229,132)**	**$ 21,834,020**	**$ 20,087,940**	**$ 1,746,080**	**$ 1,386,547**	**$ 359,533**
VILLAGE OPERATIONS TOTAL	**$ 54,742,472**	**$ 72,895,179**	**$ (18,152,707)**	**$ 52,436,941**	**$ 57,245,008**	**$ (4,808,067)**	**$ 6,210,061**	**$ (11,018,128)**
Internal Service Funds								
Insurance	$ 3,245,775	$ 3,248,950	$ (3,175)	$ 3,205,970	$ 3,115,686	$ 90,284	$ -	$ 90,284
Equipment Services	1,514,200	1,377,956	136,244	1,592,459	1,133,440	459,019	264,387	194,632
ST Internal Service Funds	**$ 4,759,975**	**$ 4,626,906**	**$ 133,069**	**$ 4,798,429**	**$ 4,249,126**	**$ 549,303**	**$ 264,387**	**$ 284,916**
Trust Fund								
Police Pension	**$ 3,701,000**	**$ 2,233,900**	**$ 1,467,100**	**$ 5,317,155**	**$ 2,248,537**	**$ 3,068,618**	**$ -**	**$ 3,068,618**
VILLAGE TOTAL	**$ 63,203,447**	**$ 79,755,985**	**$ (16,552,538)**	**$ 62,552,525**	**$ 63,742,671**	**$ (1,190,146)**	**$ 6,474,448**	**$ (7,664,594)**

Prior Year Activity

Fund	Year to date Revenues	Expenditures (Expenses)	Net Income (Loss)	Encumbrances	Net Incom Less Encumbra
	Year to date				
Governmental Funds					
General	$ 17,624,583	$ 17,271,022	$ 353,561	$ 288,108	$ 65,
Debt Service	1,466,914	1,467,310	(396)	-	(
Capital Projects	7,043,295	8,510,747	(1,467,452)	11,066,133	(12,533,
Corporate Reserve	49,959	37,337	12,622	-	12,
Motor Fuel Tax	707,505	734,646	(27,141)	225,179	(252,
Central Business District (CBD) TIF	128,033	60,360	67,673	41,500	26,
Roosevelt Road TIF	23,675	525	23,150	-	23,
Fire Services	959,693	644,846	314,847	94,310	220,
Forfeiture Fund	-	-	-	-	
Facilities Maint Reserve	446,450	141,651	304,799	68,000	236,
TOTAL GOVERNMENTAL FUNDS	**$ 28,450,107**	**$ 28,868,444**	**$ (418,337)**	**$ 11,783,230**	**$ (12,201,**
Enterprise Funds					
Water and Sanitary Sewer	$ 14,103,274	$ 12,673,964	$ 1,429,310	$ 922,465	$ 506,
Village Links/Reserve 22	5,165,658	5,031,666	$ 133,992	-	133,
Parking	355,580	210,175	$ 145,405	110,700	34,
Residential Solid Waste	1,661,156	1,502,484	158,672	-	158,
TOTAL ENTERPRISE FUNDS	**$ 21,285,668**	**$ 19,418,289**	**$ 1,867,379**	**$ 1,033,165**	**$ 834,**
VILLAGE OPERATIONS TOTAL	**$ 49,735,775**	**$ 48,286,733**	**$ 1,449,042**	**$ 12,816,395**	**$ (11,367,**
Internal Service Funds					
Insurance	$ 2,913,575	$ 2,939,984	$ (26,409)	$ -	$ (26,
Equipment Services	1,628,515	1,213,510	415,005	327,078	87,
ST Internal Service Funds	**$ 4,542,090**	**$ 4,153,494**	**$ 388,596**	**$ 327,078**	**$ 61,**
Trust Fund					
Police Pension	**$ 3,628,480**	**$ 2,036,669**	**$ 1,591,811**	**$ -**	**$ 1,591,**
VILLAGE TOTAL	**$ 57,906,345**	**$ 54,476,896**	**$ 3,429,449**	**$ 13,143,473**	**$ (9,714,**

Appendix B – Cash and Investment Report

Summary of Investments by Type	Par Value	Market Value	Maturity < 1 year	1-3 years
Cash/Checking	$ 2,024,691	$ 2,024,694	$ 2,024,694	$ -
Cash/Checking - Federal Drug	4,669	4,669	4,669	-
Cash/Checking - FLEX	14,214	14,214	14,214	-
Cash/Checking - Seized Property	27,893	27,893	27,893	-
Money Market - IL Funds	18,146,631	18,146,631	18,146,631	-
Money Market - IL Funds State Drug	18,633	18,633	18,633	-
Money Market - IL Funds Fed Drug	634,687	634,687	634,687	-
Money Market - IL Funds MFT	710,063	710,063	710,063	-
Money Market - IL Funds 2015 Bonds	645,921	645,921	645,921	-
Money Market - IMET Convenience Fund	3,588	3,588	3,588	-
PMA Portfolio - Money Market	3,367,754	3,367,754	3,367,754	-
PMA Portfolio - CD's	18,656,299	18,656,299	13,794,836	4,861,463
PMA Portfolio - Government Agencies	2,500,000	2,488,261	1,497,414	990,847
	$ 46,755,043	**$ 46,743,307**	**$ 40,890,997**	**$ 5,852,310**



Portfolio Concentration	Percent of Portfolio	Policy Limit
Cash/Checking Total (Glen Ellyn Bank & Trust)	4.37%	25%
IL Funds Total	43.11%	75%
IMET Total	0.01%	25%
PMA Total	52.45%	N/A

Investment Performance	FY2017	FY2016
Average Yield YTD - IL Funds	0.893%	0.346%
Average Yield YTD - IMET Convenience Fund	1.066%	0.389%
Average Yield YTD - PMA[1]	1.383%	0.878%
Benchmark - Three Month T-Bill	0.860%	

1 PMA Account was opened in October 2016

Investment Income	FY2017	FY2016
Investment Income	$ 332,689	$ 122,347

Questions?

Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 02/16/18 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Report
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 3107) DOC ID: 3107

Cash and Investments Report 2017-12-31

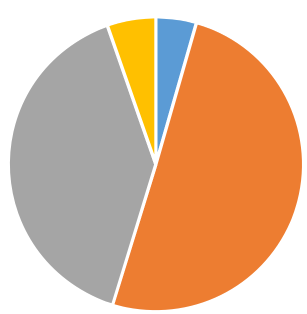
Please see the attached report.

ATTACHMENTS:

- Cash and Investment Report 2017-12-31 (PDF)

Village of Glen Ellyn
Schedule of Cash and Investment Balances
For the Month Ended December 31, 2017

Summary of Investments by Type	Par Value	Market Value	Maturity < 1 year	1-3 years
Cash/Checking	$ 2,024,691	$ 2,024,694	$ 2,024,694	$ -
Cash/Checking - Federal Drug	4,669	4,669	4,669	-
Cash/Checking - FLEX	14,214	14,214	14,214	-
Cash/Checking - Seized Property	27,893	27,893	27,893	-
Money Market - IL Funds	18,146,631	18,146,631	18,146,631	-
Money Market - IL Funds State Drug	18,633	18,633	18,633	-
Money Market - IL Funds Fed Drug	634,687	634,687	634,687	-
Money Market - IL Funds MFT	710,063	710,063	710,063	-
Money Market - IL Funds 2015 Bonds	645,921	645,921	645,921	-
Money Market - IMET Convenience Fund	3,588	3,588	3,588	-
PMA Portfolio - Money Market	3,367,754	3,367,754	3,367,754	-
PMA Portfolio - CD's	18,656,299	18,656,299	13,794,836	4,861,463
PMA Portfolio - Government Agencies	2,500,000	2,488,261	1,497,414	990,847
	$ 46,755,043	**$ 46,743,307**	**$ 40,890,997**	**$ 5,852,310**
			87%	**13%**



Portfolio Concentration	Percent of Portfolio	Policy Limit
Cash/Checking Total (Glen Ellyn Bank & Trust)	4.37%	25%
IL Funds Total	43.11%	75%
IMET Total	0.01%	25%
PMA Total	52.45%	N/A

Investment Income	FY2017	FY2016
Investment Income	$ 332,689	$ 122,347

Investment Performance	FY2017	FY2016
Average Yield YTD - IL Funds	0.893%	0.346%
Average Yield YTD - IMET Convenience Fund	1.066%	0.389%
Average Yield YTD - PMA[1]	1.383%	0.878%
Benchmark - Three Month T-Bill	0.860%	

1 PMA Account was opened in October 2016

Village of Glen Ellyn
Exhibit A - Analysis of Available Cash Reserves
For the Month Ended December 31, 2017

	Fund	A Last Year Cash & Investment Balances	B Current Year Cash & Investment Balances	C Less Encumbrances	D Less Deposits/ Other	E Restricted by Statute	F Assigned for Capital Projects	G Assigned for 2018 Budget Deficit	H Assigned for Liab/Health Ins.	I Balance Subject to Reserve Policy	J Less Minimum Reserve Policy	K Cash Above Minimum Policy
1	General	$ 10,648,974	$ 10,118,020	$ (172,207)	$ (924,049)	$ -	$ -	$ (600,714)	$ -	$ 8,421,050	$ (5,403,000)	$ 3,018,050
2	Corporate Reserve	63,114	779,908	-	(682,430)	-	-	-	-	97,478	-	97,478
3	Motor Fuel Tax	641,777	710,063	(131,266)	-	(578,797)	-	-	-	-	-	-
4	Fire Services Fund	1,243,147	1,764,586	-	-	-	(1,764,586)	-	-	-	-	-
5	CBD TIF	240,124	319,686	(85,250)	-	(234,436)	-	-	-	-	-	-
6	Roosevelt Road TIF	-	18,818	-	-	(18,818)	-	-	-	-	-	-
7	Forfeiture Fund	-	685,881	-	-	(685,881)	-	-	-	-		
8	Debt Service	41,645	41,353	-	-	-	-	-	-	41,353	-	41,353
9	Capital Projects	16,424,724	8,332,280	(3,396,838)	(6,664)		(4,928,778)	-	-	-	-	-
10	Facilities Maint Reserve	923,709	1,471,638	(274,570)	-	-	(1,197,068)	-	-	-	-	-
11	Water and Sanitary Sewer Fund	11,133,919	13,052,400	(1,246,823)	(229,302)	-	(9,350,229)	-	-	2,226,046	(2,214,000)	12,046
12	Parking	1,548,392	1,476,167	(90,463)	-	-	-	-	-	1,385,704	(69,000)	1,316,704
13	Residential Solid Waste	463,001	670,048	-	-	-	-	-	-	670,048	(382,700)	287,348
14	Village Links/Reserve 22	1,642,633	1,295,053	(26,172)	(9,004)	-	-	-	-	1,259,877	(1,352,000)	(92,123)
15	Insurance	1,308,990	1,399,275	-	-	-	-	-	(1,399,275)	-	-	-
16	Equipment Services	4,152,847	4,608,131	(61,234)	-	-	(4,724,559)	-	-	(177,662)	-	(177,662)
		$ 50,476,996	$ 46,743,307	$ (5,484,823)	$ (1,851,449)	$ (1,517,932)	$ (21,965,220)	$ (600,714)	$ (1,399,275)	$ 13,923,894	$ (9,420,700)	$ 4,503,194
17	Police Pension	27,380,278	30,396,943	-	-	(30,396,943)	-	-	-	-	-	-

(a) Encumbrances represent the unexpended portion of approved contracts for goods and services as of the end of the quarter. While encumbrances are not expenditures, they do represent a reduction in the level of available spendable cash.

(b) See Reserve Policies at the bottom of this sheet.

(c) This is the balance above the minimum policy. Not all funds that are above the minimum policy are available to be spent. Many fund's cash is restricted to the purpose for which the fund exists. Balances may exist for capital spending, grant/federal restrictions, etc., and may not be available for general use.

The Cash Reserve Policies are listed below:

1. **General Fund** - Amount subject to reserve is 30% of operating expenditures.

2. **Water and Sanitary Sewer Fund** - Amount subject to reserve is $2,214,000, which will be adjusted annually by CPI-U or 3%, whichever is less.

3. **Parking Fund** - Amount subject to reserve is 30% of operating expenses.

4. **Residential Solid Waste Fund** - Amount subject to reserve is 25% of operating expenses

5. **Recreation Fund** - Amount subject to reserve is 30% of operating expenses.

Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 02/16/18 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Report
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 3108) DOC ID: 3108

Capital Projects Report

Please see the attached reports.

ATTACHMENTS:

- Engineering Report 2018-01-05 (PDF)
- FY18 Capital Project Schedule Worksheets 2018-1-31 (PDF)

January 5, 2018

ENGINEERING DIVISION PROJECT ACTIVITY REPORT

CONSTRUCTION PROJECTS

2017 Major Construction Projects

KENILWORTH AVE / ALLEY IMPROVEMENTS** – Contractor: **A Lamp Concrete Contractors
(Project No. 16009; Value of Contract = $1,315,000)
The contractor has completed punch list items including the installation of fire hydrant extensions, b-box repairs, and concrete maintenance work. The only remaining punch list item, a deficient sidewalk ramp, will be replaced in the spring. Staff will review the entire project area in the spring of 2018 prior to accepting the improvements.

2017 STREET RESURFACING** – Contractor: **Geneva Construction Company
(Project No. 17002; Value of Contract = $2,060,000)
The resident engineer and staff inspected all areas, identified any deficiencies, and created a punch list. The contractor has completed the majority of punch list items with any remaining items to be addressed in the spring of 2018. Staff will review all project areas in the spring of 2018 prior to accepting the improvements.

2017 ROADWAY IMPROVEMENTS** – Contractor: **John Neri Construction Company
(Project No. 17004; Value of Contract = $2,979,000)
The Contractor has substantially completed the project with the exception of paving deficiencies on East Road and Spring Road (at Smith) which will be addressed in the spring via milling and resurfacing of the roadways (at the Contractor's expense). Over the next several months, the Engineer and Contractor will working on establishing final quantities so the project closeout can occur upon resolution of the paving deficiencies any other matters of concern identified in a final inspection of the work.

Construction Projects in Closeout Phase:

HILL AVENUE BRIDGE REPLACEMENT** – Contractor: **Dunnet Bay Construction
(Project No. 16008; Value of IDOT Contract = $1,550,000; Glen Ellyn Share = $160,000)
The Village has received and is processing invoices from Lombard for construction and construction engineering for the project.

CRESCENT BOULEVARD RECONSTRUCTION** – Contractor: **Martam Construction
(Project No. 13002; Value of IDOT Contract = $3,153,000; Local Share = $1,480,000)
The engineer (ESI) continues to work on project documentation and closeout. The IDOT audit was held on Tuesday, November 7th. Liquidated damages have been presented to, and are currently being evaluated by IDOT.

X-WALK IMPROVEMENTS AT IDOT INTERSECTIONS** – Contractor: **Hecker and Company
(Project No. 14007; Value of IDOT Contract = $197,971; Local Share = $65,000)
The engineer has prepared and submitted the balancing change order and final payment estimate documentation to IDOT. Final documentation will be prepared in anticipation of IDOT response to the submittal. However, the process will likely take several months to complete.

ENGINEERING PROJECTS

PARK BOULEVARD REHABILITATION** – Engineer: **Engineering Enterprises (EEI)
(Project No. 13001)
The Engineer has submitted final plans and specifications to IDOT. A temporary easement continues to be negotiated with the Owner of Pickwick Place. The project is currently on track to be let in March; however the easement must be secured by mid-January to keep the project on schedule for the March letting.

TAYLOR AVENUE PEDESTRIAN TUNNEL** – Engineer: **Alfred Benesch
(Project No. 15009)
The Engineer has submitted final plans and specifications to IDOT. A temporary easement continues to be negotiated with the property owner of 741 Willis. UPRR has fully approved the project plans and specifications and is currently drafting a construction & maintenance agreement. The project is currently on track to be let in March; however the easement and construction/maintenance agreements must be secured by mid-January to keep the project ton schedule for the March letting.

The project schedule is updated as follows:

Activity	Schedule	Current Status
Finalize and Submit TS&L, PBDHR and SGR to IDOT & UPRR	April 15, 2016	Completed
Submit Final Project Design Report to IDOT	May 15, 2016	Completed
IDOT PDR Review	Complete June 2016	Completed
Address Comments, resubmit TS&L and Final PDR	February 2017	Completed
ICC Process	Feb – September 2017	Completed
Preliminary PS&E to IDOT	September 29, 2017	Completed
Staff Review	October 26, 2017	Completed
Final PS&E to IDOT	January 3, 2018	Completed
Easement Negotiation	January 15, 2018	In Progress
UPRR C&M Agreement	January 15, 2018	In Progress
ROW Certified	January 24, 2018	
IDOT Letting	March, 9 2018	

ROOSEVELT ROAD – ROUTE 53 WATER MAIN LINING** – Engineer: **Baxter & Woodman
(Project No. 16015)
Echologics is in the process of finalizing the report based on the data obtained during the field acoustical testing of the water mains completed in December. A draft report was submitted to the Engineer for initial review. The information obtained will assist with identifying the ultimate limits of water main rehabilitation. It is anticipated that the final report will be received by the end of January and evaluated by staff.

ROOSEVELT ROAD WATER MAIN REPLACEMENT** – Engineer: **ERA
(Project No. 13008)
The Engineer is finalizing the plans and specifications for the project based on staff's review comments. The goal is to let the project in February, award in early March, and commence construction in late March/early April.

BAKER HILL ACCESS IMPROVEMENTS** – Engineer: **James. J. Benes
(Project No. 16021)
The Engineer completed revisions to the plan and submitted to IDOT for initial permit review. Engineer to follow up with IDOT during the week of January 8th to in an effort to address any questions and to schedule a meeting with the IDOT permit section group.

2018 STREET RESURFACING** – Engineer: **In-House
(Project No. 18002)
ERA has submitted base sheets for both sections of the project; Ramblewood Drive and Marston Avenue, and the Scott-Clifton-Cumnor-Ellynwood area. Staff is reviewing the submittals for conformity with agreement requirements. In-house design work is scheduled to begin next week.

CENTRAL BUSINESS DISTRICT PROJECTS

***TRAIN STATION / PEDESTRIAN TUNNEL** – Engineer: CDM Smith/KMI Architects*
(Project No. 16016)
The Engineer and Architect are developing renderings and cost estimates for the train station and pedestrian tunnel which will be presented to the Village Board on January 22. The goal is to solicit direction from the Board on the scope of the project for the purposes of completing Phase I Engineering.

VEHICULAR OVER/UNDERPASS FEASIBILITY** – Engineer: **HDR
(Project No. 14006)
Village staff submitted an application to the Illinois Commerce Commission Grade Crossing Protection Fund in early March. Based on feedback from the ICC, the project would be very competitive with other applications and significant funding, up to $12M, could be obtained for the project. However, the Village would need to commit to funding engineering and construction of the project with the aforementioned $12M only funding a portion of the project. Based on a discussion with the Village Board, the project is currently on hold pending further evaluation of unfunded capital projects.

CBD UTILITY STUDY** – Engineer: **RJN Group/Michels Corp.
(Project No. 15006)
RJN Group continues to work on assessing the condition of the underground utility infrastructure in the Central Business District. The team has completed smoke testing of the sanitary sewers and approximately 95% of the utility structure inspections. Televising of approximately 95% of sewer mains and laterals is also complete at this time. Building inspections of approximately 78 CBD properties were completed. RJN and Village staff will coordinate directly with remaining buildings to complete all inspections by spring. Echologics completed field water main condition assessment and submitted a draft report for initial review. Remaining ongoing and

pending items of work include televising, flow monitoring, dye flood testing, sewer dye testing, general mapping/GIS cleanup, and final reporting.

CBD ROADWAY AND STREETSCAPE IMPROVEMENTS *– Engineer: Pending*
(Project No. 15006)
Staff will be meeting with Dan Gardner of Houseal Lavigne Associates to resurrect the Village's streetscape plan. It is anticipated that the Streetscape project will be discussed and evaluated with the Village Board in early 2018 to solicit direction on how to proceed in terms of scope and schedule.

PROCUREMENT OF GOODS AND SERVICES

Public Works seeks the best vendor prices for various annual municipal and utility maintenance and operations activities. This effort includes local bidding of projects or joint purchasing initiatives, including the Municipal Partnering Initiative (MPI), a consortium of DuPage County communities.

Project	Estimated Glen Ellyn Cost	Status
2017 Sidewalk and Concrete Roadway Repairs	$215,000 (2017)	Mondi Construction performed the replacement of concrete curb, sidewalk, and street panels at 146 locations throughout the Village between August and November of this year. A punch list identifying deficiencies for resolution in the spring.
2018 Sidewalk and Concrete Roadway Repairs	$500,000 (2018)	Candidate locations are under review. Extensive concrete roadway patching is intended for this year's program. Staff is currently developing contract documents for an April bid advertisement.
2018 Lake Ellyn Park Sidewalk Improvements	$250,000 (2018)	Project scope includes sidewalk along the south and east sides of Lake Ellyn, along Lenox Road in Lake Ellyn Park, and adjacent to the Glenbard West Parking Lot on the west side of Ellyn Avenue. Staff is currently developing contract documents for an April bid advertisement.
2018 Parking Lot Resurfacing and Asphalt Roadway Patching	$275,000 (2018)	Project scope currently includes resurfacing the Main/Pennsylvania and Shock's Square Parking Lots. Roadway and Parking Lot patching throughout the Village are also included. Staff is currently developing contract documents for a June bid advertisement.
2018 Pavement Markings	$50,000 (2018)	Candidate locations are under review. Staff is currently developing contract documents for an April bid advertisement.
2018 Crack Sealing	$25,000 (2018)	Candidate locations are under review. Staff is currently developing contract documents for a July bid advertisement.
2018 Asphalt Rejuvenation	$85,000 (2018)	Candidate locations include streets that have been resurfaced one to three years prior. Staff is currently developing contract documents for a July bid advertisement.
Annual Sewer Lining	$500,000 (2017)	Staff is currently developing contract documents and reviewing sewer lining segments proposed for the next program. Project is scheduled to be bid in February.
Spoil Hauling and Delivery of Aggregates	$52,200 (2017)	Marcott Enterprises is the contractor.

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Village of Glen Ellyn
Capital Projects Financial Status
As of January 31, 2018

Project Number	Project Name	Current Project Stage	Target Construction Date	Project Analysis: Ten Year Plan[1]	Revised Estimated Cost[2]	Grant Funding	Cumulative Fiscal Budget	Expenditures Life to Date	Project Budget Remaining	Board Authorization Analysis: Board Approved Contracts[3]	Change Orders	Total Board Contracts	Contract Expenditures Life to Date	Authorization Remaining
13001	Park Blvd/Main Street Rehabilitation	Phase II - 2018 Letting	2018	$ 2,870,000	$ 3,562,000	$ 1,602,000	$ 855,000	$ 389,871	$ 465,129	$ 394,695	$ -	$ 394,695	$ 389,309	$ 5,386
13002	Crescent Blvd Reconstruction	Construction complete/fully in use. Keep open, waiting for final payment (CC) - IDOT open	Completed	2,380,000	3,828,000	1,743,400	2,195,000	1,468,725	726,275	2,064,500	82,750	2,147,250	1,454,288	692,962
13008	Roosevelt Road Water Main Replacement Nicoll to Rt 53	Phase II Design	2018	2,100,000	2,025,000	-	2,670,000	58,696	2,611,304	67,104	-	67,104	58,696	8,408
14006	CBD Over/Underpass Vehicular	Pre-Phase I - Looking for Grants	On Hold	Unfunded	TBD	-	200,000	86,309	113,691	70,000	-	70,000	70,000	-
14007	IDOT Crosswalks	Construction Completed - IDOT Closeout & RTA Reimbursement	Summer Completion Closeout	N/A	300,000	212,000	326,971	86,594	240,377	85,200	-	85,200	49,199	36,001
15003	Salt Storage Renovation	St. Charles Location Chosen	Unknown	N/A	100,000	-	100,000	-	100,000	-	-	-	-	-
15005	Police Station	Close out in Feb 2018	Completed	N/A	13,510,000	-	13,510,000	13,239,949	270,051	13,510,000	-	13,510,000	12,999,968	510,032
15006	CBD Roadway Rehabilitation & Streetscape - Phase I	RFP Preparation Pending	2020	5,070,000	4,500,000	475,000	500,000	14,400	485,600	-	-	-	-	-
15008	Route 38 Underground Wiring-Roosevelt Rd @ Baker Hill & Park	Seeking IDOT permit	2017	-	-	-	-	-	-	-	-	-	-	
15009	Taylor St - Pedestrian Underpass	Phase II Design	March 2018 IDOT Letting	-	3,185,000	1,800,000	2,775,000	267,883	2,507,117	226,500	18,900	245,400	241,282	4,118
15010	Fire Station	Space Needs Study	On Hold	N/A	TBD	-	40,000	-	40,000	-	-	-	-	-
16005	CBD Underground Improvements	Phase I / Utility Study	2018/2019	125,000	500,000	-	1,500,000	50,092	1,449,908	550,500	-	550,500	50,092	500,408
16006	Elm-Oak-Geneva Improvements (includes project 15002 - Geneva Culvert Extension)	Completed/Change Order Due	Completed	1,660,000	3,030,000	52,500	2,146,000	2,913,340.04	(767,340)	3,082,195	-	3,082,195	2,885,104	197,091
16008	Hill Avenue Bridge	IDOT Closeout ($250K Lombard)	Completed	-	250,000	-	225,000	170,980	54,020	190,000	-	190,000	170,980	19,020
16009	Kenilworth-Alley Improvements	Substantially Completed/Closeout	Fall 2017	950,000	1,126,000	-	2,481,500	1,272,187	1,209,313	1,409,000	-	1,409,000	1,261,140	147,860
16010	Lake Ellyn Park Sidewalk (Lenox & Lake Rd) - *Combined with Project 16007 Glenbard West Parking/Sidewalk	Phase II Design	2018	-	125,000	-	125,000	-	125,000	-	-	-	-	-
16011	Main St Diamond Grinding	On Hold	Unknown	-	180,000	-	180,000	-	180,000	-	-	-	-	-
16012	Memory Ct Lift Station Rehab	Phase II Design 2018	2019	550,000	640,000	-	640,000	-	640,000	-	-	-	-	-
16013	Rt 53 Sidewalk (Bemis-Marston)	Completed - waiting on IDOT final invoice	2016	-	7,000	-	9,000	3,553	5,447	-	-	-	-	-
16014	Rt 53 Sidewalk Study	On Hold	Unknown	-	10,000	-	5,000	-	5,000	-	-	-	-	-
16015	Rt 53/Roosevelt Rd/Spring/Surrey Water Main Lining 500'	Phase II Design	2018/2019	-	1,100,000	-	1,615,000	26,137	1,588,863	74,730	-	74,730	26,137	48,593
16016	Train Station Pedestrian Underpass	Phase I (Study/Alternatives w/Board Direction)	Unknown	-	50,000	-	300,000	82,189	217,811	232,375	-	232,375	82,100	150,275
16017	Village Green Storm Sewer Replacement	On Hold-In House - John Hubsky (w/ Park District)	7/10/1905	-	300,000	-	75,000	-	75,000	-	-	-	-	-
16018	Lake Road Underground Utility (Com Ed)	Construction Pending - ComEd Completed - AT&T/WOW/Comcast-Need Board Approval	2018	-	30,000	-	-	1,000	(1,000)	-	-	-	-	-
16019	Duane/Lorraine Daily Lot Resurfacing	Substanially Completed	2017	1,200,000	180,000	-	130,000	-	130,000	180,000	-	180,000	173,537	6,463
16021	Baker Hill - Pershing Intersection	Phase II Engineering (submitted to IDOT in Dec)	2018/2019	-	500,000	-	500,000	27,277	472,723	50,276	-	50,276	27,277	22,999
17001	2017 Sidewalk Improvements	Substanially Completed	2017	-	-	-	75,000	54,290	20,710	75,000	-	75,000	50,717	24,283
17002	2016/2017 Street Resurfacing (Combined w/2016-16002)	Substanially Completed	2017	955,000	1,051,071	-	3,077,446	1,125,152.64	1,952,293	1,928,301.50	-	1,928,301.50	1,367,767	560,534.92
17003	Bemis Road Improvements	2019 Engineering	2022	-	-	-	-	-	-	-	-	-	-	-
17004	Montclair/East/Davis/Smith/Turner Improvements	Substanially Completed	2017 (by end of year)	-	-	-	3,421,500	2,218,725	1,202,775	3,291,001	7,500	3,298,501	2,808,609	489,892
17005	Royal Glen Infrasturcture Interconnect Improvement	On Hold	2021	-	-	-	115,000	-	115,000	-	-	-	-	-
17006	Sheehan Avenue Improvements	On Hold	Unknown	-	-	-	10,000	-	10,000	-	-	-	-	-
17009	Main-Glenwood Parking Lot Retaining Wall	On Hold - In House? Est $285K	Unknowm	-	-	-	85,000	16,221	68,779	-	-	-	-	-
17012	Perry's Pond Bank Stabilization	Substanially Completed	2018	-	-	-	-	58,172	(58,172)	65,000	-	65,000	-	65,000
17013	C.O.D. REV3 Innovation Center @ VOGE Civic Center (combined with project #17011)	Design	2018	-	-	-	-	35,260	(35,260)	24,000	-	24,000	21,840	2,160
18001	Lambert & Taft Intersection Improvements			-	-	-	-	-	-	-	-	-		-
18002	2018 Street Resurfacing	Bidding/Design	2018	-	1,250,000	-	-	-	-	-	-	-		-
18003	2018 Sidewalk Improvements	Bidding	2018	-	200,000	-	-	-	-	-	-	-		-
18004	2018 Concrete Street Patching	Bidding	2018	-	300,000	-	-	-	-	-	-	-		-
18005	2018 Asphalt Street Patching	Bidding	2018	-	90,000	-	-	-	-	-	-	-		-
18006	2018 Sanitary Sewer Lining Program (combined with project #17010)	Bidding	2018	-	500,000	-	500,000	-	500,000	65,000	-	65,000	-	65,000
18007	Hill Ave Water Main	Bidding on Engineering Phase I	2020	-	9,000	-	-	-	-	10,639	-	10,639		10,639
18008	Water Meter Replacements	Bidding	2018/19	-	-	-	-	-	-	-	-	-		-

Village of Glen Ellyn
Capital Projects Financial Status
As of January 31, 2018

				Project Analysis						Board Authorization Analysis				
Project Number	**Project Name**	**Current Project Stage**	**Target Construction Date**	**Ten Year Plan[1]**	**Revised Estimated Cost[2]**	**Grant Funding**	**Cumulative Fiscal Budget**	**Expenditures Life to Date**	**Project Budget Remaining**	**Board Approved Contracts[3]**	**Change Orders**	**Total Board Contracts**	**Contract Expenditures Life to Date**	**Authorization Remaining**
18009	Underground @ Civic Center - Pedestrian Walkway	RFP	2019	-		-	-	-	-	-	-	-		-

Footnotes:
1. From the Ten-Year Plan published in November 2012.
2. From the Staff Engineer, if the number varies from the 10-year plan. A revised estimated cost is typically known as a project nears the construction phase.
3. Board approved amounts include an approximate 5-10% contingency above the contracted price.
4. Amounts italicized and red are tentative, subject to change.

Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 02/16/18 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Policy
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 3106) DOC ID: 3106

Finance Director Coyle will present an update to the Village's Reserve Policy (Discussion Only)

Note: The agenda item below is a copy of the agenda item for the Village Board meeting on February 12. Staff will review this item with the Finance Commission to provide any feedback to the Village Board. This is a culmination of the reserve policies that we have been studying one-by-one over the past few months.

Background

Reserve policies are prudent management policies that are designed to offset unexpected changes in operating revenues, provide sufficient cash flow for daily transaction volumes, and provide a buffer for unexpected or emergency expenditures.

The majority of the Village's reserve policies were last updated by the Village Board at the end of 2011 and beginning of 2012. The policies set forth by the Village Board at that time were as follows:

- General Fund - 25% of operating expenditures in the General Fund, increasing by 1% until the reserve reached 35%.
- Water & Sewer Fund - Originally set at $2 million, to be increased each year by the Consumer Price Index (CPI).
- Solid Waste Fund - 25% of operating expenditures in the General Fund, increasing by 1% until the reserve reached 35%. This was reduced to 25% in 2013.
- Parking Fund, and Village Links/Reserve 22 Funds - 25% of operating expenditures in the General Fund, increasing by 1% until the reserve reached 35%.

The Village Board has set a strategic goal to review and update the cash reserve policies. A few funds have been looked at individually within the past year. First, the Solid Waste Fund was reviewed during the renewal of the refuse contract in July 2017. The consensus of the Board was to retain the 25% reserve policy as that was closely aligned with the cost of potential storm events. During the budget process, staff reviewed the General Fund reserve policy with the Village Board. The consensus of the Board was to have a reserve level set at 30% of operating expenses. The Board also expressed the desire to include a clause that a discussion be brought to the Board if the reserve level was greater than 40% at the low point in the year (April of each year). In December 2017, the Board also reviewed the Parking Fund reserve policy at the December 18 Village Board workshop. There was no immediate consensus on the Parking Fund. Staff is recommending to change the Parking Fund to a 25% reserve policy.

The purpose of this agenda item is to comprehensively review the reserve policies of the Village and to arrive at a policy going forward.

Analysis of Available Cash Reserves - Current Policy

Staff has prepared a comprehensive Analysis of Available Cash Reserves (Exhibit A). This provides a listing of all cash and investments held, by fund and is as of December 31, 2017. The information contained in this analysis is as follows:

Column A & B: These columns list total cash and investment balances, by fund for the current and prior year.

Column C (Encumbrances): The encumbrances reported in this column are related to the 2018 budget amendment that was passed by the Village Board at the January 22, 2018 meeting. These are projects that were outstanding as of December 31 that had not been completed and will need available cash balances to complete these projects in 2018.

Column D (Deposits/Other): Some cash amounts are held in each fund that are due back to other parties. The larger amounts noted in this analysis are:

- General Fund: Escrow and planning and development deposits. Amounts to be remitted to other agencies such as the library, school districts, etc.
- Corporate Reserve: The proceeds from the sale of 825 N. Main must be held aside until the projects moves forward as the Village may be obligated to return those funds.
- Water & Sewer Fund: Deposits on Village Services Accounts that the Village is required to return when a customer terminates service.

Column E (Restricted by Statute): These are amounts which are required by law to be only used for particular purposes.

- Motor Fuel Tax: Must only be used for MFT eligible expenses or an MFT eligible capital project.
- CBD & Roosevelt TIF Fund: Must be used for TIF eligible expenses and must fund items/projects located within the TIF area.
- Forfeiture Fund: This was a new fund created during the FY18 budget process and now holds the state and federal forfeiture funds as well as seized funds. These amounts must only be used for specific purposes allowed by each program.

Column F (Assigned for Capital Projects): The amounts listed in this column have been dedicated towards capital projects. The amounts listed in the schedule are from the following sources:

- Fire Services Fund: This is the amount of the fund balance that is dedicated towards the capital plan per page 4-4 of the 2018 draft budget. At the end of 2017, $619,099 should be dedicated to facility funding and $1,202,535 should be dedicated to vehicle replacement. A large portion of the vehicle replacement fund will be used in 2018 as the Board approved purchase of a new ladder truck ($1.1 million).

- Capital Projects Fund: The entire balance in this fund is dedicated towards capital projects. Each year, the Board reviews the 5 year capital plan to determine the best use of those monies.
- Facilities Maintenance Reserve Fund: The entire balance in this fund is dedicated towards maintaining Village facilities. Each year, the Board reviews a 5 year plan to determine the best use of those monies.
- Water & Sanitary Sewer Fund: Based upon the most recent capital plan, $9.35 million of existing reserves will be needed over the next 5 years (over and above annual operations) to complete the 5 year capital plan. Major projects such as Roosevelt Road & Route 53 water main and future street projects will require use of accumulated monies.
- Equipment Services: The fleet services department funds vehicles on a replacement schedule based on anticipated useful life of the vehicle. For example, a police car has a three year useful life, so the fleet funds that vehicle over a three year time span, so that at the end of three years, funds are available to purchase the vehicle. Based upon the replacement schedule included in the 2018 draft budget, accumulated contributions in the fund should total $4,724,559.

<u>Column G (Assigned for 2018 Budget Deficit):</u> In finalizing the 2018 budget, the Board directed staff to use reserves to bridge the budget gap in the General Fund for 2018. This is the amount of reserves budgeted to be used for 2018.

<u>Column H (Assigned for Liability/Health Insurance):</u> This amount is held in an internal service fund for health and liability insurance. It is used to offset unexpected increases in premiums in liability or health insurance. Amounts are also used to pay for claims not covered by Village insurance policy. Normal annual health insurance spend is $2.7 million and liability insurance spend is $600,000.

<u>Column I (Balance Subject to Reserve Policy):</u> This is the sum of Columns B to H. This determines available cash by fund before the reserve policies are considered.

<u>Column J (Reserve Policy)</u>: This is the dollar amount of the reserve policy during 2017.

<u>Column K (Cash Above Minimum Policy):</u> This is cash available above the reserve policy. It should be noted that this does not necessarily mean that these are dollars that could be shifted towards another project. The 2018 budget must be considered in determining how these monies will be spent. Some important notes on the amounts listed:

- General Fund: The amount listed in the analysis is $3.0 million. December is not the low cash point in the year. Cash flow is such that approximately $1.2 million will be depleted through April/May of 2018.

- Corporate Reserve: Without release of the proceeds from 825 main, this amount will be needed to pay for an update to the Comprehensive Plan.
- Parking Fund: The Parking Fund currently has more capital needs than a balance exists as shown here. The amount above the minimum policy will not cover a parking garage or even planned reconstructions of existing lots.
- Residential Solid Waste: A clean sweep in 2018 will use approximately $90K of these reserves. Amounts are also used for toter replacement as needed.
- Village Links/Reserve 22: A golf cart purchase in 2017 pulled the fund below its reserve policy limit.

Remaining Reserve Policies for Review

There are two remaining funds which should be reviewed by the Village Board to complete a comprehensive review of the reserve policies.

Water & Sewer Fund

Attached as Exhibit B is the agenda item that went to the Finance Commission on the Water & Sewer Fund reserve policy. The Finance Commission recommended keeping the current policy and adding that any amount above the reserve policy be assigned for capital projects.

Village Links/Reserve 22 Fund

Village Attorney Mathews prepared an attached summary (Exhibit C) of insurance coverage for Village Links/Reserve 22. It should be noted that a loss of business due to diseased grass would not be covered by insurance. Village Links/Reserve 22 staff believe that the reserve level should cover the cost of full time staff for a year and cover the debt service for a year for the facility. These costs are as follows:

Full Time Staff Costs: Approximately $1 million

Debt Service Costs: $654,000

Total: $1,654,000

If this was to be the target, the current reserve policy would need to be increased by $302,000. Staff believes that this would be a prudent policy given that the goal of the facility is to operate without any burden to the taxpayer.

Updated Reserve Policy

Based upon the feedback from previous Board meetings and information provided in this memo, staff has prepared a draft reserve policy for the Board's review and comment. This is attached as Exhibit D. The current policy is attached as Exhibit E for comparison purposes.

Action Requested

Staff requests that the Board review the information provided in this memo and provide feedback on the draft reserve policy. Once there is a consensus of the Board, staff will prepare a resolution for a future Board meeting.

ATTACHMENTS:

- Exhibit A - Analysis of Available Cash Reserves as of December 31 2017 (PDF)
- Exhibit B - Finance Commission Agenda Item Water Sewer Reserve Policy (PDF)
- Exhibit C - Business Interruption and property damage (PDF)
- Exhibit D - Draft Reserve Policy (PDF)
- Exhibit E - Current Reserve Policy (PDF)

Village of Glen Ellyn
Exhibit A - Analysis of Available Cash Reserves
For the Month Ended December 31, 2017

		A	B	C	D	E	F	G	H	I	J	K
	Fund	Last Year Cash & Investment Balances	Current Year Cash & Investment Balances	Less Encumbrances	Less Deposits/ Other	Restricted by Statute	Assigned for Capital Projects	Assigned for 2018 Budget Deficit	Assigned for Liab/Health Ins.	Balance Subject to Reserve Policy	Less Minimum Reserve Policy	Cash Above Minimum Policy
1	General	$ 10,648,974	$ 10,118,020	$ (172,207)	$ (924,049)	$ -	$ -	$ (600,714)	$ -	$ 8,421,050	$ (5,403,000)	$ 3,018,050
2	Corporate Reserve	63,114	779,908	-	(682,430)	-	-	-	-	97,478	-	97,478
3	Motor Fuel Tax	641,777	710,063	(131,266)	-	(578,797)	-	-	-	-	-	-
4	Fire Services Fund	1,243,147	1,764,586	-	-	-	(1,764,586)	-	-	-	-	-
5	CBD TIF	240,124	319,686	(85,250)	-	(234,436)	-	-	-	-	-	-
6	Roosevelt Road TIF	-	18,818	-	-	(18,818)	-	-	-	-	-	-
7	Forfeiture Fund	-	685,881	-	-	(685,881)	-	-	-	-		
8	Debt Service	41,645	41,353	-	-	-	-	-	-	41,353	-	41,353
9	Capital Projects	16,424,724	8,332,280	(3,396,838)	(6,664)		(4,928,778)	-	-	-	-	-
10	Facilities Maint Reserve	923,709	1,471,638	(274,570)	-	-	(1,197,068)	-	-	-	-	-
11	Water and Sanitary Sewer Fund	11,133,919	13,052,400	(1,246,823)	(229,302)	-	(9,350,229)	-	-	2,226,046	(2,214,000)	12,046
12	Parking	1,548,392	1,476,167	(90,463)	-	-	-	-	-	1,385,704	(69,000)	1,316,704
13	Residential Solid Waste	463,001	670,048	-	-	-	-	-	-	670,048	(382,700)	287,348
14	Village Links/Reserve 22	1,642,633	1,295,053	(26,172)	(9,004)	-	-	-	-	1,259,877	(1,352,000)	(92,123)
15	Insurance	1,308,990	1,399,275	-	-	-	-	-	(1,399,275)	-	-	-
16	Equipment Services	4,152,847	4,608,131	(61,234)	-	-	(4,724,559)	-	-	(177,662)	-	(177,662)
		$ 50,476,996	$ 46,743,307	$ (5,484,823)	$ (1,851,449)	$ (1,517,932)	$ (21,965,220)	$ (600,714)	$ (1,399,275)	$ 13,923,894	$ (9,420,700)	$ 4,503,194
17	Police Pension	27,380,278	30,396,943	-	-	(30,396,943)	-	-	-	-	-	-

(a) Encumbrances represent the unexpended portion of approved contracts for goods and services as of the end of the quarter. While encumbrances are not expenditures, they do represent a reduction in the level of available spendable cash.

(b) See Reserve Policies at the bottom of this sheet.

(c) This is the balance above the minimum policy. Not all funds that are above the minimum policy are available to be spent. Many fund's cash is restricted to the purpose for which the fund exists. Balances may exist for capital spending, grant/federal restrictions, etc., and may not be available for general use.

The Cash Reserve Policies are listed below:

1. **General Fund** - Amount subject to reserve is 30% of operating expenditures.

2. **Water and Sanitary Sewer Fund** - Amount subject to reserve is $2,214,000, which will be adjusted annually by CPI-U or 3%, whichever is less.

3. **Parking Fund** - Amount subject to reserve is 30% of operating expenses.

4. **Residential Solid Waste Fund** - Amount subject to reserve is 25% of operating expenses

5. **Recreation Fund** - Amount subject to reserve is 30% of operating expenses.

Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 01/12/18 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Policy
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 3044) DOC ID: 3044

Finance Director Christina Coyle will present a proposed update to the Water & Sewer Reserve Policy.

Executive Summary

Operating reserves are necessary for utilities such as the Water & Sewer Fund to address cash flow, rate stabilization, and provide some funds for emergencies. Prior to 2011, the operating reserve policy for the Water & Sewer Fund was set at 25% of operating expenses. In 2011, the Village Board changed this to a flat $2 million, which would be increased each year by the consumer price index (CPI). Any amount in the fund above the reserve policy is set aside for the capital plan, although no formal designation does so. On an operating basis, the Water & Sewer Fund has a relatively low risk profile. The fund only has a small amount of debt. Billing is done on a monthly basis and the Village has the ability to set rates and change them as needed. However, there is also an incentive to manage the reserves and the fund such that rate stabilization is achieved. Rate stabilization is a concept of avoiding large spikes in rate increases to customers due to financial constraints of the fund. Large disasters such as terrorism or natural disasters would unlikely be mitigated by the reserves alone. However, reserves would provide a cushion until bonds or a line of credit could be issued. Benchmark comparisons find Glen Ellyn within the benchmarks set by the Government Finance Officers Association (GFOA) and some rating agencies, but find that Glen Ellyn lags with a reserve policy slightly below the peer group of communities. Due to this confluence of factors, staff is recommending continuing the course with the current operating reserve policy. However, staff does recommend adding to the policy that any accumulated amounts above the operating reserve are set aside for Water & Sewer capital purposes.

Issues

One of the goals of the current Village Board is to evaluate the reserve policies to determine if any adjustments are warranted. Staff has been working through the funds of the Village to provide meaningful information and recommendations to the Village Board regarding the Village's reserve policies. The financial structure, legal restrictions, and risk profile of each Village fund is unique and therefore, should be evaluated separately. To date, the Board has reviewed the Solid Waste Fund, the General Fund, and the Parking Fund. In this memo, we seek to evaluate and make recommendations regarding the Village's Water and Sewer Fund.

Why does a Water & Sewer Utility Need Reserves

There are many types of reserves, and each reserve serves a unique goal in managing the operations of a utility. The reserves most commonly needed by utilities are operations and maintenance (cash flow), rate stabilization, capital, and emergency reserves. For Glen Ellyn, our reserves in the Water

& Sewer Fund are segregated into two reserve categories. The first category is our traditional reserves as set in our reserve policy. This is meant to serve as reserves for operations and maintenance (cash flow), rate stabilization, and emergency purposes. The remaining amount above the traditional reserves is monies/reserves to satisfy the needs of our capital plan. The breadth of this memo addresses setting the level for the reserve policy to meet a level of reserves for cash flow, rate stabilization, and emergency purposes (hereafter referred to as the reserve policy). Any amount in the fund above that level is dedicated for capital replacement.

Historical and Current Policy

Prior to 2011, the Water & Sewer reserve policy was set at 25% of operating costs (excluding capital), which equated to approximately $1.9 million in 2011. At that time, staff proposed retaining the 25% level. At the December 2011 meeting, the Board did not adopt staff's recommendation and unanimously decided to change the policy to a flat $2 million operating reserve which was subject to an annual consumer price index (CPI) escalator. Since 2012, the Village has been following the policy set and adopted by the Village Board in 2011.

Best Practices and Benchmarks

Best Practice - Government Finance Officers Association

The Government Finance Officers Association (GFOA) has a best practice on working capital targets for enterprise funds like the Water & Sewer Fund. GFOA recommends a range of 45-90 days' worth of annual operating expenses to be set as a reserve. The risk profile of the fund would dictate where the fund falls on that scale. Using this scale, the Water & Sewer Fund would have a target reserve of $1.26 million to $2.52 million. GFOA lists risk factors such as support from general government, transfers out, cash cycles, customer concentration, demand for services, control over rates, asset age and condition, volatility of expenses, control over expenses, management/board plans, segregated capital and operating plans, and debt position. Based upon these factors, the Water & Sewer Fund has a relatively low risk profile.

Benchmark Policies - Rating Agencies

The only debt held in the Water & Sewer Fund is a loan from the Illinois Environmental Protection Agency (IEPA). However, when evaluating the Village, the rating agencies look at the financial health of all Village funds, not simply the fund that is bearing the debt. Each rating agency has qualitative and quantitative factors for determining what impact a reserve level has on the rating. Listed below in a table are the various rating agencies, their benchmarks, and what the reserve policy would need to be for the Water & Sewer Fund to align with that benchmark

Agency	Benchmark	Reserve Amount Needed to Satisfy Benchmark
S&P	Available cash > 15% of expenditures	$1.67 million
Fitch	Debt Service Coverage 2.0 times or greater	N/A to Glen Ellyn
Fitch	Days cash greater than or equal to 6 months (medium rating) 1 year (stronger rating)	$5.5 - $10.2 million
Fitch	Free cash relative to depreciation greater than or equal to 1 year	$1.8 million
Moody's	Cash Balance > 25% of revenues	$3.6 million

Glen Ellyn's current policy meets some, but not all, of the benchmarks above.

Benchmark Policies - Other Communities

Another benchmark that the Village can compare its policy to is other surrounding communities. The Water & Sewer reserve policy levels are listed below for various communities:

Community	Reserve Policy Level
Geneva	25%
LaGrange	25-50%
Lombard	25%
Naperville	30 days operating expenditures ($5.1 million)
Downers Grove	3-12 months of revenues (25-100%)
Wheaton	25%
Glen Ellyn	**$2.26 million (21.8%)**

Glen Ellyn lags behind the peer communities in its policy level. Glen Ellyn's policy would need to be $2.58 million to reach a 25% level.

Findings and Recommendations

Based upon an updated review of the reserve policy of the Water & Sewer Fund, staff yields the following findings and recommendations.

1. **Segregate Operating Reserve and Capital Reserve**

   The current policy does not designate any amount in the fund above the operating reserve for capital purposes. This has caused some confusion in explaining the amounts held in the Fund. Staff is recommending that the policy be changed to designate an operating reserve (current reserve policy) and to designate any amounts in the fund above the operating reserve level for capital purposes. Those amounts designated for capital will then be reviewed in conjunction with the capital plan and budget each year as part of the budget cycle. Staff believes that segregating these reserve amounts is an important communication tool for the Water & Sewer Fund.

2. **Maintain the current operating reserve policy for the Water & Sewer Fund**

   Based upon the benchmarks reviewed above, Glen Ellyn is at the low end of comparable communities and on the low end of the rating agency benchmarks. However, a low-risk profile for the Village also allows the Village to support this current departure from the benchmarks. Staff agrees with the Board recommendation in 2011 that a CPI escalator should be retained for the reserve policy. This allows the reserve to grow at a marginal level and the increase in CPI should mirror the increase in costs and risk that the Water & Sewer Fund bears with price escalation (in other words, $30 of risk today does not equal $30 of risk in five years).

Action Requested

Staff is requesting that the Finance Commission forward a recommendation on the Water & Sewer reserve policy to the Village Board.

MEMORANDUM

TO: Jeff Vesevick
Mark Franz
Christina Coyle

FROM: Greg Mathews

DATE: January 24, 2018

RE: Village Links/Reserve 22 Insurance Coverage

Coverage

I have been asked to provide a memo regarding insurance coverage provided through our municipal risk pool for property damage and loss of business income due to events at the Village Links and Reserve 22. I understand generally that a question has arisen over the extent we should be holding funds in reserve to offset calamities which might take place in the future and interrupt business.

Loss of business income due to the necessary suspension of operations caused by property damage is covered by primary and excess insurance for the period of restoration up to $1,000,000 for one covered occurrence with an Annual Aggregate Limit of $3,000,000 for all occurrences. This coverage is found in our property damage coverage section of the policies we have in place.

"Occurrence" under our coverage means, "an accident or happening or event, which results in a direct physical damage or loss to the Village's property." The definition of "Occurrence" is a frequently litigated subject but ordinarily involves a single identifiable event such as an auto accident, a sudden collapse of a structure, caused by a sink hole, a tornado or a lightning strike.

The policy language defines what is **not** covered by insurance through a series of "Exclusions" which are not insured against. For example, damages on the golf course due to chemicals, fungus, wet rot, dry rot or bacteria unless caused by fire or lightning. The policy language also excludes property damage due to earthquake, natural flooding, wear and tear, settling, cracking, infestations by insects, extremes of weather including drought, heat or freezing conditions. The policy will not cover ongoing damage to personal property (think golf carts) caused by rain, snow, sand, dust or sleet.

In the case of Reserve 22, coverage is excluded for damages due to faulty, inadequate or defective design, construction or maintenance and sewer back up, interruption of utility services, fungus or mold, artificially generated electric current and explosion of boilers or hot water tanks.

In summary, if the Village Links greens or fairways are damaged by weather, infestation or leaking oil or petroleum products from maintenance equipment any repair cost or business income loss will not be covered for the period of business interruption. If Reserve 22 has to shut down due to utility failure, sewer back up or kitchen infestation, any cost of damage or repairs or lost income in the restoration period will not be covered. Further, if any design or construction defect causes shut down for repairs, the cost of repair and lost income will not be covered.

Process of Reimbursement

A corollary question involves the process for submitting and proving loss of business income. Insurance providers do not simply take in claims involving loss of business income and pay those claims without substantial analysis. To prove such a claim we will be required to submit documentation to support the amount of the claim, including current and historic income statements, financial statements, payroll records, audit and accounting records, contracts, operating expenses and the like. Given that Reserve 22 is a relatively new enterprise the documentation supporting the claim will be variable and subject to close scrutiny by the insurer to reduce the claimed loss of income, which by necessity is projected and uncertain. For the Links, the numbers supporting a loss claim are very weather dependent, so the analysis must take into account annual fluctuations. In my experience it would not be unheard of for such claims to play out over the course of a year before reimbursement.

FUND BALANCE AND NET POSITION POLICY

1. Statement of Purpose:

It is the Village's philosophy to support long-term financial strategies, where fiscal sustainability is its first priority, while also building funds for future growth. It is essential to maintain adequate levels of funds balance/net position to mitigate current and future risks. Fund balance/net position levels are also crucial consideration in long-term financial planning. Credit rating agencies carefully monitor levels of fund balance/net position to evaluate the Village's continued creditworthiness.

Fund Balance (governmental funds) or Net Position (proprietary funds) provides for the operational stability of the Village of Glen Ellyn and provides the capacity to:

a) offset significant economic downturns or revenue shortfalls,
b) provide sufficient cash flow for daily financial needs,
c) maintain or improve the village's bond ratings, and
d) provide funds for unforeseen expenditures related to emergencies or opportunities.

2. Definitions

a. Fund Balance – The difference between assets, deferred outflows, liabilities, and deferred inflows in a governmental fund.
b. Nonspendable Fund Balance – the portion of a Governmental Fund's fund balances that are not available to be spent, either short term or long term, in either form (e.g. prepaid assets) or through legal restrictions.
c. Restricted Fund Balance – the portion of a governmental fund's fund balances that are subject to external enforceable legal restrictions as to what the fund balance can be spent on.
d. Committed Fund Balance – the portion of a governmental fund's fund balances with self-imposed constraints or limitations that have been placed by formal action at the highest level of decision making.
e. Assigned Fund Balance – the portion of a governmental fund's fund balances to denote an intended use of resources.
f. Unassigned Fund Balance – available spendable financial resources in a governmental fund that are not the object of tentative management plan (i.e. assignments).
g. Net Position – The difference between assets, deferred outflows and liabilities and deferred inflows in a proprietary fund, trust fund, or entity wide financial statements.

3. Desired Reserve Policies:

General Fund: Cash reserves of the General Fund should be maintained at thirty percent (30%) of the current year's budgeted operating expenditures (excluding debt and capital outlay expenditures). At any point should the unreserved balance reach above 40% at the low point of the year (April or May), an item shall be brought to the Village Board for action on the excess balance.

Water & Sanitary Sewer Fund: The Village will maintain $2,000,000 in cash reserves in the Water and Sanitary Sewer Fund for FY2011/12, increased annually by the 12-month change in the CPI-U (December before the beginning of the fiscal year) or 3%, whichever is less. [For FY18, the amount of required cash reserves will be $2,261,000.] Amounts held in the fund above the reserve policy limit are assigned for water and sewer capital projects.

Village Links/Reserve 22 Fund: The Village Links/Reserve 22 shall maintain adequate cash reserves to cover the budgeted salaries and benefits of full-time staff and to cover the annual debt service in the fund.

Residential Solid Waste Fund: The Village will maintain adequate cash reserves in the Residential Solid Waste Fund, in an amount equal to or greater than 25% of the current year fund operating expense budget (excluding debt and capital).

Parking Fund: The Village will maintain adequate cash reserves in the Parking Fund, in an amount equal to or greater than 25% of the current year fund operating expense budget (excluding debt and capital).

4. Attaining and Maintaining Desired Reserve Levels:

Should the reserves in one or more funds fall below the benchmark established by this policy, the Village Manager will notify the Village Board in a timely manner and will develop and present to the Village Board as part of the annual budget a plan to return fund balance to the benchmark level within three (3) fiscal years.

5. Use of Fund Balance or Net Position:

The Village will spend the most restricted dollars before less restricted, in the following order:

1. Restricted
2. Committed
3. Assigned
4. Unassigned.

The Finance Director will determine if a portion of fund balance should be assigned and will document said assignment by a memorandum to the Village Manager and appropriate disclosure in the audited financial statements.

Note: In non-governmental funds, management may decide to "assign" funds for a specific purpose. This will be done as an internal budgeting procedure rather than as a formal accounting entry. Creating a governmental fund automatically assigns fund balance in that fund to the purpose of the fund.

Fund balance or net position should only be used or depleted in the following situations:
1. Revenue shortfalls result in an operating deficit.
2. Unforeseen material expenditures arise which cannot be avoided or delayed.
3. Excess fund balance exists and the village intentionally draws down on the balance to come into compliance with this policy.

Village of Glen Ellyn
Financial Policies

F. Reserve Policy

Definitions

Fund Balance – the difference between assets and liabilities in a Governmental Fund.

Nonspendable Fund Balance – the portion of a Governmental Fund's fund balances that are not available to be spent, either short term or long term, in either form (e.g., prepaid assets) or through legal restrictions (e.g., endowments).
Restricted Fund Balance - the portion of a Governmental Fund's fund balances that are subject to external enforceable legal restrictions as to what the fund balance can be spent on.

Committed Fund Balance - the portion of a Governmental Fund's fund balances with self-imposed constraints or limitations that have been placed by formal action at the highest level of decision making.

Assigned Fund Balance - the portion of a Governmental Fund's fund balances to denote an intended use of resources.

Unassigned Fund Balance - available expendable financial resources in a governmental fund that are not the object of tentative management plan (i.e. assignments). (Only in the General Fund, unless negative.)

Note: In non-governmental funds, management may decide to "assign" funds for a specific purpose. This will be done as an internal budgeting procedure rather than as a formal accounting entry. Creating a governmental fund automatically assigns fund balance in that fund to the purpose of the fund.

1. The Village will maintain adequate cash reserves (unassigned fund balance) in its operating funds (General Fund) in an amount equal to or greater than 25% of the current year fund operating expense budget (excluding capital) for FY2012/13. In following years, the target amount of cash reserves will increase by 1 percentage point growing to 35% of current year fund operating expense budget (excluding capital). [30% for CY17]

Adequate reserve balances are maintained to:

a. offset unexpected changes in operating revenues,
b. provide sufficient cash flow for daily transaction volumes, and
c. provide a buffer for unexpected or emergency expenditures.

2. The Village will spend the most restricted dollars before less restricted, in the following order:

1. Restricted,
2. Committed,
3. Assigned,
4. Unassigned.

3. The Finance Director will determine if a portion of fund balance should be assigned and will document said assignment by a memorandum to the Village Manager and appropriate disclosure in the audited financial statements.

4. ENTERPRISE FUNDS CASH RESERVES:

   a. The Village will maintain $2,000,000 in cash reserves in the Water and Sanitary Sewer Fund for FY2011/12, increased annually by the 12-month change in the CPI-U (December before the beginning of the fiscal year) or 3%, whichever is less. [For CY17, the amount of required cash reserves will be $2,214,000.]

   b. The Village will maintain adequate cash reserves in the Parking Fund and Village Links/Reserve 22 Fund in an amount equal to or greater than 25% of the current year fund operating expense budget (excluding capital) for FY2012/13. In following years, the target amount of cash reserves will increase by 1 percentage point growing to 35% of current year fund operating expense budget (excluding capital). [30% for CY17]

   c. The Village will maintain adequate cash reserves in the Residential Solid Waste Fund, in an amount equal to or greater than 25% of the current year fund operating expense budget (excluding capital).