Minutes
Village of Glen Ellyn
Finance Commission
Regular Meeting
Friday, June 8, 2018
7:00 AM
Glen Ellyn Civic Center, Room 301

A. Call to Order

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

Vice-Chairman VanEk called the meeting to order at 7:00 AM

Also Present: Village Manager Franz, Finance Director Coyle, Assistant Finance Director Thomas, and Recording Secretary Haslett.

B. Public Comment (Non Agenda Items)

None.

C. Approval of Minutes

1. Finance Commission - Regular Meeting - May 11, 2018 7:00 AM

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Michael Campagna, Commissioner
SECONDER:	Christopher D. Oakes, Commissioner
AYES:	Cleaver, Greeno, VanEk, Oakes, Campagna
ABSENT:	DeLeon, Dan, Halkyard, Peck

2. Finance Commission - Special Meeting - May 18, 2018 7:00 AM

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Michael Campagna, Commissioner
SECONDER:	Christopher D. Oakes, Commissioner
AYES:	Cleaver, Greeno, VanEk, Oakes, Campagna
ABSENT:	DeLeon, Dan, Halkyard, Peck

D. Financial Reports

1. General Fund Update

Finance Director Coyle distributed the General Fund April 2018 report and highlighted some of the key revenues and expenditures for the month. Vehicle licenses were down from last year which could be due to the increased number of 3-year permits sold last year. Large building permits were issued to McDonald's, COD, and CVS. Police and court fines were down from last year. Investment income is on the rise due to higher interest rates and a change in the investment management policy. Also, the Village Board approved the new investment agreement with PFM. Due to rising interest rates no bank charges have been assessed in 2018. The Finance Department purchased a new online vehicle sticker software. The Village paid economic incentives to Haggerty Chevrolet and the Fresh Market totaling $104,000 compared to last year's $167,000.

In terms of revenues, sales taxes are still below budget and less than the prior year, while home rule sales taxes were down only $88 from the prior year. Year-to-date income taxes are down $32,412 from the prior year.

Finance Director Coyle explained how some of the provisions included in the recently passed State of Illinois budget will impact the Village's finances including: the administrative fee for collecting locally-imposed home taxes was lowered from 10% to 5% (which means the Village will retain about $10,000 more in taxes) and the income tax distributions will be lower by 5% as opposed to the current 10% reduction. Finance Director Coyle noted these changes take effect on July 1, 2018. Finance Director Coyle surmised the income tax distribution will be a point of discussion every budget year by the Illinois legislature.

Village Manager Franz said the goal of the Board has been the review of fees and charges so they are more in-line with consumer price index. The Village Board recently approved a revised building permit fee rate structure. Now staff is reviewing EMS fees.

RESULT:	**DISCUSSION ONLY**

2. Village Links/Reserve 22 - Manager's Report and Financial Statements - April 2018

Coyle indicated the April snowfall negatively impacted the Village Link's operations. There has been a good start to May, which will hopefully pick up on lost ground.

RESULT:	**DISCUSSION ONLY**

E. Actuary Report - Police Pension Fund

1. Finance Director Coyle will present the 2017 actuary report for the Police Pension Fund

Finance Director Coyle noted the actuary report is based upon the FYE 2017 and includes a recommendation for the required contribution for the 2019 budget year. The Village's required contribution for 2019 will decrease from last year's $1.96 million to $1.77 million. The Village's police pension funded ratio increased from 57.5% to 61.1%. The Village has to be 100% funded by 2041 by its own policy. However, the State of Illinois requires 90% funded by 2041. The payroll growth rate assumption decreased from 4% to 3.5%. The money weighted return for 2017 was 11.98%.

Finance Director Coyle asked the Commission to discuss possibly retaining the same contribution level at $1.9 million in order to transition to the 15-year open funding strategy. Commissioner VanEk said the pension should be funded at an appropriate level so not to create massive financial obligations in the future. Commissioner Greeno said because the Village has the opportunity this year to take advantage of the lowered contribution; he suggested looking into researching a 21-year amortization period this year and get to the 15-year open point over a five (5) year period.

The Finance Commission directed to Finance Director Coyle to work with the actuary to obtain some recommendations on how to transition to the 15-year open for the next meeting.

RESULT:	**DISCUSSION ONLY**

F. 2017 Comprehensive Annual Financial Report

1. Finance Director Christina Coyle will present the December 31, 2017 Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2017

Commissioner VanEk congratulated Finance Director Coyle on receiving the Certificate of Achievement for Excellence in Financial Reporting. Finance Director Coyle reported that the 2017 Comprehensive Annual Financial Report received an unmodified opinion, which is the highest opinion possible, meaning that all the financial statements are materially correct.

Finance Director Coyle discussed some of the 2017 financial highlights. Some of the key General Fund revenues were down. The General Fund also experienced some savings on snow removal costs due to the mild winter and tree care costs were down. Overall revenues were net neutral with budget, while expenses were lower. There were two (2) one-time transfers in 2017 including the $300,000 for the new Police Station, and the 2016 General Fund surplus was transferred to the Facilities Reserve fund. Sales taxes were down due to lower vehicle sales. Income taxes decreased due to changes in the tax law along with the 10% reduction issued by the State.

Water and sewer rates increased by 1% in 2017 and the Water and Sewer Fund had a positive change in net position of $2.6 million. The Village Links and Reserve 22 net position decreased by $182,580, while revenues were below budget and expenses were above budget. As of December 31, 2017, all of the funds which had reserve policies exceeded their policy level except the Village Links/Reserve 22 Fund. The Village Links did not meet the reserve requirement because of the planned replacement of the golf carts in 2017. The IMRF's net position as a percentage of total pension liability increased from 92.45% to 103.45%.

RESULT:	**DISCUSSION ONLY**

2. Staff will solicit the Finance Commission's input on distribution of the General Fund surplus for 2017

Finance Director Coyle said the 2017 General Fund surplus on an operating basis is $411,772. Finance Director Coyle noted for the past three (3) year the Finance Commission recommended the surplus distribution to the Village Board. Finance Director Coyle said the staff recommendation is to transfer the excess reserves to the Capital Fund to lower the borrowing amount for future capital improvements.

The Finance Commission decided to further discuss the distribution of the 2017 General Fund surplus at a future meeting.

RESULT:	**DISCUSSION ONLY**

G. Trustee Liaison Report

None.

H. Chairman's Report

None.

I. Other Business

1. Economic Development Update

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

2. Parking Garage/Funding Update

Village Manager Franz indicated the Village Board is considering a food and beverage tax to finance future capital improvements.

3. Next Meeting: Friday, July 13, 2018, 7:00AM

J. Adjournment

1. Motion to Adjourn:

The meeting was adjourned at 8:26 a.m.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Christopher D. Oakes, Commissioner
SECONDER:	Lisa A Cleaver, Commissioner
AYES:	Cleaver, Greeno, VanEk, Oakes, Campagna
ABSENT:	DeLeon, Dan, Halkyard, Peck