

MINUTES

(DRAFT)

BOARD / COMMISSION: Finance Commission

DATE: October 12, 2012

MEETING: Regular

CALLED TO ORDER: 7:05 AM

QUORUM: Yes

ADJOURNED: 8:35 AM

MEMBER ATTENDANCE:

PRESENT: Chairman Skirvin, Commissioners Faber, Geiselhart, McCloskey, Moody, and Parker

ABSENT: Nuehring

ALSO PRESENT:

Trustee Cooper, Village Manager Franz; Finance Director Wachtel; Recording Secretary Blake

I. CALL TO ORDER:

This Regular Meeting of the Glen Ellyn Finance Commission was called to order at 7:05 AM by Chairman Skirvin in Room 301 at the Civic Center at 535 Duane Street; Glen Ellyn, Illinois. Roll call was taken, and it was determined that a quorum was present

II. PUBLIC COMMENT

None

III. APPROVAL OF MINUTES

Commissioner Parker moved, and Commissioner Moody seconded, that the minutes from the August 24, 2012 meeting be approved as previously revised. The motion was passed unanimously.

Commissioner Geiselhart moved, and Commissioner Parker seconded, that the minutes from the September 14, 2012 meeting be approved as revised. The motion was passed unanimously.

IV. FINANCIAL UPDATE

Director Wachtel said that both August and September were better in 2012 than in 2011. Overall, revenue is within 1% of the annualized budget. The total of sales tax and home rule sales tax revenues are at 98% of the combined budgeted amounts. On the expenses side, expenditures are approximately 4% below last year's figures. Staff is working with all departments on FY12/13 projections for the General Fund and all other funds based on second quarter information. Director Wachtel noted that the general fund is doing better than the past 4-5 years, year to date. Additionally, the Recreation Fund is having its best year out of the past 4-5 years, which is attributable to the warm Spring weather.

V. POLICE PENSION ACTUARY ASSUMPTIONS

Commissioners discussed overall investment strategy and in general, and pertaining to the fund in particular. Concerns were expressed for pension, salary and health costs rising at a rate greater than revenues, while actual investment returns were less than assumed returns. Manager Franz noted that a letter to the Police Pension Board from the Finance Commission expressing the Commissioners' concerns on the rate of return assumptions would be appropriate.

After further discussion, Commissioner Parker moved, and Commissioner Moody seconded the following motion:

That the Finance Commission recommend assumptions of 3.5% salary increase and 6.75% investment return.

The motion was passed unanimously.

Commissioner Parker will draft a letter to the Village Board explaining the Finance Commission's recommendation.

VI. PROJECT UPDATES

Director Wachtel said that work on the five year forecast would commence in about another two weeks after this meeting. There will be a presentation at the next meeting. Staff and consultants are assessing current facilities and a new road improvement schedule is in progress. Chairman Skirvin noted that the capital projects plan is crucial to the five year forecast.

Manager Franz said that many issues are resolved with the Fresh Market development. There are new development partners, and they would like a 12 year as opposed to a 10 year agreement with the Village, but that the Village is not inclined to extend it.

Commissioners received a verbal report on the Village Links project. Chairman Skirvin asked for a monthly update and final financials. Director Wachtel said that the Village would be closing on the bonds in a week. The rate will be less than estimated, allowing for more dollars received for the same amount of interest paid. There was discussion of how the project changed significantly after the Finance Commission gave its report and why it wasn't at least informed of the change. Commissioners also expressed concern over when it was brought into the process.

VII. BOARD FINANCIAL POLICY AND PRE-BUDGET WORKSHOP

Commissioners reviewed the October 10 memorandum from Director Wachtel concerning Village Board topics of concern to discuss for the FY12/13 budget process. Commissioners asked for clarification on some points in the memorandum.

VII. NEXT MONTH'S MEETING AND FUTURE MEETING TOPICS

The key agenda topic in November will be the five year forecast. Review of the long term calendar will be pushed to November. Commissioners were urged to review minutes from the past few years to help set up the long term calendar.

VIII. ADJOURNMENT

The meeting ended at approximately 8:35 AM.

Submitted by Karen Blake, Recording Secretary

Reviewed by Finance Director Wachtel