

IV. FINANCIAL UPDATE

Assistant Director Coyle presented the General Fund Budget for the Year Ended April 30, 2013, which is largely cash based with some accruals not yet recorded. The audit will be accrual based. The General Fund ended with a \$1.2 million surplus, compared to a \$435,000 surplus last year. Contributing to this year-over-year increase were police forfeiture revenues, received from our first year of participation in a federal task force, in the amount of \$120,000. Commissioners and staff discussed the sources and permitted uses of the forfeiture revenues. They also reviewed income line items from tax sources, and discussed the cyclical nature of Public Works expenditures.

Commissioners and staff discussed the Recreation Fund, which ended the year with a \$600,000 operating surplus. Chairman Skirvin noted that the Commission needs to continue reviewing the condition of this Fund to assure the funds will be available to pay off the bonds.

The Village-wide performance for the year ended April 30, 2013 will be reviewed at the June meeting. Staff briefly reviewed the circulated report marked "draft". Director Wachtel made note of the percentage of the residential tax bill that goes to the Village.

V. VILLAGE INVESTMENT PROGRAM

Commissioners Nuehring and Faber reviewed the Village investment policy. Commissioner Nuehring said that policy is mostly driven by State statute, which dictates what investments are permissible. The changes they have proposed are mostly minor to bring the policy up to date, particularly given that FDIC coverage has changed.

They recommend that staff establish procedures for investments. There is a policy, but no procedures to implement that policy. The portfolio should be reviewed on a regular basis, and guidelines established for rebalancing the portfolio. The protocols should be reviewed for what is in the monthly reports to the Commission and Village Board, with more complete reporting on a quarterly basis. Changes in the criteria for ending an investment relationship should also be considered. Another recommendation was to consider establishing an investment committee or other type of oversight body. Commissioners agreed that it makes sense for that to be a subcommittee of this Commission. Commissioners Ford and Halkyard agreed to serve on this subcommittee.

Commissioners discussed investment risk. There can be some risk with money market funds, and perhaps the Commission can find alternatives that minimize investment risk. The portfolio should be reviewed more proactively on, at minimum, a quarterly basis. Director

Wachtel said that there is an annual meeting with IMET, but there is no report mechanism as recommended by Commissioners Nuehring and Faber. The revised investment guidelines would require moving funds from IMET as the guidelines recommend no investment greater than 75% in any one place.

Director Wachtel said that Commissioner Nuehring has discussed the recommendations with staff, and that he is happy with implementing them. Commissioners discussed internal controls in general, and creating a separate document for procedures to implement the policy.

Chairman Skirvin requested that staff document procedures and controls, add wording creating the subcommittee, and to implement the changes and add comments from this meeting into the investment policy.

VI. PROJECT UPDATES / PENDING PROJECTS

ECONOMIC DEVELOPMENT

Manager Franz said that the Fresh Market development has closed and will start construction next week. He will update the Commission on the construction schedule, particularly Taft Road. The properties in the Park-Roosevelt three to four block potential TIF district will be notified, and the TIF is moving forward. Haggerty is finalizing its rehabilitation project, although the incentives will eat into potential increases in taxes.

Vacancies are decreasing around the Village, particularly in the downtown area. Financing continues to be a problem for the larger sites. The downtown street scape and parking study will be presented to the Board in two weeks. The TIF is not expected to result in a large increase in tax dollars to the Village's General Fund, but will enhance the area and may encourage a more vibrant downtown. The Villages is willing to use some of its parking land to partner with developers to provide a larger buildable footprint. Commissioners discussed the role the Village can play to fill up vacant spaces. Manager Franz said that most of the sales tax revenue comes from the Roosevelt Road corridor.

BUDGET

Director Wachtel said that the Village Board adopted the budget on April 22. Staff is working on finalizing the budget document. There is a \$1 million operating surplus, with the use of \$2.6 million in savings on the capital side.

There was discussion concerning how to describe and include a statement on the unfunded pension liability in the budget summary, and over the statement "financially strong and

healthy". Chairman Skirvin asked that staff circulate a draft to the Commission with revised language before it is finalized.

COOPERATIVE EFFORTS

Manager Franz said that staff is obtaining vendor lists from various taxing bodies. The Park District will be a willing partner. The DMMC may consider hiring a project manager to implement cooperative efforts on a county-wide basis.

SCORECARD

Director Wachtel said that a proposal has been received from the audit firm. Chairman Skirvin will want the outside vendor to meet with the Commission so its time can be used efficiently.

VILLAGE LINKS

Manager Franz said that the forecast will be revisited when the renovation project is complete. It is on budget and is expected to be a phased turn over, with some in May and some in June. A marketing consultant is being hired, along with the culinary manager and additional part time / seasonal staff. The marketing group will assist with naming the restaurant, which will be incorporated into new signage. The course itself remains open.

VII. OTHER BUSINESS

Chairman Skirvin said that added to the agenda will be a reminder of the requirements of Commissioner as there will be new members present, including OMA requirements.

Thanks were expressed to Commissioners Faber and Nuehring, as they are going off the Commission and this was their last meeting.

VIII. ADJOURNMENT

Commissioner Nuehring moved to adjourn the meeting, which was seconded by Commissioner Faber. The motion was approved, and the meeting was adjourned at 8:42 AM.

Submitted by Karen Blake, Recording Secretary
Reviewed by Finance Director Wachtel