

# MINUTES

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BOARD / COMMISSION: Finance Commission      DATE:                      July 12, 2013

MEETING: Regular                                      CALLED TO ORDER:    7:03 AM

QUORUM: Yes    ADJOURNED:              8:47 AM

MEMBER ATTENDANCE:                              PRESENT: Chairman Skirvin, Commissioners Ford, Halkyard, McCloskey, Wallace and Student Commissioner Jourdan

ABSENT: Commissioners Geiselhart and Moody

ALSO PRESENT:    Trustee O'Shea; Finance Director Wachtel; Assistant Finance Director Coyle; Village Manager Franz, Professional Engineer Bob Minix, Recording Secretary Blake

## I.      **CALL TO ORDER:**

This Regular Meeting of the Glen Ellyn Finance Commission was called to order at 7:03 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**

There was one correction to the June 14 minutes. There was general agreement to approve the June 14, 2013 minutes.

## IV.     **FINANCIAL UPDATE**

Finance Director Wachtel reviewed the draft Budget Summary. Discussion centered on the form of the report. The intent is to take a snapshot of the key budget areas so any issues can

be easily red-flagged. There was also discussion concerning how seasonal, budgeted encumbrances are shown. As they are spent, the encumbrances will shrink, and the dollars will show on the expense side. Commissioners expressed the desire to have this aspect of the report made clearer. The Projection as a Percent of the Revised Budget chart will be updated quarterly as departments revise their projections.

Commissioners discussed variances due to timing and how to identify them. They also discussed out of budget expenses. There are few, and anything over \$20,000 must be approved by the Village Board.

The page 3 charts started discussion concerning sales tax. Sales tax in general is dropping, and the home rule sales tax is also curving down. Although vacancies may be dropping, new businesses may not be generating sales tax. There are some restrictions on the type of business that can be on the ground floor of downtown buildings. With a TIF district, the Village has some leverage to encourage retail development.

Commissioners would like to see prior year information on capital projects and the Water and Sewer Fund, while acknowledging there could be large variances due to the mix of projects in a given year.

Regarding the Recreation Fund, Commissioners would like to see more income and expense information, breaking down greens fees, numbers of rounds, food service income and expense, etc., particularly as the Recreation Commission has asked for assistance from this Commission. The status of the improvement project was discussed. From a customer standpoint, aside from not having a bar, everything is operational.

Chairman Skirvin asked staff to make the recommended changes, and the Commission will review the Summary next month.

#### **V. REVIEW OF 10 YEAR CAPITAL PLAN**

P.E. Bob Minix reviewed the history of the street improvement plan. The Village streets were inventoried last year for a condition assessment. Roadway rehabilitation is continuous, and the goal is to have all Village streets in good PCI condition. The cost estimate of a street project is by area of street multiplied by a factor correlated to the significance of the rehabilitation. The cost is upgraded by 5% each year. Things other than roads are also paid through the Capital Fund, such as sidewalks, traffic signals and streetscapes. All projects are competitively bid using the standard Village processes.

There are four components to projects paid by the Water and Sewer Fund: projects associated with road projects, stand alone projects, sanitary sewer rehabilitation to prevent water getting into the sewer during hard rain events and structures such as tanks and pumping stations.

Revenues include real estate transfer taxes and utility taxes. A growing portion of property taxes also go to the Capital Fund as certain bonds have been paid off. Capital outlays are indexed for a 5% increase per year. However, revenues are not increasing at that rate, which will create problems in the future. The planned \$2 million for downtown street scape improvements will put the Fund in a deficit, and this is the challenge going forward.

P.E. Minix noted that, given a 60-80 year life span for sewers, an average of 1 ½ miles needs to be replaced each year. Some mains are over 100 years old, others are undersized, and these are addressed when streets are rehabilitated. The parking fund maintains over 13 facilities plus the new commuter lot on Duane. The next scheduled large parking expenditure is the daily fee lot on Lorraine, and staff is considering using strategies such as issuing bonds or borrowing funds to get it done.

Manager Franz mentioned that there was an assessment of 10 year facilities needs completed just last year. Maintenance on the Civic Center and fire houses was deferred because of the weak economy. He also noted the rental homes owned by the Village at Panfish Park and by the pumping station northwest of Main and St. Charles. Desired improvements for which there currently are insufficient funds are downtown streetscape improvements, which may be funded partially with TIF dollars, and a pedestrian tunnel near the Metra station, which could be partially funded by grants. In response to Commissioner questions, Manager Franz said that managing anticipated deficits is tied to the streetscape plan. Either additional funding sources need to be found such as TIF dollars, or the plan needs to be reduced. There are no plans to borrow funds.

There was discussion concerning the consequences of delaying some street rehabilitation to save money. Commissioners were reminded that since property taxes were not reduced when the bonds were paid off, those tax dollars should continue to be spent on streets.

A new downtown parking garage was discussed. Although the Village would probably partner with a developer bringing in residential and retail, significant Village funds would still be required. There was general discussion on how to raise more revenue from current and future parking spaces. It was noted that Metra approves the rate structure for commuter lots that are leased from the railroad. Staff will be reviewing parking needs across the Village.

Manager Franz mentioned that a space needs analysis for the Civic Center was completed last year. In particular, deficiencies exist in the Police Department area. Solutions range from

changes to the Civic Center to building a new facility. However, there is not the revenue for such a project. The balance of Village capital needs are generally being met.

Chairman Skirvin complimented staff, noting that every asset and its condition is identified. Gaps have been noted, and this information is a key component of the five year forecast.

P.E. Minix noted that the yearly 5% increase in street rehabilitation costs reflects price changes and potential project scope changes. As a project moves from the concept phase through engineering to final design, rarely is the scope reduced.

### **VIII. ADJOURNMENT**

There no longer being a quorum present, the meeting was adjourned by consensus at 8:47 AM.

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