

MINUTES

BOARD / COMMISSION: Finance Commission DATE: September 13, 2013

MEETING: Regular CALLED TO ORDER: 7:05 AM

QUORUM: Yes ADJOURNED: 9:10 AM

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

ABSENT: Commissioners Geiselhart and Moody

ALSO PRESENT: Trustee O'Shea; Finance Director Wachtel; Assistant Finance Director Coyle; Village Manager Franz, Assistant Village Manager Stonitsch, Recreation Director Pekarek, 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 at the Village Links 485 Winchell Way; Glen Ellyn, Illinois. Roll call was taken, and it was determined that a quorum was present.

II. PUBLIC COMMENT

There was no public comment.

III. APPROVAL OF MINUTES

Before considering the minutes for approval, Commissioners discussed various matters brought up at the last meeting. Chairman Skirvin asked if the contract for preparing the scorecard had been presented to the Village Board. Director Wachtel said that staff was talking to Sikich about the different fiscal years for various municipalities, and to confirm that the data will belong to the Village. Chairman Skirvin urged that it be done by the end of this year. As the gathering of data is what takes the most time, he recommended pushing forward on that task while working out the other matters. He also asked about the status of the CAFR.

Assistant Director Coyle said that staff has given revisions to the auditors and are awaiting a revised draft. Chairman Skirvin asked that he receive a copy of the report.

Commissioners felt that, while the TIF discussion at the last meeting was informing, there was a lack of numbers. There was discussion concerning watching the change in the EAV for the TIF properties, and how to develop a base of expectations and assumptions. The Commission is asked for an opinion, and there is not enough financial information on which to base that opinion. Trustee O'Shea noted that the TIF can be cancelled after five years if there is no activity, or properties can be removed from it if there is much activity. Commissioners asked about trends in TIFs as they progress. The central business district TIF has not shown much activity because it is so new. In this case it is expected that redeveloping the office park will encourage other property owners to develop or improve their properties.

Trustee O'Shea asked if the Commission is comfortable with it going before the Board of Trustees. Chairman Skirvin said that there is no reason to delay consideration, but that it is hard for the Commissioners to analyze the potential consequences to the Village and School District. The TIF ordinance is scheduled to be considered by the Board on September 23.

Commissioner Ford moved to approve the August 9, 2013 regular meeting minutes. The motion was seconded by Commissioner Wallace and carried unanimously.

IV. FINANCIAL UPDATE

Assistant Director Coyle briefly reviewed the financials for the three months ended July 31, 2013. She made note of the year-to-date surplus as compared with the past two years. Building permits are up due to the Fresh Market construction permit, and income tax revenues have increased over last year.

V. VILLAGE LINKS UPDATE

Manager Franz gave a brief background of the project. There was an opportunity to improve the facility because there is a market for it. It needs to be seen how this project is impacting the overall business. As there is only one month of data, it is too soon to reach any conclusions. Staff is looking for comments from the Commissioners. By the end of 2013, the final and complete construction costs should be available for review, and it will be determined if there is a reason for the Finance Commission to dig into the numbers.

Trustee O'Shea said that the Recreation Commissioners would like the Finance Commission to look at the business model and controls to see how the restaurant and bar are performing using quicker reports. The challenge is how to gather the data.

Manager Pekarek said that the goals of the improvement project were to correct deficiencies, provide residents with year round hospitality, upgrade the facility and have all debt service paid by Links' operations. The project was to improve the driving range, update and improve the clubhouse and add a bar, create a restaurant to attract non-golfers and a banquet room and to move parking closer to the clubhouse. It is a \$6.3 million project with \$5 million from bonds, \$700,000 in capital improvements from the Village and the balance of \$600,000 from Links reserves.

Chairman Skirvin noted that the discussion should center on two things: what is being done to attract more outings, and what is being done at the restaurant. Manager Pekarek said that revenues currently being tracked are general golf, outings, driving range, general restaurant and banquet, but not necessarily separately. There was discussion concerning additional desired data, i.e., breaking out food and bar, and getting an indication of golfing and non-golfing restaurant patrons. Making the current POS system responsive to these needs is a challenge. Servers may be relied upon to ascertain if patrons are golfers or non-golfers. Data from the POS system needs to feed into the accounting system for optimal accuracy. Manager Pekarek discussed the challenges to identifying costs for food and beverage inventory by use category. Commissioners concluded that it is important for Village finance staff and Links staff to develop methods to track and report financial activity to determine what cost/revenue centers are viable and what ones are facing challenges. Additionally, the Recreation Commission would like to see more timely financial information. As it is now, the figures are at least a month old when reviewed at their meetings.

Other topics discussed included tracking and controlling labor costs. It was suggested that the restaurant be tracked as a business separate from golf, including separating the labor costs. A better separation of expenses and revenues into the different categories can be used to start the reporting process, and data needed can be determined as the process moves forward. Manager Pekarek would welcome the Commission's help in identifying the accounts and allocations.

Chairman Skirvin summarized the immediate plan to: track the monthly schedule of rounds; match up the charts of accounts between the Links and the Village finance staff; create a summary of funds to carefully watch the free vs. committed level of funds; get current monthly information prepared quickly so Commissions and staff are looking at just the prior month and not at data 2 months lagging by mid-month. Once these are achieved, Commissioners can analyze where the processes are working. There was discussion concerning coordination of efforts between the Village finance staff and the Links staff, particularly so that there is no

duplication of effort. Chairman Skirvin asked that he be able to review the spread sheets and methods that Manager Pekarek uses to track performance so that more of the analysis work might be taken on by the Village finance staff.

The Links discussion ended with the observation that the Finance Commission is there to provide counsel and advice, and its members need as much information as is available so that they can be as helpful as possible.

VIII. ADJOURNMENT

There no longer being a quorum present, the meeting was adjourned by consensus at 9:10 AM.

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