

MINUTES

BOARD / COMMISSION: Finance Commission DATE: November 15, 2013

MEETING: Regular CALLED TO ORDER: 7:08 AM

QUORUM: Yes ADJOURNED: 8:35 AM

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

ABSENT: Commissioner Geiselhart

ALSO PRESENT: Finance Director Wachtel; Village Manager Franz, Recording Secretary Blake

I. CALL TO ORDER:

This Regular Meeting of the Glen Ellyn Finance Commission was called to order at 7:08 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

There was no public comment.

III. APPROVAL OF MINUTES

Chairman Skirvin had one correction to the October 11, 2013 minutes. Commissioner Moody moved to approve the October 11, 2013 regular meeting minutes as corrected. The motion was seconded by Commissioner Halkyard and carried unanimously.

IV. FINANCIAL UPDATE

Director Wachtel reviewed the financials for the five months ended September 30, 2013. He noted that general fund expenditures were somewhat less than budgeted, and the surplus higher than budgeted. Notes have been added to the page following the General Fund Budget

Summary. There was discussion concerning state income tax revenues, and the impact of possible legislative changes. Revenues from this source have been consistent this year to date.

Director Wachtel reported that sales tax revenues are ahead of last year, but Home Rule sales tax revenues are behind. Manager Franz noted that smaller retail spaces are filling up, but as the nature of the Village's mix of business is to not suffer so much in economic downturns, it will not see large increases in upturns. Chairman Skirvin would like to see a report showing the relationship between sales tax growth and economic development. Director Wachtel said that the effects of the Haggerty upgrade will be seen after the first of the year, and revenues from the Fresh Market will be seen in June of 2014. Manager Franz reviewed the background of the Fresh Market and Haggerty agreements, and there was discussion concerning the advisability of individual incentive agreements versus creating a TIF district.

Manager Franz said that the Dominick's store will be closed December 28. The Village will be approaching the State to have it reconsider installing a traffic light at Baker Hill on Roosevelt Road. The property owner would pay for it, or it could be absorbed by the Village Capital Budget. An additional light would also aid access to the Health Track. However, it is expected to be an uphill battle to obtain approval.

Commissioners discussed the outcomes of meetings between Commissioners and the Village Links staff to set goals for improving financial reporting to better manage the restaurant and banquets. It's a matter of organizing the available data. A golf-based system is being applied to the restaurant side of the business at this time. Also, Manager Franz said that the full marketing program has not yet been rolled out, and there are some inside marketing efforts to be done first.

The Village financial support of the Fire Department was discussed. In the Village, 20% of the residents voluntarily financially support the Fire Department for the benefit of the other 80%. The Village Board has decided to place a fee on water bills to support the Department. The Department has both operational and capital needs that are not being met through voluntary resident and business contributions. The Village wants to keep the volunteer staffing aspect of the department.

Director Wachtel said that a 10-year projection of revenue needs has been run, and models are being run to see the results of various fee structure scenarios. Manager Franz said that there are two SSAs for unincorporated Glen Ellyn areas served by the Department. Those funds, and the projected increase from the fee, are included in the models. The discussion included methods of communicating with residents.

V. FY 13/14 AUDIT ANALYSIS REPORT

Chairman Skirvin reviewed the report. The focus is on government funds. He has been preparing this report for several years as a tool to see how the Village is faring year-over-year to validate decisions. There have been increases in fund balances for the third year. He noted that as bonds are paid off, more expenditures move through the general fund as opposed to operations. Manager Franz reviewed the revenue streams that are allocated to capital funds.

Chairman Skirvin noted that the growth rate for normalized revenues over the past seven years is zero. These figures will be used as the basis for the next five year forecast. The 2013 figures need to be scrutinized to determine how much of those revenues are an anomaly or will impact future forecasts. In reviewing the report, Chairman Skirvin said that the story on revenues is a good one, with a 5% increase; however, the question is whether that trend will continue.

There was general discussion on how to track costs for employees over more than one department, along with pension and health insurance costs. It was noted that the average salary per employee is increasing, but insurance costs decreased. Benefits account for 36% of employee costs.

The report showed that, aside from those bonds guaranteed by the Village for the Glen Ellyn Public Library, there will be little Governmental debt service in 2014, and none projected at this time for future years. Chairman Skirvin noted that capital expenditures will be reviewed quarterly by the Finance Commission. The pension unfunded liability decreased, presumably because of the good investment year. However, the expected 7.5% return on investments was not reached, and Commissioners would like the Village Board to revisit these assumptions. The assess value of property continues to decrease; therefore tax rates are increasing. The Scorecard will show how the property values and rates compare to other municipalities.

Chairman Skirvin will present the Audit Report to the Village Board at a future meeting.

VI. PROJECT UPDATES/PENDING PROJECTS

Director Wachtel said that the engagement letter with Sikich for the Scorecard has been received. Hopefully, the data will be received within the next six weeks.

Fresh Market will open in February. It is possible that a proposed downtown development, including a parking garage, will be presented to the Commission at one of the next few meetings.

The Village's fiscal year is being moved to the calendar year. The first year will be a challenge with an 8 month budget as opposed to a 12 month budget. There will be many caveats in the reported monthly figures. However, it will be easier for several financial processes and sharing programs with other municipalities.

VII. ADJOURNMENT

Commissioner Halkyard moved to adjourn the meeting. Commissioner Ford seconded the motion, and it was carried unanimously. The November 15, 2013 meeting was adjourned at 8:35 AM.

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