

# MINUTES

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BOARD / COMMISSION: Finance Commission      DATE: November 21, 2014

MEETING: Regular      CALLED TO ORDER: 7:08 AM

QUORUM: Yes      ADJOURNED: 8:23 AM

MEMBER ATTENDANCE:      PRESENT: Chairman Ford, Commissioners Cleaver, DeLeon, Greeno, Wallace

ABSENT:      Commissioners Nathwani, Halkyard, Rackl and Van Ek

ALSO PRESENT:      Trustee O'Shea, Village Manager Franz, Finance Director Coyle, 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 Commissioner Ford in Room 301 at the Civic Center at 535 Duane Street; Glen Ellyn, Illinois. Roll was taken, and it was determined that a quorum was present.

**II.      PUBLIC COMMENT**

None

**III.      APPROVAL OF MINUTES**

Commissioner DeLeon moved, and Commissioner Wallace seconded, to approve the October 10, 2014 meeting minutes as revised. The motion was approved unanimously.

**IV.      COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Director Coyle reviewed some highlights in the report. The independent auditor gave the Village an unmodified opinion, its highest assurance statement. The Management's Discussion and Analysis provides an overview of the financial results. This report provides an opportunity to see a consolidated statement of net position by rolling all funds into a single statement. The Village has \$19.2 million in unrestricted assets as of April 30, 2014 for the governmental activities and \$23.3 million for business-type activities. The change in net position from May 1, 2013 to April 30, 2014 was positive.

Regarding the Recreation Fund, the report shows a net loss of \$535,000, which includes some purchases for the renovation that occurred in 2014. However, Director Coyle noted that the 10 year forecast anticipated up to 8 years of losses. But, calendar year 2014, operations have already generated sufficient revenue to cover costs.

With regard to pension funding, Director Coyle highlighted the differences in allowable investments by the Police Pension Fund and the investment programs for the Village itself. The reports show the funding progress of post-employment benefit plans, and the returns on investments.

Director Coyle noted that the entire report is available on the Village website.

#### **V. ILLINOIS METROPOLITAN INVESTMENT FUND**

Director Coyle reviewed the situation with IMET concerning the First Farmers Financial investment fraud. It is likely that there will be some level of recovery by IMET. However, the Village expects to write off its investment at a loss in December because accounting rules dictate recognizing a loss until it is known that moneys have been recovered and will be distributed to the Village. Should there be any recovery, it will be shown as revenue. The Village's potential loss is approximately \$690,000. Commissioners discussed some of the details of the fraud and where is the fault. Director Coyle said that the Village is reviewing its insurance for possible recovery. Manager Franz noted that IMET has done a good job in the past in providing efficient paths to investment at generally better returns. Chairman Ford noted that this fraud involves 2.8% of IMET's entire portfolio, which is a large percent for a single investment.

Director Coyle said that the investment subcommittee of this Commission will continue to review the situation. Chairman Ford asked that other Commissioners consider serving on the investment subcommittee, in that he feels could come off it now that he is Chair of the Commission. He also noted that there are a view options available to the Village in addition to pulling its funds out of IMET.

**VI. PROPERTY TAX PRIMER**

Director Coyle said that the public hearing for the Village's property tax levy will be this Monday. Although not yet voted on, the consensus on the Village Board is to not increase the levy. There will be more funds allocated to pensions than in 2014, although the Commission had recommended a higher level of funding for pensions. Commissioners reviewed how a levy works, and how the EAV is affected by new construction and annexation of additional properties.

There was discussion on how to emphasize to residents that the Village's portion of a property tax bill is only approximately 6.7%. Additionally, there are several months between when the Board discusses the levy and when the tax bills are actually sent.

**VII. FINANCIAL UPDATE**

Director Coyle reviewed the October financial update, noting that there were three payrolls in October which affects results throughout the expense categories. Year-to-date revenues are \$10.6 million, which is less than the prior year, but ahead of the budget. She also made note of the \$300,000 currently in the forfeiture account. Some of these funds could be used for certain aspects of a new police station, for things that are in addition to services or training that is provided currently. Key revenues continue to perform well. Sales tax and home rule sales tax revenue is at a twelve month high, and ahead of budget and last year's figures.

Regarding the Recreation Fund, on an operating basis, October ended at a positive \$995,000. Removing FY2013 and FY 2014 from results, charts showing the trajectory of typical yearly performance show SY2014 being slightly below other years. A large bond payment will be made at the end of 2014. Commissioners discussed staff's consideration of closing the restaurant one or two days over the winter, the results of the Thanksgiving take-out meal program and the cost to groups of having events at the facility.

**VI. PROJECT UPDATES / PENDING PROJECTS**

**ECONOMIC DEVELOPMENT**

Village Manager Franz reported that there has been some interest in the empty Dominick's space. The owner is still receiving rent from Dominick's, so has no real incentive to find a new single tenant. There is no update on the office park on the south side of Roosevelt. In other locations along Roosevelt, the construction of the Pet Supply Plus is moving along and there is some infill activities. Downtown, there are few vacancies, but they are in highly visible locations. There are other developers looking at the McChesney site. The Five Corners site has generated some interest with a reduced price.

The developer of the Gieche site is looking to the Village and St. Petronille for some commitments, while the Village is looking for assurances from the developer. There will be a design plan available in January. Nearby retail is very interested in the parking garage; however, parking during its construction will be a definite challenge.

**VIII. OTHER BUSINESS**

The next Finance Commission meeting will be on December 12, 2014 at 7:00 AM at the Civic Center.

**IX. ADJOURNMENT**

Commissioner Cleaver moved, and several seconds were heard, to adjourn the meeting. The November 21, 2014 meeting ended at 8:23 AM.

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