

MINUTES

BOARD / COMMISSION: Finance Commission DATE: January 24, 2014

MEETING: Regular CALLED TO ORDER: 7:03 AM

QUORUM: Yes ADJOURNED: 9:15 AM

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

ABSENT: Commissioners Geiselhart and Wallace

ALSO PRESENT: Trustee O'Shea, Village Manager Franz, Finance Director Wachtel, Assistant Finance Director Coyle, Recording Secretary Blake, representatives from the Glen Ellyn Volunteer Fire Company

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.

Chairman Skirvin announced that Commissioner Ford will take over as Chairman in April.

II. PUBLIC COMMENT

There was no public comment.

III. APPROVAL OF MINUTES

The November 15, 2013 minutes were discussed at the December Commission meeting, but were not approved due to lack of a quorum. Commissioner Moody moved, and Commissioner Halkyard seconded to approve the November 15, 2013 meeting minutes. The motion was approved unanimously.

While discussing the December 13, 2013 meeting minutes, Director Wachtel advised that the capital improvements report will be available in March. Commissioner Ford moved, and Commissioner Nathwani seconded, to approve the December 13, 2013 meeting minutes. The motion was approved unanimously.

IV. FINANCIAL UPDATE

Director Wachtel reviewed the financials for the period ending November 30, 2013. He noted that revenues are ahead, and expenditures are behind, levels of the previous year. General Fund results for December and January will see the effects of the snow clean-up cost of the severe winter. Year-to-date revenues are 4% higher last year, with expenditures 3% higher last year.

Director Wachtel said that there were no changes of note to the General Fund Budget Summary. The Home Rule Sales Tax year-to-date revenue is below budget and below the prior year. The impact of the Dominick's closing will start to be seen in the March-April sales tax figures.

Regarding the Recreation Fund, the performance continues to be below last year. Staff is working on the construction project close outs to determine the final cost. Chairman Skirvin asked that staff keep Commissioners Moody and Wallace informed of the results.

V. FIRE COMPANY

Manager Franz presented a summary of recent changes in how the Fire Company is financially supported. The Board of Trustees has been considering the Company's long term capital needs and ways to sustain the Company for the long term. Although wanting to sustain the volunteer model, donations from individual property owners are no longer sufficient. By approving a new fee on water bills, the Village expects to raise \$870,000 per year, which is compared with \$300,000 received in donations. SSAs for those properties in the Fire District, but not in the Village will generate another \$130,000 per year. Other fundraising efforts will no longer take place. In response to questions, Manager Franz said that the fee is permanent, but can always be revisited by the Board. There are capital needs not only for equipment but for replacement or rehabilitation of Station 1. Additionally, some funds go to the Village General Fund for administrative staff support and audit activities.

Chairman Skirvin expressed concern that there currently is no single report that shows all sources of funds and all expenditures, and shows it on one page. He gave the example of wanting to see funds going into an equipment reserve fund, and funds coming out of that fund. Otherwise, it is difficult to track performance. Manager Franz said that staff will work on creating such a report. The payments currently going to the Company from the Village will probably end. Commissioners cautioned against those funds being repurposed, thus increasing the budget. There was general discussion on how the fee was determined. The fee goes into effect May 1, and residents are being notified by several means: Village website, notice in water bill, etc.

Although the Fire funding fee has been approved, Trustee O'Shea solicited comments from the Commissioners. Chairman Skirvin asked for clarity and transparency in showing how income has been calculated, and what has been received and spent in the past five years, and estimates for 5-10 years in the future. There was discussion on what happens to old equipment, revenues from the sale of that equipment and the possibility of financing new equipment with bonds.

Fire Chief Jim Bodony was asked for a "wish list". He said that stations are not designed to accommodate current operations and technology. There is no training facility. Although the north station is deteriorating but the location is the best for the community. Trustee O'Shea said that the Board is including this fire station in discussions regarding a new policy station. However, with \$13-19 million for a police station, there is not an additional \$15 million for a new fire station. Chairman Skirvin asked that the Commission be kept informed of these discussions. Chief Bodony reviewed other needs and recent changes, noting that the Company responded to 1,350 calls in the past year.

VI. SCORECARD and FIVE YEAR FORECAST

Chairman Skirvin reported that both documents are in draft form. A page-by-page review at a separate meeting with Chairman Skirvin, Commissioner Moody and Director Wachtel will take place before they are finalized. There was discussion on the sources for market data, and how to interpret property tax data, which can be done in multiple ways. There was also discussion concerning the February or March timing of bringing each report before the Board of Trustees.

Regarding the Five Year Forecast, there was discussion concerning how and where to show the capital fund and capital projects. Capital projects need to be included in the forecasting and planning efforts. Otherwise, the true future obligations of the Village will not be easily known. Both the Capital Improvements Commission and this Commission need to be in the discussion. There was discussion concerning how much detail to show various smaller funds, noting that while the General Fund assumptions are key, readers will need to be aware of the Capital Fund and other Governmental Funds to get a true picture to see the Village's obligations over the next five years.

The Commissioners discussed the assumptions for the Five Year Forecast, including tax revenue growth rates and pension and health care expenditures. There was an extended discussion concerning the pension liability, assumptions for the return rate on investments and future unfunded liability impact on the Village budget.

VI. PROJECT UPDATES

VILLAGE LINKS

Commissioner Moody reported that the Finance Commission's Links Task Force met again with Links staff. They are working on a financial statement format that will assist in easily monitoring financial performance. It was noted that the Pro Shop is there for the convenience of the golfers, as opposed to being a revenue source. Using the POS system in the restaurant needs to be given a chance to work.

Trustee O'Shea urged tracking golfers by zip code to monitor whether residents are returning to the course now that the construction is finished. 2014 will be a key year. There are some capital expenditures that need to be made on the course itself, particularly with the sand traps. It was noted that the Village now has an economic interest in the Links' performance.

VI. ADJOURNMENT

Without a formal vote, the January 24, 2014 meeting ended at 9:15 AM.

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