

MINUTES

BOARD / COMMISSION: Finance Commission DATE: June 13, 2014

MEETING: Regular CALLED TO ORDER: 7:07 AM

QUORUM: Yes ADJOURNED: 8:20 AM

MEMBER ATTENDANCE: PRESENT: Chairman Ford, Commissioners
Cleaver, DeLeon, Halkyard, Nathwani,
Wallace

ABSENT: Commissioner Greeno and Student
Commissioner Demos

ALSO PRESENT: Future Commissioner Van Ek, Trustee
O'Shea, Assistant Village Manager
Stonitsch, Interim Finance Director Coyle,
Recording Secretary Blake

I. CALL TO ORDER:

This Regular Meeting of the Glen Ellyn Finance Commission was called to order at 7:07 AM by Commissioner Ford 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

Chairman Ford had revisions on the portion of the May 9 2014 meeting draft minutes pertaining to identifying the Chair of the Commission. Commissioner Wallace moved, and Commissioner DeLeon seconded, to approve the May 9, 2014 meeting minutes as revised. The motion was approved unanimously.

IV. NEW COMMISSIONER ORIENTATION

Interim Finance Director Coyle introduced the Village's financial structure by reviewing the differences between private and public sector accounting. A more intensive orientation meeting may be held if the schedules of the new Commissioners permit. She noted that public

accounting is always done on a cash basis as opposed to accrual. Also, balance sheets show only current assets and liabilities as capital assets are not easily convertible to cash.

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The Village has three types of funds: Governmental, Proprietary and Fiduciary. The Governmental Funds are broken down into the General Fund, Capital Projects Fund, Debt Service Fund and Special Revenue Fund. These, in turn, are further broken out. The main focus of monthly financial reporting is the General Fund. The largest department in the General Fund is Police at 48.1%, followed by Public Works with 17.8%. Personnel account for 65% of the General Fund Budget for SY 2014. The advantages of moving to a calendar year fiscal year in 2014 were reviewed, although reporting comparisons year-over-year will be a challenge.

The Proprietary Fund is reported on a cash basis for monthly and quarterly reports, but on a full accrual basis for the annual audit. The internal service funds track those activities, such as insurance, performed by the Village on behalf of the Village's other departments, but also serve a few other entities, such as the Library and the Glenbard Wastewater Authority.

Interim Director Coyle said that this Commission closely reviews the Recreation Fund as the Village has taken on \$5 million in debt to fund the recent clubhouse and driving range construction, with a subcommittee of the Commission having worked with the Links staff to design additional monthly financial reports. Commissioners discussed the role of the Finance Commission vis-a-vis the day-to-day operations at the Links. The Finance Commission's ongoing task is to help with, and review, the financial reporting.

The Police Pension Fund is a Fiduciary Fund. There are restrictions on what investments can be made. Chairman Ford noted that pension liability is a big area of concern.

The current personnel situation of the Finance Department is challenging with the departure of the Finance Director and a payroll-accounting specialist. There are four full-time positions, and two are open at this time. There are also part-time employees.

V. FINANCIAL UPDATE

Interim Director Coyle reviewed the memorandum sent to Commission members that described the reports and information contained in the April 2014 Financial Update. April is the end of the Fiscal Year 13/14. The April report shows that the General Fund finished the year well, with revenues exceeding the budget by approximately \$500,000, and expenditures under budget by approximately \$650,000, although exceeding the previous year by \$600,000. Several variances from budget and the previous year were noted. The uses of forfeiture revenues are restricted, and the Village used a portion of these funds in FY14 to pay for an additional police officer position.

before the recession. Commissioners noted that the Village's sales tax income is steadier relative to other municipalities studied in the Scorecard report. It was also noted that cash reserves for the General Fund are slightly over the desired 35% of budgeted operating expenditures.

Commissioners discussed the Capital Projects budget. Capital Projects are brought before this Commission approximately every six months for review. These reviews include the Links and the Fire Department. Future development projects and accompanying economic incentives, a new police station and fire station upgrades require long term planning input from this Commission. Annexations should also come before this commission to analyze the cost of improvements against tax revenues from new residents.

Trustee O'Shea reviewed the changes in revenue sources for the Fire Department. It has been determined that there is little, if any, opportunity for grants for anticipated new fire equipment.

The last page of the report shows results of the Recreation Fund. Director Coyle noted that the spike in revenue in FY13 was due to bond revenue, which was drawn down in FY14. The severe winter and construction negatively impacted results. The number of rounds played and greens fees are down so far this year.

VI. PROJECT UPDATES / PENDING PROJECTS

New Commissioners were urged to review the recently completed Scorecard. It was also noted that a subcommittee has been formed to review the Village's investment policy. However, this group will probably not meet until a new Finance Director is named.

Assistant Manager Stonitsch reported that a consultant was been retained to do a cash handling/audit report for the Links. The consultant had many recommendations for inventory control and security. Commissioners expressed desire to review that report. Additionally, with the retirement of Matt Pekarek, a management company has been hired for the summer. Significant focus is being placed on the restaurant. It is anticipated that a new general manager will be hired by late summer. Additionally, a new position has been created of part time business office coordinator who will assist with reporting and processing. Chairman Ford gave the new Commissioners background on the changes at the Links. He noted that the success of the restaurant is important as golf rounds are declining nationally. Also, the Village benefits from the storm water detention at the Links and other nearby facilities managed by the Links staff.

There was general discussion concerning possible economic development projects around the Village. Any major project seems to be looking to the Village for financial assistance. The TIFs were explained for new Commissioners. Possible interest in the Five Corners area and Roosevelt Road / Route 53 and the advantages of those locations was noted.

VII. OTHER BUSINESS

The next Finance Commission meeting will be on July 11, 2014 at 7:00 AM at the Civic Center.

IX. ADJOURNMENT

Commissioner Wallace moved, and Commissioner Nathwani seconded, to adjourn the meeting. The June 13, 2014 meeting ended at 8:20 AM.

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