

MINUTES

BOARD / COMMISSION: Finance Commission DATE: July 11, 2014

MEETING: Regular CALLED TO ORDER: 7:05 AM

QUORUM: Yes ADJOURNED: 8:45 AM

MEMBER ATTENDANCE: PRESENT: Chairman Ford, Commissioners Cleaver, DeLeon, Greeno, Halkyard, Nathwani and Rackl

ABSENT: Commissioners Van Ek, Wallace

ALSO PRESENT: Trustee O'Shea, Village Manager Franz, Interim Finance Director Coyle, Professional Engineer Minix, Mike Kahn, Bill McIntosh and Director of Golf Jeff Vesevick of Village Links, 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 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

Commissioners noted spelling corrections. In response to questions, Chairman Ford said that when all new Commissioners are in place, orientation will be scheduled. Commissioner Halkyard moved, and Commissioner DeLeon seconded, to approve the June 13, 2014 meeting minutes as revised. The motion was approved unanimously.

IV. FINANCIAL UPDATE

Interim Finance Director Coyle said that June was a fairly good month for the Village. Expenditures were higher than last year, but within budget. Revenues were lower than last year, but higher than budgeted. On the revenue side, she noted that the Fire Department SSA funds collected in previous years are now going directly to the Fire Services Fund. Sales taxes

and home rule sales taxes are higher than last year, even taking into account the closing of Dominick's. Estimated income tax payments are increasing as the economy improves. She reviewed the structure of the new ambulance contract. Commissioners discussed the new law passed which prohibits on quotas for tickets generated by police.

On the expense side, the Manager's Office spent \$14,000 on a Village-wide historic architecture survey, which will help homeowners identify grants for maintaining/upgrading their homes. Legal fees are up a bit, and the budget is still reflecting increased natural gas prices from the winter, as utilities are paid in arrears. The Finance Department variance is due to the departure of the director and an accounting specialist. Interim Director Coyle noted that some variances resulted from changes in how certain departments are reported, in that they are divided into separate cost centers for greater transparency.

The report on the Village Links shows that, on a fiscal year basis, it is performing better than last year, but below previous years. May was a challenging month because of the weather. Greens fees and number of rounds are head of last year, but just trailing previous years. It was noted that the construction project has been closed out, but is within the warranty period and there are some punch list items still being addressed. The contractor has been paid.

V. VILLAGE LINKS UPDATE

Manager Franz introduced Mike Kahn of Golfmak, Inc., Bill McIntosh of Golf Specialists, Inc. who are assisting with the interim management, and Jeff Vesevick Director of Golf at the Village Links. Both Mr. Kahn and Mr. McIntosh had good initial reviews of the facility. There is good energy and a community of residents and staff. They are encouraged to see a number of children and families are using the course and the practice range together. The clubhouse and course are both in good condition. They have implemented some measures to assess the day to day operations. New inventory and cost controls have also been implemented.

There was lengthy discussion concerning efforts to market the Links and the Reserve 22 restaurant. A company has been engaged to do social media and update the website, costing approximately \$1,500 per month to keep it updated. Better signage is also needed. The monument signs only announce the Links and not the restaurant. The goal is to have Reserve 22 considered a restaurant that happens to be at a golf course, and have it able to stand alone with non-golfing patrons. Food and beverage need to bring in \$5,500 per day all year to reach the goal of \$2,000,000 in revenue. However, focus has to continue to remain on the golf operations and to not have the golf course operation suffer by putting all the energy into food and beverage activities. It was noted that golf outings are up approximately 30% to date, and there is better opportunity now to host outings with the banquet capability.

Commissioners and attendees also discussed staff organization and training. Interim Manager Coyle said that the report process is being streamlined, and the POS system is being worked on so income is more clearly defined. A part time business office coordinator is being sought and expected to be on board within 30-45 days.

VI. 10 YEAR CAPITAL PLAN

Manager Franz said that the Village Board has been looking at the capital allocations, the biggest of which is street rehabilitation. They have also looked at space needs at the Civic Center, particularly the Police Station.

Professional Engineer Minix reviewed the history of the street improvements master plan, first put in place in 1999, with a bond issue approved in 2000. Since then, bonds from the late 1980s and 2000 have been paid off, with the funds used to pay the bonds repurposed directly to capital improvements. The plan was updated in 2012, mapping out the next 15-20 years of work.

Now there are additional needs for capital funds, i.e., a new police station, changes in the Central Business District streetscapes and a new downtown parking structure, new options for crossing the railroad tracks and stormwater system improvements. By shifting some roadway priorities, funds can be made available to address these new needs. Applying a functional overlay to some former county curb-less streets rather than doing a complete reconstruction now, along with certain other postponements, could achieve a savings of \$13.7 million. However, the reconstruction will need to be done eventually, with the cost increases associated with future years. Such deferral does not save money in the long run, but does allow the Village Board to make decisions about today's priorities. Commissioners discussed the benefits and detriments of spending funds now on the road projects versus deferring the work until later. It was noted that none of the new projects has been approved, and the Board will review them again in the fall. Professional Engineer Minix answered several questions concerning the discussed new capital projects. He also noted that the work on Crescent will be done in 2015. Although it is anticipated that some grant money will be available for the new capital projects, grant funds are not factored into the costs as it is not clear how much could be received and when.

Manager Franz said that the Board is looking to this Commission for direction on this proposed plan change. Chairman Ford expressed the desire of the Commissioners to have more time to contemplate the changes, and discuss the ramifications of issuing bonds. In terms of interest rates and the cost of borrowing funds, a decision should be made on the bonds within the next three to four months. Chairman Ford suggested that Commissioners use the time between this and the August meeting to review the information presented by Mr. Minix. It is also likely that the Commission will ask for additional financial data during that period.

VII. PROJECT UPDATES / PENDING PROJECTS

ECONOMIC DEVELOPMENT

Manager Franz said that there has not been additional interest in the Dominick's property. However, there are still two developers looking at sites in the Central Business District. There is information available on the Village's website. It is possible the Commission will be asked to review a development and incentive proposal at its next meeting.

UPDATE FROM PENSION BOARD MEETING

Chairman Ford reported that he met with the Pension Board, and will circulate the handouts he received and will add it to the agenda for a meeting. He expressed concern that while Glen Ellyn is in a better position than other municipalities, it cannot continue to defer its pension expenses. Commissioners discussed how that liability will be shown on future years' financial statements. It was noted that the funds can only be placed in certain, very limited, investments. Concerns about how realistic the current cap rate is were also expressed.

FINANCE DEPARTMENT STAFFING

The Finance Director position has been posted. The post for business coordinator at the Village Links received 300 resumes. This position will report to the Village Finance Department. The Department is also hiring a payroll specialist, and will need to replace a departing cashier in the near future.

VIII. OTHER BUSINESS

Chairman Ford urged Commissioners to review the 8 month budget and scorecard (which compares the Village to other municipalities) posted on the Village website under Finance Department.

The next Finance Commission meeting will be on August 8, 2014 at 7:00 AM at the Civic Center. Commissioner Ford will circulate potential dates for new Commissioner orientation. He also reminded new Commissioners about the FOIA on line training.

IX. ADJOURNMENT

Commissioner Cleaver moved, and Commissioner Halkyard seconded, to adjourn the meeting. The July 11, 2014 meeting ended at 8:20 AM.

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