

MINUTES

BOARD / COMMISSION: Finance Commission	DATE:	August 8, 2014
MEETING: Regular	CALLED TO ORDER:	7:03 AM
QUORUM: Yes	ADJOURNED:	8:33 AM
MEMBER ATTENDANCE:	PRESENT:	Chairman Ford, Commissioners Cleaver, DeLeon, Halkyard, Rackl, Van Ek and Wallace
ABSENT:		Commissioners Greeno and Nathwani
ALSO PRESENT:		Village Manager Franz, Interim Finance Director Coyle, Professional Engineer Minix, Village Attorney Mathews, Recording Secretary Blake

I. CALL TO ORDER:

This Regular Meeting of the Glen Ellyn Finance Commission was called to order at 7:03 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 typographical corrections. Commissioner Cleaver moved, and Commissioner Rackl seconded, to approve the July 11, 2014 meeting minutes as revised. The motion was approved unanimously.

IV. FINANCIAL UPDATE

Interim Finance Director Coyle said that the General Fund performed well in July. Revenues were \$1.2 million, which is \$67,700 ahead of the prior year, and \$134,000 more than the July budget. Expenditures were \$1.3 million, more than the prior year by \$7,400, but under budget by \$9,400. Year-to-date, the General Fund is performing above budget, although slightly below last year. Year-to-date net income is \$918,000, behind last year's figure of \$983,000 but ahead of the year-to-date budget of \$578,000.

Interim Director Coyle reviewed how the changes in fire and ambulance items which will result in variances throughout the year. Other revenue items highlighted were payments from Glenbard District 87 for fingerprinting services and drug forfeiture funds which has restrictions on usage. Revenues from all tax sources have performed well. Although income tax revenue is lagging behind last year, the results are still positive.

On the expense side, natural gas bills were particularly high in May, although they have since moderated. Personnel separation costs and outside contractors resulting from personnel turnover have increased costs for the Finance Department. Public Works is implementing a cloud based version of their Cartegraph software which increases mobility of use and will eventually allow submission of resident requests on an app. Funds used to fight the Emerald Ash Borer totaled \$19,400 in July 2014 while only \$4,200 was spent in July 2013.

The report on the Village Links showed that, on a cumulative basis, including debt and capital expenses, the Recreation Fund ended July with a positive net income of \$446,000. Golf rounds totaled 12,226, and greens fees revenues were up. In response to Commissioners' questions, Interim Director Coyle said that the POS system will allow break out of food service and golf revenue starting August 1, allowing for more detailed reporting. Manager Franz noted that staff is being hired to supervise day-do-day operations in the restaurant. There will be new temporary signage on Park. Although new marketing consultants are being engaged, some type of signage is required until their recommendations are received. The Commissioners discussed the importance of banquets throughout the year to help meet the challenge of operating the restaurant over the winter. Outings are also important in the face of declining golf rounds nationally.

Interim Director Coyle reviewed the staff changes and openings in the Finance Department. A business office coordinator for the Links will be on board shortly. The payroll / accounting position as well as that of Finance Director have not yet been filled.

V. TEN YEAR CAPITAL PLAN

Professional Engineer Bob Minix reviewed the goal of restructuring the Ten Year Capital Plan. The Board of Trustees has reviewed the Capital Fund proposal and fine tuned the cost of the new initiatives (new police station, downtown roadway-streetscape, etc.) and arrived at \$22.5 million in capital projects as compared to the originally estimated \$33 million. The change will have a significant impact on potential debt payments.

P.E. Minix also reviewed the changes in the Roadway Rehabilitation Program. The changes consist of reducing the scope of work on rural-type roads and deferring on an annual basis those projects that would put the program over budget. He noted that costs will increase as

work is deferred. However, with the dollars saved from lower debt payments brought about by the change in scope of the large projects, the impact will not be as severe as originally thought. There was discussion concerning the cost of deferring the road work. The cost increase would be comprised of both scope and materials cost increases. The 5% yearly increase was 3% until 2008, when the Capital Improvements Commission recommended increasing it to 5% as it was not keeping pace with costs. Chairman Ford summarized the issue as whether the cost of the deferred work would be cheaper today or if postponing the work will cost more for the Village. Manager Franz said that the Board has grappled with the same question.

Commissioners discussed the value of the road rehabilitation, particularly in the areas with rural-type roads. Although there is not a push by residents, there are sight line problems creating safety concerns that are addressed when a road is reconstructed, as well as underground improvements and upgrades in utilities. Curbs and gutters generally add value to a home, and the Village has adopted a policy of installing sidewalks to connect the community. The reduced scope of work to only resurface or overlay the street will add a level of functionality for some years. However, without curbs to hold it, it will not last as long as a fully reconstructed road. Commissioners questioned the need for the postponed complete reconstruction at all if it can be deferred for 10 years or more. P.E. Minix said that the challenge is to manage the roads program to meet the objectives of having the street system maintained with reduced available funds.

The Pending Major Capital Projects were also discussed. The bond issue would support the downtown roadway and streetscape project, stormwater system improvements, a new police station and contribution for one or two central business district parking structure(s) along with private development. Commissioners noted the change in costs. Regarding the police station, Manager Franz said that the Board is in agreement that a new station is needed, most likely on Village owned land at Panfish Park. However, the scope of the project has not been defined. There is no time table or budget, but property taxes will not be increased to pay for it. Although not highlighted for this round of capital projects, Commissioners discussed the Taylor Street underpass improvements, which would allow fire trucks to use it, and central business district pedestrian tunnel, which would help downtown economic development.

Manager Franz said that the Board of Trustees is not looking for a recommendation from the Commissioners on the plan at this time, but wants the Commission to be informed.

VI. PROJECT UPDATES / PENDING PROJECTS

ECONOMIC DEVELOPMENT

Manager Franz said that there are still two viable Central Business District redevelopment projects comprised of luxury rental residential units with retail and parking components. There has been no new interest in the Five Points property, and the current price is being reconsidered.

There have been some discussions with potential retailers for the Dominick's space. Although the Dominick's generated sales tax for the Village, its shoppers are still shopping in Glen Ellyn as there has not been much decrease in tax revenues to the Village. Commissioners discussed the performance of the Fresh Market.

The Roosevelt Glen property has seen some work on the buildings back from the road. Although the developer originally wanted to build apartments, the property is not so zoned, and the Village would prefer retail. The performance of the new apartments in downtown Wheaton is being watched carefully, as a similar product is being considered for Glen Ellyn. The impact on the schools is expected to be low, but a plus for property taxes. The impact of property taxes in Glen Ellyn on development was discussed.

VIII. OTHER BUSINESS

Chairman Ford suggested that having a Vice Chairman for the Commission would be helpful, and lead to better continuity. Commissioner Halkyard has agreed to be the Vice Chairman.

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

IX. ADJOURNMENT

Commissioner Van Ek moved, and Commissioner Halkyard seconded, to adjourn the meeting. The August 8, 2014 meeting ended at 8:33 AM.

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