

# MINUTES

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BOARD / COMMISSION: Finance Commission      DATE:                      September 12, 2014

MEETING: Regular                                      CALLED TO ORDER:    7:03 AM

QUORUM: Yes    ADJOURNED:              8:27 AM

MEMBER ATTENDANCE:                              PRESENT: Chairman Ford, Comissioners  
Cleaver, DeLeon, Greeno, Halkyard,  
Nathwani, Rackl, Van Ek and Wallace

ABSENT:    None

ALSO PRESENT:    Trustee O'Shea, Village Manager Franz,  
Interim Finance Director Coyle, 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**

Commissioner Cleaver moved, and Commissioner DeLeon seconded, to approve the July 25, 2014 orientation meeting minutes. The motion was approved unanimously.

Commissioner Cleaver Halkyard moved, and Commissioner Cleaver seconded, to approve the August 8, 2014 meeting minutes. The motion was approved unanimously.

**IV.     POLICE PENSION FUNDING**

Interim Finance Director Coyle presented background information on the Police Pension Fund. The Village has some funding discretion within State guidelines. In 2012, the funding assumptions were set at 5% for salary increases and 7.25% for investment returns. The assumptions were reaffirmed by the Board of Trustees in 2013.

Commissioners discussed the investment return assumptions. If the assumptions are incorrect, the difference in returns realized or adequate contributions will have to be made up. Commissioners also discussed having the investment advisor provide more forward advice. Interim Director Coyle referred Commissioners to information provided by the investment advisor, Jay Company.

Chairman Ford commented on the Hypothetical Funding Analysis, which showed the amounts needed to make up the funding shortfall by the State-imposed deadline of 2041. Based on the Village's current position, an increase in funding will allow the Village to meet the deadline. He noted that funding the shortfall earlier rather than later will reap the benefits on investment returns, and waiting will only make it more expensive later on. This analysis will need to be refreshed each year so as to have accurate police officer data. Commissioners discussed the mix of police personnel between officers in the Pension Plan and supplemental personnel who are not in the Plan. No staff increases are planned at this time. It was noted that the Village operates very lean now, and the pension contribution is an easy item to put off to future years. There are difficult decisions for the Board of Trustees on priorities for the Village in the 2015 and future budgets. The consensus was that increased funding is necessary; how to do it is the difficult part. There was discussion concerning the possibility of making the increased contributions to be on track to meet the 2041 deadline only to have the deadline moved, or the State enacts pension reforms or forgiveness. There would be unwanted consequences of delaying funding the obligations in any case. Although the Village Board makes the final decision on contribution amounts, it cannot affect the mix of investments in the Fund. However, the Pension Board can take issue with that contribution amount if it falls below State statutory minimum.

Commissioners discussed the mix of current investments, noting that they are conservative. They would like the investment advisor to attend the October Finance Commission meeting to discuss further the Pension Board assumptions and investment policies. This topic will be discussed further at the next Commission meeting.

#### **V. FINANCIAL UPDATE**

Interim Director Coyle said that August was a good month. The Village received reimbursement from the Glenbard School District for their police officer. Fees were paid by the new pet supplies store that is moving into the Control D space.

At the Links, food service operations ended positively for the month, and the results were considered excellent given the lack of marketing. The business office coordinator started this week. The consultants are preparing their final assessments, and will be leaving at the end of the month

**VI. PROJECT UPDATES / PENDING PROJECTS**

**ECONOMIC DEVELOPMENT**

Manager Franz said that the concept plan of the contemplated downtown developments will be presented to the Village Board over the next couple of meetings. Executive Sessions will be held for the Board to consider what the Village may contribute to the projects. This is a multi-step process and no decisions will be made at these meetings. At this time, the Finance Commission does not yet need to be involved in the Village's consideration of these developments.

The downtown vacancy rates are decreasing. Along Roosevelt Road the Inland Bank property east of I-355 has been purchased by Dunkin' Donuts. There has been little advancement on the office park, and no information on the vacant Dominick's space which is controlled by Safeway. Pickwick Place has vacancies, although it is in the TIF district. A broker has been hired to market the Five Corners property.

**VIII. OTHER BUSINESS**

The next Finance Commission meeting will be on October 10, 2014 at 7:00 AM at the Civic Center.

**IX. ADJOURNMENT**

Commissioner Van Ek moved, and Commissioner Halkyard seconded, to adjourn the meeting. The September 12, 2014 meeting ended at 8:27 AM.

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