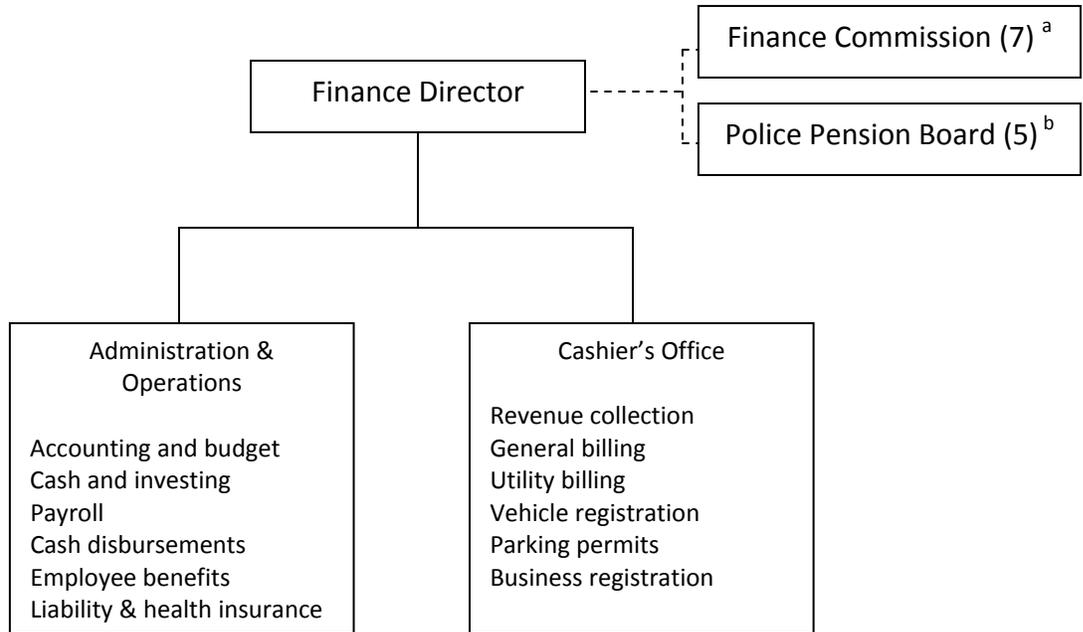


Table of Contents

IV. FINANCE DEPARTMENT

Organizational Chart	4-2
Finance Department Narrative	4-3 – 4-6
Finance Department Budget	4-10 – 4-13
Insurance Fund	4-14 – 4-16
Police Pension Fund	4-17 – 4-19

FINANCE DEPARTMENT FY13/14



- Assistant Finance Director (1)
- Accounting Specialist (1)
- Fiscal Clerk (1 P.T.=0.6 FTE)

- Accounts Manager (1)
- Fiscal Clerk (8 P.T. = 3.6 FTE)
- Water Meter Reader (5 P.T. = 1 FTE)

<u>FY13/14 Budget</u>	Employee	
	<u>Count</u>	<u>FTE</u>
Full Time Personnel	4	4.00
Part-Time Personnel	<u>14</u>	<u>5.20</u>
Total Employees / FTEs	<u>18</u>	<u>9.20</u>
<i>(FTE = Full-Time Equivalent)</i>		

<u>Budgeted Full-Time Employees</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>
Operations	6	5	5	5	4*	4	4	4	4	3**
Cashier's Office	1	1	1	1	1	1	1	1	1	1
Total FT	7	6	6	6	5	5	5	5	5	4

*Personnel Analyst position moved to Village Manager's budget.

**IT Manager position moved to the Village Manager's budget.

a. Finance Commission is advisory to the Village Board, established by local ordinance, impaneled with resident experts, including business leaders and government auditors.
 b. Police Pension Board has specific statutory authority established in Article III of the Illinois Pension Code to oversee and manage the Glen Ellyn Police Pension Fund. Members include Village appointees, active police officers, and an annuitant.

FINANCE DEPARTMENT

We serve internal and external customers, provide assistance to residents and customers, provide management reports and information to elected officials and management, and provide pay and benefits service to employees. We provide service to the Village, Library, Glenbard Wastewater Authority, and Glen Ellyn Volunteer Fire Company. Some of our department ideals include, in no particular order:

<i>service</i>	<i>efficient</i>	<i>follow up/through</i>
<i>accurate</i>	<i>money/revenue</i>	<i>focus on improvement</i>
<i>team oriented</i>	<i>monitoring/compliance</i>	<i>accomplishment</i>
<i>consistency</i>	<i>friendly</i>	<i>planning - avoid crisis mode</i>
<i>helpful/supportive</i>	<i>simplify</i>	

The Finance Department is responsible for overseeing the fiscal operations of the Village. Primary responsibilities of the department include accounting, financial reporting, budgeting, long-term financial planning, capital financing, cash management, investment of Village funds, payment of bills, billing, collection of revenue, payroll, and pension administration. Starting in FY12/13, the Finance Department has taken on management and administration of employee benefits, such as health insurance, and managing liability insurance claims. In FY13/14, the Information Technology (IT) function will be moved to the Village Manager's Office.

Many of the functions performed by the department represent an internal service to other departments. Additionally, the Department performs accounting and related administrative services for the Glen Ellyn Public Library (GEPL) and the Glenbard Wastewater Authority (GWA), and provides support to the Glen Ellyn Volunteer Fire Company (GEVFC). A service charge representing the cost of services provided to other Village funds, the GEPL and GWA is collected and recognized as revenue in the General Fund.

The proposed staffing complement for FY13/14 includes 4 full-time and 14 part-time employees. Departmental staff is divided into two areas including Administration and Operations and the Cashiers Office. The IT Manager position is now included in the Village Manager's Office.

Administration and Operations - This segment of the department is staffed by three full-time employees including a full-time Finance Director, Assistant Finance Director, and Accounting Specialist and one part-time Fiscal Clerk. Primary responsibilities of this area include general administration, accounting services, accounts payable, payroll processing, pension fund administration, insurance, and employee benefits services.

General administration of the department is the responsibility of the Finance Director. Primary duties include the coordination and management of staff resources, coordination of the Village's annual budget process, management of the Village's independent annual financial audit, cash management, investment of Village funds, and planning for long-term capital

project financing.

The accounting function records cash receipts and cash disbursements in accordance with established policies and procedures. The accounts payable function processes all disbursements for the Village, the Glenbard Wastewater Authority and the Glen Ellyn Public Library. Monthly financial statements are prepared and distributed to department managers for review of current spending against budgeted amounts.

Each year, in conformance with State statutes, the Village undergoes an audit of its financial statements and records by an independent audit firm for the purpose of obtaining an opinion as to whether the Village's financial statements are prepared in conformity with Generally Accepted Accounting Principles (GAAP). The department is responsible for the coordination and preparation of the Village's annual financial statements (Comprehensive Annual Financial Report or "CAFR") through its audit firm as well as preparing all documentation and records necessary to support the amounts and disclosures in the financial statements.

For the past 24 years, the Village has received recognition for its CAFR in the form of a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). This program requires preparation of financial statements in accordance with detailed program criteria, which help ensure a financial report that is well organized and easily readable as well as ensuring a spirit of complete disclosure and comparability with other local government financial statements.

The Village received for the fourth time a Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for its Annual Budget for the fiscal year beginning May 1, 2012.

Cashier's Office - The Cashier's Office, located in the Civic Center lobby area, is staffed by a full-time Accounts Manager, eight part-time Fiscal Clerks and five Meter Readers. This segment of the department represents the main point of contact for many Village residents. The Cashier's Office collects and records all payments received via the mail or in person at the Civic Center as well as receiving utility bill payments electronically from external financial institutions, which performs payment processing (lockbox and online bill pay) services for monthly Village utility bills.

The Cashier's Office manages all facets of the Village's monthly combined utility billing program for water/sanitary sewer and residential solid waste collection services. The Village presently services approximately 8,000 water/sewer and 7,000 solid waste accounts through monthly billings and handles all related customer service and account maintenance. Additionally, the cashier's office administers the Village vehicle license program (approximately 16,000 transactions per year), the business registration program (which includes an annual fire inspection that is coordinated through the Planning and Development Department) and the parking permit renewal process which covers more than 800 customers parking in various lots throughout the Central Business District. Other transactions include the collection of building

permit fees, real estate transfer taxes, dog licenses, parking citations and other miscellaneous fees.

Accomplishments for FY12/13

In addition to the array of services provided to other departments and the public on an ongoing basis, the department was involved in a number of significant activities and projects during the fiscal year as itemized below.

1. Excellence in Financial Reporting - For the twenty-fourth consecutive year, the Village's Comprehensive Annual Financial Report (CAFR) was awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA). Glen Ellyn is included among the less than 10% of local governments in Illinois who receive an unqualified audit opinion and prepare a CAFR which meet GFOA's recognition criteria.
2. Distinguished Budget Presentation Award – Received the Distinguished Budget Presentation Award from the Government Finance Officers Association for the adopted Village Budget for the fiscal year beginning May 1, 2012.
3. Online bill payment – A significant effort to implement MUNIS Self Service, has begun. Once implemented, Village Services customers will be able to access their water, sewer and refuse account online and pay their bill each month. In FY13/14, we are planning to implement other improvements which will allow the Village to email bills directly to customers in a secure manner.
4. Multi-year water and sewer rate plan – Last year, the Village responded to significant commodity cost increases by the City of Chicago and DuPage Water Commission with a five year plan. In December, 2012, the Village adopted rate increases for the next three years, which should be sufficient to cover annual operating costs, including significant water cost increases, and contributions to the capital program.
5. Collateral agreement to secure financial assets – With the expiration of unlimited FDIC insurance to protect Village bank accounts, the Village and Glen Ellyn Bank and Trust entered into collateral agreements for the Village and GWA accounts. With these agreements, deposits held at Glen Ellyn Bank and Trust over current FDIC limits (\$250,000) are secured by government securities held at Bank of America, in the Village's and GWA's name, so our deposits remain secure in the unlikely event of bank failure.
6. \$5M bond issuance for Village Links – The Finance Department was integral to issuing bonds for the clubhouse renovation bonds at the Village Links golf course. This process involved coordination of the investment advisor, bond counsel, paying agent, Village attorney, staff of the Village Links, Village Management, and the Village Board to update

the Village's bond rating, secure proper documents for approvals, and filings with the appropriate agencies. The result was bonds sold at a true interest cost of 2.05%, and the Village retained its Aa1 rating.

7. Five-year forecast – The third five-year forecast was presented. The first forecast included just the General Fund. Last year, the forecast was expanded to include all governmental funds. This year, we prepared forecasts for all governmental funds in aggregate, and the General Fund on its own, with comparative information. This process continues to evolve and improve, and has become an important communication and planning tool.
8. Improved processing and customer service for bank payments - An important customer service improvement, which goes largely unseen by customers, was changing how we process payment for Village Services originated by customer's online banking through their own financial institution. Our new service shortens the amount of time from when payments are taken from their accounts to when they receive credit on the Village Services account. Just as important, payment processing has become much more automated, resulting in a more efficient and accurate process.
9. Projections on quarterly and monthly reports – In response to requests to make the quarterly reports a more effective management tool, management has provided projections on our quarterly and monthly reporting. For the first two quarters, departments were to provide information based on known events or variations from the budget. For the third quarter, we used more detailed estimates provided as part of the budget submission process.
10. Better auditing of ambulance billing – Since the Village began billing for ambulance services, it has been difficult to know if the amounts billed for this service is accurate. During FY12/13, we have been able to secure reports from the Glen Ellyn Volunteer Fire Company and billing company to audit amounts billed to customers.
11. Department strategic planning – In December 2012, the Finance Department met to develop a series of goals and objectives in several different areas of the Department. This has resulted in some immediate action items, and several goals for the upcoming year.
12. More financial information online – Additional information is now being reported on the Village's website. We have added the annual treasurer's report, employee compensation, and approved lists of bills.
13. Staff turnover/vacancies – This year, we weathered absences in a few key positions, after the Finance Director and Assistant Finance Director were brought on board in FY11/12. The Accounting Specialist was hired in July, heading up our payroll and employee benefits. The Accounts Manager was on a maternity leave. The work was

covered by other employees and outside assistance, but the department's operations remained intact.

14. Took on managing employee benefits and insurance claims management – Starting with the hiring of the Accounting Specialist, the Finance Department has taken on more responsibility in employee benefits and liability/work comp claims management. This is a key service that fits well with the Department's skills and objectives.
15. Updated policies regarding bond record keeping – Along with the issuance of bonds for the Village Links, we adopted a policy outlining our roles and responsibilities in maintaining records related to the bonds and subsequent reporting.
16. Updated assumptions used for Police Pension Fund actuarial analysis – The Finance Commission and Police Pension Board both discussed adjusting the assumptions to be used in actuarial valuation, which is used to determine funding level and the amount of the Village's contribution to the Police Pension Fund. The Village Board then took the recommendations for a final policy determination. Due to changes in Governmental Accounting Standards Board, and as requested by the Village Board, this issue will be discussed again next year, when the Village Board will consider a funding policy going forward.
17. Developed a program for internal purchasing audits – The Village's purchasing policy calls for regular purchasing audits. We have developed a process wherein regular audits of transactions are verified to ensure that proper documentation and approvals are completed.
18. Updated refuse rate structure – When the Village updated the waste hauling contract, we developed and implemented a rate structure that clearly detailed how much of each resident's bill funds garbage collection, branch and brush pickup, biannual clean sweep, and administration fees. In addition, residents now receive a direct credit for recycling rebates that the Village receives to encourage more recycling throughout the year.
19. Tax revenue recording in real time – Instead of reporting certain tax revenues as part of the month-end close process, we are now recording these revenues as soon as documentation is received. This provides more real-time financial reporting in house, and better accountability.

Goals and Objectives for FY13/14

Activities of the department will continue to focus on improving and enhancing operational efficiency and effectiveness both within the department and throughout the larger organization. In December, 2012, the Finance Department identified a list of goals and objectives to focus our efforts. Goals were identified for each area of operation, and have helped refocus our daily work and guide our long term direction. Some of these undertakings include:

1. Publish additional spending information on the Village website.
2. Improve financial reporting to residents and other stakeholders by focused reporting on government-fund basis.
3. Transition more risk management and benefits administration into the Finance Department, and transition IT from Finance to the Village Manager's Office.
4. Review and make recommendations for improvement of Village financial policies.
5. Achieve the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting, Distinguished Budget Presentation Award and Award for Outstanding Achievement in Popular Annual Financial Reporting.
6. Complete the pre-budget analysis including the following:
 - a. Five-year forecast
 - b. Scorecard with assistance from consultant if necessary
 - c. Review and make recommendations to the HRST, SSA, new revenue ideas, and other improvements of Village financial policies
 - d. Ambulance cost analysis
 - e. Review all fees and fines and adjust accordingly
7. Look for ways to reduce paper filing and paper distribution of reports and documentation.
8. Look for efficiencies in processing escrows, bank reconciliations, generating financial reports, and evaluating/reducing the quantity and scope of existing reports.
9. Address data and office security concerns.
10. Improve utility billing customer service:
 - a. Consider realignment of utility billing cycles.
 - b. Evaluate alternatives with online bill pay, e-billing, accepting payments over the phone, and improved cart change out process.

11. Evaluate parking program, including existing fees and waitlist program.
12. Improve processes for accounts payable:
 - a. Consider alternatives to automate credit card transaction posting and AP approvals.
 - b. Evaluate ACH and electronic payment to vendors.
 - c. Consider implementing positive pay, reverse positive pay, or other methods to improve internal controls.
 - d. Develop and implement strategies to reduce late penalties on payments to vendors.
13. Improve payroll processing:
 - a. Consider Employee Self Service module in MUNIS.
 - b. Encourage thorough reviews of payroll information by departments.
 - c. Consider alternatives for automating paperwork, such as change of status forms.
 - d. Create an environment of employee advocacy for the Assistant Finance Director and Accounting Specialist positions.

GENERAL FUND
FINANCE DEPARTMENT
(122000)



Village of Glen Ellyn
FY 2013/14 Budget

AS OF FY13/14, IT FUNCTIONS HAVE MOVED TO ITS OWN COST CENTER

Object Code	Account Description	FY10/11 Actual	FY11/12 Actual	FY12/13 Revised Budget	FY12/13 Prelim. Actual	FY13/14 Budget	
Personnel Services							
510100	Salaries - FT	\$ 376,465	\$ 381,578	\$ 465,000	\$ 461,709	\$ 373,000	
510120	Salaries - PT	152,407	157,442	162,000	173,439	170,000	
510200	Overtime	4,356	15,799	-	1,251	-	
510400	FICA	39,196	41,026	47,000	46,562	40,000	
510500	IMRF	47,905	47,648	58,100	53,968	47,000	
	Subtotal	620,329	643,493	732,100	736,929	630,000	1
Contractual Services							
520305	Employee Relations	-	-	-	109	500	
520600	Dues / Subscriptions	1,442	1,587	2,400	1,862	1,900	
520620	Employee Education	1,110	3,280	2,100	4,523	2,600	
520625	Travel	958	675	1,100	1,967	2,800	
520630	State Unemployment Claims	20,477	15,871	25,000	18,680	25,000	
520650	Public Notices	2,516	2,584	2,700	2,556	2,700	
520825	Audit Fees	31,691	33,031	34,300	35,909	37,900	2
520835	Banking Services	13,844	11,563	14,000	10,611	17,000	3
520900	Postage	23,363	29,506	32,100	28,070	32,200	4
520905	Printing	-	-	-	1,941	1,900	5
520975	Maintenance - Equipment	76,642	69,679	78,000	74,755	3,000	6
521055	Professional Services / Other	5,603	33,257	8,500	16,143	18,000	7
521195	Telecommunications	30,945	28,947	27,400	26,463	600	8
590600	IFT / Health Insurance	62,353	74,600	57,000	49,670	36,000	
590610	IFT / Insurance - General	6,100	6,200	2,500	2,500	3,900	
	Subtotal	277,044	310,780	287,100	275,759	186,000	
Commodities							
530100	Office Supplies	5,368	6,978	7,000	9,144	6,000	
530105	Operating Supplies	11,845	10,132	12,000	7,411	6,300	9
	Subtotal	17,213	17,110	19,000	16,555	12,300	
Capital Outlay							
570110	Computer Equipment / Projects	49,493	34,645	33,500	33,795	600	10
	Subtotal	49,493	34,645	33,500	33,795	600	
TOTAL EXPENDITURES		\$ 964,079	\$ 1,006,028	\$ 1,071,700	\$ 1,063,038	\$ 828,900	
IT Cost center		\$ -	\$ -	\$ -	\$ -	\$ 331,000	
Finance plus IT		\$ 964,079	\$ 1,006,028	\$ 1,071,700	\$ 1,063,038	\$ 1,159,900	

BUDGET FOOTNOTES FINANCE DEPARTMENT

*** Prior to FY13/14, the Information Technology Function was included in the Finance Department.**

1. **Salaries:** Salaries for FY12/13 increased as that was the first year in many when the department remained fully staffed throughout the year. Salaries for FY13/14 assume all positions will remain filled. The Cashier's Office continues to operate at 10% fewer hours than in FY08/09. The IT Manager has been moved to the Information Technology cost center in FY13/14.
2. **Audit Fees:** The Village is required by State statute to have an annual audit performed by independent Certified Public Accountants. The amount budgeted for FY13/14 represents audit fees for the review of fiscal year May 1, 2012, through April 30, 2013, which is scheduled for the summer of 2013. An additional \$4,700 is included to conduct a Single Audit due to the receipt of more than \$500,000 in federal funds during FY12/13. This contract for auditing services was extended for one year, with the Village's option for a second year, which would then align with the audit for GWA, when a full RFP process will be completed.
3. **Banking Services:** Prior to FY08/09, the Village paid for its banking services through a compensating balance arrangement. Following a request for proposal process in the fall of 2008, the new banking services agreement provides for compensation through monthly charges versus the requirement to maintain a compensating balance. This year, we are planning to implement additional services to automate credit card processing in our accounts payable process.
4. **Postage:** This account pays for all general outgoing Village postage metered at the Civic Center. Also included are postage costs for the mailing of approximately 12,000 vehicle registration applications (for approximately 16,000 vehicles) and annual business registration materials. Postage costs for the monthly water / sewer / refuse bills are budgeted in the Water & Sanitary Sewer and Residential Solid Waste Funds.
5. **Printing:** Printing services are now distinguished from operating supplies for items such as printing budget documents and services to print forms and other notices.
6. **Maintenance - Equipment:** A majority of costs in this line have been moved to the Information Technology cost center. Postage machine rental remains.

**BUDGET FOOTNOTES
FINANCE DEPARTMENT**

7. **Professional Services / Other**: Costs include \$12,000 for a consultant to complete an update to the Village's comparative Scorecard, actuarial services to determine the Village's contribution to the Police Pension Fund, and a portion of implementing a new MUNIS module that will allow emailing of payroll advices and utility bills to recipients.

8. **Telecommunications**: This line previously included Village wide telecommunications and internet service, which has been moved to the Information Technology cost center.

9. **Operating Supplies**: This line item provides for many of the department's annual supplies and forms including decals and tags associated with vehicle, business and dog registration, real estate transfer tax decals, multi-part carbonless forms and applications, payroll and accounts payable check stock, year-end tax forms, and document publication supplies. The costs for printing services that had previously been paid from this account have been moved to the printing line item.

10. **Computer Equipment / Projects**: This account previously paid for Village wide computer and server hardware and equipment, which has now been moved to the Information Technology cost center. \$600 remains for the purchase of a tablet to coordinate with the roll out of electronic packets for Village Board meetings.

VILLAGE OF GLEN ELLYN
 FY13/14 ANNUAL BUDGET
 PERSONNEL SCHEDULE

FINANCE DEPARTMENT

<u>Classification</u>	<u>Status</u>	<u>Salary Range*</u>	<u>FY11/12 Budgeted Employees</u>	<u>FY12/13 Budgeted Employees</u>	<u>FY13/14 Budgeted Employees</u>
Administration & Operations					
Finance Director	FT	U	1.00	1.00	1.00
Assistant Finance Director	FT	P	1.00	1.00	1.00
Information Technology Manager	FT	S	1.00	1.00	-
Accounting Specialist	FT	I	1.00	1.00	1.00
AP Fiscal Clerk	PT	D	0.60	0.60	0.60
Cashier's Office					
Accounts Manager	FT	J	1.00	1.00	1.00
Fiscal Clerk (8)	PT	D	3.60	3.60	3.60
Water Meter Readers (5)	PT	N/A	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
TOTAL EMPLOYEES (Full-time Equivalents)			<u>10.20</u>	<u>10.20</u>	<u>9.20</u>
Full-time Number of Positions			5	5	4
Part-time Number of Positions			14	14	14

* Information regarding salary ranges can be found in the appendix.

INSURANCE FUND

The Insurance Fund serves as a centralized cost center for the Village's health benefits plan and general liability/workers compensation insurance costs. The principle revenues of the Insurance Fund are transfers from other funds and departments based on their proportionate share of total costs.

Health Benefits Plan – The Village's health benefits plan provides medical, dental, prescription, vision, and life insurance benefits to full-time staff and to retired employees and a few others. The Glenbard Wastewater Authority and Glen Ellyn Public Library are also participants in the plan and contribute their proportionate share of costs each year. Employee participants pay 20% of the total plan costs, in addition to usage deductibles and co-payments, while retired employees pay 100% of the total cost.

Prior to January 1, 2009, the health benefits plan was a self-funded plan, whereby the Village and its participants/beneficiaries contributed the total anticipated costs of health benefit claims, "stop loss" insurance, and plan administration each year. The Village retained a health benefits consultant to perform plan analysis, benefit reviews and cost projections, and hired a third party administrator to handle the payment of claims.

Beginning January 1, 2009, the Village joined the Intergovernmental Personnel Benefit Cooperative (IPBC), a pool of approximately 50 Illinois municipalities who have joined together as an intergovernmental cooperative for the purpose of providing economies of scale and risk pooling among its members. Participation in this program was intended to offer the Village better price stability with respect to annual changes in its insurance costs, as well as offer a greater variety of choices (including lower cost programs) to participating employees.

Liability/Workers Compensation Insurance – This category includes all other types of insurance carried by the Village, other than the employee health benefits program, and includes coverages for property, liability, auto, workers compensation, boiler, public official's liability and the like.

The Village participates in the Municipal Insurance Cooperative Agency (MICA), which pools general liability / workers compensation insurance coverages with other local governments. MICA is a privately administered insurance pool consisting of about 20 municipal and other local government agencies within Illinois.

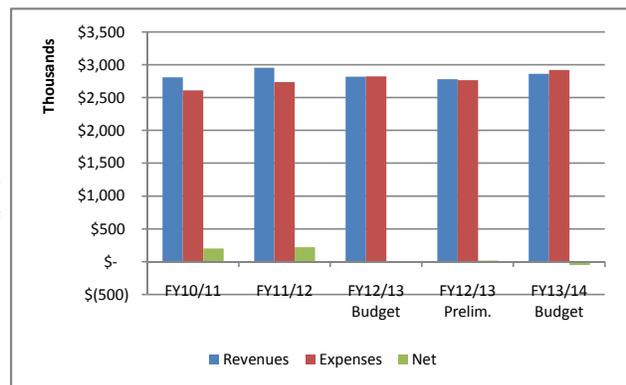
INSURANCE FUND



Village of Glen Ellyn
FY 2013/14 Budget

Object Code	Account Description	FY10/11 Actual	FY11/12 Actual	FY12/13 Revised Budget	FY12/13 Prelim. Actual	FY13/14 Budget	
Revenues / Inflows (6000)							
440600	Health Plan Contrib. - Employee	\$ 350,779	\$ 386,715	\$ 424,600	\$ 404,212	\$ 441,000	1
440605	Health Plan Contrib. - Others	138,062	178,928	157,000	164,321	144,500	1
440610	Health Plan Contrib. - Library	214,837	221,200	236,800	237,014	246,800	
440620	Health Plan Contrib. - GWA	209,049	217,500	218,600	202,473	210,000	
460100	Interest Income	2,773	3,180	3,000	4,070	3,000	
489000	Miscellaneous Revenue	7,146	-	-	68,567	-	
490602	IFT / Administration	41,064	42,300	44,900	42,999	55,500	
490603	IFT/ Information Technology	-	-	-	-	19,700	
490604	IFT / Finance	68,453	80,800	59,500	52,170	39,900	
490606	IFT / Public Works - Adm/Eng	62,879	84,300	100,200	97,092	64,800	
490608	IFT / Equipment Services	59,929	63,200	58,800	60,412	63,900	
490610	IFT / Public Works Operations	186,222	169,100	107,700	110,883	133,900	
490612	IFT / Facilities Maintenance	13,330	13,400	10,800	10,429	10,000	
490614	IFT / Police	682,402	740,500	718,300	683,469	745,100	
490615	IFT / Volunteer Fire	208,700	212,400	199,100	199,100	159,300	
490616	IFT / Planning and Development	110,890	114,700	114,300	98,831	98,200	
490617	IFT / Economic Development	-	-	100	100	1,100	
490618	IFT / Parking	1,100	1,100	600	600	600	
490620	IFT / Water	126,521	115,700	98,100	98,174	125,000	
490622	IFT / Sewer	118,521	114,800	96,300	95,743	131,300	
490624	IFT / Recreation	202,302	192,500	166,900	146,499	167,200	
TOTAL REVENUES		\$ 2,804,959	\$ 2,952,323	\$ 2,815,600	\$ 2,777,158	\$ 2,860,800	
Expenses / Outflows (60000)							
Contractual Services							
520870	Risk Management	\$ 7,132	\$ 6,671	\$ 17,000	\$ 5,187	\$ 10,500	2
520885	Liability Insurance	608,555	530,419	523,000	490,819	513,000	3
520893	Wellness/Health Incentives	22,122	30,518	33,000	32,241	33,000	4
520895	Health/Life Insurance	1,968,258	2,167,747	2,246,000	2,236,391	2,360,000	5
TOTAL EXPENSES		\$ 2,606,067	\$ 2,735,355	\$ 2,819,000	\$ 2,764,638	\$ 2,916,500	
FUND INCREASE (DECREASE)		\$ 198,892	\$ 216,968	\$ (3,400)	\$ 12,520	\$ (55,700)	

Available Cash Analysis (000's)	
Available, May 1, 2012	\$ 1,613
Preliminary FY13 Inflow/(Outflow)	13
Budgeted FY14 Inflow/(Outflow)	(56)
Projected Available, April 30, 2014	\$ 1,570



BUDGET FOOTNOTES INSURANCE FUND

1. **Employee / Retiree / Other Contributions:** Full-time employees participating in the Village's health benefits plan pay for 20% of the total costs for the plan year by payroll deduction. Retired and separated employees choosing to continue participation in the health plan pay 100% of their costs.
2. **Risk Management:** The Risk Management account funds such items as the Village's safety program, educational seminars and materials, employee assistance program, testing of various types, and equipment for the Civic Center exercise room.
3. **Liability Insurance:** The Village pools its risk and liability insurance coverages with about 20 other municipal members through the Municipal Insurance Cooperative Agency (MICA). Annual premiums payable to MICA are determined through an allocation model which is based on each member's loss experience (2/3) and loss exposure (1/3) over the past four claim years.
4. **Wellness/Health Incentives:** The Village's employee health plan includes a wellness checkup each fall. Employees who participate are eligible for up to \$400 in credit towards their insurance deductibles. The program encourages healthy lifestyles with the goal of reducing future health care costs.
5. **Health Benefits / Life Insurance:** Beginning January 1, 2009, the Village began participation in the Intergovernmental Personnel Benefit Cooperative (IPBC) as a means of better stabilizing changes in health costs. Premium increases have been budgeted at 5% based upon information received from IPBC.

GLEN ELLYN POLICE PENSION FUND

The Glen Ellyn Police Pension Fund is organized under state statute (40 ILCS 5/3-101) to provide “for the benefit of its police officers and of their surviving spouses, children, and certain other dependents”. Our Police Pension Fund is administered by a five-member Pension Board as defined by statute, and includes two members (typically residents) appointed by the Village Board, two active police officers, and one current beneficiary.

Money used to pay for the benefits of retired police officers comes from three sources:

- Active Police Officers – This is expected to generate about \$345,000 in fiscal year 2013/14. Police officers contribute 9.91 percent of their base salary in accordance with state statute. Note – Police Officers do not participate or contribute to Social Security, but do pay a Medicare tax of 1.45% of salary.
- Investment Income – Income generated by the Fund’s investment holdings. The pension fund investment portfolio has a longer-term focus, and broader ranges of investments are permitted, than that used for general Village investments.
- Village Contribution – According to calculations performed by an independent actuary, this is the amount needed to fully fund the plan (from a long-term time perspective) based on a set of interest earnings rate, salary rate increase, mortality, and other assumptions. For FY13/14, the actuarially determined contribution by the taxpayers is \$980,000, up 1.1% or \$11,000 from the FY12/13 contribution of \$969,000. At the completion of the actuary’s latest report (4/30/12) the Pension Fund was 65.0 % of “fully funded” status. Recent changes in state law allowed the Village to extend the amortization period for the existing unfunded liability, which is the reason for the lowered annual contribution starting in FY11/12. We expect future required contributions to increase significantly over time, depending on investment returns, legislative changes or other factors.

Retirement Benefits

The Police Pension Plan, set by State law, provides retirement benefits at age 50, with a minimum of 20 years of service, at a rate of one half the annual salary attached to the rank held on the last day of service. The annual pension increases by 2.5% of the annual salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such annual salary. Generally, upon the attainment of age 55, retired Police Officers receive an annual compounded increase in their pension of 3% each January 1st. Changes in law have modified this benefit for officers who began employment after January 1, 2011. These modified benefits include normal retirement age of 55, non-compounding CPI-based cost of living increases after age 60, and benefits based on the average salary over the last eight years. There are 32 beneficiaries receiving a monthly police pension from the Glen Ellyn Police Pension Fund at an estimated cost of about \$1.47 million for FY13/14.

POLICE PENSION FUND



Village of Glen Ellyn
FY 2013/14 Budget

Object Code	Account Description	FY10/11 Actual	FY11/12 Actual	FY12/13 Revised Budget	FY12/13 Prelim. Actual	FY13/14 Budget	
Revenues / Inflows (9000)							
440700	Employee Contributions	\$ 294,768	\$ 305,047	\$ 320,000	\$ 317,099	\$ 345,000	1
460100	Interest Income	605,411	50,158	500,000	254,855	500,000	
460725	Realized Gain/Loss on Invest.	-	-	-	293,168	50,000	
460730	Unrealized Gain/Loss on Invest.	-	-	-	1,012,677	-	
490700	IFT / General Fund	943,000	1,036,000	969,000	969,000	980,000	2
TOTAL REVENUES		\$ 1,843,179	\$ 1,391,205	\$ 1,789,000	\$ 2,846,799	\$ 1,875,000	

Expenses / Outflows (90000)

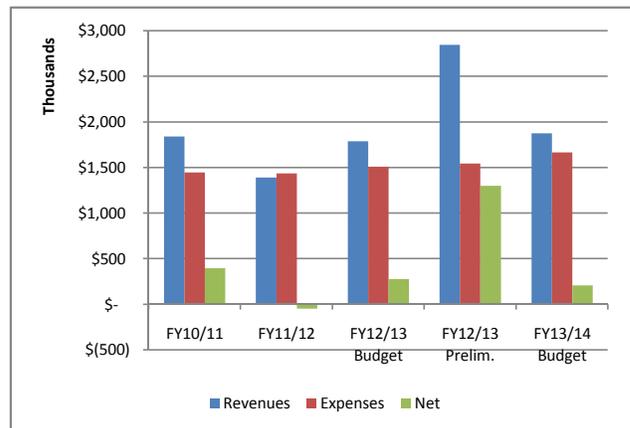
Contractual Services

520600	Conferences / Seminars	\$ 1,030	\$ 161	\$ 2,000	\$ 1,465	\$ 2,000	
520605	Association Dues	775	775	800	775	800	
520610	Department of Insurance Filing Fee	3,699	4,186	4,300	4,567	4,800	
520625	Travel	-	-	2,000	980	2,000	
520700	Legal Fees	-	-	-	547	5,000	
520800	Investment Manager / Advisor	30,953	24,666	33,000	42,937	35,000	
520815	Custodial Account Fees	14,767	15,293	15,500	15,934	17,000	
520820	Actuarial Services	1,050	1,050	1,300	1,050	1,100	
520830	Accounting Service Fees	2,100	2,100	2,100	2,100	2,100	
520880	Fiduciary Liability Insurance	3,028	3,473	3,600	3,668	4,000	
520900	Postage and Shipping	-	-	-	15	-	
521055	Professional Services - Other	-	-	-	-	5,000	
521205	Service Pensions	1,173,211	1,217,076	1,255,000	1,301,995	1,342,000	3
521210	Disability Pensions	63,200	70,941	73,000	72,346	128,000	3
521215	Surviving Spouse Pensions	97,433	97,433	97,500	97,433	97,500	3
521220	Employee Contribution Refunds	55,827	-	20,000	-	20,000	
TOTAL EXPENSES		\$ 1,447,073	\$ 1,437,154	\$ 1,510,100	\$ 1,545,812	\$ 1,666,300	

FUND INCREASE (DECREASE) \$ 396,106 \$ (45,949) \$ 278,900 \$ 1,300,987 \$ 208,700

Available Cash and Investments Analysis (000's)

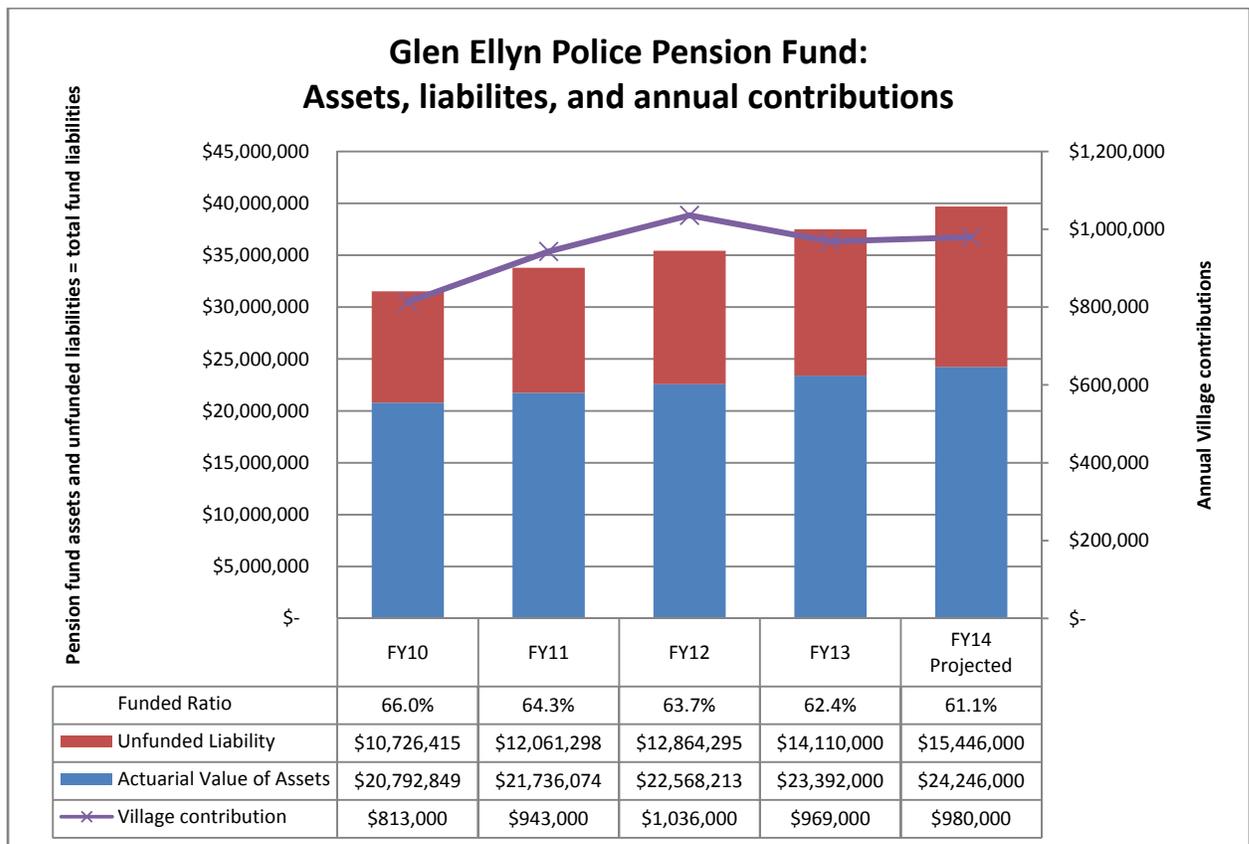
Available, May 1, 2012	\$ 22,572
Preliminary FY13 Inflow/(Outflow)	1,301
Budgeted FY14 Inflow/(Outflow)	209
Projected Available, April 30, 2014	<u>\$ 24,082</u>



BUDGET FOOTNOTES POLICE PENSION FUND

1. **Employee Contributions:** Covered employees contribute 9.91% of their base salary to the Police Pension Fund.
2. **IFT/General Fund:** This is the employer contribution to the Police Pension Fund. The amount of the contribution is calculated by an enrolled actuary using various assumptions, including a 7.25% long term investment rate of return and 5.0% salary increase. Prior to determining the FY14 contribution, assumptions were 7.5% for investment returns and 6.0% for salary increases. This year's contribution is 1.1% higher than FY12/13.

The chart below illustrates the pension funds assets, unfunded liability, total fund liability (the total of the assets and unfunded liability), Village contributions, and funded ratio of the fund. FY14 results (funded ratio, unfunded liability, and actuarial value of assets) are projected based on historical trends, not an actuarial basis, while the Village contribution is known.



3. **Pensions:** The Pension Fund is required to pay for earned pensions to retirees, disabled officers, and surviving spouses.

