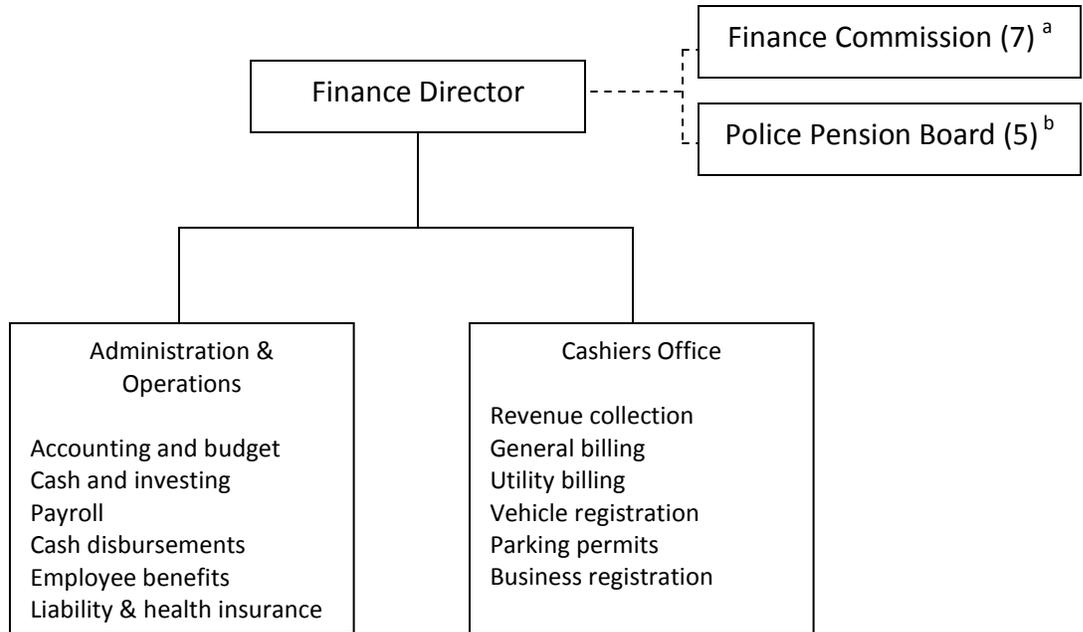


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## **IV. FINANCE DEPARTMENT**

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# FINANCE DEPARTMENT SY14



- 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>SY14 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>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> | <u>SY14</u> |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Operations                          | 5           | 5           | 5           | 4*          | 4           | 4           | 4           | 4           | 3**         | 3           |
| Cashiers Office                     | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Total FT                            | 6           | 6           | 6           | 5           | 5           | 5           | 5           | 5           | 4           | 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 was moved to the Village Manager’s Office. In SY14, the accounting for the Finance Department is being divided between Administration and Operations, and Cashiers 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 SY14 includes 4 full-time and 9 part-time employees. Departmental staff is divided into two areas including Administration and Operations and the Cashiers 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, the Glen Ellyn Volunteer Fire Company 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 25 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 fifth time a Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for its Annual Budget for the fiscal year beginning May 1, 2013.

Cashiers Office - The Cashiers 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 Cashiers 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 Cashiers 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 cashiers office administers the Village vehicle license program (approximately 16,000 transactions per year), the business registration program for approximately 1,000 businesses (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 FY13/14**

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-fifth 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, 2013.
3. Improved utility billing customer service:
  - a. Online bill payment – MUNIS Citizen Self Service implemented and operational with great usage rates.
  - b. E-billing in progress (requires a software upgrade and training), accepting payments over the phone, and improved cart change out process.
4. Five-year forecast – The fourth five-year forecast was presented, and compared the current forecast to prior forecast, as well as identifying the issues that have impacted current and future trends.
5. Improved financial reporting
  - a. FY13/14 budget summary publication prepared in easy to understand language.
  - b. Projections are now provided on quarterly and monthly reports.
  - c. Better monthly report format for General Fund, as well as developed dashboard reporting model.
  - d. Changed the quarterly report format to focus discussion on key elements. Also, created a crystal report format to generate most of the schedules that previously were created by manual key entry into excel.
6. Published additional spending information on the Village website. Lists of bills are published after every Village Board meeting.

7. Several policies have been updated:
  - Implemented policies for whistleblower protection, write-offs, bond record keeping, and pension funding.
  - Updated purchasing policy, travel and training policy, and investment policy and procedures.
8. Addressed data and office security concerns. Door and access control was installed in the Finance Office and Cashiers Office.
9. Evaluated parking program, including existing fees and waitlist program. Successful parking work group that recommended many changes to the parking program.
10. Implemented, with limited success, more online payments to vendors for accounts payable.
11. Implemented strategies to reduce late penalties on payments to vendors.
12. Implemented the emailing of direct deposit advices to employees.
13. Updated credit card merchant arrangement to save about \$4,500 per year.
14. Improved capital budget included in the budget document.
15. Began monthly reporting for Finance Department activity.
16. Assisted with financial projections for the Roosevelt Road TIF district.
17. Created and conducted orientation for new elected officials and new Finance Commissioners.
18. Completed financial analysis of fire funding alternatives, including budget preparations and long term forecasting.
19. Implemented GASB S-63 and S-65 (changing the financial statement to record deferred inflows and outflows, among others), as well as developed and adopted pension funding policy in preparation for S-68.
20. Assisted Library with their payroll conversion.
21. Implemented MICA's nurse triage service for improved workers' compensation claims handling.
22. Prepared and budgeted for a changed fiscal year end date, including modified budget cycle, and preparing for financial reporting issues that will arise during the 8 month

fiscal year.

23. Compiled the Real Estate Transfer Tax ordinances into a single combined document, which will be incorporated into the Village Code (previously had been published as standalone ordinances.)
24. In response to customer request, added free 3 year vehicle sticker for active duty military personnel.
25. Reviewed four budgets for the GFOA budget award program.
26. Staff organized and presented to various professional organizations.
  - Finance Director helped to organize the Illinois Financial Forecast Forum, a program of the ILCMA and Civic Leadership Academy of NIU's CGS.
  - Assistant Director is an active member of the IGFOA's Technical Accounting Review Committee, presenting issues relating to GASB S-67 and S-68 implementation.
  - Assistant Director co-authored a whitepaper on GASB S-61, a project of the IGFOA's Technical Accounting and Review Committee to clarify reporting of component units.
  - Finance Director spoke to various groups, including the IGFOA's Finance Professionals Academy and the NIPSTA Fire Officer Training program.
27. Completed an in depth review of the services provided to identify areas that may be outsourced or eliminated.
28. Assisted in financial analysis relating to Police union contract negotiations.
29. Initiated an IMRF hours review audit, which had not been done since the audit of 2008 data.
30. Absorbed Risk Management and Health Insurance in the Finance Office, after reorganizing the Accounting Specialist position.
31. Expanded the use of the Department's annual calendar to identify each month's tasks and objectives. Calendar is reviewed regularly at department meetings to ensure issues are planned and addressed in a timely manner.
32. Absorbed workload during the maternity leave of a key employee, with minimal impact to services provided.

## **Goals and Objectives for SY14**

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. Some of these undertakings include:

1. Continue to improve ongoing operations:
  - a. Oversee the overall budget and guide the organization to stay under budget annually as well as continue to evaluate and initiate cost control ideas and programs.
  - b. Look for ways to reduce paper filing and paper distribution of reports and documentation.
  - c. 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.
  - d. Improve financial reporting to residents and other stakeholders by focused reporting on government-fund basis.
  - e. Improve processes: accounts payable, payroll, escrow tracking, bank reconciliations, generating financial reports
2. Complete the pre-budget analysis including the following:
  - a. Five year forecast.
  - b. Review and make recommendations to the HRST, SSA, new revenue ideas, and other improvements of Village Financial policies.
  - c. Review all fees and fines and adjust accordingly.
3. Successful conversion to UBCIS, which will allow e-billing to utility customers.
4. Successful implementation of the Fire Service fees on the Village Services bills.
5. Successful conversion to a calendar year fiscal year. Smooth budget process and monthly financial reporting.
6. Successful “bottom up” budget to ensure elected officials understand the Village’s spending plan.
7. Better financial reporting for the Recreation Fund to achieve multiple objectives including daily operations monitoring, management oversight, advisory board oversight, and Village Board oversight.

8. More detailed capital project reporting.
9. Review investment program with the Finance Commission Investment Subcommittee.
10. Review parking rates. Seek proposals for alternate payment methods for parking patrons (daily pay lots and parking meters.)
11. Successful audit vendor selection process, to align the Village and GWA audit cycles, once the FY13/14 audit has been completed.
12. Review fund balance (cash reserve) policy.
13. Review and make recommendations for improvement of Village financial policies.
14. 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  
SY14 Budget

AS OF FY13/14, IT FUNCTIONS HAVE MOVED TO ITS OWN COST CENTER  
AS OF SY14, THE FINANCE DEPARTMENT HAS BEEN DIVIDED INTO TWO COST CENTERS

| Object Code                 | Account Description           | FY11/12 Actual      | FY12/13 Actual      | FY13/14 Revised Budget | FY13/14 Estimated Actual | FY12/13 8 Month May-Dec | FY13/14 8 Month May-Dec | SY14 8 Month Budget |
|-----------------------------|-------------------------------|---------------------|---------------------|------------------------|--------------------------|-------------------------|-------------------------|---------------------|
| <b>Personnel Services</b>   |                               |                     |                     |                        |                          |                         |                         |                     |
| 510100                      | Salaries - Pension            | \$ 381,578          | \$ 461,709          | \$ 373,000             | \$ 371,000               | \$ 315,012              | \$ 256,887              | \$ 268,000          |
| 510120                      | Salaries - Non-pension        | 157,442             | 173,439             | 170,000                | 170,000                  | 123,897                 | 118,275                 | 120,000             |
| 510200                      | Overtime                      | 15,799              | 1,251               | -                      | -                        | 1,251                   | -                       | -                   |
| 510400                      | FICA                          | 41,026              | 46,562              | 40,000                 | 28,382                   | 32,050                  | 27,312                  | 29,500              |
| 510500                      | IMRF                          | 47,648              | 53,968              | 47,000                 | 46,375                   | 36,236                  | 31,045                  | 32,300              |
|                             | <b>Subtotal</b>               | <b>643,493</b>      | <b>736,929</b>      | <b>630,000</b>         | <b>615,757</b>           | <b>508,446</b>          | <b>433,519</b>          | <b>449,800</b>      |
| <b>Contractual Services</b> |                               |                     |                     |                        |                          |                         |                         |                     |
| 520305                      | Employee Relations            | -                   | 109                 | 500                    | 600                      | -                       | 538                     | 400                 |
| 520600                      | Dues / Subscriptions          | 1,587               | 1,862               | 1,900                  | 1,900                    | 1,237                   | 1,050                   | 800                 |
| 520620                      | Employee Education            | 3,280               | 4,523               | 2,600                  | 2,500                    | 3,913                   | 951                     | 900                 |
| 520625                      | Travel                        | 675                 | 1,967               | 2,800                  | 1,900                    | 1,920                   | 2,067                   | 2,300               |
| 520630                      | State Unemployment Claims     | 15,871              | 18,680              | 25,000                 | 25,000                   | 18,680                  | 17,529                  | 17,000              |
| 520650                      | Public Notices                | 2,584               | 2,556               | 2,700                  | 2,500                    | 2,422                   | 2,314                   | 2,700               |
| 520825                      | Audit Fees                    | 33,031              | 35,909              | 37,900                 | 38,600                   | -                       | 37,904                  | 35,750              |
| 520835                      | Banking Services              | 11,563              | 10,611              | 17,000                 | 12,000                   | 6,942                   | 7,617                   | 8,000               |
| 520900                      | Postage                       | 29,506              | 28,070              | 32,200                 | 32,700                   | 17,028                  | 17,115                  | 18,700              |
| 520905                      | Printing                      | -                   | 1,941               | 1,900                  | 5,800                    | 489                     | 1,628                   | 1,300               |
| 520975                      | Maintenance - Equipment       | 69,679              | 74,755              | 3,000                  | 2,000                    | 72,371                  | 1,305                   | 1,000               |
| 521055                      | Professional Services / Other | 33,257              | 16,143              | 18,000                 | 18,000                   | 16,070                  | 2,176                   | 3,000               |
| 521195                      | Telecommunications            | 28,947              | 26,463              | 600                    | 650                      | 17,217                  | 650                     | 400                 |
| 590600                      | IFT / Health Insurance        | 74,600              | 49,670              | 36,000                 | 36,100                   | 38,000                  | 24,689                  | 24,100              |
| 590610                      | IFT / Insurance - General     | 6,200               | 2,500               | 3,900                  | 3,900                    | 1,667                   | 2,600                   | 3,200               |
|                             | <b>Subtotal</b>               | <b>310,780</b>      | <b>275,759</b>      | <b>186,000</b>         | <b>184,150</b>           | <b>235,343</b>          | <b>120,133</b>          | <b>119,550</b>      |
| <b>Commodities</b>          |                               |                     |                     |                        |                          |                         |                         |                     |
| 530100                      | Office Supplies               | 6,978               | 9,144               | 6,000                  | 6,000                    | 4,880                   | 3,774                   | 4,000               |
| 530105                      | Operating Supplies            | 10,132              | 7,411               | 6,300                  | 5,800                    | 7,190                   | 2,881                   | 2,400               |
|                             | <b>Subtotal</b>               | <b>17,110</b>       | <b>16,555</b>       | <b>12,300</b>          | <b>11,800</b>            | <b>12,070</b>           | <b>6,655</b>            | <b>6,400</b>        |
| <b>Capital Outlay</b>       |                               |                     |                     |                        |                          |                         |                         |                     |
| 570110                      | Computer Equipment / Projects | 34,645              | 33,795              | 600                    | 1,000                    | 21,469                  | (691)                   | -                   |
|                             | <b>Subtotal</b>               | <b>34,645</b>       | <b>33,795</b>       | <b>600</b>             | <b>1,000</b>             | <b>21,469</b>           | <b>(691)</b>            | <b>-</b>            |
| <b>TOTAL EXPENDITURES</b>   |                               | <b>\$ 1,006,028</b> | <b>\$ 1,063,038</b> | <b>\$ 828,900</b>      | <b>\$ 812,707</b>        | <b>\$ 777,328</b>       | <b>\$ 559,616</b>       | <b>\$ 575,750</b>   |
| IT Cost center              |                               | \$ -                | \$ -                | \$ 331,000             | \$ 331,000               |                         |                         | \$ 269,225          |
| Finance plus IT             |                               | \$ 1,006,028        | \$ 1,063,038        | \$ 1,159,900           | \$ 1,143,707             |                         |                         | \$ 844,975          |

**GENERAL FUND**  
**FINANCE DEPARTMENT - ADMIN AND OPERATIONS**  
(122100)

Village of Glen Ellyn  
SY14 Budget

| Object Code                 | Account Description           | FY11/12 Actual | FY12/13 Actual | FY13/14 Revised Budget | FY13/14 Estimated Actual | FY12/13 8 Month May-Dec | FY13/14 8 Month May-Dec | SY14 8 Month Budget |    |
|-----------------------------|-------------------------------|----------------|----------------|------------------------|--------------------------|-------------------------|-------------------------|---------------------|----|
| <b>Personnel Services</b>   |                               |                |                |                        |                          |                         |                         |                     |    |
| 510100                      | Salaries - Pension            | \$ -           | \$ -           | \$ -                   | \$ 306,000               | \$ -                    | \$ -                    | \$ 224,000          |    |
| 510400                      | FICA                          | -              | -              | -                      | 23,409                   | -                       | -                       | 17,000              |    |
| 510500                      | IMRF                          | -              | -              | -                      | 38,250                   | -                       | -                       | 27,000              |    |
|                             | <b>Subtotal</b>               | -              | -              | -                      | 367,659                  | -                       | -                       | 268,000             | 1  |
| <b>Contractual Services</b> |                               |                |                |                        |                          |                         |                         |                     |    |
| 520305                      | Employee Relations            | -              | -              | -                      | 350                      | -                       | -                       | 230                 |    |
| 520600                      | Dues / Subscriptions          | -              | -              | -                      | 1,900                    | -                       | -                       | 800                 | 2  |
| 520620                      | Employee Education            | -              | -              | -                      | 2,400                    | -                       | -                       | 900                 | 3  |
| 520625                      | Travel                        | -              | -              | -                      | 1,900                    | -                       | -                       | 2,300               | 4  |
| 520630                      | State Unemployment Claims     | -              | -              | -                      | 25,000                   | -                       | -                       | 17,000              | 5  |
| 520650                      | Public Notices                | -              | -              | -                      | 2,500                    | -                       | -                       | 2,700               | 6  |
| 520825                      | Audit Fees                    | -              | -              | -                      | 38,600                   | -                       | -                       | 35,750              | 7  |
| 520835                      | Banking Services              | -              | -              | -                      | 12,000                   | -                       | -                       | 8,000               | 8  |
| 520900                      | Postage                       | -              | -              | -                      | 28,800                   | -                       | -                       | 18,700              | 9  |
| 520905                      | Printing                      | -              | -              | -                      | 1,000                    | -                       | -                       | 1,300               | 10 |
| 520975                      | Maintenance - Equipment       | -              | -              | -                      | 2,000                    | -                       | -                       | 1,000               | 11 |
| 521055                      | Professional Services / Other | -              | -              | -                      | 18,000                   | -                       | -                       | 2,000               | 12 |
| 521195                      | Telecommunications            | -              | -              | -                      | 650                      | -                       | -                       | 400                 | 13 |
| 590600                      | IFT / Health Insurance        | -              | -              | -                      | 19,133                   | -                       | -                       | 12,430              |    |
| 590610                      | IFT / Insurance - General     | -              | -              | -                      | 3,900                    | -                       | -                       | 2,100               |    |
|                             | <b>Subtotal</b>               | -              | -              | -                      | 158,133                  | -                       | -                       | 105,610             |    |
| <b>Commodities</b>          |                               |                |                |                        |                          |                         |                         |                     |    |
| 530100                      | Office Supplies               | -              | -              | -                      | 4,000                    | -                       | -                       | 2,700               |    |
| 530105                      | Operating Supplies            | -              | -              | -                      | 1,400                    | -                       | -                       | 1,300               | 14 |
|                             | <b>Subtotal</b>               | -              | -              | -                      | 5,400                    | -                       | -                       | 4,000               |    |
|                             | <b>TOTAL EXPENDITURES</b>     | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>            | <u>\$ 531,192</u>        | <u>\$ -</u>             | <u>\$ -</u>             | <u>\$ 377,610</u>   |    |

This cost center was created for the SY14 budget. Activity is totaled on the Finance Department budget page for comparison purposes.

**BUDGET FOOTNOTES  
FINANCE DEPARTMENT**

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

**Starting in SY14, the Finance Department expenditures have been divided into two cost centers: Administration and Operations, and Cashiers Office.**

**ADMINISTRATION AND OPERATIONS**

1. **Salaries:** Salaries assume all positions will remain filled. The IT Manager has been moved to the Information Technology cost center in FY13/14.
2. **Dues /Subscriptions:** Includes the following memberships and subscriptions:

|  | <b><u>SY14</u></b> |
|--|--------------------|
| IGFOA (Director & Asst. Director)                    | \$0                |
| American Payroll Association (Accounting Specialist) | \$0                |
| CPA Registration (Asst. Director)                    | \$0                |
| GFOA (Village membership)                            | \$0                |
| Budget award application                             | \$350              |
| CAFR award application                               | \$450              |
| Total  | \$800              |

3. **Employee Education:** Training includes various seminar and meetings conducted by the IGFOA or other organizations.

|   | <b><u>SY14</u></b> |
|---|--------------------|
| IGFOA Conference (Director & Asst. Director)                              | \$650              |
| GFOA Conference (Director)  | \$0                |
| IGFOA Training Seminars (Director, Asst. Director, Accounting Specialist) | \$250              |
| Total   | \$900              |

4. **Travel:** The 2014 GFOA conference will occur in May, 2014. As such, registration will occur in FY13/14, but travel will occur during SY14. \$1,200 is budgeted in SY14 for travel to the GFOA conference for the Director. \$525 is budgeted for both the Director and Assistant Director to travel to the IGFOA state conference, which is held each fall.
5. **State Unemployment Claims:** All of the Village's unemployment claims are paid from this central service account.

## BUDGET FOOTNOTES FINANCE DEPARTMENT

6. **Public Notices:** We will be required to publish notice in the newspaper for the annual Treasurer's Report (\$2,000), budget public hearing (\$200), and property tax levy public hearing (\$500).
7. **Audit Fees:** The Village is required by State statute to have an annual audit performed by independent Certified Public Accountants. The amount budgeted for SY14 represents audit fees for the review of fiscal year May 1, 2013, through April 30, 2014, which is scheduled for the summer of 2014. An additional \$4,750 would be required to conduct a Single Audit, if we were to receive more than \$500,000 in federal funds during FY13/14. This contract for auditing services was extended for two years (through FY13/14) to align with the audit for GWA. A full RFP process will be completed once the audit for FY13/14 has been completed.
8. **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.
9. **Postage:** This account pays for all general outgoing Village postage metered at the Civic Center. Increases in postage rates are likely to be moderated by more use of emailing and scanning technologies.
10. **Printing:** Printing services are now distinguished from operating supplies for items such as printing budget documents and services to print forms and other notices. We will print both the budget document (\$1,000) and audit supplies (\$300).
11. **Maintenance - Equipment:** A majority of costs in this line have been moved to the Information Technology cost center. Postage machine rental remains the sole cost in this line item.
12. **Professional Services / Other:** An estimated \$14,000 is being expended in FY13/14 for a consultant to complete an update to the Village's comparative Scorecard. We will require actuarial services budgeted at \$2,000 to determine the Village's Other Post Employment Benefits (OPEB) liability for inclusion in our FY13/14 audited financial statements due to a Police Officer being awarded a duty disability pension, and therefore receiving additional Village-funded health insurance.

**BUDGET FOOTNOTES**  
**FINANCE DEPARTMENT**

13. **Telecommunications**: This line previously included Village wide telecommunications and internet service, which has been moved to the Information Technology cost center. This provides for the cell phone reimbursement for the Director.
  
14. **Operating Supplies**: This line item provides for many of the department's annual supplies and forms including 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.

**GENERAL FUND**  
**FINANCE DEPARTMENT - CASHIERS OFFICE**  
(122200)

*Village of Glen Ellyn*  
**SY14 Budget**

| <b>Object Code</b>          | <b>Account Description</b>    | <b>FY11/12 Actual</b> | <b>FY12/13 Actual</b> | <b>FY13/14 Revised Budget</b> | <b>FY13/14 Estimated Actual</b> | <b>FY12/13 8 Month May-Dec</b> | <b>FY13/14 8 Month May-Dec</b> | <b>SY14 8 Month Budget</b> |   |
|-----------------------------|-------------------------------|-----------------------|-----------------------|-------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------|---|
| <b>Personnel Services</b>   |                               |                       |                       |                               |                                 |                                |                                |                            |   |
| 510100                      | Salaries - Pension            | \$ -                  | \$ -                  | \$ -                          | \$ 65,000                       | \$ -                           | \$ -                           | \$ 44,000                  |   |
| 510120                      | Salaries - Non-pension        | -                     | -                     | -                             | 170,000                         | -                              | -                              | 120,000                    |   |
| 510400                      | FICA                          | -                     | -                     | -                             | 4,973                           | -                              | -                              | 12,500                     |   |
| 510500                      | IMRF                          | -                     | -                     | -                             | 8,125                           | -                              | -                              | 5,300                      |   |
|                             | <b>Subtotal</b>               | -                     | -                     | -                             | 248,098                         | -                              | -                              | 181,800                    | 1 |
| <b>Contractual Services</b> |                               |                       |                       |                               |                                 |                                |                                |                            |   |
| 520305                      | Employee Relations            | -                     | -                     | -                             | 250                             | -                              | -                              | 170                        | 2 |
| 520620                      | Employee Education            | -                     | -                     | -                             | 100                             | -                              | -                              | -                          | 3 |
| 520900                      | Postage                       | -                     | -                     | -                             | 3,900                           | -                              | -                              | -                          | 4 |
| 520905                      | Printing                      | -                     | -                     | -                             | 4,800                           | -                              | -                              | -                          | 5 |
| 521055                      | Professional Services / Other | -                     | -                     | -                             | -                               | -                              | -                              | 1,000                      |   |
| 590600                      | IFT / Health Insurance        | -                     | -                     | -                             | 16,967                          | -                              | -                              | 11,670                     |   |
| 590610                      | IFT / Insurance - General     | -                     | -                     | -                             | -                               | -                              | -                              | 1,100                      |   |
|                             | <b>Subtotal</b>               | -                     | -                     | -                             | 26,017                          | -                              | -                              | 13,940                     |   |
| <b>Commodities</b>          |                               |                       |                       |                               |                                 |                                |                                |                            |   |
| 530100                      | Office Supplies               | -                     | -                     | -                             | 2,000                           | -                              | -                              | 1,300                      |   |
| 530105                      | Operating Supplies            | -                     | -                     | -                             | 4,400                           | -                              | -                              | 1,100                      | 6 |
|                             | <b>Subtotal</b>               | -                     | -                     | -                             | 6,400                           | -                              | -                              | 2,400                      |   |
| <b>Capital Outlay</b>       |                               |                       |                       |                               |                                 |                                |                                |                            |   |
| 570110                      | Computer Equipment / Projects | -                     | -                     | -                             | 1,000                           | -                              | -                              | -                          |   |
|                             | <b>Subtotal</b>               | -                     | -                     | -                             | 1,000                           | -                              | -                              | -                          |   |
| <b>TOTAL EXPENDITURES</b>   |                               | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>                   | <b>\$ 281,515</b>               | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 198,140</b>          |   |

This cost center was created for the SY14 budget. Activity is totaled on the Finance Department budget page for comparison purposes.

**BUDGET FOOTNOTES  
FINANCE DEPARTMENT**

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

**Starting in SY14, the Finance Department expenditures have been divided into two cost centers: Administration and Operations, and Cashiers Office.**

**ADMINISTRATION AND OPERATIONS**

1. **Salaries:** Salaries assume all positions will remain filled. The IT Manager has been moved to the Information Technology cost center in FY13/14.
2. **Dues /Subscriptions:** Includes the following memberships and subscriptions:

|  | <b><u>SY14</u></b> |
|--|--------------------|
| IGFOA (Director & Asst. Director)                    | \$0                |
| American Payroll Association (Accounting Specialist) | \$0                |
| CPA Registration (Asst. Director)                    | \$0                |
| GFOA (Village membership)                            | \$0                |
| Budget award application                             | \$350              |
| CAFR award application                               | \$450              |
| Total  | \$800              |

3. **Employee Education:** Training includes various seminar and meetings conducted by the IGFOA or other organizations.

|   | <b><u>SY14</u></b> |
|---|--------------------|
| IGFOA Conference (Director & Asst. Director)                              | \$650              |
| GFOA Conference (Director)  | \$0                |
| IGFOA Training Seminars (Director, Asst. Director, Accounting Specialist) | \$250              |
| Total   | \$900              |

4. **Travel:** The 2014 GFOA conference will occur in May, 2014. As such, registration will occur in FY13/14, but travel will occur during SY14. \$1,200 is budgeted in SY14 for travel to the GFOA conference for the Director. \$525 is budgeted for both the Director and Assistant Director to travel to the IGFOA state conference, which is held each fall.
5. **State Unemployment Claims:** All of the Village's unemployment claims are paid from this central service account.

VILLAGE OF GLEN ELLYN  
 SY 14 ANNUAL BUDGET  
 PERSONNEL SCHEDULE

**FINANCE DEPARTMENT**

| <u>Classification</u>                          | <u>Status</u> | <u>Salary Range*</u> | <u>FY10/11 Budgeted Employees</u> | <u>FY11/12 Budgeted Employees</u> | <u>FY12/13 Budgeted Employees</u> | <u>FY13/14 Budgeted Employees</u> | <u>SY 14 Budgeted Employees</u> |
|--|---------------|----------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------|
| <b>Administration &amp; Operations</b>         |               |                      |                                   |                                   |                                   |                                   |                                 |
| Finance Director                               | FT            | U                    | 1.00                              | 1.00                              | 1.00                              | 1.00                              | 1.00                            |
| Assistant Finance Director                     | FT            | P                    | 1.00                              | 1.00                              | 1.00                              | 1.00                              | 1.00                            |
| Information Technology Manager                 | FT            | S                    | 1.00                              | 1.00                              | 1.00                              | -                                 | -                               |
| Accounting Specialist                          | FT            | I                    | 1.00                              | 1.00                              | 1.00                              | 1.00                              | 1.00                            |
| AP Fiscal Clerk                                | PT            | D                    | 0.60                              | 0.60                              | 0.60                              | 0.60                              | 0.60                            |
| <b>Cashier's Office</b>                        |               |                      |                                   |                                   |                                   |                                   |                                 |
| Accounts Manager                               | FT            | J                    | 1.00                              | 1.00                              | 1.00                              | 1.00                              | 1.00                            |
| Fiscal Clerk (8)                               | PT            | D                    | 3.60                              | 3.60                              | 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>                       | <u>1.00</u>                       | <u>1.00</u>                     |
| <b>TOTAL EMPLOYEES (Full-time Equivalents)</b> |               |                      | <b><u>10.20</u></b>               | <b><u>10.20</u></b>               | <b><u>10.20</u></b>               | <b><u>9.20</u></b>                | <b><u>9.20</u></b>              |
| Full-time Number of Positions                  |               |                      | 5                                 | 5                                 | 5                                 | 4                                 | 4                               |
| Part-time Number of Positions                  |               |                      | 13                                | 13                                | 13                                | 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.

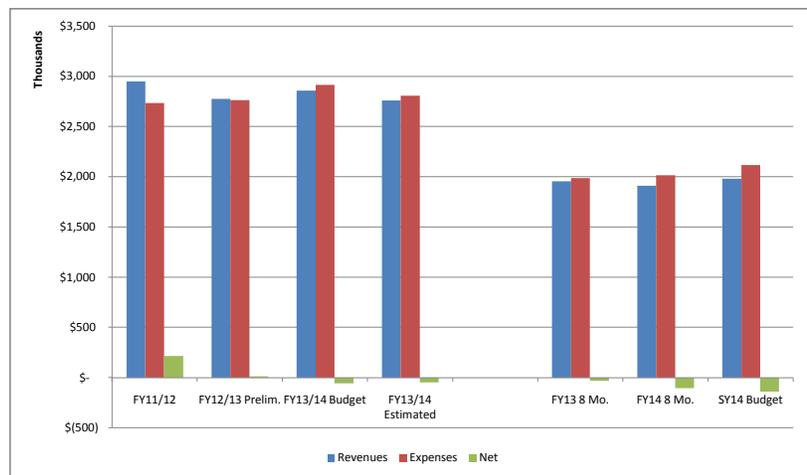
**INSURANCE FUND**

Village of Glen Ellyn  
SY14 Budget

| Object Code                        | Account Description             | FY11/12 Actual      | FY12/13 Actual      | FY13/14 Revised Budget | FY13/14 Estimated Actual | FY12/13 8 Month May-Dec | FY13/14 8 Month May-Dec | SY14 8 Month Budget | SY14 Budget / FY14 Budget |   |
|------------------------------------|---------------------------------|---------------------|---------------------|------------------------|--------------------------|-------------------------|-------------------------|---------------------|---------------------------|---|
| <b>Revenues / Inflows (6000)</b>   |                                 |                     |                     |                        |                          |                         |                         |                     |                           |   |
| 440600                             | Health Plan Contrib. - Employee | \$ 386,715          | \$ 404,212          | \$ 441,000             | \$ 386,437               | \$ 277,187              | \$ 292,273              | \$ 295,700          | 67%                       | 1 |
| 440605                             | Health Plan Contrib. - Others   | 178,928             | 164,321             | 144,500                | 152,411                  | 120,458                 | 101,602                 | 81,700              | 57%                       | 1 |
| 440610                             | Health Plan Contrib. - Library  | 221,200             | 237,014             | 246,800                | 241,515                  | 157,867                 | 165,515                 | 170,020             | 69%                       | 2 |
| 440620                             | Health Plan Contrib. - GWA      | 217,500             | 202,473             | 210,000                | 208,339                  | 145,733                 | 143,798                 | 139,140             | 66%                       | 2 |
| 460100                             | Interest Income                 | 3,180               | 4,070               | 3,000                  | 3,240                    | 2,475                   | 2,376                   | 2,160               | 72%                       |   |
| 489000                             | Miscellaneous Revenue           | -                   | 68,567              | -                      | -                        | 68,567                  | -                       | -                   | 0%                        |   |
| 490602                             | IFT / Administration            | 42,300              | 42,999              | 55,500                 | 53,147                   | 29,933                  | 36,634                  | 36,300              | 65%                       | 3 |
| 490603                             | IFT / Information Technology    | -                   | -                   | 19,700                 | 14,121                   | -                       | 9,727                   | 9,970               | 51%                       | 3 |
| 490604                             | IFT / Finance - Admin*          | 80,800              | 52,170              | 39,900                 | 39,641                   | 39,667                  | 27,289                  | 14,530              | 36%                       | 3 |
| 490605                             | IFT / Finance - Cashiers*       | -                   | -                   | -                      | -                        | -                       | -                       | 12,770              | 100%                      | 3 |
| 490606                             | IFT / Public Works - Adm/Eng    | 84,300              | 97,092              | 64,800                 | 61,256                   | 66,800                  | 42,183                  | 66,610              | 103%                      | 3 |
| 490608                             | IFT / Equipment Services        | 63,200              | 60,412              | 63,900                 | 63,226                   | 39,200                  | 43,319                  | 44,430              | 70%                       | 3 |
| 490610                             | IFT / Public Works Streets*     | 169,100             | 110,883             | 133,900                | 134,034                  | 71,800                  | 91,659                  | 60,140              | 45%                       | 3 |
| 490611                             | IFT / Public Works Forestry*    | -                   | -                   | -                      | -                        | -                       | -                       | 35,850              | 100%                      | 3 |
| 490612                             | IFT / Facilities Maintenance    | 13,400              | 10,429              | 10,000                 | 9,954                    | 7,200                   | 6,785                   | 7,840               | 78%                       | 3 |
| 490613                             | IFT / Police - Admin*           | -                   | -                   | -                      | -                        | -                       | -                       | 121,620             | 100%                      | 3 |
| 490614                             | IFT / Police - Operations*      | 740,500             | 683,469             | 745,100                | 725,142                  | 478,867                 | 495,501                 | 353,640             | 47%                       | 3 |
| 490619                             | IFT / Police - Investigations*  | -                   | -                   | -                      | -                        | -                       | -                       | 44,460              | 100%                      | 3 |
| 490615                             | IFT / Volunteer Fire            | 212,400             | 199,100             | 159,300                | 159,300                  | 132,733                 | 106,200                 | -                   | 0%                        | 3 |
| 490625                             | IFT / Fire Department           | -                   | -                   | -                      | -                        | -                       | -                       | 64,900              | 0%                        | 3 |
| 490626                             | IFT / EMS                       | -                   | -                   | -                      | -                        | -                       | -                       | 64,900              | 100%                      | 3 |
| 490616                             | IFT / P&D - Planning*           | 114,700             | 98,831              | 98,200                 | 90,114                   | 76,200                  | 60,417                  | 23,140              | 24%                       | 3 |
| 490619                             | IFT / P&D - Building*           | -                   | -                   | -                      | -                        | -                       | -                       | 36,970              | 100%                      | 3 |
| 490617                             | IFT / Economic Development      | -                   | 100                 | 1,100                  | 1,100                    | 67                      | 733                     | 900                 | 82%                       | 3 |
| 490618                             | IFT / Parking                   | 1,100               | 600                 | 600                    | 600                      | 400                     | 400                     | 500                 | 83%                       | 3 |
| 490620                             | IFT / Water                     | 115,700             | 98,174              | 125,000                | 132,660                  | 65,400                  | 90,580                  | 71,010              | 57%                       | 3 |
| 490622                             | IFT / Sewer                     | 114,800             | 95,743              | 131,300                | 138,960                  | 64,200                  | 94,754                  | 67,610              | 51%                       | 3 |
| 490624                             | IFT / Recreation                | 192,500             | 146,499             | 167,200                | 147,349                  | 111,267                 | 100,792                 | 154,040             | 92%                       | 3 |
| <b>TOTAL REVENUES</b>              |                                 | <b>\$ 2,952,323</b> | <b>\$ 2,777,158</b> | <b>\$ 2,860,800</b>    | <b>\$ 2,762,546</b>      | <b>\$ 1,956,021</b>     | <b>\$ 1,912,537</b>     | <b>\$ 1,980,850</b> | 69%                       |   |
| <b>Expenses / Outflows (60000)</b> |                                 |                     |                     |                        |                          |                         |                         |                     |                           |   |
| <b>Contractual Services</b>        |                                 |                     |                     |                        |                          |                         |                         |                     |                           |   |
| 520870                             | Risk Management                 | \$ 6,671            | \$ 5,187            | \$ 10,500              | \$ 4,132                 | \$ 4,125                | \$ 3,745                | \$ 5,900            | 56%                       | 4 |
| 520885                             | Liability Insurance             | 530,419             | 490,819             | 513,000                | 486,489                  | 488,334                 | 476,591                 | 516,620             | 101%                      | 5 |
| 520893                             | Wellness/Health Incentives      | 30,518              | 32,241              | 33,000                 | 22,230                   | 9,670                   | 5,722                   | 19,600              | 59%                       | 6 |
| 520895                             | Health/Life Insurance           | 2,167,747           | 2,236,391           | 2,360,000              | 2,297,560                | 1,486,017               | 1,530,412               | 1,577,000           | 67%                       | 7 |
| <b>TOTAL EXPENSES</b>              |                                 | <b>\$ 2,735,355</b> | <b>\$ 2,764,638</b> | <b>\$ 2,916,500</b>    | <b>\$ 2,810,411</b>      | <b>\$ 1,988,146</b>     | <b>\$ 2,016,470</b>     | <b>\$ 2,119,120</b> | 73%                       |   |
| <b>FUND INCREASE (DECREASE)</b>    |                                 | <b>\$ 216,968</b>   | <b>\$ 12,520</b>    | <b>\$ (55,700)</b>     | <b>\$ (47,865)</b>       | <b>\$ (32,125)</b>      | <b>\$ (103,933)</b>     | <b>\$ (138,270)</b> | 248%                      |   |

|  |                 |
|--|-----------------|
| <b>Available Cash Analysis (000's)</b> |                 |
| Available, May 1, 2013                 | \$ 1,627        |
| Preliminary FY14 Inflow/(Outflow)      | (48)            |
| Budgeted SY14 Inflow/(Outflow)         | (138)           |
| Projected Available, December 31, 2014 | <u>\$ 1,441</u> |

\* New cost centers in Finance, Police, Planning and Development and Public Works added for SY14 and CY15



## 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. **Health Plan Contribution – Library & Glenbard Wastewater Authority (GWA):** The Library and GWA are part of the Village's health insurance plan. On a monthly basis, the Library and GWA reimburse the Village for their share of the health insurance costs.
3. **Internal Fund Transfer (IFT's)** – The Insurance Fund charges each department for its share of the funds costs, including health insurance, liability insurance, and other related costs. Health insurance is allocated based on anticipated health insurance usage and cost. Liability insurance is allocated based upon operating expenditures/expenses and departmental risk.
4. **Risk Management:** The Risk Management account funds such items as the Village's safety program (\$2,000), employee assistance program (\$2,600), random drug and alcohol testing (\$800), and the attendance at the Municipal Insurance Cooperative Agency (MICA) fall meeting (\$500).
5. **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. Premiums are paid in May of each year and are anticipated to escalate 16% this year, such that anticipated cost is \$549,000. Other insurance paid includes public officials bond (\$120), excess crime (\$1,050), and underground storage tank (\$5,600). Lastly, this item includes an estimation of deductibles and direct claim payments of \$14,000.
6. **Wellness/Health Incentives:** The Village's employee health plan includes a wellness screening each fall. The Village covers the cost of the screening for full time employees and their spouses and retirees and their spouses. Flu shots are also offered for free to all employees. Beginning in FY13/14, our health insurance risk pool began paying for \$100 of the screening for each full time employee and spouse, saving the Village approximately \$10,000. Employees who participate are eligible for up to \$400 in credit towards their insurance deductibles and Glen Ellyn Chamber of Commerce gift certificates. The program encourages healthy lifestyles with the goal of reducing future health care costs.
7. **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. The Village has seen favorable premium increases over the past few years as compared to the national average. Premium increases in 2013/14 ranged from 2.1% to 4.4%, depending on the type of insurance (PPO, HMO, and Dental). Based upon rate information received from our insurance brokers, premium changes for SY14 range between a decrease of 4.5% to an increase of 3.5%, based up on the type of insurance (PPO, HMO or Dental).

## **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 \$238,000 in SY14 and \$361,000 in CY15. 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 SY14, the actuarially determined contribution by the taxpayers is \$981,000, up 0.1% or \$1,000 from the FY13/14 contribution of \$980,000. The contribution then increases to an estimated \$1,030,100 for CY15, an increase of \$49,100 or 5%. At the completion of the actuary’s latest report (4/30/13) the Pension Fund was 67.5 % 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 1<sup>st</sup>. 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 34 beneficiaries receiving a monthly police pension from the Glen Ellyn Police Pension Fund at an estimated cost of about \$1.1 million for SY14 and \$1.7 million for CY15.

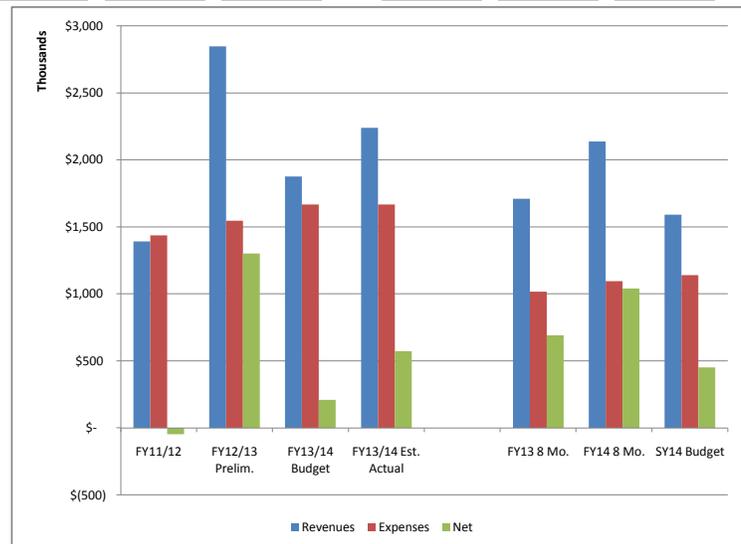
**POLICE PENSION FUND**

Village of Glen Ellyn  
SY14 Budget

| Object Code                       | Account Description                | FY11/12 Actual      | FY12/13 Actual      | FY13/14 Revised Budget | FY13/14 Estimated Actual | FY12/13 8 Month May-Dec | FY13/14 8 Month May-Dec | SY14 8 Month Budget |    |
|-----------------------------------|------------------------------------|---------------------|---------------------|------------------------|--------------------------|-------------------------|-------------------------|---------------------|----|
| <b>Revenues / Inflows (9000)</b>  |                                    |                     |                     |                        |                          |                         |                         |                     |    |
| 440700                            | Employee Contributions             | \$ 305,047          | \$ 317,099          | \$ 345,000             | \$ 335,000               | \$ 215,749              | \$ 231,579              | \$ 240,000          | 1  |
| 460100                            | Interest Income                    | 50,158              | 254,855             | 500,000                | 346,000                  | 187,786                 | 346,060                 | 335,000             | 2  |
| 460725                            | Realized Gain/Loss on Invest.      | -                   | 293,168             | 50,000                 | 562,000                  | 296,286                 | 562,130                 | 33,500              | 3  |
| 460730                            | Unrealized Gain/Loss on Invest.    | -                   | 1,012,677           | -                      | 15,600                   | 40,965                  | 15,636                  | -                   |    |
| 490700                            | IFT / General Fund                 | 1,036,000           | 969,000             | 980,000                | 980,000                  | 969,000                 | 980,000                 | 981,000             |    |
| 489000                            | Miscellaneous Revenue              | -                   | -                   | -                      | 50                       | -                       | -                       | -                   |    |
| <b>TOTAL REVENUES</b>             |                                    | <b>\$ 1,391,205</b> | <b>\$ 2,846,799</b> | <b>\$ 1,875,000</b>    | <b>\$ 2,238,650</b>      | <b>\$ 1,709,786</b>     | <b>\$ 2,135,405</b>     | <b>\$ 1,589,500</b> |    |
| <b>Expenses / Outflows (9000)</b> |                                    |                     |                     |                        |                          |                         |                         |                     |    |
| <b>Contractual Services</b>       |                                    |                     |                     |                        |                          |                         |                         |                     |    |
| 520600                            | Conferences / Seminars             | \$ 161              | \$ 1,465            | \$ 2,000               | \$ 2,000                 | \$ 845                  | \$ 1,859                | \$ 2,000            | 4  |
| 520605                            | Association Dues                   | 775                 | 775                 | 800                    | 800                      | -                       | 775                     | 800                 | 5  |
| 520610                            | Department of Insurance Filing Fee | 4,186               | 4,567               | 4,800                  | 4,800                    | 4,554                   | 4,709                   | 4,900               | 6  |
| 520625                            | Travel                             | -                   | 980                 | 2,000                  | 1,000                    | 980                     | 462                     | 500                 | 7  |
| 520700                            | Legal Fees                         | -                   | 547                 | 5,000                  | 5,000                    | -                       | 4,082                   | 500                 | 8  |
| 520800                            | Investment Manager / Advisor       | 24,666              | 42,937              | 35,000                 | 36,000                   | 25,407                  | 17,972                  | 28,500              | 9  |
| 520815                            | Custodial Account Fees             | 15,293              | 15,934              | 17,000                 | 16,500                   | 7,914                   | 8,185                   | 12,500              | 10 |
| 520820                            | Actuarial Services                 | 1,050               | 1,050               | 1,100                  | 1,200                    | 1,050                   | 1,200                   | 1,200               | 11 |
| 520830                            | Accounting Service Fees            | 2,100               | 2,100               | 2,100                  | 525                      | 525                     | 525                     | 2,100               | 12 |
| 520880                            | Fiduciary Liability Insurance      | 3,473               | 3,668               | 4,000                  | 4,000                    | 3,668                   | 3,914                   | 4,000               | 13 |
| 520900                            | Postage and Shipping               | -                   | 15                  | -                      | -                        | -                       | -                       | -                   |    |
| 521055                            | Professional Services - Other      | -                   | -                   | 5,000                  | 7,700                    | -                       | 7,660                   | -                   |    |
| 521205                            | Service Pensions                   | 1,217,076           | 1,301,995           | 1,342,000              | 1,340,500                | 859,603                 | 884,785                 | 910,300             | 14 |
| 521210                            | Disability Pensions                | 70,941              | 72,346              | 128,000                | 128,000                  | 47,918                  | 67,544                  | 86,300              | 14 |
| 521215                            | Surviving Spouse Pensions          | 97,433              | 97,433              | 97,500                 | 97,500                   | 64,956                  | 64,956                  | 65,000              | 14 |
| 521220                            | Employee Contribution Refunds      | -                   | -                   | 20,000                 | 20,000                   | -                       | 26,187                  | 20,000              |    |
| <b>TOTAL EXPENSES</b>             |                                    | <b>\$ 1,437,154</b> | <b>\$ 1,545,812</b> | <b>\$ 1,666,300</b>    | <b>\$ 1,665,525</b>      | <b>\$ 1,017,420</b>     | <b>\$ 1,094,815</b>     | <b>\$ 1,138,600</b> |    |
| <b>FUND INCREASE (DECREASE)</b>   |                                    | <b>\$ (45,949)</b>  | <b>\$ 1,300,987</b> | <b>\$ 208,700</b>      | <b>\$ 573,125</b>        | <b>\$ 692,366</b>       | <b>\$ 1,040,590</b>     | <b>\$ 450,900</b>   |    |

Available Cash and Investments Analysis (000's)

|  |                  |
|--|------------------|
| Available, May 1, 2013                 | \$ 23,877        |
| Preliminary FY14 Inflow/(Outflow)      | 573              |
| Budgeted SY14 Inflow/(Outflow)         | 451              |
| Projected Available, December 31, 2014 | <u>\$ 24,901</u> |



## BUDGET FOOTNOTES POLICE PENSION FUND

1. **Employee Contributions:** Covered employees contribute 9.91% of their base salary to the Police Pension Fund.
2. **Investment returns (interest income and realized gains/losses):** Investment returns are budgeted conservatively as market conditions and returns cannot be known.
3. **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.
4. **Conferences/Seminars:** Training for the Police Pension Board that is required by state statute.
5. **Association Dues:** Annual membership to the Illinois Public Pension Fund Association. Membership allows board members to take training at reduced cost.
6. **Department of Insurance Filing Fee:** Each year, the Pension Fund is required to file an annual report with the Illinois Department of Insurance. The Department of Insurance charges a fee for submission.
7. **Travel:** This line item provides for reimbursement of travel expenses for pension board members who attend training.
8. **Legal Fees:** In FY13/14, a duty disability application resulted in approximately \$5,000 of legal fees. No other disability is known at this time so it is anticipated for legal fees to return to a minimal level.
9. **Investment Manager/Advisor:** The Police Pension Fund retains an investment advisor to manage the Fund's investments.
10. **Custodial Account Fees:** The Police Pension Fund investments are held by MB Financial, which charges a quarterly custodial account fee.
11. **Actuarial Fees:** An enrolled actuary is engaged to calculate the annual contribution to the Police Pension Fund.

12. **Accounting Service Fees:** A certified public accountant prepares the annual report submitted to the Department of Insurance.
13. **Fiduciary Liability Insurance:** An annual insurance premium for the Police Pension Board.
14. **Pensions:** The Pension Fund is required to pay for earned pensions to retirees, disabled officers, and surviving spouses.
15. **Employee Contribution Refunds:** If an employee separates from the Village, they may request their contributions be refunded to them or paid to another pension fund. This is a placeholder in the event that this refund would need to be made.

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 and SY14 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.

