

VILLAGE OF GLENCOE
FINANCE COMMITTEE

Thursday, October 20, 2011
6:30 p.m.

Village Hall Conference Room
675 Village Court

AGENDA

The Village of Glencoe is subject to the requirements of the Americans With Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities, are requested to contact the Village of Glencoe at least 72 hours in advance of the meeting at (847) 835-4114, or please contact the Illinois Relay Center at (800) 526-0844, to allow the Village of Glencoe to make reasonable accommodations for those persons.

1. CALL TO ORDER AND ROLL CALL

Bruce Cowans, Chairman
Scott Feldman, President
Keki Bhote
Andrew Hayek
Joseph Keefe
Lawrence Levin
Joel Solomon

2. APPROVAL OF SEPTEMBER 15, 2011 MINUTES

3. PUBLIC COMMENT TIME

4. REVIEW MONTHLY FINANCIAL REPORT

5. DISCUSS GASB 54 RELATED TO GOVERNMENTAL FUND BALANCES
(AMENDED BY AUDITOR REVIEW)

6. PRELIMINARY REVIEW OF ACTUARIAL RESULTS

7. ADJOURNMENT

VILLAGE OF GLENCOE
FINANCE COMMITTEE

Meeting Minutes
September 15, 2011

1. CALL TO ORDER AND ROLL CALL

The Finance Committee was called to order at 6:30 p.m. in the Conference Room at Village Hall. The following members were present:

Keki Bhote
Andrew Hayek
Lawrence Levin
Joel Solomon,

Trustee Cowans was absent.

The following Village staff was present:

Paul Harlow, Village Manager
William Jones, Assistant Village Manager
David Clark, Director of Finance

2. APPROVAL OF AUGUST 18, 2011 MINUTES

Trustee Hayek moved, seconded by Trustee Levin, to approve the August 18, 2011 minutes. The motion was unanimously adopted by a roll call vote.

3. PUBLIC COMMENT TIME

There were no comments from the public.

4. REVIEW MONTHLY FINANCIAL REPORT FORMAT

The Director of Finance introduced a suggested monthly report modification to provide the Village Board with greater detail about various revenue and expense items included in the various tables included in the monthly report. The Director of Finance also provided an explanation concerning the method for developing the monthly revenue and expenditure budget. He explained that the monthly budget is calculated by taking the total budget for each item individually and multiplying it by a 4-year average of historic activity during each month. The summary pages of the new report will be included in the monthly financial report in place of certain other tables presently included.

5. DISCUSS GASB 54 RELATED TO GOVERNMENTAL FUND BALANCES

The Director of Finance introduced an illustration of the current fund balance practice with the required GASB 54 practice. The change in fund balance practice will introduce a greater level of specificity in fund balance classification and will also include items previously not included based upon policy intent to expend the items for a certain purpose. The impact of the change is a decrease in “unreserved” fund balance. The illustration will be shared with the Auditors and is therefore subject to further refinement prior to implementation. The amounts illustrated were used as the beginning balance in the long range financial forecast.

6. CONSIDER PREPARATION OF AN ARTICLE FOR THE GLENCOE MEMO ON THE STATE OF GLENCOE PENSIONS

This item was deferred to the next meeting.

7. ADJOURNMENT

There being no further business to come before the Finance Committee, upon motion made and seconded, the meeting was adjourned at 7:00 p.m.

Village of Glencoe
 Police Pension Fund
 Rate of Return History

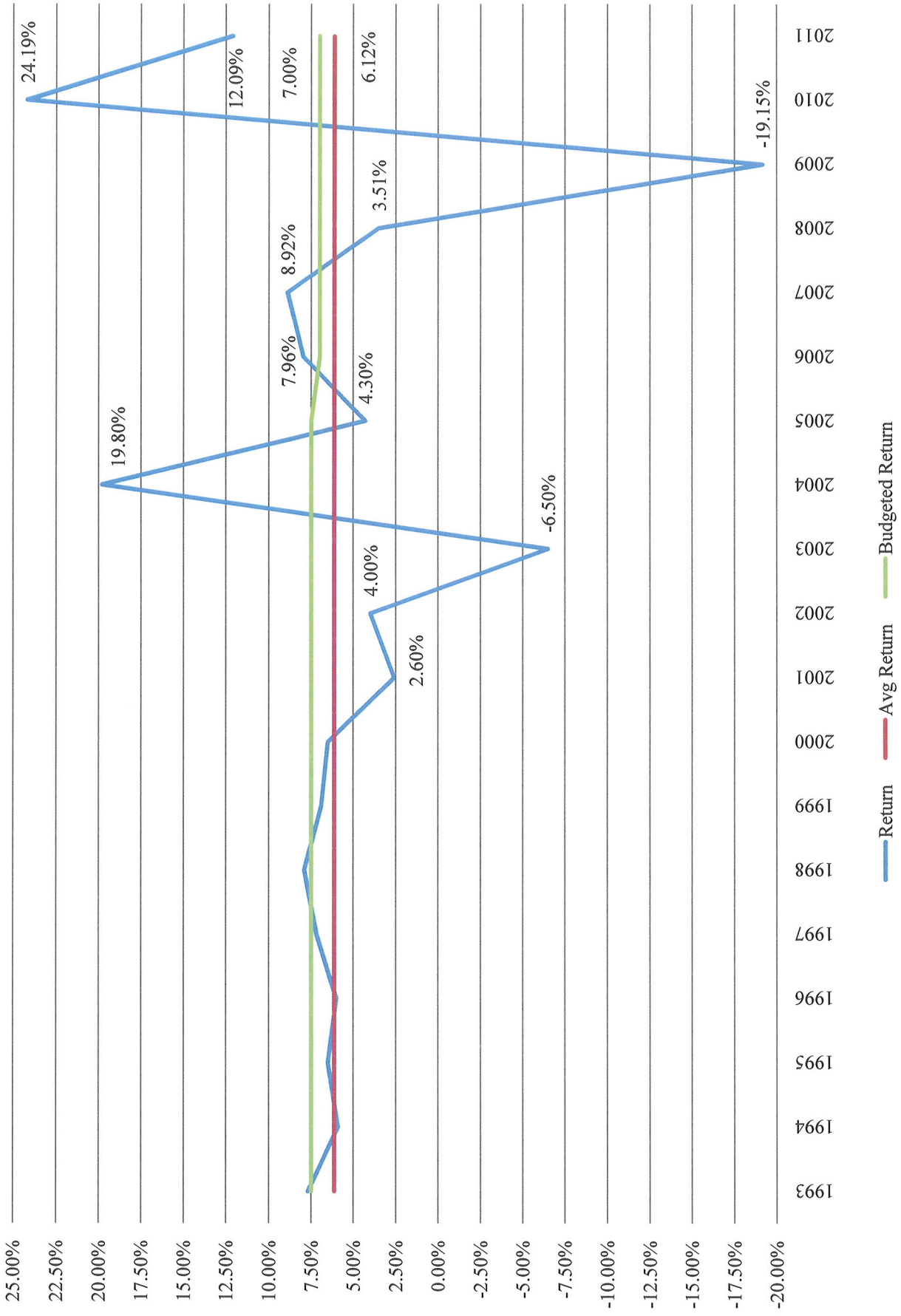
<u>FY</u>	<u>Return</u>	<u>3 Yr Avg</u>	<u>5 Yr Avg</u>	<u>10 Yr Avg</u>
1993	7.70%			
1994	5.90%			
1995	6.50%	6.70%		
1996	6.00%	6.13%		
1997	7.20%	6.57%	6.66%	
1998	7.90%	7.03%	6.70%	
1999	6.90%	7.33%	6.90%	
2000	6.50%	7.10%	6.90%	
2001	2.60%	5.33%	6.22%	
2002	4.00%	4.37%	5.58%	6.12%
2003	-6.50%	0.03%	2.70%	4.70%
2004	19.80%	5.77%	5.28%	6.09%
2005	4.30%	5.87%	4.84%	5.87%
2006	7.96%	10.69%	5.91%	6.07%
2007	8.92%	7.06%	6.90%	6.24%
2008	3.51%	6.80%	8.90%	5.80%
2009	-19.15%	-2.24%	1.11%	3.19%
2010	24.19%	2.85%	5.09%	4.96%
2011	12.09%	5.71%	5.91%	5.91%
Avg	6.12%			
Minimum	-19.15%	-2.24%	1.11%	3.19%
Maximum	24.19%	10.69%	8.90%	6.24%
Median	6.50%	6.13%	5.91%	5.89%

Source: Actuarial Valuation Reports

Total Return & Asset Percentage

<u>FY</u>	<u>Return</u>	<u>Stan. Dev.</u>	<u>% of Assets</u>
1993-98	6.87%	0.9%	N/A
1999-04	5.55%	8.5%	36.11%
2005-11	5.97%	13.1%	43.04%

Police Pension Rate of Return



Village of Glencoe
General Fund - Fiscal Year 2011 ending balances

CURRENT - PRIOR TO IMPLEMENTATION OF GASB 54

	<u>General</u>	<u>Type</u>
Total Fund Balance	4,330,682.00	
Prepays	223,478.00	Reserved
Management Fee Receivable	380,905.00	Reserved
Due from Golf Club	960,006.11	Reserved
Int Recivable due from Golf Club	<u>215,371.04</u>	Reserved
Total	1,779,760.15	
Unreserved	2,550,921.85	

PROPOSED - WITH IMPLEMENTATION OF GASB 54

	<u>General Fund</u>	<u>Type</u>
Total Fund Balance	4,330,682.00	
Management Fee Receivable	380,905.00	Nonspendable
Due from Golf Club	960,006.11	Nonspendable
Int Receivable due from Golf Club	215,371.04	Nonspendable
Prepays	<u>223,478.00</u>	Nonspendable
	1,779,760.15	
Reserved for Fire Benevolent Fund	569.00	Restricted
Reserved for Public Safety	73,865.28	Restricted
Reserved for Drug Abuse Prevention	2,872.00	Restricted
Reserved for IRMA Claim Deductibles	61,041.00	Restricted
Reserved for Women's Library Club (1)	<u>280,246.00</u>	Restricted
	418,593.28	
Reserved for Fire Pension	<u>84,272.64</u>	Committed
	84,272.64	
Unassigned Fund Balance	2,048,055.93	

Notes

(1) Loan guarantee.

Village of Glencoe
Garbage Fund - Fiscal Year 2011 ending balances

CURRENT - PRIOR TO IMPLEMENTATION OF GASB 54

	<u>Garbage Fund</u>	<u>Type</u>
Total Fund Balance	274,147.00	
Prepays	39,665.00	Reserved
Reserved for Inventory	<u>4,617.00</u>	Reserved
Total	44,282.00	
Unreserved	229,865.00	

PROPOSED - WITH IMPLEMENTATION OF GASB 54

	<u>Garbage Fund</u>	<u>Type</u>
Total Fund Balance	274,147.00	
Prepays	39,665.00	Nonspendable
Inventories	<u>4,617.00</u>	Nonspendable
	44,282.00	
Reserved for IRMA Claim Deductibles	<u>50,000.00</u>	Restricted
	50,000.00	
Unassigned Fund Balance	179,865.00	