

The City of Lake Forest
AUDIT COMMITTEE
Proceedings of the January 17, 2019 Meeting
5:15 p.m. – City Hall, 220 E. Deerpath
City Hall Conference Room

Minutes

I. **Call to Order and Roll Call**

Chairman Sparrow called the meeting to order at 5:15 p.m. Audit Committee Members present: Chairman Sparrow, Magnuson, McFadden, Smith and Finance Chairman Morris. Absent: Mr. Stieber and Mayor Lansing. Quorum present.

City staff present: Elizabeth Holleb, Finance Director; Diane Hall, Assistant Finance Director; Sally Swarthout, Director of Parks and Recreation; Todd Nahigian, Croya Manager; Jill Becker, Senior Resources Manager and Rob Copeland, Deputy Police Chief

Others present: Michelle Vincencio of Eder, Casella & Co.; Paul Lemieux, President Senior Foundation; Steve Potsic, Vice-President Senior Foundation; Mark Dillon, Treasurer Senior Foundation and John Ormsby, Police Foundation

II. **Consent Agenda**

Approval of minutes from Audit Committee held on October 18, 2018

Mr. McFadden made a motion to approve the October 18, 2018 minutes. The motion was seconded by Mr. Magnuson. The motion carried unanimously by voice vote.

III. **Lake Forest-Lake Bluff Senior Citizens Foundation – Financial Presentation**

Mr. Sparrow read a brief statement as to the purpose of the Audit Committee as it relates to each Foundation.

Mr. Paul Lemieux, President reviewed the responsibilities of the foundation. He stated an audit was not conducted, as donations were under \$300,000. He reviewed a population survey and stated affordable housing for seniors is needed.

Mr. Steve Potsic, Vice President reviewed what the foundation does for the senior citizens. He stated five affordable senior cottages are proposed to be constructed on the Grove School Campus. He stated the Foundation is working with the City on this project. He reviewed the financial statements for the Foundation.

The Committee discussed the allocation of investments. They discussed the proposed senior cottage project and the anticipated funding needed to move forward. The Foundation is working with Community Partners to look for grants.

IV. **Police Foundation – Financial Presentation**

Mr. Sparrow read a brief statement as to the purpose of the Audit Committee as it relates to each Foundation.

Mr. Rob Copeland, Deputy Police Chief reviewed the Foundations financials. He reviewed projects the Foundation has funded, including Stop the Bleed that provides trauma kits throughout the City. He stated the Foundation is assisting with the City's canine program by providing the needed vehicle and equipment.

The Committee requested Police Chief Karl Walldorf present at the City Council meeting to discuss the program.

V. **Croya Foundation – Financial Presentation**

Mr. Sparrow read a brief statement as to the purpose of the Audit Committee as it relates to each Foundation.

Ms. Michelle Vincencio, Eder, Casella and Co. provided an overview of the foundations financials. She stated two fixed assets were purchased and will be depreciated over the life of the asset. Form 990EZ was filed on time.

Mr. Todd Nahigian reviewed changes to the Foundations Board. He reviewed services the Foundation provides to Croya students. He reviewed the bi-annual fund raiser to be held. He stated in 2019 an Eagle Scout will be working on a space in the basement to convert to a study area and lounge. The Foundation will assist with the cost of the project.

VI. **Executive Session**

Executive Session was not held.

VII. **Approval of Executive Session Meeting Minutes**

Mr. McFadden made a motion to approve the October 18, 2018 Executive Session minutes. The motion was seconded by Mr. Magnuson. The motion carried unanimously by voice vote.

VIII. **Auditor Recommendation for FY2019 and FY2020**

Ms. Elizabeth Holleb, Finance Director stated the City conducted a Request for Proposal (RFP) three year previously for auditing services. She stated the Audit Committee approved an initial agreement of three years with the option of two additional years. The City is recommending approving the additional two years and an RFP to be completed at the conclusion of the five-year term. City Council would approve the additional years in February.

The Committee discussed the current services provided.

Mr. Magnuson made a motion to approve the two additional years of the audit contract. The motion was seconded by Mr. Smith. The motion carried unanimously by voice vote.

IX. **Other Business**

Foundation Summary – The Senior contributions have been updated

Foundation Financial Review – All foundations have been updated.

Status of changes to accounting policies and procedures for Finance Committee 1/22/19 – Ms. Holleb provided an update with all recommendations having been implemented.

The Committee discussed the final ERP module going live and final training for budget processing was completed.

X. **Opportunity for Public to Address the Audit Committee** – No one in attendance

XI. **Adjournment**

There being no further business, a motion was made by Mr. McFadden to adjourn the meeting. The motion was seconded by Mr. Magnuson. The motion was approved unanimously by voice vote. The meeting was adjourned at 6:42 pm.

Respectfully submitted,

Diane Hall
Assistant Finance Director