

The City of Lake Forest
AUDIT COMMITTEE
Proceedings of the January 21, 2021 Meeting
5:15 p.m. – City Hall, 220 E. Deerpath
Remote Access Meeting

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, Mr. Dillon, Ms. Janos, Mr. Magnuson and Finance Chairman Morris. Absent: Mr. McFadden and Mayor Pandaleon. Quorum present.

City staff present: Jason Wicha, City Manager; Elizabeth Holleb, Finance Director; Diane Hall, Assistant Finance Director; Sally Swarthout, Director of Parks and Recreation and Tricia Schwall, Manager Senior Center

Others present: Steve Potsic, Gale Wayne, JoAnne Desmond and Paul Lemieux of the Senior Foundation

II. **Consent Agenda**

Approval of minutes from Audit Committee held on October 15, 2020

Mr. Dillon made a motion to approve the October 15, 2020 minutes. The motion was seconded by Mr. Magnuson. The motion carried unanimously by roll call vote.

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

Vince Sparrow, Chairman stated member Dillon would recuse himself from the Senior Foundation discussion due to currently serving on the board.

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

Mr. Paul Lemieux, President of the Senior Foundation introduced those in attendance and reviewed the purpose of the Foundation. He reviewed the materials provided to the Committee. He stated the Foundation was not required to have an audit for 2020. He stated the board has voted to conduct an audit for 2021. He reviewed the financials for 2020.

The Committee discussed how Covid-19 is effecting the Senior Center. The facility is currently closed, but programs are currently being held via Zoom. This will create an enhanced opportunity when restrictions are reduced. They discussed maintenance is currently being conducted in the building while closed.

Mr. Steve Potsic, Vice President of the Foundation provided an update on the senior housing project. He stated the property on the Grove Campus has been determined not to be suitable for the project. Alternative locations are being looked at.

The Committee discussed the timeline to start the project. The project is dependent on finding a new location and additional state funding obtained. They are hoping to begin construction next year.

The Committee has requested updates to be provided on the status of the project.

IV. **Finalist Auditor Interviews**

Interviews were conducted with the three Audit Firm finalists. The firms interviewed were Baker Tilly, Crowe and Sikich LLP. Each firm was requested to provide a 15 minute presentation covering the following subjects.

- Introduction of the proposed audit team members
- Summary of experience with similar audit engagements
- Overview of engagement approach
- Discussion of firm's approach to new SAS and GASB pronouncements

Following each presentation, firms were provided additional questions to provide responses.

Committee members discussed the presentations following the interviews.

Following discussion, Ms. Janos made a motion to recommend Baker Tilly to the City Council for approval of auditing services FY21 through FY23, with the option of two additional years. The motion was seconded by Mr. Dillon. The motion carried unanimously by roll call vote.

V. **Other Business**

Police Foundation and Croya Foundation annual presentations have been deferred to the Committee's April meeting.

Foundation Summary – Ms. Holleb stated no changes have been made

Foundation Financial Review – Ms. Elizabeth Holleb stated no changes have been made.

The Elawa Foundation will be going to City Council in February to approve changes to the relationship with the City.

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

VII. **Adjournment**

There being no further business, a motion was made by Mr. Magnuson to adjourn the meeting. The motion was seconded by Ms. Janos. The motion was approved unanimous by roll call vote. The meeting was adjourned at 7:45 pm.

Respectfully submitted,

Diane Hall
Assistant Finance Director