

**The City of Lake Forest
FINANCE COMMITTEE
Proceedings of the January 16, 2018
6:30 p. m. – City Hall Chambers 220 E. Deerpath**

I. Call to Order and Roll Call

The meeting was called to order at 6:34 p.m. Present: Mayor Lansing, Chairman Morris, Aldermen Beidler, Rummel, Newman, Reisenberg, Tack and Moreno. Absent: Alderman Buschmann. Quorum present. There were approximately 47 present in the audience.

Staff present: Robert Kiely, Jr., City Manager; Elizabeth Holleb, Finance Director; Diane Hall, Assistant Finance Director; Pete Siebert, Fire Chief; Cathy Czerniak; Community Development Director; Karl Walldorf, Police Chief; Sally Swarthout, Parks and Recreation Director; Michel Thomas, Public Works Director and Victor Filippini: City Attorney

Others present: There were thirty-eight people in the audience.

II. Consideration of Minutes from the Finance Committee Meeting Held on December 18, 2017

Alderman Moreno made a motion to approve the minutes from the Finance Committee meeting held on December 18, 2017. The motion was seconded by Alderman Beidler. The motion carried unanimously by voice vote.

III. Contingency Accounting Procedures - Update

Mr. James Morris, Finance Chairman stated as a follow up to the December 18, 2017 Finance Committee, Ms. Elizabeth Holleb, Mr. Robert Kiely and himself had met to discuss the recommendations and will provide three additional recommendations to be considered by the Committee.

Ms. Elizabeth Holleb, Finance Director stated she will provide an update on the initial four recommendations and review the three additional recommendations.

- Current monthly contingency reports will also be sent to the Finance Chairman in addition to the City Manager. - This has been completed.
- Reeducate operating departments on procedures to submit contingency requests prior to expenses being incurred to ensure funding is available. – Proposed revisions were provided in redline format in the packet
- Third Party expenses – to adopt a procedure for any third party payments paid through a contractor be acknowledged or approved by the City Council. – Proposed revisions to the City’s Purchasing Policy were included in redline format in the packet.
- City finances are audited each year by an independent third party, the results of which are presented to the City Audit Committee. Include in the Audit Committee engagement letter to have the auditors review the contingency account administration for the FY2018 audit and to report any recommendations. - Mr. Morris met with Vince Sparrow, Audit Committee Chairman to review the proposed additional scope to the audit. The Audit Committee will receive a briefing on January 18th.
- ERP Implementation – (new) The new ERP system will allow for enhanced reporting, to include reporting on non-compliance with City expenditure approval procedures. This report will be provided to the City Manager and City Council Finance Committee Chairman.
- Department Training – (new) The Finance Department will conduct both BS&A training and department specific procedure training on proper purchasing and approval procedures.
- FY2019 Goal Setting – (new) The Finance Committee Chair will participate in the goal setting with Finance staff for the FY2019 budget.

The Committee discussed different reporting capabilities with the new ERP system. The City is too early in the process to know all of the options available. The requested report will include the invoice date as well as the purchase order date. Contingency procedures will be brought to the

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Committee for review annually. Purchasing policies are only brought to the Committee if changes are recommended.

The Committee discussed posting the purchasing policies online and having the Audit Committee review the purchasing policies and procedures.

The Committee approved the changes to both contingency process and purchasing policy

IV. Five-Year Capital Improvement Plan Update (FY19 Budget Item)

Ms. Holleb stated at the November budget meeting, the Finance Committee recommended using \$1 million in General Fund reserves to fund non-funded capital projects. She reviewed staff recommended projects.

The Committee discussed the LED light conversions locations. Drainage/Ravine Improvements are not designed to fix all of the ravines. Many of the ravines are on private property. The recommended \$162,000 would be for City owned ravines.

V. Other Business

- 1) December 2017 Flash Report – The percentage of revenues is higher than expected. This is mainly due to two large non-budgeted receipts totaling approximately \$1 million.
- 2) Core Elective Service Analysis – The listing is included on the City's website with a link to provide comments.
- 3) Draft Information Technology Five-Year Capital Improvement Program (FY19 Budget Item) – No comment

VI. Opportunity for the Public to Address the Finance Committee:

Ms. Rommy Lopat – 410 E Woodland – Discussed purchasing procedures

Mr. Dennis Meulemans – 1100 Sir William – Discussed amount budgeted for capital projects.

VII. Adjournment

There being no further business, Alderman Newman moved, seconded by Alderman Rummel, to adjourn the meeting at 7:10 p.m. The motion carried unanimously by voice vote.

Respectfully Submitted,

Diane Hall
Assistant Finance Director