

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

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

The meeting was called to order at 6:30 p.m. Present: Mayor Lansing, Chairman Morris, Aldermen Beidler, Newman, Rummel, Reisenberg, Moreno and Buschmann. Absent: Aldermen Preschlack. Quorum present. There were approximately 100 present in the audience.

Staff present: Robert Kiely, Jr., City Manager; Elizabeth Holleb, Finance Director; Diane Hall, Assistant Finance Director; Cathy Czerniak; Community Development Director; Karl Walldorf, Police Chief; and Julie Tappendorf: City Attorney

Others present: There were approximately 100 people in the audience.

**II. Consideration of Minutes from the Finance Committee Meeting Held on April 16, 2018**

Alderman Rummel made a motion to approve the minutes from the Finance Committee meeting held on April 16, 2018. The motion was seconded by Alderman Beidler. The motion carried unanimously by voice vote.

**III. Annual Cemetery Commission Report**

Mr. Dennis O'Brien Cemetery Commission Chairman reviewed the Commission's Mission Statement and Investment Policy. He reviewed the investment returns over the past ten years and reviewed the revenue allocations by fund. He reviewed asset allocations as compared to the investment policy guidelines. He stated the Commission does not currently have outstanding debt obligations. He stated two upcoming projects which would involve repairing the gateway and expanding the niches available in the Memorial Garden.

The Committee discussed the allocation to stocks, which can be moved quickly if needed. The Commission is monitoring the bluffs at the Cemetery and has previously authorized spending \$250,000 to repair one section. The Commission does not have an immediate concern with other areas at this time.

**IV. Budget Calendar**

Ms. Elizabeth Holleb, Finance Director stated the budget is developed over a nine month period. She stated a draft had been included in the packet. She reviewed the budget workshops to be held on November 13, 2018 and March 11, 2019.

**V. Investment Presentation – Police Pension Fund**

Mr. James Morris, Finance Chairman stated pension obligations are mandated by state legislature and the City does not have control over the benefit portion of the formula but is responsible for managing the funds.

Mr. Doug Oest of Marquette Associates stated Marquette advises the Police Pension on their investments and provided an overview of the firm. He reviewed the approach used to manage the funds. He stated state statutes regulate how funds are invested. He stated current funds are being reallocated from equities to fixed income to reduce risk. He stated a goal is to maintain the lowest possible fees.

The Committee discussed negative cash flows that this is normal across other pension funds. Fees were discussed as compared to other firms. Dividend yielding investments were discussed with the intent to yield cash flow.

The Committee requested a breakdown by yield for next year's presentation.

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The Committee will be discussing pension actuarial assumptions in the fall.

**VI. Investment Presentation – Fire Pension Fund**

Mr. Mike Mounts, Secretary Fire Pension Board stated the board's advisor was not available for the presentation. He reviewed the board's objectives. He reviewed the assets at year-end and the allocation between fixed and equities. He reviewed the consulting fees associated with the fund.

The Committee discussed the frequency of reallocating equity investments. This normally occurs throughout the year at quarterly meetings. The Committee discussed if the pension board discussed with other departments about consolidating funds. Mr. Mounts stated this is more difficult with the diversity of funding levels throughout the state.

**VII. Other Business**

- 1) July 16 City Council Agenda – Final approval of the FY2019 appropriation will be on the agenda for final approval.
- 2) June 2018 Flash Report – No Comment
- 3) Accounting Policies and Procedures Status Update –Ms. Holleb stated included in the packet was an update to City's policies and procedures. She stated the audit is currently in process for the additional requested field work. City wide department purchasing training had been completed.

**VIII. Opportunity for the Public to Address the Finance Committee: None**

**IX. Adjournment**

There being no further business, Alderman Reisenberg moved, seconded by Alderman Beidler, to adjourn the meeting at 7:03 p.m. The motion carried unanimously by voice vote.

Respectfully Submitted,

Diane Hall  
Assistant Finance Director