

**The City of Lake Forest
FINANCE COMMITTEE
Proceedings of the January 22, 2019 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, Preschlak, Reisenberg, Moreno and Buschmann. Absent: None. Quorum present. There were approximately 32 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; Mike Thomas, Director of Public Works; Karl Walldorf, Chief of Police; Pete Seibert, Fire Chief; Sally Swarthout, Director of Parks and Recreation; DeSha Kalmar, Director of Human Resources and Julie Tappendorf, City Attorney.

Others present: There were approximately 22 people in the audience.

II. Consideration of Minutes from the Finance Committee Meeting Held on November 26, 2018

Alderman Rummel made a motion to approve the minutes from the Finance Committee meeting held on November 26, 2018. The motion was seconded by Alderman Beidler. The motion carried unanimously by voice vote.

III. Ordinances Amending the City's Fee Schedule and Home Rule Sales Tax (FY2020 Budget Item)

Ms. Elizabeth Holleb, Finance Director stated based on direction from the budget meeting held in November, revised fee ordinance changes are presented. She reviewed proposed water rates and the history of fixed rates versus variable rates. She stated the fee ordinance and an ordinance to amend the City's Home Rule Sales Tax rate is included on the City Council agenda for first reading.

Ms. Holleb stated at the November budget meeting, Committee members requested proposed revisions to the capital program based on proposed changes to the Home Rule Sales Tax and Sanitation fee. She reviewed priority 1 projects that do not have funding available. She reviewed current funding sources and potential funding sources, which include increases to Property Taxes, Home Rule Sales tax and Sanitation fees.

The Committee discussed information on water forecasts that is presented to bond rating agents and the reasoning of utilizing 2.5% as the target revenue increase each year.

Ms. Joanna Rolek, Executive Director of the Lake Forest/Lake Bluff Chamber commented on concerns regarding the proposed increase to the Home Rule Sales tax rate.

The Committee discussed the sales tax rates of surrounding communities.

IV. Five-Year Capital Improvement Plan Update (FY20 Budget Item)

Ms. Holleb reviewed capital targets by categories with proposed changes to include additional funding sources. She stated an additional ravine category has been added. She reviewed additional projects added for FY2020 and FY2021, to be brought to the March 2019 budget meeting.

V. Core/Elective Service Analysis (FY20 Budget Item)

Mr. Mike Strong, Assistant to the City Manager stated a preliminary review was presented at the November budget meeting. He reviewed changes made to the document.

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Alderman Beidler made a motion to approve the 2019 Core/Elective Service Analysis. The motion was seconded by Alderman Newman. The motion carried unanimously by voice vote.

VI. Other Business

- 1) December 2018 Flash Report – No discussion.
- 2) Draft Information Technology Five-Year Capital Improvement Program –No discussion
- 3) IMRF revises investment return assumption – Ms. Holleb stated IMRF is a state administered pension plan that covers non-public safety employees. She stated the IMRF board has elected to reduce the interest rate assumption from 7.5% to 7.25% effective for calendar year 2020. She stated many pension plans have taken this step, including the City for the Police and Fire pension plans. IMRF is currently 98% funded and has a history of generally good returns.
- 4) Accounting Policies and Procedures Update – Ms. Holleb provided a final update on all recommended changes to accounting policies and procedures that have been implemented.
The Committee thanked staff for completing these requested changes.
- 5) Financial Transparency – Ms. Holleb reviewed the City's updated transparency page on the City's website. Included in the updates are two letters developed by the pension sub-committee related to public safety pension funding.
The Committee discussed any additional reports that are regularly used, but are not on the website.

VII. Opportunity for the Public to Address the Finance Committee: No comments were made

VIII. Adjournment

There being no further business, Alderman Preschlack moved, seconded by Alderman Beidler, to adjourn the meeting at 7:19 p.m. The motion carried unanimously by voice vote.

Respectfully Submitted,

Diane Hall
Assistant Finance Director