

**The City of Lake Forest  
FINANCE COMMITTEE  
Proceedings of the July 15, 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 Pandaleon, Chairman Morris, Aldermen Beidler, Newman, Rummel, Preschlak, Goshgarian, Moreno and Buschmann. Absent: None. Quorum present. There were approximately 17 present in the audience.

Staff present: Jason Wicha, City Manager; Diane Hall, Assistant Finance Director; Sally Swarthout, Director of Parks and Recreation, Pete Siebert, Fire Chief; Cathy Czerniak, Director of Community Development and Julie Tappendorf, City Attorney.

Others present: There were approximately 11 people in the audience.

**II. Consideration of Minutes from the Finance Committee Meeting Held on April 15, 2019**

Alderman Moreno made a motion to approve the minutes from the Finance Committee meeting held on April 15, 2019. The motion was seconded by Alderman Beidler. The motion carried unanimously by voice vote.

**III. Annual Report of the Cemetery Commission**

Mr. Dennis O'Brien Cemetery Commission Chairman stated the Gateway to the Cemetery has celebrated its 100<sup>th</sup> anniversary and has been renovated. He reviewed the Commission's Mission Statement and Investment Policy. He reviewed the Commission's method to manage their investments to compensate for volatility in the market. He reviewed a comparison of allocations of investments from 2008 to 2019. He reviewed the investment fees structure by William Blair at 50 basis points. He stated the Commission does not currently have outstanding debt obligations and that all renovations have been completed without taxpayer dollars.

The Committee discussed how capacity of the Cemetery is determined. They discussed ravine management including what has been completed and what will need to be addressed in the future. They discussed management fees assessed by William Blair and the cash target, including funds held by the City.

**IV. Investment Presentation – Police Pension Board**

Mr. Doug Oest of Marquette Associates provided an overview of the firm. He stated the approach used is to avoid down side risk. He reviewed fees assessed the pension fund, which are below 50 basis points. He reviewed the asset allocations and the value net of fees. He reviewed the funds return values are achieved using less risk. He stated the fund was balancing assets from equities prior to the sell off at the end of 2018.

The Committee discussed the policy bench mark and how this index is used. This bench mark is realigned if state statute changes. The Committee discussed the fixed income allocation which is set at a minimum of 35%. The Committee discussed comparisons to the industry for Custodial and Investment Custodial Fees. The Committee discussed real estate investments.

The Committee discussed the City's actuary model is using 7% investment returns, The pension fund has been able to maintain this level on average over the last 10 years, but is continually looking at this as it will be difficult to maintain this level.

**V. Investment Presentation - Fire Pension Board**

Mr. Paul Pugliese, Fire Pension Board invited Committee members to attend the next Fire Pension Board meeting.

Finance Committee Meeting  
Minutes – July 15, 2019

Ms. Mary Tomanek of Graystone Consulting reviewed the history and experience with the City. She reviewed the pension goal of growing, while mitigating risk. She reviewed the investment returns over history. She reviewed the allocation of the portfolio and how this mitigates risk. She reviewed how their Active and Passive managers work with the pension to maintain a balanced portfolio.

The Committee discussed the roll of Active managers in a down market. They discussed how the City compares to other communities.

**VI. FY2021 Budget Calendar**

Ms. Diane Hall, Assistant Finance Director reviewed the proposed budget calendar dates for FY2021. She stated the November budget meeting will be on a Tuesday due to the holiday.

The Committee discussed how the City's process compares Mr. Wicha's previous position with Skokie.

Alderman Rummel made a motion to approve the FY2021 budget calendar. The motion was seconded by Alderman Moreno. The motion carried unanimously by voice vote.

**VII. OpenGov Check Register Demonstration**

Ms. Hall provided a demonstration of an additional transparency report detailing the City's weekly accounts payable check register.

The Committee discussed the handling of sensitive checks.

**VIII. Other Business**

- 1) June 2019 Flash Report – No discussion.
- 2) July 15 City Council Agenda – No discussion
- 3) Analysis of State FY20 Budget – No discussion

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

**X. Adjournment**

There being no further business, Alderman Preschlak moved, seconded by Alderman Moreno, to adjourn the meeting at 7:20 p.m. The motion carried unanimously by voice vote.

Respectfully Submitted,

Diane Hall  
Assistant Finance Director