

**The City of Lake Forest
FINANCE COMMITTEE
Proceedings of the April 19, 2021 Meeting
6:30 p. m. – Remote Access Meeting**

I. Call to Order and Roll Call

The meeting was called to order at 6:32 p.m. by Chairman Morris. Present: Chairman Morris, Mayor Pandaleon, Aldermen Karras, Rummel, Notz, Preschlack, Goshgarian, Buschmann and Weber. Absent: None. Quorum present. There were approximately 17 present in the audience.

Staff present: Jason Wicha, City Manager; Elizabeth Holleb, Finance Director; Diane Hall, Assistant Finance Director; Cathy Czerniak, Director of Community Development; Jim Shaw, Director of Innovation Technology; Peter Siebert, Fire Chief; DeSha Kalmar, Director of Human Resource; Mike Strong, Assistant City Manager; Chuck Myers, Superintendent of Parks and Recreation; Dan Martin, Superintendent of Public Works and Kurt Asprooth, City Attorney

Others present: There were approximately 6 people in the audience.

II. Consideration of Minutes from the Finance Committee Meeting Held on March 8, 2021

Alderman Rummel made a motion to approve the minutes from the Finance Committee meeting held on March 8, 2021. The motion was seconded by Alderman Goshgarian. The motion carried unanimously by roll call vote.

III. Comprehensive Fiscal Plan for FY2022

James Morris, Finance Committee Chairman provided opening comments on the budget process and the information included in the budget document.

Ms. Elizabeth Holleb, Finance Director stated a formal presentation would be presented at the City Council meeting. She stated the draft budget has been on the City's website for the public to view. She stated included in the packet was a summary of changes since the March 8 budget meeting.

Alderman Goshgarian made a motion to approve the Comprehensive Fiscal Plan for FY2022. The motion was seconded by Alderman Karras. The motion carried unanimously by roll call vote.

IV. Supplemental Appropriation Ordinance for FY2021

Ms. Holleb stated in addition to the budget, the City Council approves an appropriation ordinance at the July meeting. She stated this document provides the legal spending level, which includes a 10% contingency for unforeseeable expenses. Part of the budget process is to provide projected expenditures for the current fiscal year to identify unanticipated expenses. Staff is requesting approval of supplemental appropriations for two funds. The Laurel/Western Redevelopment (TIF) Fund received property tax increment exceeding revenue projections. She stated this will increase the required payments to School Districts 67/115. The Water and Sewer Capital Fund incurred additional main break repairs and the City Council will consider the acquisition of property, which is not budgeted.

The Committee discussed the reassessment of the TIF District after the sale of the apartments. The City has been in communication with the Assessor's office. The sale will not be reflected until the 2021 levy to be collected in 2022.

Alderman Rummel made a motion to approve the supplemental appropriation ordinance. The motion was seconded by Alderman Weber. The motion carried unanimously by roll call vote.

V. Purchasing Policy Review

Ms. Holleb stated in FY2020, a committee was formed with representation of all departments to provide a comprehensive review of the City's purchasing policy. This was approved by the City Council in April 2020. The policy requires an annual review by the Finance Committee. She stated staff is not recommending changes for FY2022. She stated Alderman Buschmann raised a question related to competitive bidding. Staff discussed the question and determined revised language was not required.

The Committee discussed contracts for projects are not always awarded to the lowest bidder. The purchasing policy does provide language to address these situations.

Alderman Notz made a motion to approve the purchasing policy. The motion was seconded by Alderman Weber. The motion carried unanimously by roll call vote.

VI. Other Business

1) March 2021 Flash Report – Ms. Holleb stated the March Flash Report includes a comparison to budget and to estimates. She stated Real Estate Transfer Tax (RETT) sales are increasing again.

The Committee requested information on how we are comparing to other communities for RETT sales.

2) Investment Policy Review

The Committee discussed the return on investments and how the City is restricted in types of investments we can purchase.

Ms. Holleb stated the City has a very good relationship with Lake Forest Bank and Trust and receives a very good interest rate. If the City were to purchase CD's, the City would need to commit for at least three years.

The Committee discussed the investment policy states the City is limited to no more than 35% of our investments in one financial institution. This restriction is for investment types, such as CD's.

VII. Opportunity for the Public to Address the Finance Committee

Chairman Morris provided instructions to the Public to provide comment.

No one from the audience desired to address the Finance Committee.

VIII. Adjournment

There being no further business, Alderman Notz moved, seconded by Alderman Rummel, to adjourn the meeting at 6:57 p.m. The motion carried unanimously.

Respectfully Submitted,

Diane Hall
Assistant Finance Director