

**The City of Lake Forest
FINANCE COMMITTEE
Proceedings of the November 8, 2021 Meeting
5:00 p. m. – Remote Access Meeting**

I. Call to Order and Roll Call

The meeting was called to order at 5:02 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 73 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; Michael Thomas, Director of Public Works; Pete Siebert, Fire Chief; Chuck Myers, Superintendent of Parks and Recreation; Joe Mobile, Superintendent of Parks and Recreation; Karl Walldorf, Police Chief and Sally Swarthout, Director of Parks and Recreation.

Others present: There were approximately 62 people in the audience.

Alderman Morris provided a statement as required by the Open Meetings Act regarding the decision to hold the Finance Committee Meeting remotely.

II. Consideration of Minutes from the Finance Committee Meeting Held on October 18, 2021

Alderman Rummel made a motion to approve the minutes from the Finance Committee meeting held on October 18, 2021. The motion was seconded by Alderman Notz. The motion carried unanimously by roll call vote.

Alderman Morris reviewed the meeting protocols and provided agenda revisions to move the capital presentations first in the agenda with public comment available after each presentation.

III. Revenues

1) 2021 Property Tax Levy and Bond Abatement Ordinances

Ms. Elizabeth Holleb, Finance Director stated the forecasted EAV change is .66% and the PTELL for 2021 levies is 1.4%. The proposed tax levy includes the General and Library levies showing increases greater than 1.4% due to new growth. At the October Finance Committee, the recommendation was to increase police and fire to continue additional funding. The projected increase to a homeowner is approximately \$71. The packet included bond abatement ordinances to reduce the levy for bonds funded through other revenue sources.

2) Proposed Changes in Fee Schedule

Ms. Diane Hall, Assistant Finance Director provided an overview of proposed fee changes. No increases to water rates was recommended.

Ms. Holleb reviewed five year rolling average of water revenue and consumption. Staff is projecting \$1.2 million in revenues over budget for FY22. Debt will be reduced in FY25, and was a consideration of maintaining the current rates.

The Committee discussed the hot and dry summer of 2021 contributing to the higher usage.

IV. Five Year Financial Forecasts

Five-Year Forecasts for Sales Tax .5%, Capital Improvements, Motor Fuel Tax, Park and Public Land and Water Capital Funds

Ms. Holleb stated only capital related funds would be reviewed for this meeting.

- 1) Sales Tax .5% – The fund was created for the original .5% sales tax to fund debt service for bonds issued to fund storm sewers. The bonds will be paid off in FY24. The fund has enough

Finance Committee Meeting
Minutes – November 8, 2021

reserves to complete the final debt service payments. The .5% sales tax will move to the Capital Fund in FY23.

- 2) Capital Improvement – Real Estate Transfer Tax is projected at \$1.4 million over budget. Home Rules Sales tax will increase in FY24 due to the transfer from the Sales Tax .5% fund. Funding includes priority 1 projects only. ARPA funding was discussed at the October Finance Committee meeting. After review of project requirements, staff is recommending Ahwahnee Storm Sewer project for design and construction from ARPA proceeds, which will free up funding for other capital projects.
- 3) Motor Fuel Tax (MFT) – The fund records revenues shared through the state. In July 2019, the state increased the rate and the City receives a prorated share. Every three years, street resurfacing is funded through MFT. The state has provided Rebuild Illinois Funds with restricted uses. Staff is recommending utilizing Rebuild Illinois Funds for Lake Woodbine Bridge. This project is currently classified as unfunded, seeking outside funding for construction.
- 4) Park and Public Land Fund – Historically funded from impact fees. A more reliable funding source needs to be found. The City Council approved a transfer of \$750,000 from the General Fund in FY21 to provide additional funding.

The Committee discussed grant funding in FY20 – FY22, which included South Park OSLAD grant,

- 5) Water Capital – A transfer is made each year from water operating revenues. As the debt service reduces in FY25, additional funding will be available.

V. 5 Year Capital Improvement Program

***This item was heard earlier in the meeting

Mr. Jason Wicha, City Manager stated the capital plan includes FY23 – FY27. Staff has incorporated budgeting design and construction in different fiscal years to allow opportunities for staff to seek outside funding. The five year forecast includes \$42.5 million funded projects through current revenues and outside funding. Unfunded projects over the five year total \$75.2 million. Projects included in the FY23 budget were reviewed and highlighted design and construction projects.

The Committee discussed the Library is not included in the requested capital projects. The City does not own the Library building. The Library is currently focusing on the dome and interior repairs. Any financial assistance would need to be brought to the City Council through the Library board.

1) Athletic Field Improvements

Joe Mobile, Superintendent of Parks and Recreation stated the presentation was to provide background information, discuss timeline and seek consensus to allocate funding for detailed design to provide accurate construction costs. The timeline was reviewed to incorporate community feedback. A City survey has been conducted with 730 respondents. Preliminary options were reviewed to include maintaining current fields, improve natural grass fields, building synthetic turf fields and a hybrid approach of natural turf and synthetic. After community engagement, options will be reviewed with the Parks and Recreation Board and then brought to the City Council for consideration. Staff is requesting \$464,000 for design after the final option is selected and to direct the City Manager to engage in public meetings to gather additional feedback.

Staff has proposed that after community discussion and Parks and Recreation Board discussion, the City Council will be presented with one option for discussion to provide design funding in FY23.

Finance Committee Meeting
Minutes – November 8, 2021

Public Comment was provided on athletic field improvements

- Demetre Lambropoulos
- Brian Dacy
- Tom Ford
- Kate Rother
- William Gundlach
- Mike Adams
- Peter LaCasse
- Wiebke Droege
- Jason Smith
- Kristen Lee
- Marion Cartwright
- Richard Chun
- Yuh Schabacker
- Julie Kinrade
- Rick Amos
- Dianne Woelke

2) Forest Park Beach

Chuck Myers, Superintendent of Parks and Recreation stated City Council approved a contract to review the beach, develop a conceptual design and develop a monitoring and maintenance plan. The requested budget allocations were reviewed.

Mark Wagstaff, P.E. of Smithgroup reviewed the completed study and recommendations. The study shows loss of beach by comparing 1998 and 2021 water levels. To address long-term stability three areas need to be addressed; beach re-nourishment, increase groin height and addition of breakwater spurs.

The Committee discussed staff moving sand in the spring from the south to the north. The recommended changes should reduce the need to move sand. Birds eye sand is hard on the feet. Newer birds eye sand is not as dusty and easier on the feet. The Committee requested a list of locations utilizing the new sand.

Mr. Wagstaff reviewed stone would be placed around metal groin areas. The current groin areas were under the sand.

Mr. Myers stated a plan would be presented to the City Council in the spring for approval. All plans will need to be approved by the Army Corps of Engineers.

No one from the audience desired to address the Finance Committee on this topic.

3) Forest Park Bluff Analysis

Mr. Michael Thomas, Public Works Director reviewed the history of projects addressing bluff stability.

Dave Kraft, P.E., C.F.M of Hey and Associates provided an update on the Forest Park bluff stabilization plan and reviewed current conditions of the bluff. The full project is estimated at \$3.5 million. The project was separated into two phases. Phase I would protect boat areas, which incorporates the north and south ends of the bluff and is estimated at \$2.5 million. Phase II would incorporate the remaining project at an estimated cost of \$1.3 million. Phasing considerations were reviewed, including potential higher construction costs, additional bluff movement and multiple years of park disruption. Staff is recommending completing the full project in FY23 to eliminate multiple contractors and reduce impact to Forest Park.

The Committee discussed the pile walls and if the Beautification Committee should be involved. The walls will be 10 to 15 feet below the top of the bluff. Resident disruption of

Finance Committee Meeting
Minutes – November 8, 2021

usage of Forest Park and the beach will be kept to a minimum. Grants have been reviewed for the project and staff will continue to seek eligible grant opportunities.

No one from the audience desired to address the Finance Committee on this topic.

- 4) Priority 1NF - Priority 1 FY23 projects that cannot currently be funded.
Ms. Holleb stated included in the packet is a list of projects classified as priority 1, but do not have funding available. In addition, lists of priority 2 and projects requiring outside funding were included.

The Committee discussed the Deerpath Streetscape project. Design has been included in the FY23 budget. Construction is included as a non-funded project. The comprehensive plan update will be included as an operating expense. Any projects identified in the update would be brought to the City Council for review and consideration.

- 5) Opportunity for Questions re. Material Provided in Packet
No discussion by Committee

Mr. Wicha stated based on feedback received, staff would update information and will bring back to City Council for review.

Ms. Holleb provided upcoming items on City Council agendas, including the tax levy and early capital equipment requests due to supply shortages. Capital updates will be presented at the January Finance Committee and the operating budget meeting will be in March.

VI. 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.

VII. Adjournment

There being no further business, Alderman Notz moved, seconded by Alderman Goshgarian, to adjourn the meeting at 8:44 p.m. The motion carried unanimously.

Respectfully Submitted,

Diane Hall
Assistant Finance Director