

VILLAGE OF LAKE BLUFF - FINANCE COMMITTEE
MINUTES OF MEETING – **September 20, 2018**

I. Call to Order – Roll Call

The Finance Committee of the Village of Lake Bluff was called to order on Thursday, September 20, 2018 at 6:02 PM in the Village Hall Conference Room, 40 E. Center Ave., Lake Bluff, Illinois.

Members Present: Trustee Mark Dewart, Chair
Trustee Barbara Ankenman, Member
Trustee Paul Lemieux, Member

Others Present: Kathleen O'Hara, Village Board President
William Meyer, Village Board Trustee
Joy Markee, Village Clerk
Aaron Towle, Village Board Trustee
R. Drew Irvin, Village Administrator
Bettina O'Connell, Finance Director
Jeff Hansen, Village Engineer
Martha Trotter, Managing Auditor, Sikich LLP

II. Approval of Minutes

Member Lemieux made a motion to approve the minutes of the July 23, 2018 meeting as presented; seconded by Member Ankenman and approved unanimously on a voice vote.

III. Business Items

1. Discussion Regarding the Draft FY2018 Draft Comprehensive Annual Financial Report (CAFR) and Auditor Communications to the Board

Prior to the CAFR presentation to offer full transparency Member Lemieux disclosed that Sikich, the auditing firm engaged by the Village, also provides services to his company. Village Attorney Friedman has opined that there is no conflict of interest prior to his appointment to the Board.

Martha Trotter, managing auditor from the auditing firm of Sikich LLP provided an overview of the annual audit, explaining that the Village received the highest level opinion, an unmodified opinion, with no material deficiencies or weaknesses. She stated that no difficulties were encountered during the audit and outlined each section of the CAFR—reviewing the statement of net positions, statement of activities, balance sheet, income statement, water fund, footnotes, budget to actual comparisons, and the statistical sections. Ms. Trotter also explained that all adjustments from the prior audit were implemented. This year's audit recommendations included implementing a consistent journal entry approval process, and a mention of the Village's pumped to billed water ratio. The impact of Government Accounting Standard Board (GASB) changes to accounting guidance related to Other Post-Employment Benefits (OPEB) was discussed. GASB's changes will require an actuarial valuation every two years rather than three and will also have an effect on the financial statements as it requires that governments providing defined OPEB benefits recognize their long-term liability obligation for the first time on the financial statements and to more comprehensively and comparably measure the annual costs of the benefits.

Member Dewart asked how long the auditors were on site performing field work, and Ms. Trotter indicated about one and a half weeks was spent at the Village and the Library collectively.

Member Lemieux made a motion to accept the CAFR as presented the motion was seconded by Member Ankenman and all members voted aye.

2. Discussion Regarding 2018 Property Tax Levy Estimates and Police Pension Actuarial Recommendation

The Committee reviewed the 2018 levy projections and police pension actuary valuation as presented by Finance Director O'Connell. The property tax levy of \$4,323,227 is 2.45% more than the 2017 property tax extension. The Village share of the property tax levy is \$3,379,110. The levy is comprised of new construction equalized assessed valuation (EAV) estimated at \$2.1 million based on recent county estimates and a CPI factor of 2.1%. The total EAV is projected to increase by 5% to \$602 million. The police pension valuation recommended a minimum Village contribution of \$728,089 up 2.6% from the contribution last year of \$709,784.

Based on the information provided in the amended meeting packet a motion was made by Member Ankerman and seconded by Member Lemieux to recommend the calculation of the levy utilizing CPI of 2.1 and to capture the new EAV growth as presented.

3. Discussion Regarding the Capital Asset Policy Modifications

At the July 23, 2018 meeting the Finance Committee reviewed an updated Draft Capital Asset Policy which included capitalization thresholds based on the type of asset, assuming values are greater than at least \$5,000. Finance Director O'Connell explained that GFOA recommends capitalization thresholds that are best applied to individual items and thresholds should never be less than \$5,000. Additional information was provided on infrastructure spending. The details on purchases reflected that multiple invoices in FY18 were less than the originally suggested 250k threshold, therefore supporting Member Lemieux's concerns that the infrastructure threshold should be lowered to 100k in the new capitalization thresholds.

Member Ankenman motioned to accept the new Capital Asset Policy and the modified capitalization threshold for infrastructure as presented, the motion was seconded by Member Lemieux, and all members voted aye.

4. Discussion Regarding the CIP Update

a. *Bike/Pedestrian Pathway Lighting Project at E Sheridan Place to Center/Mawman*

The Village Engineer Jeff Hansen briefly explained that the Village is working with V3 Construction Group on the design and construction of the Bicycle/Pedestrian Path Lighting from E. Sheridan Place to West Scranton Avenue / West Center Avenue. In order to keep the lighting contiguous and at the minimum recommended levels the cost of the project will exceed original budget expectations. Trustee Towle asked if the project could be approached in phases, and Engineer Hansen clarified that a phased project approach would be at premium cost. The members agreed that the project needs to be completed for the safety of the children and residents who utilize the train lot. Staff explained Safe Routes to School Grant funding is available and recommended the Village pursue grant funding.

The Committee concurred and decided to wait for the outcome of the grant funding to determine the scope and budget of the project.

b. Green Bay Rd Bridge

The FY19 Fiscal Plan includes \$250,000 to design/plan rehabilitation of the Green Bay Road Bridge. Village Engineer Jeff Hansen reviewed the approaches to rehab the bridge. He recommended the Federally Funded route (Approach 2) as it is the most cost effective and has limited possible complications in processing the road project and bridge project semi concurrently. The Committee discussed Approach 2 which would include resolving the bridge condition in the next couple years with less Village expense and agreed with staff recommendations. There was further discussion concerning the framing and whether it should be similar to Moffet Rd without the barricading. A divider may be needed between the street and the sidewalk, but further design review is needed. The first step in beginning the project is to send IDOT a letter and establish a professional service agreement for 100k with Tyler for Phase I and II engineering. The project work would then begin in the summer of 2020.

The consensus of the Committee was to pursue Federal funding immediately to determine the scope and budget of the project.

Tree Grates

Village Engineer Jeff Hansen provided additional information on the cost of the grates for the trees in the CBD. The grates are customized and will cost about 40k. He suggested that Public Works assist with the installation to minimize costs, and that perhaps a local contractor could also provide some services.

c. License Plate Reader Project

Chief Belmonte discussed the FY19 Fiscal Plan to acquire and install a license Plate Reader system to assist the Village with policing efforts. Departmental investigation into the various systems revealed a certain vendor preference (Vigilant Solutions) due to increased sharing capabilities across law enforcement agencies; unfortunately this same vendor has pricing that exceeds the capital budget by at least \$13,000 and also additional annual support costs of \$9,600 to be considered. Chief further explained that Vigilant Technologies is a primary provider that networks their customers allowing them to share data on a nationwide server. The project would likely cost about 75K, with additional costs for a camera at Green Bay Rd because it is IDOT owned. The Committee asked whether it would be feasible to install several devices/poles before and after the intersection instead, and if the project could be partially completed this year. Chief Belmonte indicated that the marginal cost of the cameras have little impact on the annual licensing costs, and that the plate readers are also an investigative tool to assist in locating suspects (cars) related to crimes/criminal issues. They would provide alerts to officers, and the alerts are considered probable cause. A policy would be drafted (as required by CALEA) to include the managing of the information and any policing that occurs.

The committee requested that staff:

1. Further investigate the mounting of the cameras;
 2. Confirm what the IDOT fees for Green Bay Rd utilization are, if any; and
 3. Provide policies from other local communities utilizing Vigilant Solutions.
5. Discussion Regarding the Pay Plan Amendment / Fire & EMS Service

Village Administrator Drew Irvin provided a brief overview of the pending outsourcing of Fire/EMS services of the Rockland Fire Protection District (“RFPD”) effective 10/01/2018.

This will require the Official Pay Plan to be amended to include Firefighter, Firefighter /EMT, and Firefighter/Paramedic. He further explained that the typical shifts would be from 8:00 a.m. to 6:00 p.m. Monday through Friday with weekend sleeper shifts.

Member Lemieux motioned to amend the Pay Plan, and the motion was seconded by Member Ankenman.

6. Special Vehicle Sticker Program Request – Lake Bluff Library

The Committee briefly discussed the history of the special vehicle sticker fundraising program, and requested that staff provide more details on the cost of administrating the program for an outside agency or non-profit.

IV. Next Meeting

The next meeting is to be determined.

V. Adjournment

Member Ankenman made a motion to adjourn the meeting at 8:15 PM; seconded by Member Lemieux and all members voted aye.

Respectfully submitted,

Bettina K. O'Connell
Finance Director