

**VILLAGE OF LAKE BLUFF**  
**FINANCE COMMITTEE MEETING**

**VIRTUAL MEETING**  
**Monday, October 19, 2020**  
**6:00 PM**

**Due to the COVID-19 emergency, this meeting will be held primarily virtually. Members of the public may view and participate in the meeting via:**

Online (**strongly recommended**): **lakebluff.org/VirtualFinanceCommittee**

**OR**

Dial-in: **(312) 626-6799**. Enter meeting ID **849 8597 2251**. Press # when prompted for a Participant ID.

**IMPORTANT:** Additional instructions are available in the agenda packet immediately following the agenda.

As required by law, at least one representative from the Village will be present at Village Hall and the virtual meeting will be simulcast at Village Hall for members of the public who do not wish to view the virtual meeting from another location. Pursuant to Executive Order 2020-38 issued by the Governor, no more than 10 people may gather at Village Hall for the meeting. Accordingly, the opportunity to view the virtual meeting at Village Hall is available on a “first come, first-served” basis.

The meeting will be live-streamed at **lakebluff.org/Channel19** and broadcast live on Comcast Channel 19 with the most recent meeting rebroadcast on Wednesdays at 8:00 a.m. and Mondays at 7:00 p.m.

AGENDA

I. Oral Declaration Regarding In-Person Meetings of Subsidiary Boards and Commissions

Chair declares that meeting in Person is not practical or prudent.

II. Call to Order – Roll Call

III. Approval of Minutes – September 28, 2020

IV. Non-Agenda Items and Visitors

The Finance Committee allocates fifteen (15) minutes at this time for those individuals who would like the opportunity to address the Committee on any matter not listed on the agenda.

V. Business Items

- A. Discussion Regarding Draft FY2020 Comprehensive Annual Financial Report (CAFR) and Auditor Communications to the Board

VI. Informational Items

- 1. Review of Investments

VII. Adjournment

The Village of Lake Bluff is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the facilities, are requested to contact R. Drew Irvin at 847-234-0774 or TDD number 847-234-2153 promptly to allow the Village of Lake Bluff to make reasonable accommodations.

# VIDEO MEETING GUIDE

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**Format:** Our goal is to provide a meeting that is as similar as possible to an in-person experience. Members of the public will be given opportunities to speak at the start of the meeting and before each agenda item.



NORTH SHORE LIFE  
LAKE BLUFF STYLE

We will use Zoom Webinars for this meeting. In this product:

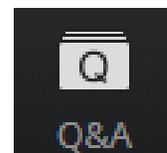
- Panelists (Trustees, Staff, etc.) control their own ability to speak and transmit video.
- Attendees (members of the public) can see the meeting, but cannot transmit audio or video unless recognized by the chair. (See below for how to be recognized.)
- One or more staff members will act as hosts and help organize the meeting.

## **Rules:**

- [An online guide to using Zoom is available here.](#) Please know that the Village cannot provide technical support. [You should test your ability to use Zoom ahead of time.](#)
- Ideally, all participants should join using the Zoom application so that they can experience the full meeting. While participants may call-in, this is a lower quality experience.
- All participants should use their real name (first and last) to identify themselves in the meeting. People using aliases or pseudonyms will not be recognized.
- All participants should stay muted unless they are actively speaking. Your mute may be enabled remotely if you are echoing or transmitting background noise.
- Elected officials participating with video should keep their video enabled at all times. Village Staff should disable their video unless they are participating in a discussion.
- In Lake Bluff meetings, text chat and private messaging features are disabled.

**Public Participation:** To participate in the meeting, members of the public can:

- Submit a comment or question using [Zoom's Q&A feature](#). Written items will be read aloud and answered as necessary. You can also ask to be recognized by the chair. You will be able to speak directly to the Board and may choose to send video.
- Phone users can dial \*9 and will be placed into a queue to be recognized by the chair.
- Email comments in advance to [vlb@lakebluff.org](mailto:vlb@lakebluff.org). Emails should list the meeting and date in the subject line (e.g. "April 13 Village Board meeting") and should identify the author by name. Emails will be shared electronically, and those that are 200 words or shorter will generally be read aloud by a staff member during the appropriate comment period.



## Village of Lake Bluff – Video Meeting Guide

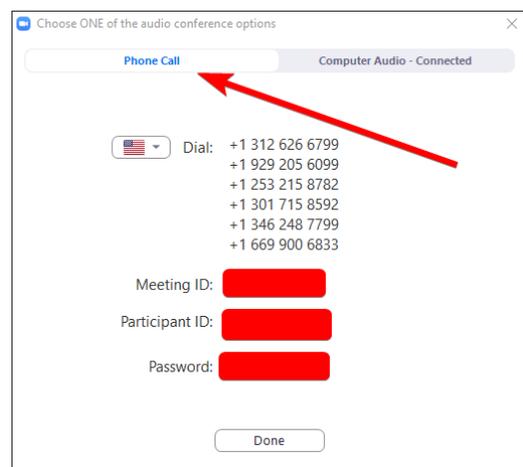
### Technical setup. The ideal attendee has:

- **Device:** The ability to transmit and receive video.
- **Audio:** Clear audio that does not echo or transmit background noise.
- **Connection:** A stable, high-quality internet connection.

	Device	Audio	Connection
<b>Ideal</b>	Zoom app on a desktop or laptop	A headset with microphone	Wired connection via Ethernet
<b>Okay</b>	Zoom app on a mobile phone or tablet	A headset (using built-in microphone) Using a phone to dial in	Connected wirelessly via WiFi
<b>Not ideal</b>	Calling into conference line (without Zoom app)	Computer speakers (using built-in microphone) Speakerphone on phone	Connected via 4G / LTE (cellular data) Using a phone to dial in
<b>Tips</b>	<ul style="list-style-type: none"> <li>• Use a stable surface so that your video doesn't move or shake.</li> <li>• Have a “boring” background that isn't distracting (e.g. others moving around).</li> </ul>	<ul style="list-style-type: none"> <li>• Pick a quiet place as your workspace.</li> <li>• Keep yourself muted when you are not talking.</li> </ul>	<ul style="list-style-type: none"> <li>• If you have to use WiFi, try to pick a workspace close to your router.</li> <li>• Discourage other household members from streaming video during the meeting.</li> </ul>

### Tips:

- You will appear more natural if you look directly at your camera when speaking. It may help you to put your camera near your monitor.
- While muted, you can [hold the spacebar to unmute yourself temporarily](#) (push-to-talk, like a walkie talkie). It will mute you again as soon as you release the spacebar.
- If you do not have a headset, you can use the Zoom application on your PC but [dial-in using your phone](#). This will let you see and share video, and also let you control if you are muted using your PC. This may reduce echo and background noise for those individuals without headsets.



*Joining via video but using a phone call for audio.*

## Village of Lake Bluff – Video Meeting Guide

### Frequently Asked Questions

**Q: How do I participate in a meeting?**

**A:** If you would like to participate in the meeting live, a URL will be listed on the top of the agenda that will invite you to join the meeting via Zoom. You can also dial-in using the phone number shown on the agenda, but this is a lower quality experience.

You can also watch the meeting live at [lakebluff.org/channel19](https://lakebluff.org/channel19) or by turning on Comcast Channel 19. Meetings are rebroadcast periodically.

**Q: How do I submit a public comment?**

**A:** An opportunity is provided for the public to comment on each agenda item before the Board votes. Additionally, a time is provided early in the agenda to address the Board regarding any matters not on the agenda. To submit a comment:

**Via Zoom.** Submit a comment or question using [Zoom’s Q&A feature](#). Written items will be read aloud and answered as necessary. You can also ask to be recognized by the chair.

**Via Phone.** If you are participating by phone, you can dial \*9 and be recognized by the chair.

**Via Email.** Finally, you can email comments in advance to [vlb@lakebluff.org](mailto:vlb@lakebluff.org). Emails should list the meeting and date in the subject line (e.g. “April 13 Village Board meeting”) and should identify the author by name. Emails will be shared electronically, and those that are 200 words or shorter will generally be read aloud by a staff member during the appropriate comment period.

**Q: How do I get technical support?**

**A:** Unfortunately, the Village cannot provide technical support. [An online guide to using Zoom is available here](#). Make sure to [test your ability to use Zoom ahead of time](#). If you are unable to use Zoom, you may use the call-in number, live stream link, and/or submit questions via e-mail.

VILLAGE OF LAKE BLUFF - FINANCE COMMITTEE  
MINUTES OF MEETING – **September 28, 2020**

I. Call to Order – Roll Call

The Finance Committee of the Village of Lake Bluff was called to order on Monday, September 28, 2020 at 6:00 PM in the Village Hall Board Room, 40 E. Center Ave., Lake Bluff, Illinois.

Members Present: Trustee Barbara Ankenman, Chair  
Trustee William Meyer, Member  
Trustee Aaron Towle, Member

Others Present: Kathleen O'Hara, Village Board President  
Regis Charlot, Village Trustee  
Mark Dewart, Village Trustee  
Joy Markee, Village Trustee  
R. Drew Irvin, Village Administrator  
Bettina O'Connell, Finance Director  
David Graf, Fire Chief  
Jeff Hansen, Village Engineer  
Glen Cole, Assistant to the Village Administrator  
Jake Terlap, Public Works Superintendent  
Peter Friedman, Village Attorney

II. Oral Declaration Regarding In-Person Meetings of Subsidiary Boards and Commissions

Chair Ankenman read the following announcement: Pursuant to recently adopted amendments to the Illinois Open Meetings Act included in Public Act 101-0640, public bodies may in certain circumstances hold entirely virtual public meeting without a forum physically present at any one location. On March 18, 2020 the Village President issued a declaration of emergency pursuant to the authority granted by the Village Code, Illinois Municipal Code, and the Illinois Emergency Management Agency Act, to address the health proposed by the COVID19 pandemic. On May 29, 2020 Governor Pritzker issued a disaster Proclamation that declared in-person attendance at public meetings of more than 10 people, at a regular public meeting location, to be infeasible in accordance with the Illinois Open Meetings Act as a Public Act 01-0640. On June 16, 2020 President O'Hara executed a written determination that given the ongoing emergency associated with the COVID19 pandemic, in-person meetings of the Villages Village Board are not practical or prudent at this time until further notice. In accordance with the Governor's disaster proclamation and the Village President's declaration of emergency and determination regarding meetings of the Village Board, I, as Chair of the Finance Committee of the Village of Lake Bluff, hereby determined that in-person meetings of the Lake Bluff Finance are not practical or prudent at this time and until further notice.

III. Approval of Minutes

*Village Administrator Drew Irvin read the requested correction from Chair Ankenman, Member Towle made a motion to approve the minutes of the June 22, 2020 meeting*

*as amended; seconded by Member Meyer and approved unanimously on a roll call vote.*

IV. Non-Agenda Items and Visitors

Chair Ankenman said the Finance Committee allocates fifteen (15) minutes at this time for those individuals who would like the opportunity to address the Committee on any matter not listed on the agenda.

There were no requests to address the committee.

V. Business Items

**A. Discussion Regarding 2020 Property Tax Levy Estimates and Police Pension Actuarial Recommendation**

Chair Ankenman introduced the agenda item and asked Staff for an updated.

Finance Director Bettina O'Connell said earlier today she received temporary estimated EAV numbers from the County which changed a little bit of the spreadsheets and the estimates that were provided to the Committee in the packet. There is a seven million dollar estimated reduction in EAV for a difference of about \$3,000 additional dollars in extension monies calculated with CPI when compared to the original estimated EAV numbers. The summary portion, Attachment A reviews the Levy calculations utilizing (i) CPI, (ii) without CPI and (iii) also with a freeze (or no change to the extension request amount). The original additional extension amount on Attachment A with CPI is \$117,664, an additional \$14,979 without CPI and no increase with a freeze. The updates to EAV did not produce a great deal of change. Finance Director O'Connell said the EAV numbers went down and that is primarily related to exemption increases, which are substantially different from what we saw in the year prior. Finance Director O'Connell indicated that some of the calculated numbers presented in the original memorandums are a little bit off because of the new EAV estimates but there would not be too much of a change to the percentages or calculations. She said that the biggest driver in what happens to the general fund and how money is allocated and distributed is of course the police pension levy and that is attributed to the actuarial report requested calculation; and, unfortunately, April 30<sup>th</sup> was the snapshot date for that reporting. At that point the market had some considerable downturns in our investments. If the reporting snapshot were earlier or 30 days later a considerably different contribution would be available. She continued opining that the Village was a victim of the April 30<sup>th</sup> snapshot, whereas a calendar year December 30<sup>th</sup> end date would have determined an entirely different contribution level.

Chair Ankenman said the good and bad news with the police pension is that although it requires more of a contribution now, today's investment provides an opportunistic position to future market upturns, positioning the pension fund for stronger returns as the Village contributes now reaping greater returns later. She thinks it is fair to say that would give us a better position in the long term. Finance Director O'Connell said there have been considerable market rebounds already and, at a point, the pension fund investments declined to under \$10 million, while currently they have increased back to over \$11 million again, so there has been considerable swing in the balances.

Chair Ankenman opened the floor to questions regarding the property tax levy.

Trustee Towle said the discussion we need to have is what we are most comfortable with as far as including the CPI and additional EAV in our levy. Finance Director O'Connell said there is little to no difference in the calculation with the extension if the freeze option is pursued or using the new EAV figures with CPI.

Trustee Towle said he agreed and he thinks capturing the new value can certainly be justified. It would make him more comfortable to hold off on the CPI for the coming year especially with so many people in unknown financial situations. Chair Ankenman said looking at the CPI number the percentage is 2.3% and that number seems like a realistic number but we really do not have the full flavor for how the COVID-19 pandemic is affecting the community overall. She commented that knowing the impact of the snapshot point in time for the police pension fund meant that we needed to contribute almost 15% more than in the prior year and that is additional cash needed today, and this will probably benefit us in the long run. Chair Ankenman indicated that this factor is really significant and will also obviously have an effect on homeowner's tax bill. She said people are concerned about high property taxes but we are also concerned about stormwater and pension liabilities in general. She added that there are some big issues that we need to continue to chip away at and this is a benefit to all citizens.

Chair Ankenman said the memorandum also pointed out the effect on homeowners and asked Staff to briefly address this point. Finance Director O'Connell said the impact to a market value home of about \$750,000 would be approximately a \$25 increase for a \$750,000 home including CPI and an \$18 increase with non-CPI levy estimates.

Trustee Meyer said with those figure on this average home of \$750,000 we literally have a tax burden different that is about \$7 dollars. Trustee Dewart said it is a swing of about \$40 dollars between the two. Trustee Towle said he understands that the dollar amount is not very much from just a Village's standpoint per homeowners, but if all of the taxing bodies that are on somebody's tax bill follow the lead of not including CPI or trying to keep their increase to a very minimal amount, with whatever options that adds up to real money. He thinks whatever we can do to help homeowners perhaps if that means us foregoing one of the non-essential projects for a year, we should try to do whatever we can.

In response to a question from Trustee Meyer, Finance Director O'Connell said the Village represents approximately 9% of a taxpayer's bill. Trustee Meyer said that if we are at 10% and everybody raised it by \$40 dollars, that is \$400 dollars and something people are going to start noticing.

Chair Ankenman said she recognizes that the pension swing from last year to this year is about \$100,000 and it is not a new line item, program, or new service but a significant outstanding liability that continues to grow and change as the Village grows and changes. She said that this is one concern that she has and the exponential multiplication of the effect of not increasing one year does affect the next year but additionally subsequent years. Chair Ankenman also added to the equation the responsibility the Village has to continue its good stewardship of the property taxes and other revenues. Given our significant issues with stormwater and trying to address some of these long outstanding problems, she stated that the continued revenue growth through the maximum tax levy extension may be a big factor in supporting these concerns.

Trustee Towle agreed and said we have issues and projects that need to be resolved, but most people right now are delaying projects that they were hoping to do this year. He feels like the Village should be no different from that in this matter. He continued stating that the Board knew revenues would decline so we delayed some projects and he thinks we could continue to evaluate expenses knowing many people's incomes will continue to suffer.

Trustee Dewart agreed with Chair Ankenman that there is a political and fiduciary responsibility. He said we have faced this prospect and answered this question before where incomes and other things have been challenged as well. He thinks that there is a concern about the exponential issue and the multiplicative factoring that Chair Ankenman mentioned. He thinks the tough part is when you get down to certain projects, those certain projects often have very significant meanings to different constituencies in the community and oftentimes it is very difficult to justify to folks that we are foregoing something because we have shifted below the bar on the project list. He is also concerned that the investment climate could be very different six months from now in terms of the valuation of our pension fund. The market is in an exceeding high position today and depending on a lot of other factors we could easily be back where we were six months ago. Trustee Dewart thought that, by not taking advantage of the modest increase offered with the CPI increase, the Village would be limiting itself and, in doing so, the Village would likely not be a deciding factor for other taxing bodies. He is not sure that everyone is lining up to expand their tax bills by 2.3% because that is what the Village did.

Trustee Towle said if everybody else is going to be increasing then our \$40 dollars freeze might provide some relief.

Trustee Dewart said he appreciates that but his point is folks are not comparing the percent that Lake Bluff is of their tax bill at 9% to the other taxing bodies in the district.

Trustee Towle said the taxing body elected representatives might not be doing that but, if we do, there are certainly people watching who might talk to those other representatives and say "well, the Village is figuring out how to do it without an increase so why can't we."

Trustee Dewart said there is no question we can figure out a way, the question is whether it is an appropriate extension of our fiduciary responsibility to do so for the financial good of the Village. He continued that sometimes it comes down to making the tough decisions and saying, in the long run, what is best for the Village. He reiterated his concern again – not taking CPI may put the Village in kind of a corner financially at the end of the day because this year's increase impacts next year's increase, etc. and we have a rather conservative situation. Trustee Dewart continued that the Village is faced with the prospect that we may be more challenged next year to pay even more into our pension obligations than we are this year because of potential continued market declines.

Trustee Towle added that it is possible that the market could stay where it is right now and the Village contributions would be less next year.

Trustee Dewart said he is only sharing what the Village faced over the last eight years, and that we were in similarly challenging financial circumstances having the very same conversations about the financial condition of our residents.

Trustee Towle said there will always be projects that people want done that we do not have the money to do.

Trustee Markee added that instead of talking about increasing the levy is there a way that we can be more efficient with the dollars that are coming in, as it would be nice this year in particular if we could give people a break. It has been a tough year for many people. She continued to explain that with a different perspective perhaps there would be greater efficiencies and reduced costs. Trustee Markee further stated that the Village does an excellent job at being efficient and manages a lot of the low hanging fruit, but this situation might compel us as a group to reassess things finding more creative solutions. Trustee Markee said for her a \$25 increase in the Village is nothing compared to what she usually sees for the School Districts so as a taxing body for us that 10% that we take is so small compared to the rest of her tax bill. She stated that any significant deviation in her tax bill would come from one of the larger taxing bodies like School Districts #115 or #65.

Trustee Charlot said he supports Trustees Markee and Towle comments. He commented that this is an extraordinary year, when many people have had financial difficulties. In general, he feels that Lake Bluff taxes are perceived to be high and during a difficult year an increase would not be good.

Chair Ankenman reiterated that the intent behind a 2.3% increase is correlated to the basket of general consumer goods that change in their cost from year to year. CPI is the percentage that represents the change in our cost from one year to the next also. She continued by explaining that an additional \$100k pension contribution without additional revenue will further increase our year-to-year change in costs, and wondered how decrease in available revenue would affect residents.

Trustee Charlot said he thinks there are two constituents to the dialogue here, the citizens of Lake Bluff our community and there is a Village of Lake Bluff and some people are having difficulties. He questioned whether this meant that the Village should continue its important and necessary business actions and raise the tax levy by 2.3%. He also pointed to the perception issue that Lake Bluff has a high tax rate and he thinks the Village must be sensitive to this.

President O'Hara said there are many projects that need to be addressed and she also understood the ramifications of the PTELL increase, which seems like a small increase of approximately \$40 dollars, but commented that forgoing the increase compounds itself. She also agreed that for many people it is an extraordinary year and the Village might make a statement by freezing the tax levy, knowing that the Village will need to reprioritize and evaluate the budget and an additional \$100k will need to be paid to the pension fund. These factors will make it difficult, but she did agree that a tax freeze was important this year. She also maintained that we need to really understand and, really hold to the fact that we will have less money and that is not easy. President O'Hara said she would suggest that we do go with the freeze and hopefully that might have an impact on the other taxing bodies, but realize that this approach we force certain hard decisions this upcoming budget year.

Trustee Meyer said having heard what everyone has to say, he thinks his vote will be for a tax freeze and we can make not only a statement with this but also tighten the belt.

In response to a comments from the Committee, Finance Director O'Connell said when the EAV increases the tax rate decreases to ensure that we receive the dollars that

we need and conversely which is what is happening this year, based on the estimate which will likely change as we get the final numbers from the County. She said her experience has been that those numbers actually go down a little more than estimates, so the tax rate would increase to ensure that we receive the dollar that we are entitled to. This means that with a freeze the amount the Village is requesting would remain the same, but because the assessed value actually declined the overall tax bills would increase to extend the same total dollars as last year.

Trustee Meyer said he thinks what Trustee Towle is advocating is essentially the blue column with no CPI. The overall negative impact of that on our revenue is therefore approximately \$100,000. Finance Director O'Connell said the overall impact is going to be looking to recapture how we are funding the increase to the pension levy. Trustee Meyer clarified his vote would be with the no CPI column or option and let's capture the EAV.

Chair Ankenman said she would rather take the CPI but she would yield to the majority of the committee.

Village Administrator Irvin said this is only the first conversation about the estimate and between now and the next meeting additional information could be provided, if requested.

Trustee Dewart asked Staff if they can draw a picture of the impact of this and where we absorbed a better part of a \$100,000 dollars already in the last 6 to 12 months as we cut our budget.

Trustee Towle asked if the question is referring to the project priority list. Trustee Dewart said this is more than a project it is the whole Village budget. Trustee Dewart stated that, when we cut our budget back in March and April because of the loss sales tax dollars and built in revenue due to Village revenue that was the better part of \$75,000 or \$100,000 dollars. We are now talking about pulling another \$100,000 dollars out of the budget. Trustee Dewart said when this came to us back in March and April, Staff was able to say we need to tighten our belt because we are going to have less income and these are the areas where we are going to have to draw those funds away from. He clarified that what he is asking is will it be possible to look in the crystal ball and say if we are going to have to tighten down another \$100,000 dollars where would that come from, whether projects or operations where is the money going to come from.

Village Administrator Irvin said initially did modify some operations but most of it was postponing capital. He suspects that would be the first place we looking the future. He said that some projects may not move forward again because of issues beyond the Village control such as IDOT funding and funds needed to take on other projects. He said instinct tells him that is where we would go first but that there may be some operational changes also. Village Administrator Irvin also said we have taken on a bigger burden regarding ambulance rates and we are certainly facing known rate increases with our collective bargaining agreements.

Trustee Charlot asked if we have the freedom to change contribution to the police pension or are we bound to make the same contribution. Chair Ankenman said it is actually a complex calculation and there are a number of methodologies that you could use. They financial policies have determined which methodologies they choose to use and it is not something they change easily.

Finance Director O'Connell said you rely on the actuarial calculation to determine the calculation amount and there is a minimum statutory number that the State calculates through their actuarial, but they use a different calculation that will not bring use to the 90% percent State funding requirement by 2040. She said we use the more conservative approach, which turns, into a higher contribution number calculated by our own actuary in order to meet the statutory funding requirement by 2040. Finance Director O'Connell said to meet the legal requirements you really have to use the contribution levels that are being calculated by your own private actuary and not the State minimum required number. She said it could be funded at a lower number but you would never make the State statutory requirement and then additionally in less than 30 months we are going to be required to turn over all our investment funds to the State investment pool and the State will be taking over the investment oversight as well as the actuarial calculations. She said we are really not sure how that will all play out and how they will calculate our funding contributions and whether we will still be required to hire an actuary on our own to come up with our own contributions. There will be a lot of changes in the next 30 months before June 2022 and to reduce or change the number could have some significant long term effects.

Trustee Towle said he noticed that the statutory minimum is \$611,000 and the actuary determined that it is \$849,000. He asked what would be the effect of reducing our contribution one year knowing that it might not get us to where we want to be as fast.

In response to a comment from Trustee Towle, Chair Ankenman said the snapshot would be too high to our benefit and now we are trying to make up for 20 years of when people did not put away the pension liability as the nest egg.

Trustee Dewart said let just say we are going to foregone \$100,000 this year which means effectively next year we have to come back with \$200,000 and the reality is that even in our best of years we have talked about our PTELL generating perhaps an increase of \$75,000 dollars. He continued that, looking forward a year or two, we are actually going to have to double or triple our contributions which eventually will catch up with us and we will suddenly find ourselves being thousands of dollars behind.

President O'Hara said the Illinois Municipal Fund is almost 100% funded and is by far in the best funding position. She explained that the State is looking to try to replicate IMRF operations. The other thing that is being considered is to change is the 2040 funding deadline date, to funded by 2050, President O'Hara said there are a lot of moving parts out there and the whole intent was that these funds will be more astutely invested and there will be more controls over them.

Chair Ankenman said she is very concerned about foregoing the CPI. She said we are not signing on the dotted line, but questioned the timing of the Committee's decision. Chair Ankenman said this has been our first robust conversation about this topic and she thinks we will probably all ruminate about it and talk to our constituents and perhaps at the next meeting have some opinions that have migrated a little bit.

Following an extensive discussion, the Finance Committee took no action on this item.

**B. Discussion Regarding Possible Changes to Village Ambulance Fee Schedule**

Chair Ankenman said she knows the schedule has changed in terms of what the City of Lake Bluff is going to do for Lake Bluff, what Lake Bluff bills to residents who use their services and the formula has slightly changed. She said she is looking at the big

picture with the structure of all the pieces and there are a couple of different services that are given whether it includes transport, no transport in the end, lift assist or if the service was cancelled. The new rate structure looks like there is a fee for the basic transport and no transport is a lesser fee, but these are not the same as what we would then charge to the resident who uses the services and the same could be said for the lift assist. There is a new charge that is less than a transport but what we would then charge to the user of the service would be much less. She said we should look annually at the total expenses that the City of Lake Forest is categorically charging so that they can create the new rate structure and then we need to put those numbers in and see how our structure is to bill to our users of the services. She said she is not sure if she is looking at the big picture in the correct way because the total number of calls year to year seems to hover for transports around 200 and then in total high 200 with the difference being no transports, lift assists, etc. Chair Ankenman said given the new structure if we extrapolate out what Lake Bluff might be paying to the City of Lake Forest for all these services it looks like on a yearly basis about \$400,000. She said what we end up billing to our residents is approximately \$227,000 based on the structure given in the chart.

Chair Ankenman provided an overview of what the Village pays the City of Lake Forest for all the services.

Village Administrator Irvin said this resolution was going back many years involving a dispute over billings. He said historically the Village has charged a rate that was largely tied to our rate with the City of Lake Forest and, because their rate is increasing, the Village is looking to raise its rate to correspond with those increasing rates. At the same time, he noted that the Village is also trying to capture payment for services rendered that are consistent with other EMS Departments. He said that we only bill patients that are transported so if there are any services rendered, such as a variety of basic life support or even advanced life support at a scene, and if we do not transport that is no bill issued. He stated the biggest issue is that the percentage of Medicare and Medicaid eligible patients that our departments treat is about approximately 57% so the Village is limited in what we can bill those individuals. The Village will only get what is approved for ALS or BLS transport for Medicare or Medicaid and it is substantially less, so immediately we are only capturing about 45% of those receipts.

Chair Ankenman said a normal transport bill would be \$1,732 and the Village could collect approximately \$400 dollars so every time that happens we are subsidizing \$1,300 dollars.

In response to a question from Trustee Meyer, Village Administrator Irvin said the Village does not have a similar constraint on private insurance payers.

Chair Ankenman said the end of the memorandum states “if implemented as proposed the Village would capture an estimated \$3,000 to \$5,000 dollars annually to offset service provision,” so is that just looking at these no transport fees of \$250. Village Administrator Irvin said that is correct and that this is a conservative estimate for non-transport related services.”

Chair Ankenman expressed her understanding that the memorandum was addressing the new fees that will kind of fill in some of the blanks. She said due to time restraints the remaining agenda items could be moved to the next regular meeting and although the timing of the discussion regarding an update to the local stimulus grant program is important because the window for that is kind of coming to a close.

Following an extensive discussion, Chair Ankenman directed Staff to schedule a special meeting to continue discussions regarding ambulance fees, update to the local stimulus grant program and other informational items. There were no objections from the Committee.

VI. Adjournment

Member Towle made a motion to adjourn the meeting at 7:02 PM; seconded by Member Meyer and the motion passed on a unanimous roll call vote.

Respectfully submitted,

Bettina O'Connell  
Finance Director

DRAFT

VILLAGE OF LAKE BLUFF

MEMORANDUM

TO: Finance Committee Members  
Kathy O'Hara, Village President  
R. Drew Irvin, Village Administrator

FROM: Bettina K. O'Connell, Director of Finance

DATE: October 19, 2020

SUBJECT: FY2019-20 Comprehensive Annual Financial Report (CAFR)



Please find the *draft CAFR (available in the dropbox)* for the fiscal year ending April 30, 2020 which includes a statement regarding the financial position of the Village, the Auditor's Communication to the Board, and the Management Letter. Dan Berg, Partner at Sikich, LLP, will be present at the Finance Committee meeting on October 19<sup>th</sup> to review the results of the audit and answer questions.

Noteworthy:

- The Village obtained the highest opinion possible, an unmodified opinion from the independent audit firm, Sikich LLP.
- The Village's total net position increased from \$25.373 million to \$25.827 million as of April 30, 2020. The increase in net position by \$453,849 is due to an increase in the Governmental Funds of \$262,827 and in increase in the Water Fund of \$191,022.
- The Village's net investment in capital assets of \$25.30 million equals the capital assets net of accumulated depreciation of \$28.39 million minus \$3.09 million in outstanding related debt. This increase from the prior year net investment in capital assets of \$747k from \$24.55 to \$25.30 million is the result of capital infrastructure spending greater than the depreciation expense.
- Government-wide expenses were \$12.04 million, funded with program revenues of \$2.82 million and property, sales, utility, income and other taxes, interest, and miscellaneous revenues of \$9.67 million.
- The General Fund (the Village's main operating fund) ended the year with a fund balance of \$7.80 million increased from \$6.85 million as of April 30, 2020. This fund balance represents 84% of the operating expenditures exceeding the Village's policy to maintain 50% of operating expenditures to provide expanded flexibility and cash flow during times of economic volatility, chiefly due to the Village's increased reliance on sales tax revenue. The excess reserves are planned to be intentionally decreased over the next several years to finance scheduled infrastructure improvement projects. The excess reserves will also provide relief for revenue losses related to the COVID-19 health pandemic.
- The Water Fund had an operating gain of \$358,803 compared to the operating loss of \$78,261 in the prior fiscal year. The Village sets a rate each year that is intended to cover the operating costs including depreciation. Actual operating revenues decreased .16% or \$2,115 and operating expenses decreased 17.97% or \$240,803 related to a \$178k reduction in Other Postemployment Benefits (OPEB) expenses, changes in allocation salary expenses, and the lack of contingency

expenses. In fiscal year 2020 the Village engaged a firm to replace the aging water meters with a more efficient electronic reading process funded with General Obligation Bonds.

- *Transmittal Letter and Management Discussion & Analysis (“MD&A”)*
  - The transmittal letter on pp. iv-ix presents a broader picture of the Village’s operations and the community as well as discussion about its finances. The MD&A located behind the “General Purpose External Financial Statements” on pages MD&A 1-10 is the source for a reader to focus on the Village’s overall financial condition and reasons for the changes.
  
- *Government-Wide Statements*
  - *On pages 4-7 you will find the government-wide financial statements, which consist of two main statements: “Statement of Net Position” and “Statement of Activities”. The Statement of Net Position “Governmental Activities” column combines the assets and liabilities for all of the Village funds except the Water Fund and the Police Pension Fund. The Water Fund is shown as a “Business-Type Activity” and referred to as an Enterprise/Proprietary fund on other statements. The Police Pension Fund is categorized as a Fiduciary Fund but is not reported in the government-wide statements because the funds are not available for any purpose other than Police Pension expenditures. Police Pension Fund statements are on pages 16-17.*
  
  - *On page 10 in the Statement of Revenues, Expenditures, and Changes in Fund Balance the governmental funds are shown in two columns: one for the General Fund and another labeled “Other Nonmajor Governmental Funds” which comprises all of the other governmental funds (not Water or Police Pension). The fund balance number does not include capital assets, long-term debt payable, net pension and OPEB obligations, and the loss on refunding bonds. This amount is meant to provide a measure of the resources available for spending. A reconciliation of the change in fund balance to the change in net position is on page 11.*
  
  - *Detail on the General Fund revenues and expenditures with budget-to-actual comparisons are on pages 69-75. The balance sheet for the individual non-major funds is shown on pages 78-79 and detail of revenues and expenditures for the non-major funds with budget comparisons are on pages 82-87.*
  
  - *Finally, the statistical section in the back of the report provides 10 years data on the Village’s financial trends, revenue and debt capacity, and demographic, economic, and operating information.*
  
- *Auditor’s Communication to the Board/Management Letter*
  - *The Auditor’s Communication to the Board is also attached. This includes a description of the auditor’s responsibilities and noting any difficulties encountered in performing the audit or issues with management, which there were none. As part of this package are comments on improving the Village’s journal entry review and year end close.*