

City of Naperville

*400 S. Eagle Street
Naperville, IL 60540*



Naperville

Meeting Minutes - Draft

Monday, January 29, 2018

6:00 PM

NEU

Financial Advisory Board

A. CALL TO ORDER:

Chairman Wik called the meeting to order at 6:00 p.m.

B. ROLL CALL:

Present: Chairman Wik, Member Klein, Member Davidson, Member Millington, Member Gannon, Member Wade

Absent: Member Isaac

Also Present: Council Ex-Officio Krummen, Director of Finance Rachel Mayer, Financial Services Supervisor Erik Hallgren, Budget Analyst Franco Bottalico, Mike Piotrowski, Marquette Associates

C. PUBLIC FORUM:

None.

D. REPORTS:

Receive 2017 4th Quarter Investment Report

Attachments: [2017 Q4](#)

[Supplemental Performance Data.pdf](#)

Mike Piotrowski from Marquette Associates updated the FAB on its 4th quarter report.

Receive the Report on the CY2018 Annual Operating Budget

Attachments: [Exhibit A - Budget Rev and Exp](#)

[Exhibit B - Fund Type Summary](#)

Erik Hallgren updated the FAB of the CY2018 operating budget and capital improvement program budget process.

A discussion ensued on the City's pension funding methodology and AAA credit rating status.

Erik Hallgren discussed the City's financial principles and the efforts made toward each principle, as well as the revenue generating options that will be recommended to City Council for CY2018.

E. NEW BUSINESS:

Approve the Financial Advisory Board minutes from November 27, 2017

Attachments: [FAB Board Minutes 11-27-17](#)

Member Millington stated the following needs to be updated in the minutes from November of 2017: (i) in the beginning of section II the year should be changed to "2015"; (ii) in section II the words "principal" needs to be changed to "principle"; and (iii) in the second to last paragraph of section II, the word "access" should be changed to "excess".

Member Millington made a motion, seconded by Member Wade, to approve the November 27, 2017 meeting minutes with revisions.

The motion carried by the following vote:

Aye: 6 - Wik, Davidson, Gannon, Klein, Millington, Wade

Nay: 0

Receive the report and provide direction on the City's Financial Reserve Policies

Attachments: [Ordinance 11-174](#)

[Resolution 03-29](#)

Erik Hallgren presented the FAB with a review of the City's reserve policy.

Rachel Mayer stated she does not recommend having a reserve policy for a 60-day funding; however, a 30-day operating reserve amount is recommended for the general fund, and a 30- to 45-day reserve amount is recommended for the utility funds.

FAB agreed that they'd like a one-page summary/dashboard on debt and finances at their meetings going forward.

F. OLD BUSINESS:

Pass the Ordinance approving a revision to the City's Investment and Cash Management Policy

Attachments: [Naperville Investment and Cash Mngmnt Policy Rev 1-25-2018 \(No Redline\)](#)
[Naperville Investment and Cash Mngmnt Policy Rev 1-25-2018 \(Redline\)](#)

The FAB made two revisions to the Investment and Cash Management policy:

- 1) Strike section 3-A-1a; and
- 2) Change section 5-A-11 from "Investment Grade Corporate Bonds defined as any bond rated A or better..." to "Investment Grade Corporate Bonds defined as any bond rated BBB or better..."

Member Wade made a motion, seconded by Member Gannon, to recommend the ordinance with two amendments to City Council.

The motion carried by the following vote:

Aye: 6 - Wik, Davidson, Gannon, Klein, Millington, Wade

Nay: 0

G. ADJOURNMENT:

Member Wade made a motion, seconded by Member Millington, to adjourn the regular FAB meeting of January 29, 2018 at 7:40 p.m.

The motion carried by the following vote:

Aye: 6 - Wik, Davidson, Gannon, Klein, Millington, Wade

Nay: 0

Franco Bottalico, Budget Analyst

Rachel Mayer, Director of Finance