

City of Naperville

*400 S. Eagle Street
Naperville, IL 60540*



Naperville

Meeting Minutes

Monday, July 30, 2018

6:00 PM

Finance Conf. Room 133

Financial Advisory Board

A. CALL TO ORDER:

Chairman Wik called the meeting to order at 6:02 p.m.

B. ROLL CALL:

Present: Chairman Wik; Member Davidson; Member Gannon; Member Millington; Member Wade; John Krummen - Council Ex-Officio (arrived at 6:13 p.m.)

Absent: Member Isaac; Member Klein;

Also Present: Rachel Mayer, Finance Director; Erik Hallgren, Financial Services Supervisor; Franco Bottalico, Budget Analyst; Connor Raridon, Finance Intern; Mike Piotrowski, Marquette Associates; Brian LeFevre, Sikich

C. PUBLIC FORUM:

None

D. REPORTS:**E. NEW BUSINESS:**

Receive the 2018 2nd Quarter Investment Report

Attachments: [City of Naperville 2Q18 Report Package](#)

Mike Piotrowski from Marquette Associates updated the FAB on its 2nd quarter report.

Rachel Mayer updated the FAB regarding upcoming RFPs for billing vendors

Receive the 2018 Q2 Budget Report

Attachments: [2018 Q2 Financial Report](#)

Erik Hallgren presented the CY2018 budget performance report for quarter 2. Erik Hallgren reported that the City's Revenues and Expenditures are performing in line with projections.

Erik Hallgren stated the State has slightly reduced the administrative fee on the collection of Home Rule Sales Tax from 2% to 1.5%. Additionally, the Local Government Distributive Fund (LGDF) reduction was slightly reduced from 20% to 15%.

The local use tax revenue will increase by \$350,000 to \$400,000 annually due to the recent Supreme Court ruling in favor of local governments (South Dakota v. Wayfair, Inc.). A discussion ensued on the local use tax.

Erik Hallgren reported that the special census has added approximately 5,000 to 6,000 new residents to the City's population. Because of this, the City may receive one or two higher disbursements in 2018 due to a larger population.

Approval of the April 30, 2018 Minutes

Attachments: [4.30.2018 FAB minutes](#)

Member Wade made a motion, seconded by Member Davidson, to approve the April 30, 2018 meeting minutes.

The motion carried by the following vote:

Aye: 5 - Wik, Davidson, Gannon, Millington, Wade

Nay: 0

Review the Public Safety Pension Funds Actuarial Valuations

Attachments: [Valuation Report - Naperville Fire - 2018](#)

[Valuation Report - Naperville Police - 2018](#)

Erik Hallgren stated that the public safety pensions contributions have slightly decreased by \$40,000, and the IMRF contribution has also decreased.

A discussion ensued on pension funding.

Receive the 2017 Comprehensive Annual Financial Report from Brian LeFevre of Sikich

Attachments: [2017 CAFR](#)

The FAB received a report on the Comprehensive Annual Financial Report (CAFR) from Brian LeFevre of Sikich.

F. OLD BUSINESS:

Receive a Report on City Reserve Level Policies

Attachments: [Highland Park Debt Policy](#)

[Naperville - Electric and Water-Wastewater 30-day working capital reserve](#)

[Naperville - General fund reserve policy](#)

The FAB received a report on the City's current reserve level policy.

Erik Hallgren stated that staff has looked at the GFOA and the rating agencies for their recommendations on reserve level policies, as well as what comparable communities currently have in place regarding their reserve levels.

The FAB agreed to receive a future report that compares what the financial impacts are on a lower rated community vs. a AAA-rated community.

Review of the City's Financial Advisory Board Dashboard

Erik Hallgren explained the updates made to the FAB's dashboard report. It has been sectioned into two pages: (1) quarterly updates; and (2) annual updates.

The FAB agreed to start future meetings by leading with the dashboard report.

G. ADJOURNMENT:

Chairman Wik made a motion, seconded by Member Gannon, to adjourn the regular FAB meeting of July 30, 2018 at 8:15 p.m.

The motion carried by the following vote:

Aye: 5 - Wik, Davidson, Gannon, Millington, Wade

Nay: 0

Rachel Mayer, Finance Director

Franco Bottalico, Budget Analyst