

City of Naperville

*400 S. Eagle Street
Naperville, IL 60540*



Naperville

Meeting Minutes - Draft

Tuesday, October 23, 2018

6:00 PM

Finance Conf. Room 133

Financial Advisory Board

A. CALL TO ORDER:

Chairman Wik called the meeting to order at 6:20 p.m. Newly appointed student members were introduced. The FAB then introduced themselves.

B. ROLL CALL:

Present: Chairman Wik; Member Gannon; Member Millington; Member Wade; Student Member Stanula; Student Member Watson; Student Member Yang

Absent: Member Davidson; Member Isaac

Also present: Rachel Mayer, Finance Director; Erik Hallgren, Budget Manager; Franco Bottalico, Budget Analyst

Chairman Wik stated that Member Klein has resigned from the FAB.

C. PUBLIC FORUM:**D. REPORTS:****1. Approval of the July 30, 2018 Meeting Minutes**

Attachments: [July 30, 2018 Draft FAB Meeting Minutes](#)

Member Millington made a motion, seconded by Member Gannon, to approve the July 30, 2018 meeting minutes with a correction to the misspelled word "quarterly" under the section titled "Review of the City's Finance Advisory Board Dashboard".

2. Receive the 8 Month Financial Report and Review the FAB Dashboard

Attachments: [2018 Budget Report \(8-Months\)](#)

Hallgren discussed the 8-month financial review. He stated the City is tracking in line with the prior year's expenditures. He stated most of the savings are related to the capital expenditures, as the bids were lower this year.

Mayer discussed the funding of the Maintenance Improvement Program.

Hallgren discussed the revenues. He stated there are some savings in purchased water and purchased electricity, and the funds are in balance. Public Works is tracking about \$450,000 over budget due to a heavier winter, but there are savings in other departments. He believes there will not be a need to go to City Council for a budget amendment.

Revenue from the state showed a slight increase in the income tax distribution due to the increased population from the special census.

3. Receive the 2018 3rd Quarter Investment Report

Attachments: [3rd Quarter Investment Report](#)

Chairman Wik discussed the 3rd Quarter report.

Mayer advised the City deposited \$8 million each to both money managers, and has moved money into a higher-yielding account. She expects to move more money to the money managers before the end of the year.

E. NEW BUSINESS:

1. Receive a Report on the Recent Sale of General Obligation (G.O.) Bonds for an Amount Not to Exceed \$7,500,000

Hallgren explained the recent sale of the General Obligation bonds, and due to deferred projects and other savings, the City was able to reducing borrowing to \$4.7 million.

Mayer explained the recent revision to the reimbursement process as part of the City's borrowing. She stated that instead of issuing the bonds in the beginning of the year, the City now initiates the process in the beginning of the year, and adjusts how much it needs to borrow later in the year based on actual spending within the year.

A discussion ensued on the bond rating process and criteria.

Mayer stated that the City has reaffirmed at the AAA rating.

A discussion on investing in City capital projects ensued.

2. Receive the 2019 Budget Proposal Report

Attachments: [2019 Budget Submittal Letter](#)

[Budget Highlights](#)

[Budget Proposal - Revenues and Expenses by Fund](#)

Mayer discussed the 2019 Budget process and staff's discussions with City Council.

Mayer stated staff will recommend that the City leverage the property tax growth. She also stated that staff will recommend a \$2 million increase in the property tax levy, but keep a relatively flat rate; this will pick up the growth in the EAV.

Mayer stated staff is also requesting an increase in personnel throughout various City departments. A discussion ensued on personnel.

Mayer stated healthcare is coming in fairly flat this year and discussed the change in healthcare plans.

Hallgren stated that the Home Rule Sales Tax revenue is approximately 4% above our budgeted projections.

A discussion ensued on the City's revenues and its various taxes.

F. OLD BUSINESS:

1. Continued Discussion on City's Reserve Policies

Attachments: [AAA vs. AA+ Pricing Comparison 8.15.18](#)

Mayer shared her conversation with City Council regarding the FAB's review of the reserve policies and the debt policy. She advised to have a recommendation in place in 2019.

Chairman Wik advised that he will send out dates to FAB members to meet and discuss the policies during public special meetings.

G. ADJOURNMENT:

Before adjourning Mayer quickly discussed the 2019 FAB schedule.

Chairman Wik advised last year's schedule was based on the last monday of the month following a quarter's end.

Bottalico will update the 2019 FAB regular meeting schedule.

Member Millington mad a motion, seconded by Member Wade, to adjourn the regular FAB meeting of October 23, 2018 at 7:15 p.m.

Aye: 4 - Wik; Gannon; Millington; Wade
Nay: 0

Rachel Mayer, Finance Director
Franco Bottalico, Budget Analyst