



**Finance & Budget Committee**  
**Tuesday, January 10 - 6:00 – 7:15pm**  
**Morton Civic Center, ROOM 2402**

**Google Meet joining info**  
**Video call link: <https://meet.google.com/dvj-svnf-kbv>**  
**Or dial: (US) +1 321-529-7496 PIN: 511 182 896#**  
**More phone numbers: <https://tel.meet/dvj-svnf-kbv?pin=6220958674511>**

### **AGENDA**

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**1. CALL TO ORDER/DECLARATION OF A QUORUM**

**2. PUBLIC COMMENT**

**3. APPROVAL OF MINUTES**

- A. **Approval of the December 13, 2022 Finance & Budget Committee Meeting minutes** 3 - 4  
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**4. DISCUSSION**

- A. **5th Ward School & Fleetwood Jourdain**
- B. **Finance & Budget Committee Work Plan** 5 - 11  
[Fin Committee Areas of Focus](#)
- C. **Reconsideration of 2023 Finance & Budget meeting dates** 12

**5. ADJOURNMENT**

**Draft**



City of  
**Evanston™**  
**MINUTES**

**Finance and Budget Committee**

**Tuesday, December 13, 2022 @ 6:00 PM**

Virtual

**COMMITTEE MEMBER  
PRESENT:**

Shari Reiches, Resident, David Livingston, Resident, Leslie McMillan, Resident, Melissa Wynne, Councilmember, Clare Kelly, Councilmember, Jonathan Nieuwsma, Councilmember, and Devon Reid, Councilmember

**COMMITTEE MEMBER  
ABSENT:**

Bobby Burns, Councilmember

**STAFF PRESENT:**

Jessica Tapia, Finance Analyst, Hitesh Desai, Chief Financial Officer/Treasurer, and Clayton Black, Budget Manager

**1. CALL TO ORDER/DECLARATION OF A QUORUM**

Meeting was called to order by Chair David Livingston at 6:01 PM.

**2. PUBLIC COMMENT**

Paula Jacobi voiced her concerns about the Fleetwood Jourdain new school development.

Trisha Connolly thanked the Finance & Budget Committee for recommending fully funding the pensions.

Mary Rosinski would like to see the City get ahead of debt and fully fund pensions.

**3. APPROVAL OF MINUTES**

A. Approval of November 8, 2022 Finance & Budget Committee Minutes

Minutes Approved.

Moved by Councilmember Wynne

Seconded by Councilmember Reid

**Ayes:** Committee Member Reiches, Committee Member Livingston, Committee Member McMillan, Councilmember Wynne, Councilmember Kelly, Councilmember Nieuwsma, and Councilmember Reid

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**Draft**

**Approved 7-0 on a recorded vote**

**4. DISCUSSION**

A. GO Bonds for CIP Projects

Lara Biggs, City Engineer, stated that, while 2022 GO Bonds were never issued, some of the planned spending for those bonds rolled over into the 2023 budget. There are three components of money that have been budgeted and/or spent for the 2022 GO bond issue. The first are projects that have gone to city council and contracts have been awarded. Those projects are under contract per the resolution that was passed at the beginning of 2022 that allowed the City to spend against the GO bond issue. The City has spent approximately \$4 million of the GO bond issue with contracts that are already in place.

The second group are projects that the City anticipated starting at some point in 2022 when the 2023 budget was prepared in July. There are approximately \$1.5 million of contracts, including items such as the skate park that staff thought would be under contract by the end of the year, but will have under contract shortly.

The third component are items that staff knew were not going to be under contract by the end of the year and are rolled over into the 2023 budget. That is approximately \$3.7 million of contracts that are shown as part of the 2023 budget but using 2022 funding. Altogether staff is anticipating spending \$9.2 million of the original proposal.

B. 2023 Finance & Budget Committee Calendar

Dates approved.

Moved by Committee Member Reiches

Seconded by Councilmember Reid

**Ayes:** Committee Member Reiches, Committee Member Livingston, Committee Member McMillan, Councilmember Wynne, Councilmember Kelly, Councilmember Nieuwsma, and Councilmember Reid

**Approved 7-0 on a recorded vote**

C. FY 2023 Finance & Budget Committee Work Plan

Chair David Livingston crafted a 2023 Finance & Budget committee workplan to address several areas of focus. He would like to see staff involved in each area of focus and make progress throughout 2023.

**5. ADJOURNMENT**

Meeting was adjourned by Chair David Livingston at 7:12 PM.

# Recap of 2023 Budget Process

- Seemed that some decisions could have been made in advance of initial Budget document
  - Would have made process smoother and more orderly
- Areas that potentially could be largely agreed in summer:
  1. Capital planning priorities
  2. Pension contribution
  3. Overall approach with respect to major revenue streams (like property taxes)
  4. Rough forecasts of general fund reserve changes in upcoming years

# Focus Areas for Further Work

- Areas of initial focus:

1. Improving the presentation and timeliness of financial updates to the Council (Nieuwsma, Reiches)
2. Developing a current year and longer period projection model and framework (Reid, Livingston)
3. Pension analysis and planning (Wynne, Reiches)
4. Debt planning (Kelly, Livingston)
5. Capital budgeting; project approval/analysis and repair and maintenance budgeting (Burns, McMillan)

- Areas of longer-term focus (after progress on items above):

- Cost savings initiatives
- Identification of potential non-tax related significant revenue streams (such as asset sales)

## Financial Updates (Nieuwsma, Reiches)

- Primary city staff partner \_\_\_\_\_
- Major Initial Tasks (target date committee meeting)
  - Review current reports and timing (\_\_\_\_)
  - Benchmark to comparable communities (\_\_-\_\_)
  - ~~• Recruit resources to study close process? (\_\_\_\_)~~
  - ~~• Develop strategies to accelerate prior month reporting to Council (\_\_\_\_)~~
  - Establish cadence for periodic Budget reforecasts (\_\_\_\_)
  - Implement changes, continuously improve

# Fin Modeling Long Term (Reid, Livingston)

- Primary city staff partner Clayton Black
- Major Initial Tasks (target date committee meeting)
  - Focus analysis primarily upon the General Fund
  - Reconcile between Audit basis financials and Budget (modified cash) basis
    - Focus analysis on Budget basis?
  - Integrate 2023 budget, Understand ability to show YTD '23 spend and reforecast
  - Improve analysis of expense categories. Want by expense type/by Department
  - Develop revenue and expense trending to future periods
    - Incorporate specific forecasts for major items (pension, interest, etc.)
    - Forecast likely debt issuance requirements
  - Develop reporting expectations
  - Implement changes, continuously improve



# Pension Planning and Analysis (Wynne, Reiches)

- Primary city staff partner \_\_\_\_\_
- Major Initial Tasks (target date committee meeting)
  - Meet with Actuary, develop estimates for required contributions to under current assumptions and funding to achieve 100% funding goal by 2040
    - What are alternative funding strategies- level payment, % payroll, % annual funding level increase?
  - Understand state requirement for transfer of assets to pooled fund
    - Understand risks (what happens if some communities exhaust funds)?
  - Understand timing of transfer of assets to consolidated state investment plans
    - As our funding improves are we fixed by state overall plan asset allocations?
  - Keep informed on alternative funding strategies
  - Implement changes, continuously improve

# Debt Planning and Analysis (Kelly, Livingston)

- Primary city staff partner (\_\_\_\_)
- Major Initial Tasks (target date committee meeting)
  - Better understand current debt portfolio, likely calls, etc.
  - Understand immediate funding needs and required timing
  - Meet with Bond advisor to assess current issuance plans
    - Consider alternative advisors?
    - Are any variable rate strategies available (e.g. credit facilities, etc.)
  - Agree on amount, instrument and timing of 2023 borrowings
  - How should we assess the appropriateness of our overall debt load?
  - Integrate strategies with LT projection model
  - Implement changes, continuously improve

# Capital Planning and Analysis (Burns, McMillan)

- Primary city staff partner (\_\_\_\_)
- Major Initial Tasks (target date committee meeting)
  - Understand development of current year capital plan and required bond funding
  - Understand work done to date to understand most critical capital and maintenance needs
  - Work to develop method for prioritization for future years
    - Recommend for incorporation into 2024 budget
  - Work on framework for long term planning
    - Consider alternatives were appropriate (lease vs own)
    - Opportunities for asset sales (buildings, land, other)?
  - Implement changes, continuously improve

## **FINANCE AND BUDGET COMMITTEE**

FY2023 SCHEDULE OF MEETINGS (3rd Tuesday of Month except  
November @6:00PM)

February 21

March 21

April 18

May 16

June 20

July 18

August 15

September 19

October 17

November 14 (keep on 2nd Tuesday given Thanksgiving week)

December 19