



Finance and Budget Committee
Tuesday, July 11, 2023 @ 5:00 PM
Lorraine H. Morton Civic Center

COMMITTEE MEMBER PRESENT:

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

COMMITTEE MEMBER ABSENT:

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 5:02 PM.

2. PUBLIC COMMENT

Jack Mortell commented on the pension policy item.

Timothy Schoolmaster commented on the pension policy item.

Trisha Conolly commented on the pension policy item.

Meg Welch commented on the pension policy item.

Mike Vasilko commented on the the CIP item.

3. APPROVAL OF MINUTES

M1. Approval of the June 13, 2023 Finance & Budget Committee meeting minutes.

Minutes approved.

Moved by Councilmember Reid

Seconded by Councilmember Nieuwsma

Ayes: Reiches, Livingston, McMillan, Wynne, Kelly, Nieuwsma, and Reid

Abstained: Burns

Approved 7-0 on a recorded vote

4. CONSIDERATION

FB1. Review of the Annual Comprehensive Financial Report 2022

Staff recommends that the Finance and Budget Committee review the Annual Comprehensive Financial Report for 2022 and refer it to the City Council for them to approve and place on file.

Martha Trotter from Sikich LLP, presented the draft Annual Comprehensive Report 2022 for the City of Evanston. They issued a "clean and unmodified opinion", this is the highest level of assurance auditors can provide on the financial statements. The City of Evanston received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for FY 2021, which is the highest award a municipality can receive for its report. This item was not recommended to City Council as the final version of the ACFR has not been issued by the City's auditors.

FB2. Resolution 45-R-23, Adopting the Pension Funding Policy for Public Safety Pension Plans

The Finance and Budget Committee recommends that the City Council Pass Resolution 45-R-23 Adopting the Pension Funding Policy for Public Safety Pension Plans.

Moved by Councilmember Nieuwsma
Seconded by Committee Member Livingston

Ayes: Reiches, Livingston, McMillan, Wynne, Kelly, Nieuwsma, Burns, and Reid
Approved 8-0 on a recorded vote

The Chair opened this discussion for all committee members to address pending policy items. Members present participated in the discussion on pension funding policy including assumed rate of return and other policy items. Members of the committee made several amendments on the floor and voted to recommend the final amended policy to City Council.

FB3. Assumed Rate of Return on Investments for 2023

The Finance and Budget Committee recommends that the City Council approve an assumed rate of return of 6.5% for the 2023 police and fire pension actuarial valuation reports.

Moved by Committee Member Livingston
Seconded by Councilmember Nieuwsma

Ayes: Reiches, Livingston, McMillan, Wynne, Kelly, Nieuwsma, Burns, and Reid
Approved 8-0 on a recorded vote

Committee member Shari Reiches opened this discussion and members present participated. The committee recommended that the City Council should approve an assumed rate of 6.5%.

5. DISCUSSION

D1. Presentation on CIP Funding

Staff requests that the Finance and Budget Committee provide direction to staff on next steps related to funding for CIP projects.

City Engineer, Lara Biggs presented a draft proposal for the FY 2024 Capital Improvement Plan. She reminded the committee that the City has not issued any bonds in 2022 or 2023 and staff has been drawing upon the fund balance to fund projects already approved in 2022 and 2023. As a result, the council will need to decide on the GO bond amount, using an existing line of credit or identify alternate funding sources. In August, Staff will have a detailed presentation for the committee on the FY 2024 CIP projects as well funding needs. Staff intends to have council approval before FY 2024 proposed budget is out.. The committee discussed the item and decided to continue the discussion at a future date.

D2. Water Fund Status

Staff requests that the Finance and Budget Committee provide direction on next steps related to maintaining an appropriate fund balance in the Water Fund.

This item was briefly discussed by Deputy City Manager David Stoneback and the committee agreed to discuss at a future date.

6. ADJOURNMENT

The meeting was adjourned by Chair David Livingston at 7:00 PM.