



Finance and Budget Committee
Tuesday, September 12, 2023 @ 5:00 PM
Lorraine H. Morton Civic Center

COMMITTEE MEMBER PRESENT:

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

COMMITTEE MEMBER ABSENT:

Melissa Wynne, Councilmember

STAFF PRESENT:

Jessica Tapia, Finance Analyst, Hitesh Desai, Chief Financial Officer/Treasurer, Darrell King, Water Production Bureau Chief, Lara Biggs, Acting Public Works Director, and Michael Van Dorpe, Management Analyst

1. CALL TO ORDER/DECLARATION OF A QUORUM

Meeting was called to order at 5:01 PM by Chair Livingston

2. PUBLIC COMMENT

Mike Vasilko commented on the water bonding discussion items

3. APPROVAL OF MINUTES

A. Approval of the July 11, 2023 Finance and Budget Committee meeting minutes

Minutes Approved

Moved by Councilmember Reid

Seconded by Councilmember Nieuwsma

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

Motion Passed 7-0 on a recorded vote

B. Approval of the August 29, 2023 Finance and Budget Committee meeting minutes

Minutes approved

Moved by Councilmember Reid

Seconded by Councilmember Nieuwsma

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

Motion Passed 7-0 on a recorded vote

4. DISCUSSION

A. Discussion of Water Fund Bonding for FY 2022, 2023, & 2024

Staff is providing information to the Finance and Budget Committee regarding the next steps to maintain an appropriate positive fund balance in the Water Fund.

Water Production Bureau Chief, Darrell King gave a presentation on water fund bonding. The Water Fund planned to sell bonds in 2022 and 2023. Neither of these bond issues occurred because they are tied to the sale of G.O. Bonds, which has been deferred by the City Council. As a result of the City not selling bonds during 2022 and 2023, the cash reserves in the Water Fund have fallen below the minimum reserve target. It is imperative that the Water Fund maintains a healthy reserve each year in order to receive low-interest loans from the IEPA for funding critical projects. The committee discussed the item and raised several questions. They agreed to continue this item for future discussion.

B. Discussion of Water Fund Status

Water Production Bureau Chief, Darrell King presented on the status of the Water Fund. The Lead Service Line Replacement and Notification Act adopted by the State of Illinois went into effect on January 1, 2022. This act had an immediate impact on the Water Fund by requiring the replacement of any damaged lead service lines and the full replacement of lead service lines during the installation of new water mains. The IEPA has not determined how funding for any lead service line replacement throughout the state will be offered. Staff analyzed several different scenarios of adjusting the water rate to meet these goals. The committee discussed the item and raised several questions. They agreed to continue this item for future discussion.

C. Proposed 2024 Capital Improvement Program 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 of the FY 2024 Capital Improvement Plan and possible challenges. 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.

5. ADJOURNMENT

Meeting was adjourned by Chair David Livingston at 7:01 PM.

