

VILLAGE OF LAKE BLUFF - FINANCE COMMITTEE
MINUTES OF MEETING – February 23, 2019

I. Call to Order – Roll Call

The Finance Committee of the Village of Lake Bluff was called to order on Saturday, February 23, 2019 at 9:00 AM in the Village Hall Conference Room, 40 E. Center Ave., Lake Bluff, Illinois.

Members Present: Trustee Mark Dewart, Chair
Trustee Barbara Ankenman, Member
Trustee Paul Lemieux, Member

Others Present: Kathleen O'Hara, Village Board President
Joy Markee, Village Clerk (departed at 10:40 AM)
R. Drew Irvin, Village Administrator
Bettina O'Connell, Finance Director
Marlene Scheibl, Assistant Finance Director
Jeff Hansen, Village Engineer via conference call
David Graf, Fire Chief (departed at 8:20 PM)
Steve Willard, Deputy Fire Chief (arrived at 10:40 AM, departed at 11:20 AM)
John Krumsee, Assistant Fire Chief (arrived at 10:40 AM, departed at 11:20 AM)
Greg Marsh, Assistant Fire Chief (arrived at 10:40 AM, departed at 11:20 AM)

II. Approval of Minutes

Member Lemieux made a motion to approve the minutes of the November 29, 2018 meeting as presented; seconded by Member Ankenman and approved unanimously on a voice vote.

III. Business Items

1. Discussion Regarding FY19/20 Biennial Budget Supplement, Capital and General Fund Projections

VA Irvin said the changes to the second year of the FY19-FY20 biennial budget were largely attributable to the aggressive capital asset plan. Adjustments discussed included postponing some items such as the license plate reader, and conversely increases to operational expenses in conjunction with the Fire and EMS service offerings. The budget for the McClory Trail Pedestrian Bridge project was shifted to FY20 in anticipation of a cost sharing the design and construction expenses with the Lake County Department of Transportation and a recently renewed state grant. The Bike Path Lighting project was also shifted to FY20. The Fire/EMS budget was increased to provide the flexibility to initiate the ALS-Transport model. The medical insurance expense increase is partially due to the completion of the second year of participation in the North Suburban Employee Benefits Cooperative ("NSEBC"). The first year of claims experience was good but the second year of claims experience was not as favorable. The budget includes an estimated reserve assessment and a 10% increase to the medical premiums. Chair Dewart asked how the reserve assessment for the Park District is paid. VA Irvin said the Village will pay the assessment to NSEBC and the Park District and Library will reimburse the Village in January 2020. Chair Dewart asked what the Village is required to pay to NSEBC in years 4 & 5 of the agreement. Director O'Connell said the Village will only pay the premiums in those years. Chair Dewart asked if the premiums for those years are based on experience. VA Irvin said the premiums for years 4 and 5 will be

based on experience and market. VA Irvin reviewed why the Village entered the pool and noted the size of our census was dangerously close to under 50 participants. The Village has had good experience with participating in other pools and if the pool is run by local governments then the expenses should be less over time. Member Ankenman asked how the assessments are made. VA Irvin responded they are based on the premium paid.

VA Irvin said at the November Finance Committee meeting, the committee had requested a plan to implement ALS services. Staff checked with a labor attorney specializing in these issues and received a written opinion that the Fire/EMS personnel cannot serve as volunteer Paid-on-Call (“POC”) and Paid-on-Premise (“POP”) employees. Employees must be either POP or POC (could be off-site). If they are POC, they only receive stipend payments. The budget is economically neutral whether the participants are classified as POC or POP. Discussion ensued regarding the future of the Firefighter/EMS services to be provided and the contractual ambulance costs from the City of Lake Forest. VA Irvin said, even though the early reports from the Fire Department are very positive, it is important to develop some experience so the Village can be confident in how the model is working now and into the future. Member Lemieux asked how much experience the Village should have to base information on. VA Irvin opined three years should provide a number of calls to consider for discussion and decision making processes. President O’Hara said the Village needs to be prepared for the future so the steps should be taken to move to ALS-NT and to maintain flexibility. VA Irvin noted that the preliminary projections do not include any additional operational administrative expenses for Fire/EMS management which could become necessary due to a possible increase in administrative needs.

Member Ankenman made a motion to recommend to the Village Board to approve the transition of the Fire & EMS services to the ALS-Non-Transport model, seconded by Member Lemieux and approved unanimously on a voice vote.

A discussion was then had by the committee regarding capital projects included in the preliminary budget. Discussion ensued with Village Engineer Hansen (telephonic participation) regarding the Boardman Court Storm water issue. VE Hansen reviewed the four alternatives provided by consulting engineers, Christopher Burke Engineering. VE Hansen stated it is his opinion that Alternative 4 is the preferred alternative since it is the least costly alternative which meets the objectives. He shared that he met with Mr. & Mrs. White and discussed the four alternatives as well as why he believes Alternative 4 is the preferred alternative. VE Hansen said the project would be designed to keep overflows from significant storms in the street.

Chair Dewart asked how deep the water needs so be to prevent cars from passing. VE Hansen responded he believes the water flows east to the gutter line and the goal would be to keep it at 6 inches or less. Chair Dewart opined maybe the Village should consider completing the design engineering as part of the FY20 plan

Member Ankenman asked if the Village-wide Stormwater analysis was complete. Chair Dewart responded it will be done in the summer but he said that the Boardman Court stormwater project should be a public project given both the 10-year storm protection for the roadway and the 100-year storm protection for the White’s residence. Village Clerk Markee asked how the various capital projects are prioritized. A discussion was had by the Committee about the prioritization methodology. President O’Hara said Alternative 4 would be the choice for this but this project would then need to be added to the list of other projects to be reprioritized and funded by the Village. VE Hansen added that the Boardman Court flooding issue was identified on the previously distributed multi-color graphic that depicted all of the problematic flooding areas identified after the flood of 2017. He went to say that the Village tries to prioritize projects that can resolve multiple issues with the same solution.

Capital projects in the Water Fund were discussed by the committee. VE Hansen said the Water Tower Controls project should be completed in FY20. Member Lemieux expressed concern that the current planned water fund activities of \$550K were not part of a bond issue. He stated payment for many projects on the list could be spread out over many years so the burden of paying for the projects goes to multiple generations who will benefit from the improvements. Member Ankenman said the same could be said about the water meter replacement project. Member Lemieux responded that the estimated useful life of the meters is only about 10-20 years. Member Ankenman asked what the useful life of a project should be to finance it with bonds. Member Lemieux opined the projects should provide a benefit longer than 10 years. He stated the Village should be conservative and keep the fund balance at the 50% target. Chair Dewart said he would like to see the projects on the list completed, even if that meant borrowing. President O'Hara stated the Village still needs to be cautious with the budget considering the fluidity of the state and the fund balance should never fall below 50%.

The Consensus of the committee was that staff should continue to finalize this budget as presented, move forward with the capital improvement project list, add \$25,000 to the budget for the Boardman Court engineering, and meet with the Financial Advisor to discuss bundling projects for possible bonds issuance.

2. Discussion Regarding Fire/EMS Services

In response to the request of the Finance Committee at the November 29, 2018 meeting, the Fire Department prepared information regarding the transition to ALS-Non-Transport and ALS-Transport. Assistant Fire Chief Krumsee reviewed the list of equipment required to change the services provided to the ALS-Non Transport model which has a total estimated cost of \$46,095. Chair Dewart asked if one monitor/defibrillator was adequate. AFC Krumsee said that equipment would be rotated daily between two vehicles. Chair Dewart suggested it may be better to have two to ensure availability. Member Lemieux asked how often two may be needed. Chair Dewart stated if there are two, then if one breaks, there is a backup. Member Lemieux said that would apply to all equipment. Chief Graf said it would be ideal to have backup equipment but the Fire Department already has a backup defibrillator. The department wants to begin and assess additional equipment needs after an initial period of review. The need becomes greater for equipment as the transition is made to transport. AFC then reviewed the implementation time line. Chief Graf added that the department has moved forward with the ALS-Non-Transport requirements that do not have a cost association.

Member Lemieux asked if the electronic software was used for providing instructions or for data capture only. AFC Krumsee replied it was for data capture. Member Lemieux stated the Fire Department is doing a phenomenal job. Chief Graf said the department now has 29 Knollwood members and there are more added each week. VA Irvin said the Finance Committee would recommend to the Village Board at the February 25 meeting to approve the transition to the ALS-Non-Transport model, as discussed earlier in the meeting. Chair Dewart asked about the personnel of the department. Chief Graf said there are career firefighters, EMS, and some new volunteers. Chair Dewart asked if there was any issues with the limited hours people can work. Chief Graf responded that before the department began POP there was a committee and the department still works with that committee. The department uses software to manage the 30 hour limitation. The committee determined that the time to sign up for shifts should be extended to a month to allow equal scheduling opportunities. The policy was changed and there were groups created who appreciated the changes. It is a new structure so there are changes the department is still learning from. Chief Graf said managing part-time volunteers is challenging. Chair Dewart asked if it is any different since they are paid professionals. AFC Marsh said the core group is used to this structure. President O'Hara said the Board appreciated the tremendous amount of time that was spent planning and implementing the changes.

3. Discussion Regarding Fund Balances

The consensus of the committee was to not discuss the fund balances in detail until the question of the debt issuance can be answered.

4. Discussion Regarding Moody's Credit Rating Agency Annual Report

Member Lemieux said the Moody's report indicated that the Village should be bonding more. Member Ankenman inquired about Exhibit 4. VA Irvin said staff is unsure how these were calculated. Director O'Connell said she has emailed Moody's to inquire on this but has not received a response yet. Member Lemieux asked if the Village had hired the Investment Advisor. Director O'Connell responded that the contract was sent to the Village attorneys for review.

IV. Next Meeting

The next meeting is scheduled for Monday March 11, 2019.

The topics for the next meeting will include:

Water Fund Rate Analysis

PEG Capital Fees

Village Pay Plan

Building Permit Fee Waiver Policy

V. Adjournment

Member Ankenman made a motion to adjourn the meeting at 11:30 AM; seconded by Member Lemieux and all members voted aye.

Respectfully submitted,

Marlene Scheibl
Assistant Finance Director