

MINUTES
FINANCE ADVISORY COMMITTEE

CITY OF DEKALB

APRIL 5, 2016

The Finance Advisory Committee held a meeting on Tuesday, April 5, 2016 in the Council Chambers of the DeKalb Municipal Building, 200 South Fourth Street, DeKalb, Illinois.

Chairman Peddle called the meeting to order at 5:01 p.m.

ROLL CALL

Committee members present were Mike Peddle, Connie Golden, Lynn Neeley, Ronald Partch, Tom Teresinski, David Conlin and Mike Verbic.

City staff present were City Manager Anne Marie Gaura, Finance Director Cathy Haley, Police Chief Gene Lowery, Fire Chief Eric Hicks, Community Development Director Ellen Divita and Account Technician Carri Parker.

APPROVAL OF MINUTES

Minutes of the November 10, 2015 meeting was reviewed and approved on a motion by Committee Member Verbic, seconded by Committee Member Neeley.

LONG TERM FINANCIAL PLANNING DISCUSSION

Chairman Peddle pointed out that there is only one agenda item. He added that this is not a budget discussion that we need to stay on topic. He added that this meeting is focused on how to strategize the future budget for a long term planning projection.

Finance Director Haley explained the information provided, adding that the Government Finance Officer Association (GFOA) have several suggestions for best practices on long-term financial planning. She added that staff is specifically looking at the FY17 budget to incorporate some of these policies as well as incorporating a long-term Capital Improvement Plan (CIP) tied to a funding source. This process can be compared to the water rate study showing the revenue source needed to sustain the 1—year capital plan for water mains, fleet and equipment. For the FY16.5 budget process, staff will be keeping operations as is as much as possible and looking at new technology to create efficiencies.

City Manager Gaura suggested the Committee to look at the budget in two sections, FY 16.5 and FY 17. Public Works Director Holdeman will be looking at long-term capital planning in FY17 and adding a true Capital Improvement Plan (CIP) City-wide for streets, fleet and facilities.



Chairman Peddle suggested developing a good sustainable 5-year forecast with assumptions that incorporated items such as the housing market, and property tax rates.

Committee Member Teresinski requested a list of objectives/assumptions, strengths/weaknesses, revenue streams, etc. to have the ability to make recommendations. The mechanics are positive, plus and minus, using comparative data. He wanted to be sure staff compared communities with larger universities and look at all of their revenue streams using their budget as a guide.

Committee Member Verbic thanked Staff for the head start, it provides a good foundation on how to sustain the current level of services with a minimal impact to the citizens.

Committee Member Conlin agrees that looking forward is a big part of a sustainable budget.

Committee Member Golden asked for clarification of the current budget process and a timeline. Finance Director Haley responded that the proposed FY16.5 budget books will go out on April 25, 2015 which will include a 5-year financial forecast for the General Fund.

Committee Member Partch agreed that a 5 year plan is a great framework and liked GFOA's best practices. He recommended adding touches of individuality based on the City of DeKalb to these best practices.

Committee Member Neeley stated that she was pleased with the concept of the 5-year projection. She went on to state that if an organization has gone through a strategic planning process, then you know how to carry it forward. She added that she would like to see worst case/best case, looking at where the City can have the biggest impact with a change. This will help Departments anticipate problems instead of reacting to them.

Chairman Peddle stated that while it is a good idea to have a guideline, unexpected events happen. We can do our best guess on the revenue and expenditure sides of the budgets. It is important that we break up the pieces and we need to be as transparent as we can. He went on to further state that a CIP needs a projection of healthcare costs, Workers' Comp claims, unemployment costs, liability claims as well as a staffing plan. Chairman Peddle went on to state that the City should do an assessment of the quality of our public services, suggesting a gap analysis approach to show the gaps in the quality of our public service, such as with streets, fleets and facilities.

Committee Member Neeley requested that any projections that will be made be put in a narrative format to help make them easy to understand the assumptions and how they correlate with the numbers.

The Committee discussed the suggestion of comparing communities. They stated that the staff will need to look at garbage services, collaboration between City and College, employment base, large scale events, median income of the community and look at per capita, sales tax, property tax, utility tax, and full revenue streams.



Chairman Peddle asked the Committee what direction they want to go; do we want to endorse the kinds of materials provided, are we comfortable with that. Committee Member Teresinski supports the baseline provided, and what we have asked for allows the Committee to make their decisions.

Finance Director Haley mentioned that they have compiled a comparable list of our revenues streams and will be bringing several of these to the FY16.5 budget meetings.

City Manager Gaura stated that the FY16.5 Budget is focused on technology and FY17 is focused on the long range CIP. Streets, fleet and equipment needs to be maintained and replaced in a timely fashion for the City to operate efficiently and effectively. Having a long range plan for this with a sustainable revenue stream is what is being established for the FY17 Budget.

Chairman Peddle added that there are already items published for the public to view. There are financial policies published in the budget. In addition, the CAFR has an entire section on 10-year statistical information on the City.

PUBLIC PARTICIPATION

No audience participation.

OTHER ITEMS

Committee Member Teresinski asked that the steps and the minutes be sent out as soon as possible. Committee Member Verbic requested more meetings. Chairman Peddle stated that he did not think we can do a meeting before this budget process, but to meet before FY17 is doable.

The Committee questioned how the minutes should be distributed and the staff will needed to seek legal advice on the appropriate communication method.

CONFIRM NEXT MEETING DATE AND TIME

Three (3) Joint Budget Meetings are in the works and will be sent out once the dates are finalized.

ADJOURNMENT

Committee Member Neeley moved to adjourn the meeting, seconded by Committee Member Verbic. The meeting adjourned at 6:49 p.m.

Carri Parker, Account Technician II

Approved by Committee July 12, 2016.

