



WHEATON CITY COUNCIL PLANNING SESSION MINUTES

MAYOR PHILIP J. SUESS

COUNCILMAN MICHAEL BARBIER | COUNCILWOMAN ERICA BRAY-PARKER | COUNCILWOMAN SUZANNE FITCH
COUNCILWOMAN LYNN ROBBINS | COUNCILMAN JOHN RUTLEDGE | COUNCILMAN CHRISTOPHER ZARUBA

WHEATON CITY HALL, COUNCIL CHAMBERS, 303 W WESLEY STREET, WHEATON, ILLINOIS 60187

Monday, June 8, 2020

1. Call to Order

The Wheaton City Council Planning Session was called to order at 7:00 p.m. by Mayor Suess. The following were:

Present By Video Conference:

Mayor Suess
Councilman Barbier
Councilwoman Bray-Parker
Councilwoman Robbins
Councilman Rutledge
Councilman Zaruba

Absent:

Councilwoman Fitch

City Staff Present by Video Conference:

Michael Dzugan, City Manager
John Duguay, Assistant City Manager
Susan Bishel, Public Information Officer
Robert Lehnhardt, Director of Finance

2. Approval of May 26, 2020 Minutes

The Council approved the May 26, 2020 City Council Planning Session minutes.

3. Public Comment

There were no public comments.

4. Comprehensive Annual Financial Report for Fiscal Year Ended December 31, 2019

Director of Finance Lehnhardt introduced Jamie Wilkey of Lauterbach & Amen, LLP who provided a summary of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending December 31, 2019.

Ms. Wilkey presented an overview of the FY 2019 CAFR document, which included a summary of the audit process, management's discussion and analysis, and statistical section. She reported the City had a very clean audit process of its financial statements with no new recommendations. This resulted in an unmodified opinion, which is the highest level opinion the City can receive. Highlights from the Management's Discussion and Analysis indicated that there were no significant debts issued during the year and the General Fund reserve balance ended with more than the City's minimum requirement. Ms. Wilkey indicated that the City's FY 2019 CAFR will be submitted for the Certificate of Achievement for Excellence in Financial Reporting.

In response to Council questions, Ms. Wilkey stated the process for verifying bank account balances is by reaching out to associated banking institutions for verification. As a Home Rule community, the City of Wheaton has no State-required calculation of legal debt margin, and debt limits are set internally.

5. 2020 Actuarial Reports - Police and Firefighters Pension Funds

City Manager Dzugan stated that Director of Finance Lehnhardt would be reviewing the memorandum sent to the Council that includes data regarding the City's pension obligations. He noted that the total pension financial obligations will increase by approximately \$620,000 in the 2021 budget.

Director of Finance Lehnhardt introduced Jason Franken of Foster & Foster, who provided a summary of the results from the City's actuarial valuation.

Mr. Franken presented an overview of the actuarial valuation results for the Wheaton Firefighters' and Wheaton Police pension funds, including statistics for total accrued liabilities, actuarial value of assets, unfunded actuarial liability, funded percentage, total contribution requirements, contribution impact of benefit changes, and money-weighted and smoothed asset returns for 2019 and 2020.

In response to Council questions, Mr. Franken stated that City's contributions to the Wheaton Firefighters' pension will see a reduction, but there will also be a reduction in savings that is accredited to Tier 2 benefit improvements.

In response to Council questions, Mr. Franken explained that the funded status of the City's plan differs when evaluated as a smoothed measurement basis as compared to a market value basis. The smoothed measurement basis is standard in reporting the general funding status, whereas a market value basis is utilized during an audit. A portion of the City's total contribution to the pension fund is accumulated interest from the unfunded liability and extra contributions to the unfunded liability would have a minimal impact on decreasing the overall total contribution requirement.

In response to Council questions, Mr. Franken stated that it is expected that investment returns will increase going forward, and with higher investment return assumptions, the total unfunded liabilities will decrease. The consolidated pension boards are expected to dictate the investment return assumptions for municipalities, but the City may be able to value and set their own investment return assumptions.

In response to Council questions, Mr. Franken stated that Tier 1 and Tier 2 members do not also receive social security benefits.

6. City Council/City Staff Comments

Councilwoman Bray-Parker shared her experience of attending two protests over the week and thanked City staff and the Wheaton Police Department for their assistance ensuring the protests were safely carried out.

Mayor Sues stated that recent demonstrations within the City were observed to be peaceful and respectful, and commended City staff and the Wheaton Police Department in ensuring that events were carried out safely.

7. Adjournment

The meeting was adjourned at 8:01 p.m.

Respectfully submitted,

Daniel J. Peck