

CITY OF COUNTRYSIDE

*803 Joliet Road
Countryside, IL 60525
www.countryside-il.org*



Meeting Minutes Regular Meeting of the FINANCE COMMITTEE

Wednesday, November 13, 2024

6:30 PM

Council Chambers

Committee Members

**Chairman: John Finn
Treasurer: Courtney Bolt
Alderman: Thomas Mikolyzk
Alderman: Thomas Frohlich**

I. Call to Order

The meeting was called to order at 6:30 PM.

II. Roll Call

Those physically present were as follows:

Present: Chairman Finn, Alderman Mikolyzk, and Alderman Frohlich

Also Present: Treasurer Bolt, Mayor McDermott, Alderman Von Drasek, City Administrator Paul, City Clerk Kmet, City Attorney Peck, City Engineer Fitzgerald, and Matt Baren from Lauterbach & Amen LLP

III. Communications from the Public

None.

IV. Approval of Minutes

4.a. The minutes of the Regular Meeting of September 25, 2024 were previously distributed to the Board Members. There being no changes, the minutes of September 25, 2024 were approved as presented.

A motion was made by Alderman Mikolyzk to approve the Finance Committee Meeting Minutes of September 25, 2024, seconded by Alderman Frohlich and carried unanimously.

V. Auditor's presentation on annual audit report and auditor's communication to Management (Management Letter). Consideration to approve annual reports.

Matt Baren from Lauterbach and Amen stated that his company starts with an interest conference where we talk to Mr. Schutter and the team regarding what happened at the City during the year. We requested materials and go over the schedule of what we will be doing. We then do our internal control testing during our preliminary field work. We look over your cash receipts, cash disbursements, payroll, utility billing, credit cards, and bank records to make sure we have an adequate internal control framework in place to help prevent fraud. After that we come back and do the testing and field work, we provide the trial balance from the team with supporting documentation to make sure the correct numbers are going into this report.

We then go into our report writing phase, work back and forth with the City team to make sure that they are comfortable with what we have on our report. We have to make sure that the report is in compliance with the government accounting standards. The City had another successful year as far as the audit goes.

We have passed out a hard copy of the audit report and the management letter. On the transmittal letter there are two items that are added into this report in order for it to be able to be submitted for the ACA or the GFA for the certificate of achievement. The transmittal letter has a lot of information about the City, awards, future plans, and projects that are going on.

The City received the GSOA award last year, it is the highest award that you can get for government accounting or government audit reporting. We will be submitting this year's report and I don't see any reason the City won't receive this award again. We gave the City an unmodified opinion which is the highest opinion that we provide as auditors.

Mr. Baren continued to go over the audit report with the Committee Members.

A motion was made by Alderman Mikolyzk to approve the Annual Audit Report and Auditor's Communication to Management, seconded by Alderman Frohlich and carried unanimously.

VI. Consideration to approve the monthly treasurer's report through the four months ended August 31, 2024.

Finance Director Schutter stated that the August financial statements reflected a positive revenue variance of just over \$673K in the general fund. The revenue was due primarily to positive variances in investment income (\$394K), building permits (\$165K), and sales tax (\$64K). The heavy permit activity was primarily related to the Gerald Honda remodel project with a construction value in excess of \$4 million.

Expenses are trending at about \$317K under budget, primarily from positive variances in the Police and Public Works departments. The positive variance for the Police department came primarily from lower personnel and benefit costs caused by the retirement of a patrol officer who was budgeted for the full year. The positive variance in the Public Works department came primarily from lower equipment/infrastructure maintenance and contractual/consulting costs. In total the fund is showing a positive surplus variance of just over \$990K through the first four months of fiscal year 2025.

In the capital fund the investment income is up from primarily the investment gains experienced on a fiscal YTD basis and the timing of grant receipts relative to the YTD budget estimates. Expenses are trending over budget likely due to variances in the monthly budget allocations (timing differences) as well.

A motion was made by Alderman Mikolyzk to approve the monthly treasurer's report through the four months ended August 31, 2024, seconded by Alderman Frohlich and carried unanimously.

VII. Consideration to approve the monthly treasurer's report through the five months ended September 30, 2024.

Finance Director Schutter stated that the September financial statements reflect a positive revenue variance of just over \$906K in the general fund. The revenue result was due primarily to positive variances in investment income (\$569K), building permits (\$213K), and grant revenue (\$43K). The heavy permit activity was primarily related to the Gerald Honda remodel project with a construction value in excess of \$4 million.

Expenses are trending at about \$324K under budget, primarily from positive variances in the Police and Public Works departments. The positive variance for the Police department came primarily from lower personnel and benefit costs caused by the retirement of a patrol officer who was budgeted for the full year. The positive variance in the Public Works department came primarily from lower equipment/infrastructure maintenance and contractual/consulting costs. In total the fund is showing a positive surplus variance of just over \$1.2 million through the first five months of fiscal year 2025.

In the capital fund the investment income is up from primarily the investment gains on a fiscal YTD basis and the timing of grant receipts relative to the YTD budget estimates. Expenses are trending over budget from the inclusion of the land acquisition costs (unbudgeted) for the 6363 Brainard Avenue property acquisition (earnest money costs to date).

A motion was made by Alderman Mikolyzk to approve the monthly treasurer's report through the five months ended September 30, 2024, seconded by Alderman Frohlich and carried unanimously.

VIII. Presentation of the first requested Departmental budget for fiscal year 2026.

Finance Director Schutter stated that the purpose of the first requested budget is to determine the City's ability to cover its primary operating costs and capital programs without the use of a property tax levy. The focus is on the general fund which is the primary operating fund of the City and the capital projects fund. Based on the budget analysis it is recommended that the levies be abated in full as related to the fiscal year 2026 budget.

The abatement Ordinances for all outstanding City bonds will be prepared by staff and placed on the December City Council Agenda for consideration.

For the general fund personnel expenses the FY 2026 budget incorporates step increases for nonunion positions and a projected COLA increase of 2.5%. FOP positions (patrol and sergeants) are reflecting projected COLA increases of 3% (contract expires on 4/30/25) while Local 150 covered positions are reflecting a contractual COLA increase of 3.0% (current contract runs through the 2028 fiscal year).

Health care and dental premiums are projected to grow by 5% and 7% respectively in the FY 2026 budget which is conservative to reflect an uptick in claims expenses over the past few years. Preliminary renewal results are expected within the next few months. The budget also incorporates any census changes from the prior year which were caused by life events, employee turnover, etc.

The IMRF preliminary employer contribution rate for calendar year 2025 has been applied to the current budget cycle. IMRF calculated the preliminary rate at 8.36% versus the prior year final rate of 8.23%.

For the Capital fund the current budget includes the grant funded project and local share of costs related to the Joliet Road multiuse path project (Phase 1 and Phase 2 Engineering), the 6th Avenue CDBG grant funded project, and the 5th Avenue Cutoff and Srejma-Mihalek Park Projects. Approximately \$837K in Grant revenues are anticipated to pay part of the aforementioned projects.

Additional capital requests include Police equipment/vehicles in the amount of \$278K as well as Public Works equipment in the amount of \$505,000. Individual line item footnotes provide detail in the budget.

Infrastructure improvements of \$653,323 are included in the budget that covers the 2025 repaving program inclusive of related engineering costs. Line item footnotes provide additional detail on specific streets.

IX. Other Committee Business.

None.

X. Adjournment.

There being no further business to discuss, Alderman Mikolyzk motioned to adjourn, seconded by Alderman Frohlich and carried unanimously.

Chairman Finn declared the meeting adjourned at 7:07 PM.

APPROVED:

Respectfully Submitted,

Chairman John Finn

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