

CITY OF COUNTRYSIDE

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



Meeting Minutes Regular Meeting of the FINANCE COMMITTEE

Wednesday, December 11, 2024

6:30 PM

Council Chambers

Committee Members

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

1. Call to Order

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

2. Roll Call

Those physically present were as follows:

Present: Chairman Finn, Alderman Mikolyzk, Alderman Frohlich, and Treasurer Bolt

Also Present: Mayor McDermott, Alderman Von Drasek, Alderman Musillami, Alderman Benson, City Administrator Paul, City Clerk Kmet, Deputy Clerk Cordova, Planning Manager Trent, Public Works Superintendent Serna, and City Engineer Fitzgerald

3. Communications from the Public

None.

4. Approval of Minutes

4.a. The minutes of the Regular Meeting of November 13, 2024 were previously distributed to the Board Members. There being no changes, the minutes of November 13, 2024 were approved as presented.

A motion was made by Alderman Mikolyzk to approve the Finance Committee Meeting Minutes of November 13, 2024, seconded by Alderman Frohlich and carried unanimously.

5. Business from the Committee for discussion, consideration and if so determined, action upon:

5.a. Consideration to approve the Monthly Treasurer's Report for the 6 months ended October 31, 2024.

Finance Director Schutter stated that the October financial statements reflect a positive revenue variance of just over \$1.18 million in the general fund. The revenue result was due to positive variances in investment income (\$575K), building permits (\$275K), fixed asset sales (\$207K), sales tax (\$51K), grant revenue (\$43K), and local ordinance fines (\$36). Investment income is up from elevated short term rates and book gains through September although offset by a book loss in October. The heavy permit activity was primarily related to the Gerald Honda remodel project with a construction value in excess of \$4 million. The asset sales came primarily from the sale of the 9540 56th Street property to helping hand (\$175K), the statutory refund for the Ford Fusion (\$25K), and two patrol vehicle sales to Ford in lieu of a trade (\$7K).

Expenses are trending at about \$430K under budget, primarily from positive variances in the police, public works, and administration 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 lower personnel costs from turnover, and contractual/consulting costs. In total the fund is showing a positive surplus of just over \$1.6 million through the first six months of fiscal year 2025.

With respect to the Capital Fund, investment income is up primarily from elevated short term rates and from investment gains experienced on a fiscal YTD basis. Expenses are trending over budget from timing differences between the YTD budget (monthly projected allocations which are uncertain) and actual equipment purchases (Police/Public Works) as well as the inclusion of land acquisition costs (unbudgeted) for the 6363 Brainard Avenue property acquisition.

Chairman Finn asked for a motion to approve the monthly treasurer's report for the 6 months ended October 31, 2024. The motion was made by Alderman Mikolyzk and seconded by Alderman Frohlich and carried unanimously.

5.b. Presentation of the Investment Report for the second fiscal quarter ended 10/31/24.

Finance Director Schutter stated that the City's cash and investments are held in several different accounts generally described as demand deposits, money markets, IMET pooled investments in the convenience fund, and the City's self-directed investment account at US Bank. The City has a fund balance requirement (general fund) to maintain at least 50% of the budgeted expenses on hand. In the practice the City has maintained over 60% of expenses in cash and investments which tend to be lower/more conservative than fund balance. As of October 31, 2024 the City is holding just under 79% of current budgeted expenses in cash/investments. The fund balance policy for the water fund is to maintain at least 35% of budgeted expenses in cash/investments – the water fund is currently at just under 58%.

At 10/31/24, this portfolio had a fair market value of \$9.1 million, a market yield of just under 5%, annual income of \$451,404, and an overall credit rating of Aa2/AA. Interest rates appear to have peaked on (10/19/24) and have shown some consistent decline in the intermediate part of the interest rate curve (5-10 year maturity levels) for most of the fiscal year to date. When rates decline the prices of individual securities increase thus providing book gains in the portfolio.

5.c. Consideration of an Ordinance abating taxes levied for tax year 2024 on all outstanding series of general obligation bonds for the City of Countryside, Cook County, Illinois.

The City has not levied property taxes for corporate, pension funding, or other purposes. The City currently has seven general obligation bonds outstanding. When general obligation bonds are issued, property tax levies are filed with the Cook County Clerk for the purpose of

paying debt service on outstanding bonds through their respective maturity dates. These debt service levies are automatically scheduled on the property tax rolls unless the City takes action to abate them or remove them.

From tax years 2009 – 2013, the City did not abate portions of the outstanding debt service levies which were used to cover payments on outstanding bonds and to avoid unbalanced operating budgets during the great recession.

Based on the requested FY 26 budget and an analysis of general revenue trends. Staff is confident that operating and debt service costs can be covered with no reliance on the use of debt service levies. If levies are abated for this 2024 tax year (fiscal year 2026), it will represent the 11th consecutive year that operating budgets have been balanced without a property tax extension.

Assuming the City Council approves the abatement ordinances for tax year 2024, this will remove just under \$3.6 million in debt service levies from the tax rolls.

Chairman Finn asked for a motion to consider an Ordinance abating taxes levied for tax year 2024 on all outstanding series of general obligation bonds for the City of Countryside, Cook County, Illinois. The motion was made by Alderman Mikolyzk and seconded by Alderman Frohlich and carried unanimously. Chairman Finn stated that this item will be going to City Council for approval this evening.

5.d. Consideration of a request from the Countryside Police Pension Fund for the annual fiscal year 2025 employer contribution in the amount of \$422,824.

The City makes the initial annual contribution to the Police Pension Fund based on an Independent Actuarial Valuation. Last year the City supplemented the required contribution with a discretionary excess contribution in the amount of \$1.89 million.

The recommended contribution of \$422,824 is a \$71,000 decrease from the prior valuation of \$493,824. The percent funded on an actuarial value of assets increased from 93.40% to 96.72%.

Prior to the implementation of the accelerated pension funding plan approved by the City Council the required contribution was just over \$1.28 million and the funding status was just under 68% as of April 30, 2022.

Chairman Finn asked for a motion to consider a request from the Countryside Police Pension Fund for the annual fiscal year 2025 employer contribution in the amount of \$422,824. The motion was made by Alderman Mikolyzk and seconded by Alderman Frohlich and carried unanimously. Chairman Finn stated that this item will be going to City Council for approval.

6. Other Committee Business.

None.

7. Adjournment.

Chairman Finn asked for a motion to adjourn. 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 6:57 PM.

APPROVED:

Respectfully Submitted,

Chairman John Finn

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