

CITY OF COUNTRYSIDE

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



Meeting Minutes Regular Meeting of the FINANCE COMMITTEE

Wednesday, February 28, 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, Treasurer Bolt, Alderman Mikolyzk and Alderman Frohlich

Also Present: Mayor McDermott, Alderman Von Drasek, City Clerk Kmet, City Administrator Paul, Finance Director Schutter, and Deputy Clerk Saucedo,

3. Communications from the Public

None.

4. Approval of Minutes

4.a. The minutes of the Regular Meeting of February 14, 2024 were previously distributed to the Board Members. There being no changes, the Minutes of February 14, 2024 were approved as presented.

A motion was made by Alderman Mikolyzk to approve the Finance Committee Meeting Minutes of February 14, 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 eight months ended December 31, 2023.

Finance Director Schutter stated that in the General Fund the December financial statements reflect a positive revenue variance of just over \$909K. The primary positive variances were in the building permits (\$224K), sales tax (\$214K), investment income (\$178K), Flagg Creek profit sharing distributions (\$75K), business license fees (\$67K), state income tax (\$49K), fuel tax (\$42K), inspection/review fees (\$39K), and local ordinance fines (\$36K). Fuel taxes have rebounded significantly from their pandemic lows and the current year's budget represents about 88% of last year's actual result and is thus very conservative as well. Inspection and permit fees are up significantly from an increase in local construction projects, income taxes continue to be higher from wage

gains and low unemployment, and investment income is up in the last two months from falling interest rates.

Expenses are trending at about \$143K under budget primarily from positive variances in the general administration, police, and public works departments. The variances were achieved from lower personnel costs (admin, police, and public works) due to some employee turnover, and lower legal costs (admin). The positive variances were offset slightly by timing differences in the IT department (software and hardware purchases), audit fees from higher bids received this year (finance), and data conversion costs related to the LTACC (ETSB) transition which were budgeted in prior years. The general fund is showing a favorable surplus variance of just over \$1,050K through the first eight months of the 2024 fiscal year.

For the capital projects fund interest income is up from the budget based on relatively high short term interest rates and investment of bond proceeds. The expense variance is based primarily on the payment of unbudgeted retention close out costs on the City Hall project. Other fund expenses consist of the Lexipol Policy Management Software purchase, drone purchase, and Countryside Park camera replacements/repairs (Police), the purchase of a walk behind mower (DPW), construction and engineering costs for the MWRD drainage improvement project, construction and engineering costs for the utility patching project (in lieu of the budgeted pavement program which will carry forward into next year), and preliminary engineering costs on the pedestrian bridge and Joliet Road projects.

For the Flagg Creek Golf Course Fund year to date green/league fees exceeded the prior year and budget by just over \$23K and \$25K. Concession revenues exceeded the prior year and budget by \$27K and \$31K respectively. Total revenues are up by \$185K and \$194K to the prior year and budget respectively.

Net income from concessions exceeded the prior year and budget by \$16K/\$13K respectively, while running a net margin of 49% of sales. Total personnel costs as a percentage of revenue are running at about 32% through the first eight months. The prior year and budget are reflecting 32% and 34% of revenue respectively. The capital outlays of just over \$12K have been incurred YTD on the deck improvements and preliminary engineering costs related to the cart path resurfacing project.

The golf course is running a net surplus variance to the prior year of \$127K when adjusting for capital outlays.

A motion was made by Alderman Mikolyzk to approve the monthly Treasurer's Report for the eight months ended December 31, 2023 seconded by Alderman Frohlich and carried unanimously.

5.b. Presentation of the Investment Report for the third fiscal quarter ended 1/31/24.

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. The City has maintained over 60% of expenses in cash and investments which tend to be lower/more conservative than fund balances. As of January 31, 2024 the City is holding just under 71% of current budgeted expenses in cash/investments. The fund balance policy for the water fund is to maintain at least 35% of expenses in cash/investments – the fund is currently at just over 36%.

The City's self-directed investment accounts at January 31, 2024 had a market value of just under \$9.1 million, a yield to worst of 3.41%, a yield to maturity of 3.85%, annual coupon income of \$347,268, and an overall credit rating of AA. The portfolio has absorbed some book losses over the last eighteen months or so from the premium nature of the municipal securities, sharply rising interest rates, and significant market volatility. After interest rates peaked (10/19/23) they declined significantly in the middle to longer part of the curve resulting in an increase in the market value of the portfolio of just over \$592K in the last quarter.

6. Other Committee Business.

None.

7. 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 6:55 PM.

APPROVED:

Respectfully Submitted,

Chairman John Finn

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