

CITY OF COUNTRYSIDE

*803 Joliet Road
Countryside, IL 60525
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Meeting Minutes Regular Meeting of the FINANCE COMMITTEE

Wednesday, February 26, 2020

6:15 PM

Council Chambers

Committee Members

Chairman: John Finn

Treasurer: Caryn Stancik

Aldermen: James Jasinski, and Thomas Mikolyzk

I. CALL TO ORDER

The meeting was called to order at 6:15 PM.

II. ROLL CALL

Those physically present are as follows:

Present: Treasurer Stancik, Chairman Finn, and Alderman Mikolyzk

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

Absent: Alderman Jasinski

III. APPROVAL OF FINANCE COMMITTEE MEETING MINUTES – DECEMBER 11, 2019

The Minutes of the Regular Meeting of December 11, 2019 were previously distributed to the members of the Finance Committee.

I move to approve the minutes of the Finance Committee meeting of December 11, 2019.

A motion was made by Alderman Mikolyzk that this matter be APPROVED, seconded by Treasurer Stancik and carried unanimously.

IV. Public Comment

None.

V. CONSIDERATION TO APPROVE THE MONTHLY TREASURER'S REPORT FOR THE 7 MONTHS ENDED NOVEMBER 30, 2019 (PREVIOUSLY DISBURSED – NOT A CURRENT PACKET ITEM).

A motion was made by Treasurer Stancik to APPROVE Treasurer's Report for the 7 months ended November 30, 2019 seconded by Alderman Mikolyzk and carried unanimously.

VI. CONSIDERATION TO APPROVE THE MONTHLY TREASURER'S REPORT FOR THE 8 MONTHS ENDED DECEMBER 30, 2019 (PREVIOUSLY DISBURSED – NOT A CURRENT PACKET ITEM).

A motion was made by Alderman Mikolyzk to APPROVE Treasurer's Report for the 8 months ended December 30, 2019 seconded by Treasurer Stancik and carried unanimously.

VII. CONSIDERATION TO APPROVE THE MONTHLY TREASURER'S REPORT FOR THE 9 MONTHS ENDED JANUARY 31, 2020 (CURRENT PACKET ITEM).

Finance Director Schutter reported that the general fund has a surplus of \$1,237,000 versus a YTD budget of \$246,000. Revenues are positively trending at \$671,029 due largely to growth in sales taxes (\$192,000), investment income (\$152,000), state income/use/gaming taxes (\$70,000), and certain non-reoccurring revenues. IMET made recoveries of previous investment write-downs from the First Farmer's fraud issue (\$55,000 and non-reoccurring) and miscellaneous income is up from overpayments/refunds from ComEd (\$155,000) and AT&T (\$7,000) where overbilling settlements were successfully negotiated by staff. Miscellaneous income/asset sales were also up from the sale of land/easements (\$27,000 and \$55,000 respectively) from IDOT expansion projects and a water main relocation reimbursement from LaGrange Highlands (\$38,000).

On the expense side, the general fund is trending at \$319,000 under budget. Timing differences – one month of legal fees and outlays on a comprehensive study account for about \$65,000 to \$70,000 of the difference. Personnel, overtime, and buyback costs are still down in the Police Department. Public Works is continuing its downward trend in infrastructure maintenance, contractual/consulting, and operating supplies expenses.

The Motor Fuel Tax Fund for an annualized 12 month period is projected to increase MFT receipts per capita in the amount of \$12.80 - this equates to about \$75,456 annualized – for a partial fiscal year it is projected to be about \$45,000 to \$50,000 in additional receipts.

Hotel/Motel Taxes are under budget by approximately \$41,000 through December. Holiday Inn's revenue growth of approximately 11% in receipts year over year is offset by declines of 10% in Best Western receipts year over year. Interest income is up significantly at \$29,500 for the first nine months versus an annual budget of \$13,500.

Capital Projects Fund interest income exceeds the annual budget by over \$76,000. Bond proceeds have earned just over \$373,000 over the past 2+ years that the bond proceeds have been invested for. Year to date grant proceeds of nearly \$124,000 have been received from ComEd (\$23,000 for City Hall project and \$9,300 for the Ideal Park Camera Grant), and from IDOT (\$91,500 for the ITEP Bike Path Project). Final payouts for the 5th Avenue Cutoff project have been expended through January and the City just filed a reimbursement request with the County.

The Drug Forfeiture Fund has collected \$145,000 in forfeiture payments versus the annual budget of \$104,000. New revenue/reserves of over \$485,000 have been accumulated and can be used to cover capital costs on the City Hall/Police facility.

For the Flagg Creek Golf Course Fund, total revenues through December exceed the prior year by just under \$26,000 and lag the YTD budget by about \$19,800. On the expense side, golf course department costs exceed the prior year and budget by \$58,000 and \$62,000, respectively, due largely to unbudgeted expenses for the wireless tower connection and recent recognition of the capital costs for the sidewalk project completed this fall.

A motion was made by Treasurer Stancik to APPROVE Treasurer's Report for the 9 months ended January 31, 2020 seconded by Alderman Mikolyzk and carried unanimously.

VIII. DISCUSSION ON THE INVESTMENT REPORT FOR THE THIRD QUARTER ENDED JANUARY 31, 2020.

Finance Director Schutter summarized the cash and investments by fund - the total cash balance (as of the third fiscal quarter ended 1/31/20) was \$720,831. In addition, the City has \$2,908,240 in the IMET convenience fund, \$6,538,514 in the City's self-directed portfolio held in custody by US Bank, and \$4,517,983 in the Bond Proceeds Account.

This portfolio has a fair market value of just over \$6,500,000, unrealized losses of \$2,345, book yield to worst of 2.88%, book yield to maturity of 3.20%, annual coupon income of \$239,667, and an overall credit rating of AA+. A significant amount of the portfolio has/will turn over in 2020 from security calls and maturities (nearly 40% of the portfolio). Redemptions are being reinvested primarily in longer dated municipal bonds with call and/or sinking fund structures as they are showing the most relative value under current market conditions. Recent purchases have increased the average life of

the portfolio which has also increased by over \$64,000 from the last quarterly report based on falling interest rates/market appreciation.

IX. SEEK APPROVAL TO WAIVE FORMAL BID PROCESS AND HAVE PACE SYSTEMS INTEGRATE AND UPGRADE THE SECURITY SYSTEM AT THE WATER DEPARTMENT AND PUBLIC WORKS BUILDINGS IN THE AMOUNT OF \$33,239.99.

Chief Ford stated that the Water Department has a non-functioning, antiquated security system which operated in conjunction with the former City Hall facility. Now that the former City Hall is vacant, the Water Department's remaining system is not integrated into the new Municipal Complex's security system.

Mr. Ford spoke with the Public Works Director and he stated that a video camera at the Public Works building would be beneficial as well.

Mr. Ford stated that this is an upgrade to our current system which was installed by Pace Systems. The fact that we have the wireless connections to both the Water Department and the Public Works building allows the City to integrate these upgrades into our existing system. Four years ago we moved to the Genetec software system. This software is capable of handling every security need we had at the time and into the future. This decision was a beneficial asset when moving into our new Municipal Complex and continues to allow us to upgrade and enhance our other municipal facilities.

A motion was made by Alderman Mikolyzk to APPROVE waiving the formal bid process to have Pace Systems upgrade the security system in the amount of \$33,239.99 seconded by Treasurer Stancik and carried unanimously.

X. CONSIDERATION TO PURCHASE A USED ADMINISTRATIVE VEHICLE FOR THE POLICE DEPARTMENT IN AN AMOUNT NOT TO EXCEED \$20,000.

Chief Ford stated that due to the vehicle condition and the amount of miles on this vehicle it has reached the end of its service life. Staff has opted to replace this vehicle with a low mileage, used vehicle from Westfield Ford. Due to the administrative nature of this vehicle it requires the purchase and installation of minimal emergency equipment from MPC Communications. The total cost of this vehicle and equipment will not exceed \$20,000.00.

Chairman Finn stated that they were going to table this item until the next Finance Meeting.

XI. CONSIDERATION OF AN AGREEMENT WITH DUKE'S ROOT CONTROL TO PERFORM WORK REQUIRED ON THE SANITARY LIFT STATIONS IN THE AMOUNT OF \$11,340.

A motion was made by Treasurer Stancik to APPROVE Duke's Root Control as low bid of \$11,340.00 for sanitary manhole inspections and lift station inspections seconded by Alderman Mikolyzk and carried unanimously.

XII. CONSIDERATION OF AN AGREEMENT WITH AUTOMATED CONTROL SERVICES TO UPGRADE THE WATER DEPARTMENTS S.C.A.D.A. SYSTEM IN THE AMOUNT OF \$15,168.

Finance Director Schutter stated that an upgrade to Windows 10 was required which also necessitated an upgrade to the S.C.A.D.A. software which runs the mechanicals of the entire water system. The current vendor is a sole source provider.

A motion was made by Alderman Mikolyzk to APPROVE an upgrade to the S.C.A.D.A. system seconded by Treasurer Stancik and carried unanimously.

XIII. OTHER BUSINESS.

None.

XIV. ADJOURN.

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

Chairman Finn declared the meeting adjourned at 6:57 PM.

APPROVED:

Respectfully Submitted,

Alderman John Finn, Chairman

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