

CITY OF COUNTRYSIDE

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Meeting Minutes Regular Meeting of the FINANCE COMMITTEE

Wednesday, April 13, 2022

6:45 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 6:45 PM.

2. Roll Call

Those physically present were as follows:

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

Also Present: Mayor McDermott, City Clerk Kmet, Alderman Von Drasek, Alderman Musillami, City Administrator Paul, Assistant City Administrator Peterson, Finance Director Schutter, and Chief Ford.

3. Communications from the Public

None.

4. Approval of Minutes**4.a. Approval of Finance Committee Meeting Minutes – March 2, 2022.**

I move to approve the minutes of the Finance Committee meeting of March 2, 2022.

A motion was made by Alderman Mikolyzk that this matter be APPROVED, 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 through the 10 months ended February 28, 2022.**

Finance Director Schutter stated that the YTD cash financial statements reflect a positive revenue variance of just over \$1.96 million. This result is due primarily to positive variances in sales tax (\$1.143MM), fee in lieu of tax (\$176K), state shared income tax (\$186K), restaurant tax (\$130K), gaming tax (\$81K), Flagg Creek profit sharing (\$68.5K), property maintenance inspections (\$57K), and building permits (\$50K). The large variance in the fee in lieu of tax line item is due largely to the Genesis Breach settlement payment from Ettleson Hyundai in the amount of just under \$199,000 and is deemed to be a non-reoccurring revenue item. The increase in inspection income is due to the targeted effort in the Building Department to inspect all rental properties on an accelerated schedule.

On the expense side, total costs appear to be under budget by just over \$196K despite overages in buyback costs related to retirements in the Public Works and the Police Department which are offset by lower wages. Based on the noted revenue and expense variances, the fund is reflecting a positive net surplus variance of just over \$2.1 million.

A motion was made by Alderman Mikolyzk to APPROVE the monthly Treasurer's Report through the 10 months ended February 28, 2022, seconded by Alderman Frohlich.

5.b. Presentation and discussion on the third requested budget for fiscal year 2023.

Finance Director Schutter stated that he would only be discussing the changes that were made to the budget. On the revenue side the sales tax changed by \$180K based on the data we received. On the expenditure side Finance - Other Financing Uses changed by almost \$165K. Information Technology Services changed by \$15K.

There was no change to the Motor Fuel Tax Fund, Hotel/Motel Fund, Commercial TIF Fund, and 55th Street TIF Fund.

For the Drug Forfeiture Fund we increased the budget for the Firearms Simulator from \$50K to \$65K. The radios were increased from \$50K to \$52K and the upfit costs for the squads were increased from \$30K to \$35K based on inflation levels experienced on recent purchases. Federal Forfeiture revenues were increased to cover the adjustments to balance the fund.

The Water Fund's sole adjustment was the inclusion of the Large Meter Replacement Program in the amount of \$235K. The program seeks to replace all the Omni Meters sized 1.5 inches and above. There are 137 meters in total that service apartment buildings, small businesses, and large commercial/industrial users in Dansher Park area. According to the Water Operators this is the most effective measure we can take to improve our accountability numbers which have been deteriorating over the past few years. This investment will eventually pay for itself from savings achieved by reducing non-revenue water/water loss in the system.

In the Flagg Creek Fund we added a project to improve the lighting. The \$50K was put into the line item for Infrastructure improvements. The improvements would consist of new foundations, light poles, and ballasts in the parking lot area. This project would be done in conjunction with the parking lot resurfacing project. The entrance improvements were reduced by approximately \$2K based on an allocation of the ComEd Openlands grant received by the City for the three pollinator garden projects.

5.c. Consideration of proposed audit engagement for fiscal year 2022 with Baker Tilly US LLP.

Finance Director Schutter stated that when we went out to bid we selected Baker Tilly for a five year term. At the end of that term (last year) we renewed the engagement for an additional year. We are currently requesting consideration to renew for an additional 1 year term on the assumption that we will bid out the engagement next year.

A motion was made by Alderman Frohlich to consider a contract with Baker Tilly for one more year, seconded by Alderman Mikolyzk.

6. Other Committee Business.

Finance Director Schutter stated that he would like to summarize the information from Granite Government Solutions. It's a telecom service that deals with pots lines which are copper lines. We have to have copper lines for compliance reasons and we have seven of them with AT&T. This company has thousands of clients across the country. Granite Government Solutions enters into wholesale agreement with AT&T. The service will still be provided by AT&T but we would get the wholesale rate versus the retail rate. It would save the City roughly \$500 a month. If we have any issues with the lines we would deal directly with Granite Government Solutions and not AT&T.

Mr. Schutter stated that he feels there would be savings and far better service. Mr. Schutter would like to move these lines over to Granite Government Solutions. For the seven lines it would cost over \$10K a year and thus require City Council's approval. Chairman Finn asked if we had to pay \$10K to move the lines. Finance Director Schutter said no there is no cost to move the lines. Right now we pay \$1435 a month and with Granite we would pay \$985. We would be saving around \$500 a month. We would be entering into a contract that is over \$10K that is why we need the City Council's approval.

Finance Director Schutter said that this is a busy time for the Finance Department. We have to pass the final budget at the next City Council meeting. We have to do budget amendments. Budget Law states that if you spend more than your aggregate expenses in any given fund then you have to do a budget amendment.

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 7:15 PM.

APPROVED:

Respectfully Submitted,

Alderman John Finn, Chairman

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