

CITY OF COUNTRYSIDE

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

Wednesday, July 13, 2022

6:15 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 6:15 PM.

II. Roll Call

Those physically present were as follows:

Present: Chairman Finn, Treasurer Bolt, and Alderman Mikolyzk

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

III. Communications from the Public

None.

IV. Approval of Minutes for the Finance Committee Meeting – April 13, 2022.

I move to approve the minutes of the Finance Committee meeting of April 13, 2022.

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

V. Consideration to approve the monthly Treasurer’s Report through the 11 months ended March 31, 2022.

A motion was made by Alderman Mikolyzk to APPROVE the monthly Treasurer’s Report through the 11 months ended March 31, 2022, seconded by Alderman Frohlich and carried unanimously.

VI. Consideration to approve the monthly Treasurer’s Report through the 12 months ended April 30, 2022.

Finance Director stated that the YTD cash basis financial statements reflect a positive revenue variance of just over \$1.96 million. This result is due primarily to positive variances in sales tax (\$1.3MM), state shared income tax (\$227K), fee in lieu of tax (\$200K), restaurant tax (\$156K), gaming tax (\$81K), Flagg Creek profit sharing (\$68.5), property maintenance inspections (\$55K), and building permits (\$48K). The twelve months of sales taxes reflected in the cash basis statements represent accruals for sales earned in February through January given the lag between earnings and collections. The large variance in the fee in lieu of tax line item is due largely to the one time Genesis Breach settlement payment from Ettleson Hyundai. The increase in inspection income is due to the targeted effort in the Building Department to inspect all rental properties on an accelerated schedule from prior practice coupled with increases in fees for registrations and the inspections. The gains in the current month were slightly offset by a sizable book loss that was incurred in the City’s investment portfolio based on the extreme volatility in the markets and sharply rising interest rates.

On the expense side total costs appear to be under budget by just over \$500K despite overages in buyback costs. Based on timing the tax sharing expense is understated by just over \$35K. Based on the noted revenue and expense variances, the fund is reflecting a projected positive net surplus variance of just over \$2.44 million.

A motion was made by Alderman Mikolyzk to APPROVE the monthly Treasurer's Report through the 12 months ended April 30, 2022, seconded by Alderman Frohlich and carried unanimously.

VII. Consideration to approve the monthly Treasurer's report through the 1 month ended May 31, 2022.

The May cash basis financial statements reflect a positive revenue variance of just over \$193K. This result is due primarily to positive variances in state shared income tax (\$109K), sales tax (\$39K), building permits (\$23K), restaurant tax (\$10K), and local ordinance fines (\$9K).

On the expense side, total costs appear to be under budget by just under \$80K primarily from lower personnel costs in the police department and lower contractual consulting costs in the department of public works.

Based on the noted revenue and expense variances, the fund is reflecting a projected positive net surplus variance of just over \$273K through the first month of the fiscal year.

A motion was made by Alderman Mikolyzk to APPROVE the monthly Treasurer's Report through the 1 month ended May 31, 2022, seconded by Alderman Frohlich and carried unanimously.

VIII. Presentation of the Investment Report for the fourth fiscal quarter ended April 30, 2022.

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 to maintain at least 50% of the current budgeted expenses on hand. In 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 April 30, 2022 the City is holding nearly 80% of current budgeted expenses in cash and investments. Mr. Schutter then highlighted the investment performance for the City's self-directed portfolio compared to its benchmarks. As measured by the trailing 12 month return the City's portfolio has outperformed the benchmarks for the last four calendar years.

IX. Consideration of an Ordinance providing for the issuance of not to exceed \$15 million in General Obligation Bonds Series 2022 A/B.

Finance Director Schutter stated that recent market conditions have started to improve relative to the City's ability to issue bonds at acceptable interest rates. In particular, the Underwriter has now received very favorable indicative interest in the City's bonds from banks. Several banks have committed to purchase the bonds at rates that can still achieve a present economic benefit to the City in excess of \$3.5 million. To facilitate the sale of the bonds an amended bond ordinance would need to be authorized.

The amended Ordinance would allow the sale either in the public markets or through a direct placement to banks, and it broadens the capital funding component of the issuance to include the purchase of land and building improvements for future planning purposes. The recommendation to the committee is to approve the Ordinance of a General Obligation Bond Series 2022 A/B in an aggregate amount not to exceed \$15 million, and send onto the City Council.

A motion was made by Alderman Mikolyzk to consider an Ordinance providing for the issuance not to exceed \$15 million in General Obligation Bonds Series 2022 A/B and brought to the City Council meeting tonight for approval, seconded by Alderman Frohlich and carried unanimously.

X. Other business.

None.

XI. Adjourn.

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

Chairman Finn declared the meeting adjourned at 6:42 PM.

APPROVED:

Respectfully Submitted,



Alderman John Finn, Chairman

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