

# CITY OF COUNTRYSIDE

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

Tuesday, December 6, 2022

5:30 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 5:30 PM.

**2. Roll Call**

Those physically present were as follows:

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

**Also Present:** City Administrator Paul and Finance Director Schutter,

**3. Communications from the Public**

None.

**4. Approval of Minutes****4.a. Approval of Finance Committee Meeting Minutes – September 14, 2022.**

I move to approve the minutes of the Finance Committee meeting of September 14, 2022.

**A motion was made by Alderman Mikolyzk to approve the Finance Committee Meeting Minutes from September 14, 2022, seconded by Alderman Frohlich and carried unanimously.**

**5. Business from the Committee for Discussion, Consideration and if so Determined, Action Upon:****5.a. Auditor's Presentation on Annual Audit Report and Auditor's Communication to Management (Management Letter). Consideration to Approve Annual Reports.**

Ryan Downes from Baker Tilly US LLP introduced himself to the committee and highlighted the Annual Comprehensive Financial Report (CAFR). Mr. Downes highlighted page 6 of the Management Letter, because this is the area that focuses on any deficiencies the City may have. This year's management letter did not contain any deficiencies and all prior deficiencies have been cleared by controls that have been implemented by management. Alderman Mikolyzk asked if there have ever been deficiencies with the annual audit. Mr. Downes stated that several years ago there were a few deficiencies, but the Finance Department took action and additional controls were put in place; the last time any deficiencies were noted was in 2019. The deficiencies existed largely due to the size of the City, and having a small staff who handled a few different roles, which isn't uncommon in municipalities. Mr. Downes reiterated that the City put in additional controls to mitigate these risks and the deficiencies were subsequently cleared a few years ago.

**A motion was made by Alderman Mikolyzk to approve the Annual Audit Report seconded by Alderman Frohlich and carried unanimously.**

**5.b. Consideration to approve the monthly Treasurer's Report for the four months ended August 31, 2022.**

The August cash basis financial statements reflect a positive revenue variance of just over \$362K. This result is due primarily to positive variances in state shared income tax (\$109K), sales tax (\$39K), building permits (\$93K), restaurant tax (\$55K), local ordinance fines (\$23K), inspection/review fees (\$21K) and video gaming tax (\$20K).

On the expense side, total costs appear to be under budget by just under \$138K primarily lower personnel costs in the police department and in the Community Development Department.

Based on the noted revenue and expense variances, the fund is reflecting a projected positive net surplus variance of just over \$500K through these four months of the fiscal year.

**A motion was made by Alderman Mikolyzk to approve the monthly Treasurer's Report for the four months ended August 31, 2022, seconded by Alderman Frohlich and carried unanimously.**

**5.c. Consideration to approve the monthly Treasurer's Report for the five months ended September 30, 2022.**

The September cash basis financial statements reflect a positive revenue variance of just over \$260K. This result is due primarily to positive variances in sales tax (\$220K), building permits (\$121K), restaurant tax (\$52K), local ordinance fines (\$26K), inspection/review fees (\$29K) and video gaming tax (\$20K).

On the expense side, total costs appear to be under budget by just over \$150K primarily lower personnel costs in the police department, public works and community development department.

Based on the noted revenue and expense variances, the fund is reflecting a projected positive net surplus variance of just over \$413K through these five months of the fiscal year.

**A motion was made by Alderman Mikolyzk to approve the monthly Treasurer's Report for the five months ended September 30, 2022, seconded by Alderman Frohlich and carried unanimously.**

**5.d. Consideration to approve the monthly Treasurer's Report for the six months ended October 30, 2022.**

The October cash basis financial statements reflect a positive revenue variance of just over \$97K. This result is due primarily to positive variances in sales tax (\$157K), building permits (\$126K), restaurant tax (\$50K), local ordinance fines (\$28K), inspection/review fees (\$30K), video gaming tax (\$16K) and grant revenue (15K).

On the expense side, total costs appear to be under budget by just over \$85K with some of

the costs being attributed to the gas promotion that was an unbudgeted expense. Community Development Department, Police and Public Works are all down and they're going to be down all year, based on current trends. In Community Development, we budgeted for two Permit Clerks for the entire year and we've only incurred expenses for one Permit Clerk, therefore we will be under budget all year in that department. In terms of Police, Police is down with part-time salaries, and buy back experience. Public Works is down due to the retirement of a senior maintenance worker that was replaced by an entry level employee.

Based on the noted revenue and expense variances, the fund is reflecting a projected positive net surplus variance of just over \$183K through these six months of the fiscal year.

**A motion was made by Alderman Mikolyzk to approve the monthly Treasurer's Report for the six months ended October 31, 2022, seconded by Alderman Frohlich and carried unanimously.**

**5.e. Presentation of the Investment Report for the Second Fiscal quarter Ended October 31, 2022.**

Finance Director Schutter gave an update on the Investment Report for the Second Fiscal Quarter which ended October 31, 2022. We currently have cash balances of \$5.7M, investments of \$9.1M, and total cash and investments of almost \$15M exclusive of reserved bond proceeds. Currently the general fund has 75% of our operating budget in cash/investments. Normally we have around 60-65% in cash/investments, however, we do have sizable pension and debt service payments due in the next two months which will bring this percentage down. There is almost \$1.3M in cash and investments in the Hotel Motel Fund, almost \$5M in the Capital Fund (inclusive of bond proceeds), and the Water Fund is carrying almost 48% of its budgeted expenses (35% is the policy requirement).

**5.f. Consideration of a Request form the Police Pension Fund for the Annual Fiscal Year 2023 Employer Contribution in the Amount of \$1,281,906.**

The Police Pension Fund Board approved and is requesting 100% of the actuarially determined contribution in the amount of \$1,281,906 for Fiscal Year 2023 based on the actuarial valuations as of 4/30/2022 which were performed by Lauterbach & Amen, LLP. In reviewing the reports, it should be noted that the recommended contribution has decreased by \$6,520 from the prior year based on actuarial experience and asset returns based on an actuarial basis. On the fair market of assets basis the funding percentage declined based on investment losses incurred last year. Finance Director Schutter noted that the actuarial valuation date preceded any activities related to the City's accelerated police pension funding plan approved last year. The April 30, 2023 report will capture those activities.

**A motion was made by Alderman Mikolyzk for the employer contribution to the Police Pension Fund for Fiscal Year 2023 in the amount of \$1,281,906, seconded by Alderman Frohlich and carried unanimously.**

**6. Other Committee Business.**

Finance Director Schutter updated the Committee on the T-Mobile tower lease agreement. The attorneys finally agreed on the terms, this will come to the Finance Committee at the December 14, 2022 meeting.

**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 6:20 PM.**

APPROVED:

Respectfully Submitted,

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Alderman John Finn, Chairman

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