

**MINUTES  
THE CITY OF ST. CHARLES  
GOVERNMENT OPERATIONS COMMITTEE  
ALD. STEVE WEBER, CHAIR  
MONDAY, OCTOBER 2, 2023**

**1. Call to Order**

Chairman Weber called the meeting to order at 7:08 pm.

**2. Roll Call**

Present: Ald. Silkaitis, Ald. Foulkes, Ald. Bongard, Ald. Muenz, Ald. Lencioni,  
Ald. Gehm, Ald. Pietryla, Ald. Wirball, Ald. Bessner

Absent: None

**3. Administrative**

a. Video Gaming Statistics August 2023 – no comments

**4. Omnibus Vote**

Items with an asterisk (\*) are considered to be routine matters and will be enacted by one motion. There will be no separate discussion on these items unless a council member/citizen so requests, in which event the item will be removed from the consent agenda and considered in normal sequence on the agenda.

Motion by Ald. Wirball, second by Ald. Pietryla to approve the Omnibus item.

**Roll Call Vote:** Ayes: Ald. Silkaitis, Ald. Foulkes, Ald. Bongard, Ald. Muenz, Ald. Lencioni, Ald. Gehm, Ald. Pietryla, Ald. Wirball, Ald. Bessner. Nays: None. Absent: None. Ald. Weber did not vote as Chair. **Motion Carried.**

**5. Information Systems**

\*a. Recommendation to approve a **Resolution** Authorizing the Approval of a One-year Agreement with Four Kitchens, LLC in the Amount of \$39,000.

Motion by Ald. Wirball, second by Ald. Pietryla to recommend approval of a Resolution Authorizing the Approval of a One-year Agreement with Four Kitchens, LLC in the Amount of \$39,000.

**Roll Call Vote:** Ayes: Ald. Silkaitis, Ald. Foulkes, Ald. Bongard, Ald. Muenz, Ald. Lencioni, Ald. Gehm, Ald. Pietryla, Ald. Wirball, Ald. Bessner. Nays: None. Absent: None. Ald. Weber did not vote as Chair. **Motion Carried.**

b. Recommendation to Approve a **Resolution** to Execute an Agreement with

Timmons Group, Inc. for Utility Network Migration Services in the Amount of \$113,000.

Eric Creighton explained that this agreement is for the GIS Utility Network. Database standardization was established 15-20 years ago and the current system is nearing the end of its usable life. The data is captured by location and is mature enough to migrate into a more useful and analytical. The new system will increase data integrity and allow nontechnical users to edit data in web and mobile environments. Public Works staff will be able to create reports rather than relying on GIS staff to create those.

Tasks will be shared with the selected vendor, an experienced engineering firm, to make this a more cost-effective solution. The migration will happen in three phases and each phase is expected to last one year.

Motion by Ald. Wirball, second by Ald. Pietryla to recommend approval of a Resolution to Execute an Agreement with Timmons Group, Inc. for Utility Network Migration Services in the Amount of \$113,000.

**Roll Call Vote:** Ayes: Ald. Silkaitis, Ald. Foulkes, Ald. Bongard, Ald. Muenz, Ald. Lencioni, Ald. Gehm, Ald. Pietryla, Ald. Wirball, Ald. Bessner. Nays: None. Absent: None. Ald. Weber did not vote as Chair. **Motion Carried.**

## 6. Finance Department

- a. Recommendation to accept the financial and other reports for the fiscal year ending April 30, 2023, including the Annual Comprehensive Financial Report, Independent Auditor's Report Pursuant to Uniform Guidance, Board Communication, Pension Fund Reports, TIF Compliance Reports, and Sales Tax Revenue Bond Compliance Report.

Bill Hannah introduced Jim Savio from Sikich, the company that conducted the audit process for the City. Jim complimented City staff on their cooperation and readiness to engage in the audit process. The audit started with a planning meeting on March 20, 2023 and the final report was issued September 22, 2023. finished in August.

The Annual Comprehensive Financial Report has several sections.

- The Independent Auditors Report includes new audit standards and accounting principles which were implemented last year. The City again received an "unmodified opinion" which is the highest possible level of assurance. There were no material inconsistencies identified. Also, in the compliance section, there were no instances of noncompliance or material weaknesses found.

- Management Discussion and Analysis is prepared by Bill Hannah and points out changes and trends. It is highly encouraged to read this report.

Communication to the Mayor and Members of City Council and Management

- There were no material audit adjustments.
- No significant deficiencies and no new deficiencies were found. There were two carry forward items related to capital assets and billed vs pumped water.

Other reports issued

- Management Letter
- Six TIF reports
- 2016 Revenue Bond Report

Motion by Ald. Lencioni, second by Ald. Gehm to recommend acceptance of the financial and other reports for the fiscal year ending April 30, 2023, including the Annual Comprehensive Financial Report, Independent Auditor's Report Pursuant to Uniform Guidance, Board Communication, Pension Fund Reports, TIF Compliance Reports, and Sales Tax Revenue Bond Compliance Report.

**Roll Call Vote:** Ayes: Ald. Silkaitis, Ald. Foulkes, Ald. Bongard, Ald. Muenz, Ald. Lencioni, Ald. Gehm, Ald. Pietryla, Ald. Wirball, Ald. Bessner. Nays: None. Absent: None. Ald. Weber did not vote as Chair. **Motion Carried.**

- b. Presentation of the FY 22-23 Audit and Financial Information, Highlights, and Trends related to the Annual Comprehensive Financial Report (ACFR) as of April 30, 2023.



ACFR Info & Trends  
2023

Bill Hannah provided a recap of audit and year-end financial highlights and trends. He reviewed the major sections in the Annual Comprehensive Financial Report and stated that the City will also produce a Popular Annual Financial Report, as has been done for the last few years.

The Basic Financial Statements Statement of Net Position includes depreciation, capital assets, long-term liabilities and economic resources measurement focus as opposed to a short-term budgetary focus. There is a negative unrestricted net position for governmental activities which is due to net pension liabilities. The Statement of Activities reflects annual revenues of \$156 million and expenses of \$136 million. Utilities are the largest category of both revenues and expenses.

Governmental Funds revenues totaled approximately \$64 million and revenues increased for sales taxes by \$2.5 million to \$26.4 million, alcohol and hotel and state-shared income tax revenues also increased. There were approximately \$59 million in expenses. The unassigned fund balance at the end of the fiscal year was 46.1% of general fund expenditures and transfers out which satisfies the City's 25% policy. The higher City actual % provides an additional offset against outstanding debt and liabilities, which improves the City's fiscal profile. The \$1.5 million deficit in Special Revenue Funds is due to negative fund balances in select TIF funds. Until enough TIF funds are accumulated to pay those advances, they will report a negative a deficit fund balance.

Debt Service payments of \$8.9 million were paid and those were largely funded by \$7.9 million transfer from the General Fund and TIF Funds.

Bill also reviewed Long-term General Obligation Debt, Fire and Police pension fund ratios and liabilities, Proprietary Funds, and Fiduciary Funds. IEPA loan issuance are expected to start to come down in approximately two years, and funding necessary future infrastructure projects are a major factor in its continuance.

To summarize, Bill recapped the significant points of the FY 2022-23 ACFR

- Overall, the City's long-term financial position improved over the last year.
- 2<sup>nd</sup> consecutive year of strong growth in sales taxes and other consumption taxes (some recent leveling off).
- General Fund reserve increased \$1.7 million, percentage remained steady at 46.1%.
- Actuarially determined contributions to both police and fire pension systems will continue to increase; calculated to be \$7.45 million or just over 50% of upcoming 2023 tax levy.
- Strategic allocation of one-time funds/variances resulting in \$9 million reserve for general capital projects.
- One-time funds related to a rebound of revenue growth or closing of funds not as prevalent going forward.
- Significant number of capital projects related to water and sewer utilities will need to continue, funded with IEPA loans if possible; debt service repayment currently about 20% to 30% of operating revenues.
- Progress made reducing outstanding bonded debt but outstanding IEPA loans will continue to increase.

The Moody's Bond rating is analyzed at the time of a new debt issuance. December 2021 was the last rating for the City at AA1. Since the metrics were recently revamped, a surveillance review may be done in the near future.

Committee members complimented Bill and his team for the reports being created and the improved helpfulness of the meeting content. Fiscal conservatism in City finances is also appreciated.

**7. Public Comment - None**

**8. Additional Items from Mayor, Council or Staff – None**

**9. Adjournment**

Motion by Ald. Wirball, second by Ald. Lencioni to adjourn the meeting at 8:02 pm.

**Voice Vote:** Ayes: Ald. Silkaitis, Ald. Foulkes, Ald. Bongard, Ald. Muenz, Ald. Lencioni, Ald. Gehm, Ald. Pietryla, Ald. Wirball, Ald. Bessner. Nays: None. Absent: None. Ald. Weber did not vote as Chair. **Motion Carried.**

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