

**MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, FEBRUARY 2, 2015**

1. Opening of Meeting

The meeting was convened by Chairman Turner at 7:05 p.m.

2. Roll Call

Members Present: Chair. Turner, Ald. Stellato, Silkaitis, Payleitner, Lemke, Bancroft, Martin, Krieger, Bessner, and Lewis

Absent:

3. Omnibus Vote

None

4. Finance Department

a. Recommendation to approve a proposal with Sikich LLP to perform the City's Financial Statement Audits for Fiscal Years 2015 through 2017.

Chris Minick: Enclosed is a 3-year proposal from the City's outside auditing firm, Sikich LLP out of Naperville. The proposal contemplates the completion of the audit process for fiscal years 2015 through 2017. This proposal incorporates all of the cost to complete all of the audit opinions that are requested by Illinois statutes, generally accepted accounting principles, as well as Federal financial assistance in the event that we would receive Federal financial assistance that would require what is known as a single audit. The proposal further contemplates the current level of staff effort that city staff will complete substantially of all the schedules as disclosed in the Comprehensive Annual Financial Report (CAFR); except we will retain Sikich's assistance for the notes disclosure, which are the notes to the financial statements that accompany the basic financial statements that we prepare on an annual basis. The fees for FY2015 audit are being held consistent and being frozen at the 2014 level. The FY2016 audit does include a base price increase of approximately 2.5% plus a one-time charge for the implementation of Governmental Accounting Standards Board (GASBY) statements 67 and 68. Statements 67 and 68 require a substantial additional disclosure related to a governmental entity's pension. We have three pension plans here at the City: Police, Firefighters, and Illinois Municipal Retirement Fund plans. Statements 67 and 68 will require significant additional disclosures as well as disclosing several historical pieces of information related to investment returns and pension performance and reliabilities. The FY2016 fee does include a \$4,800 one-time charge for setting up the additional reports required by 67 and 68 as well as the additional audit testing on that historical data that will be performed in that audit cycle. The one-time fee is then eliminated for FY2017 and there is a base fee increase of approximately 2.5%. The total base fee increase over the course of the contract is approximately 4% of where we are at this particular point in time. Sikich is an industry leader and are a very well recognized government

accounting and auditing firm. Staff has been very happy with the service we've received from Sikich and I do recommend approval of the proposal.

Chrmn. Turner: We've been with Sikich for how long now?

Chris: At least 12 to 15 years that I know of and it may go back farther than that.

Motion by Ald. Stellato, second by Silkaitis to approve a proposal with Sikich LLP to perform the City's Financial Statement Audits for Fiscal Years 2015 through 2017.

Voice Vote: Unanimous; Nays: None; Chrmn. Turner did not vote as Chairman. **Motion carried.**

5. Fire Department

a. Recommendation to approve an Ordinance Amending Title 2, Chapter 2.24 "Board of Fire and Police Commissioners," Section 2.24.040 "Powers and Duties," and Section 2.24.060 "Rules and Regulations" of the St. Charles Municipal Code.

Chief Schelstreet: From time to time, staff in conjunction with members of the Board of Fire and Police Commissioners, undertake an administrative review of the Board's manual. We do this to be sure that we are consistent with best practices and we reflect the operations as they are currently undertaken, and of course, so that we are consistent with our collective bargaining agreements and applicable labor law. During this review we did make a few minor changes. We did send the manual to CBS, the City's labor attorney and everything has been approved. Staff recommends approval to Council to approve the Board's manual and the appropriate ordinance amending the City code to adopt this manual.

Motion by Ald. Bancroft, second by Bessner to approve an Ordinance Amending Title 2, Chapter 2.24 "Board of Fire and Police Commissioners," Section 2.24.040 "Powers and Duties," and Section 2.24.060 "Rules and Regulations" of the St. Charles Municipal Code.

Voice Vote: Unanimous; Nays: None; Chrmn. Turner did not vote as Chairman. **Motion carried.**

6. Executive Session - None

- Personnel
- Pending Litigation
- Probable or Imminent Litigation
- Property Acquisition
- Collective Bargaining
- Review of Minutes of Executive Sessions

7. Additional Items from Mayor, Council, Staff or Citizens.

None.

8. Adjournment

Motion by Ald. Stellato, second by Silkaitis to adjourn meeting at 7:43 p.m.

Voice Vote: Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**