

## CITY OF PERU REGULAR COUNCIL MEETING NOVEMBER 4, 2024

A regular meeting of the Peru City Council was called to order by Mayor Ken Kolowski in the Peru City Council Chambers on Monday, November 4, 2024, at 7:00 P.M.

City Clerk Dave Bartley called the roll with Aldermen Ballard, Tieman, Payton, Sapienza, Edgcomb, O'Sadnick, Lukosus and Moreno present. Mayor Kolowski present.

### PUBLIC COMMENT

### PRESENTATION

Police Chief Sarah Raymond (surrounded by the police department, friends, council and community members) was presented a surprise award from the United States Department of Defense. Mr. Michael Holub, vice chair for employer support of the guard and reserve, said the ESGR is a Department of the Defense office that's been around since 1972, and its job is to make sure civilian employers and military members of the reserve components work together. Mr. Holub stated he reminds military units about the history lessons in grade school, specifically Napoleon, and his quote about how he was always impressed at how much a soldier would strive for a little piece of colored paper. Mr. Holub stated the soldiers get their colored ribbons but sometimes the civilian employers don't get them, so we encourage [soldiers] to nominate them and that's called the Patriotic Employer Award. Mr. Holub stated that he liked the Patriotic Employer Award best because not only does it include the city's name, but also the individuals. Mr. Holub then read the letter Patrol Officer Damien Presthus sent in to nominate Raymond. (Ofc. Presthus is an active Specialist in the Army Reserves). Ofc. Presthus stated in his nomination letter that the police department takes great care of him as a soldier. Ofc. Presthus also stated in his letter that they (police department) not only care for me and my family while I'm gone, but they continue my pay. If I'm gone for less than 30 days, it's full pay and if it's over the pay difference of what I would be making they take care of that too. Ofc. Presthus also stated that Chief Raymond recognizes his training and skills as a soldier and utilizes it in his career in instances such as events and assisted in creating a 5K benefit run with him in mind. Ofc. Presthus stated the aspect of the run was to assist police officers still serving in the military on deployments. In his letter, Ofc. Presthus also stated he believes Chief Raymond and the department should be recognized for this, and he is truly thankful and grateful for working for such a great department and city.

Mayor Kolowski stated the award was well deserved and he was excited for Chief Raymond. Mayor Kolowski stated it is amazing what she does, not just for the safety of the community but what she does for veterans.

Chief Raymond stated that she was surprised to receive the award and grateful Ofc. Presthus took the time complete the nomination. Chief Raymond stated that she always tries to look out for people and do the best she can and to be recognized for that – is a pretty great feeling. Chief Raymond stated that she never would have thought or expected anything like that and it was the most shocked she has ever been in her life.

The City of Peru Health and Wellness Committee presented a check in the amount of \$12,219 to the Blue and Red Christmas Organization. The donation was the result of the annual Health and Wellness Charity Golf Outing. In its fifth year, the charity golf outing selected the organization to receive the proceeds of the event. Director of Human Resources Kim Reese stated the outing had 80 golfers and 43 organizations and local businesses as sponsors, as well as 46 local businesses and restaurants that donated items to be used as raffle items and prizes. Ms. Reese said 100% of the proceeds will go to Blue & Red Christmas for Kids, a Christmas program established in 2013 by the Peru police and fire departments. Police Chief Sarah Raymond said volunteers will wrap presents and shop for the program. Ms. Reese stated that over the past five years the charity golf outing has raised \$53,872 for various charities. Ms. Reese stated the committee is very proud of what they have been able to do for the charities and thanked everyone that has made this possible to contribute to these worthy organizations over the years.

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Mr. Nate Kloster, CEO of the Voluntary Action Center of Northern Illinois (Meals on Wheels) addressed the council and announced the organization’s purchase of the Peru Pizza House located at 1702 Fourth Street. Mr. Kloster reported they had outgrown their current location in LaSalle and were excited to be able to reach an agreement and in the process of fundraising concurrently for the purchase of the new location. Mr. Kloster reported that Meals on Wheels had delivered more delivered more than 146,000 meals last year to individuals in La Salle, Ottawa and Streator with the LaSalle location providing over 76,000 of the meals. Mr. Kloster stated they have about 12 vehicles they use to deliver meals every day out of the kitchen, and we have to have parking. so, it’s critical that this location has adequate parking. Mr. Kloster stated the property has been an ideal find, with another positive being that it takes congregation off-site. Mr. Kloster also stated the organization doesn’t need to worry about seniors walking in or getting into the facility and really excited to be coming to the community and look forward to a long future.

**MINUTES/FINANCIAL REPORTS/ACTIVITY REPORTS**

Mayor Kolowski presented the Regular Minutes of October 21, 2024 and City Clerk’s Report of Cash Received for September 2024. Alderman Payton made a motion the minutes be received and placed on file. Alderman Sapienza seconded the motion; motion carried.

**FINANCE AND SAFETY COMMITTEE**

Alderman Sapienza presented the following disbursements for payment on November 6, 2024:

<b><u>FUND NAME</u></b>	<b><u>TOTAL EXPENSES</u></b>
General Fund	\$493,829.22
Insurance Fund	140,305.64
Garbage Fund	78,552.91
Utility Fund	628,117.47
Landfill Fund	9,127.80
Airport Fund	<u>6,417.58</u>
Total	\$1,356,350.62

Alderman Sapienza made a motion the disbursements be received, placed on file and bills paid in the usual manner. Alderman Tieman seconded the motion. Clerk Bartley called the roll with Aldermen Ballard, Tieman, Payton, Sapienza, Edgcomb, O’Sadnick, Lukosus and Moreno voting aye. Motion carried.

Alderman Ballard made a motion to approve \$750.00 donation to Lighted Way. Alderman Tieman seconded the motion. Clerk Bartley called the roll with Aldermen Ballard, Tieman, Payton, Sapienza, Edgcomb, O’Sadnick, Lukosus and Moreno voting aye. Motion carried.

Finance Officer Tracy Mitchell presented the following Budget Presentation/Discussion:

*We have again received an expected unqualified opinion related to the audit of our April 30, 2024, financial statements. The financial information audited was fairly stated without material misstatement.*

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*Overall, if the question was asked as simply as possible...is the City better off after the close of FY24? My answer would be, "YES". The best key performance indicator (KPI) is the Statement of Net Position. (See page 7 within the Management's Discussion and Analysis). This is the equivalent of a Balance Sheet. Again, keeping it simple, Net Position is the amount by which the City's assets and deferred outflows exceed its liabilities and deferred inflows. Assets: Cash and Investments, Receivables, and Capital/Infrastructure Investment. Deferred outflows are primarily estimated pension liability and attempts to smooth out the changes in pension expense and its liability based on actuarial assumptions. Liabilities are mainly debt from disbursements/accounts payable and payroll to long term bonds and post-employment benefits payable/pensions. Deferred inflows are primarily pensions and property tax.*

*If we look at the breakout, we see Government Activities and Business-type activities. You may be asking yourself what exactly makes up those activities? Government activities...includes the General Fund and the Special Revenue Funds. Specifically, our Special Revenue Funds include the Drug/Impound Fund, Motor Fuel Tax Fund, Garbage Fund and TIF related Funds.*

*The business type of activities includes the Proprietary Funds. Proprietary Funds operate like a business. Proprietary Funds include both Enterprise and Internal Service Funds. Our Enterprise Funds include the Utility, Landfill, and Airport. Majority of the time, we mainly discuss our 2 major funds, General Fund and the Utility Fund, where most of our revenues and expenses occur. Please note the government wide financial statements exclude the Fiduciary Funds which are our Police and Fire Pensions Funds.*

*At year-end, FY24, the City's net position was \$127,786,091. This represents an increase of \$7,966,117 over the FY23 net position of \$119,819,973 and includes all of our activities except for pension funds. This nearly \$8M increase breaks out between an increase in governmental activities of \$4.3M and \$3.6M business-type activities.*

*Net position used in government wide financial statements provides a comprehensive overview of the government's financial status. There are 3 components: Net Investment in Capital Assets which is buildings and infrastructure, Restricted Net position, which are resources restricted by external parties or law, and Unrestricted Net Position, resources available for general use.*

*Our net position was \$127,786,090. Of that amount, \$106,353,664 was invested in capital assets, net of related debt, and depreciation related to those assets. There were \$6,929,584 of assets restricted for purposes specified by external restrictions, constitutional provisions, debt agreements or enabling legislation. The remaining \$14,502,842 was unrestricted. You can kind of think of that as what can be attributed to future projects and expenditures.*

*If we were to isolate only the governmental activities, you will notice that we do have a negative unrestricted net position. Having negative unrestricted funds could affect a government's credit rating. What does credit rating impact? It basically sets the rate of future borrowing. Based on this number being a larger negative higher in previous fiscal years, and the financial health of our Proprietary funds I do not anticipate it would result in a change to our Aa3 bond rating with Moody's Rating Agency. Also, although net position is one of the strongest KPI's, it is within just 1 of 3 different categories used by rating agencies and again, we are better off than in previous years. If we evaluate this unrestricted balance of our governmental activities over the past 5 years, we have improved our position nearly 50%. This balance was negative (\$8.5M) in FY20, (\$7M) in FY21, (\$5.4) in FY22, and (\$5.8) in FY23 and now only negative (\$4.8) in FY24. Net Position is shown in more detail on page 11.*

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*I also encourage you to read Note 4, pages 36-37, a summary of changes in Capital Assets and Note 5, pages 38-42, a summary of our Long-Term Liabilities. In FY24, we paid our debt down by \$1,695,000 of bonds payable, \$382,600 of notes payable, and \$115,647 of leases payable for equipment use.*

*In summary, our ASSETS increased and our LIABILITIES decreased resulting in The City of Peru's Government Wide Net Position to increase nearly \$8M but then how does that relate to the other common financial statement, the government-wide Statement of Revenues, Expenditures and Changes in Fund Balances? This is the equivalent of an Income Statement or P&L, Profit and Loss Statement. Simply stated, revenues minus expenses equal the change in net position. (This is on Page 8 of the MD&A).*

*In FY24, total government revenues increased nearly \$1M. Revenues were \$25.8M compared to \$24.8M in FY23. This is attributable to grants and increases in sales taxes. Expenses decreased and were \$21.4 this year compared to \$23.9 last year, primarily due to the additional spending last year related to GAF land purchase and Schweickert park projects.*

*During FY24 the City's business-type activities' revenues increased nearly \$1.7M to \$34.9M from \$33.2M. This was due to an increase in utility usage, and interest income. Expenses remained relatively consistent at \$31.3 compared to \$31.6 last year.*

*I would also like to comment that the Annual Treasurer's Report by law requires disclosure of a summary statement of operations for all funds. This is the Fund Balance or Equity of specific funds. The Fund Balance is different than Net Position. Net Position gives an overview of the government's financial health, while fund balance provides a detailed look at the financial status of a specific fund similar to the balances reported by fund in our monthly Treasurer's Report. For example, the total government fund balance is \$12.3M, whereas the total government net position is \$40.6M. This detailed reconciliation can be found on page 14 of the audit if you're interested. The basic financial statements can be found 11-21 and additional schedules which break it down in even more detail can be found on pages 92-107 of the audit.*

*Point of reference, (page 15), GF \$433K surplus figure previously discussed.*

### PUBLIC SERVICES COMMITTEE

Alderman Edgcomb made a motion to approve Mayor's appointment of the following individuals to the City of Peru Parks and Recreation Advisory Board for five-year terms commencing 11/5/24:

- Steve Michelini
- Dan Eiten
- Liz Grzybowski
- Ray Zborowski
- John Fusinatto
- Jeff Puetz
- Jill Bernal
- Douglas Olivero
- Scotty Miller

Alderman Tieman seconded the motion. Clerk Bartley called the roll with Aldermen Ballard, Tieman, Payton, Sapienza, Edgcomb, O'Sadnick, Lukosus and Moreno voting aye. Motion carried.

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**PUBLIC WORKS COMMITTEE**

Alderman Moreno made a motion to award the OSLAD Washington Park Improvements Contract #1 to Gillan Construction in the amount of \$253,000.00. Alderman Lukosus seconded the motion. Clerk Bartley called the roll with Aldermen Ballard, Tieman, Payton, Sapienza, Edgcomb, O'Sadnick, Lukosus and Moreno voting aye. Motion carried.

Alderman Lukosus made a motion to award Interceptor Sewer Cleaning & Inspection to Performance Pipelining, Inc. in the amount of \$68,421.00. Alderman Moreno seconded the motion. Clerk Bartley called the roll with Aldermen Ballard, Tieman, Payton, Sapienza, Edgcomb, O'Sadnick, Lukosus and Moreno voting aye. Motion carried.

**REPORT OF CITY ATTORNEY/ORDINANCES AND RESOLUTIONS**

Corporate Counsel Scott Schweickert presented a proposed ordinance entitled:

**ORDINANCE NO. 6902**

**AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A PARKING LICENSE AGREEMENT WITH VOLUNTARY ACTION CENTER OF NORTHERN ILLINOIS, AN ILLINOIS NOT-FOR-PROFIT CORPORATION**

Alderman Tieman made a motion the ordinance be adopted as written and read. Alderman Payton seconded the motion. Clerk Bartley called the roll with Aldermen Ballard, Tieman, Payton, Edgcomb, Sapienza, O'Sadnick, Lukosus and Moreno voting aye. Motion carried.

Corporate Counsel Scott Schweickert presented the minutes of the October 30, 2024, Planning/Zoning Commission hearing on the petition of Richard Weber concerning property located at 704 6th Street, Peru, IL. Alderman Tieman made a motion the minutes be received, placed on file and concur with the recommendation. Alderman Ballard seconded the motion. Motion carried.

Corporate Counsel Scott Schweickert presented a proposed ordinance entitled:

**ORDINANCE NO. 6903**

**AN ORDINANCE GRANTING A VARIANCE AS SOUGHT BY THE PETITION OF RICHARD WEBER CONCERNING PROPERTY LOCATED AT 704 6TH STREET IN THE CITY OF PERU, ILLINOIS**

Alderman Ballard made a motion the ordinance be adopted as written and read. Alderman Tieman seconded the motion. Clerk Bartley called the roll with Aldermen Ballard, Tieman, Payton, Edgcomb, Sapienza, O'Sadnick, Lukosus and Moreno voting aye. Motion carried.

Corporate Counsel Scott Schweickert presented the minutes of the October 30, 2024, Planning/Zoning Commission hearing on the petition of Life Balance Counseling and Wellness, Inc. concerning property located at 2218 Marquette Road, Peru, IL. Alderman Edgcomb made a motion the minutes be received, placed on file and concur with the recommendation. Alderman Payton seconded the motion. Motion carried.

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Corporate Counsel Scott Schweickert presented a proposed ordinance entitled:

**ORDINANCE NO. 6904**

**AN ORDINANCE GRANTING CERTAIN VARIANCES AND WAIVERS AS SOUGHT BY THE PETITION OF LIFE BALANCE COUNSELING AND WELLNESS, INC. CONCERNING PROPERTY LOCATED AT 2218 MARQUETTE ROAD IN THE CITY OF PERU, ILLINOIS**

Alderman Tieman made a motion the ordinance be adopted as written and read. Alderman Edgcomb seconded the motion. Clerk Bartley called the roll with Aldermen Ballard, Tieman, Payton, Edgcomb, Sapienza, O'Sadnick, Lukosus and Moreno voting aye. Motion carried.

Corporate Counsel Scott Schweickert presented a proposed ordinance entitled:

**ORDINANCE NO. 6905**

**AN ORDINANCE AMENDING SECTION 74-67 OF THE CITY OF PERU CODE OF ORDINANCES AS IT RELATES TO THE COMPOSITION OF THE PARKS AND RECREATION ADVISORY BOARD**

Alderman Tieman made a motion the ordinance be adopted as written and read. Alderman Edgcomb seconded the motion. Clerk Bartley called the roll with Aldermen Ballard, Tieman, Payton, Edgcomb, Sapienza, O'Sadnick, Lukosus and Moreno voting aye. Motion carried.

**ORDINANCE NO. 6906**

**AN ORDINANCE AUTHORIZING THE APPOINTMENT OF A DEPUTY MUNICIPAL CLERK**

Alderman Payton made a motion the ordinance be adopted as written and read. Alderman Tieman seconded the motion. Clerk Bartley called the roll with Aldermen Ballard, Tieman, Payton, Edgcomb, Sapienza, O'Sadnick, Lukosus and Moreno voting aye. Motion carried.

**ORDINANCE NO. 6907**

**AN ORDINANCE AMENDING ORDINANCE NO. 6828 THE CITY OF PERU EMPLOYEE MANUAL**

Alderman Payton made a motion the ordinance be adopted as written and read. Alderman Edgcomb seconded the motion. Reported the amendment to the employee manual was due to change in language regarding personal days and clarifying that sick hours can be used if employee has an appointment with a specialist. Clerk Bartley called the roll with Aldermen Ballard, Tieman, Payton, Edgcomb, Sapienza, O'Sadnick, Lukosus and Moreno voting aye. Motion carried.

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PROCLAMATIONS

UNFINISHED BUSINESS

NEW BUSINESS

PETITIONS AND COMMUNICATIONS

MAYOR'S NOTES

Adam Thorson, Director of Parks, Recreation and Special reported on the upcoming Halloween in the Park event on October 26<sup>th</sup> at Washington Park. Mr. Thorson reported there was a lot of interest in attending the event with over 10 businesses.

Alderman O'Sadnick reported the Willie Buck event at Centennial Park on October 5<sup>th</sup> was a great conclusion to the Music Under the Oaks event.

PSM/Fire Chief Jeff reported that hydrant flushing will begin the week of October 14<sup>th</sup> and continue through October 25<sup>th</sup>.

Electric Operations Manager Kevin Minnick thanked the team for outage response efforts.

PUBLIC COMMENT

CLOSED SESSION

ADJOURNMENT

Alderman Payton made a motion that the meeting be adjourned. Alderman Moreno seconded the motion and motion carried. The meeting was adjourned at 7:58 p.m.