



City of Peru



David R. Bartley
City Clerk

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FINANCE COMMITTEE MINUTES

DATE OF MEETING: Monday, October 30, 2023 TIME: 4:42 PM

PLACE OF MEETING: Peru Municipal Building
1901 4th Street, Peru, IL 61354

ROLL CALL: Aldermen Payton, Sapienza, Ballard, Tieman present. Also present, Aldermen Edgcomb, O’Sadnick and Moreno present. Mayor Kolowski present.

MINUTES

Alderman Tieman made a motion to approve the Finance Committee Minutes of October 2, 2023. Alderman Sapienza seconded the motion; motion carried.

PRESENTATION

None

PUBLIC COMMENT

None

FINANCE

Finance Officer Tracy Mitchell reported the operating reserve is approximately \$600,000 in the negative. Ms. Mitchell explained the Home Rule tax of 1% is reserved for Peru Elementary School (.5%) and infrastructure improvements (.5%) and that the extra home rule tax receipts accrued has been transferred to general fund operating reserves and listed the amounts below:

HRT-INFRASTRUCTURE RESERVE

Transfer to HRT-Operating Reserve

2023 Street Program (Universal Asphalt)	\$1,011,815.81
Wenzel Road (City of LaSalle)	124,787.27
Unytite Drive (State of IL)	78,228.77
Master Builder Way (Advanced Asphalt)	<u>385,028.72</u>
	\$1,599,860.57

Ms. Mitchell reported sales tax for this fiscal year is up approximately \$10,000.00.

HUMAN RESOURCES

None

OLD BUSINESS

Finance Officer Tracy Mitchell reported on the following:

- IL Tollway (I-Pass) transponder transition from a corporate account to a government account
 - Missing new transponder
- Fleet Card
 - In possession of universal fleet card that is available to use without needing a pin number
 - Card must be checked out and recorded to know who made the charges.

NEW BUSINESS

Mayor Kolowski initiated a discussion of reinstating credit card transaction fees noting the city pays over \$6,000 a month in fees. Mayor Kolowski asked Finance Officer Tracy Mitchell to break down the the fee components. Finance Officer Tracy Mitchell stated there are two components that go into the credit card fees, the software bill, the city paid \$16,722 in annual fees. Then there is the credit card processing fee, in which the city has paid \$54,526. Ms. Mitchel reported the city has paid more than \$71,000 or about \$6,000 a month to make it convenient for residents to pay their bills and building permits on credit. Ms. Mitchell stated the city used to charge residents a 1.5% fee prior to the COVID-19 pandemic but chose no longer to charge a fee after the city shut down, so the residents are no longer charged a credit card processing fee. Ms. Mitchell inquired what percentage the city would want to add back on.

Alderman Moreno agreed with charging a 3% to 4% fee since it is normal for most businesses in the area to charge a fee. Alderman Moreno stated if you go anywhere for dinner, most of these places are getting a 3% to 4%, and the way he reads it is we are incurring costs for you to have to pay your water bill. Alderman Payton agreed saying the city should go back to passing on that fee. Alderman Payton stated we don't need to make money off of this but should charge what we are charged. Ms. Mitchell said right now pinpointing a specific percentage to charge the residents would be difficult, since the technology they have may not allow the city to charge a fee and a percentage. Ms. Mitchell stated that right now, I don't have anything I can give you that says this is the percentage we pay," she said. "I can give you an average in terms of what we pay for our software processor. It's \$1.25, every time we swipe or enter somebody's credit card, in addition to the percentage we pay for the banking side of it. Alderman Payton asked why they couldn't just charge the same way the company and the bank charge the city, saying if they charge \$1.25 plus 4% we charge the same. Ms. Mitchell said she didn't think the city could program the software that way. Clerk Bartley said the city offers a "feeless system" for the residents and the city if they choose to use a bank draft. Alderman Sapienza asked if the city's competitors like Ameren, charge a fee for using credit cards. Alderman Edgcomb said they didn't charge for debit or bank draft. Alderman Sapienza stated that if you've got a decent credit card, you are getting 1% or whatever it is back from the credit card, you're making a little money on it. Alderman Edgcomb said many people pay with their debit cards and they will not be getting a percentage back. Ms. Mitchell said it doesn't matter if a resident pays with a credit or debit card, the city pays the fees. Ms. Mitchell stated we are not trying to put a hardship on residents, we want to encourage them to use the bank draft.

The council agreed to move forward with charging the residents to use a debit or credit card but said more work needed to be done to determine what the fee or percentage would be.

PUBLIC COMMENT

None

CLOSED SESSION

None

ADJOURNMENT

Alderman Ballard made a motion to adjourn. Alderman Tieman seconded the motion. Meeting adjourned at 5:04 p.m.