



## City Council Meeting – Oct. 20, 2025 Council Questions & City Staff Responses

Before each City Council meeting, questions that have been posed by the City Council relating to the agenda for that evening will be posted to the City's website. Below are the responses to this week's questions.

### **Agenda Item 3. Public Hearings, Special Items and Presentations**

#### **c. Presentation and Acceptance of fiscal year 2025 Annual Comprehensive Financial Report, TIF No. 2, Report, TIF No. 3 Report, Single Audit, and Illinois Municipal Retirement Fund Allocation Report. (TIF = tax increment financing district)**

Q: Regarding the net position of the business-type activities, with electric, wastewater, and sewer being identified as the reason for the significant increase over last year, can we get an update on how the rate increases contributed, and what the net position would look like if those rates had not been increased.

A: Business-type net position increased last year, driven by electric, wastewater, and sewer operations. Electric base rates rose 3% in November 2023, but this was largely offset by a 10% drop in energy purchase costs. Energy costs are passed through with no markup, with the Power Cost Adjustment Factor reconciling actual costs versus assumptions.

Water rates increased about 7.5% for May 2024 – May 2025, and higher consumption contributed to the change. Adjusting for consumption, the net position impact from the rate increase alone would be roughly \$60,000 to \$90,000.

Q: In lay terms, please explain the unrestricted net balance deficit. It is encouraging to see that the government activities deficit has decreased since last year, but what is contributing to the deficit (or what historically contributed to it), and what actions are being taken to ensure it continues to go down?

A: The unrestricted net position of Governmental Activities closed with a deficit balance of \$7.9 million, a \$1.3 million improvement from fiscal year 2024. Unrestricted net position reflects the portion of the net position that is not tied up in capital assets or legally restricted for specific purposes. It includes general operating resources, internal service fund balances, and long-term obligations, such as pension and other post-employment benefit liabilities.

The primary reason this balance is in a deficit is the City's long-term pension liability, which counts against unrestricted net position in the government-wide statements. Because these liabilities are recorded in full under accrual accounting even though they are funded over many years, they create a deficit position on paper.

To continue reducing this deficit, the City is funding pensions at the actuarially recommended employer contribution level, which steadily reduces the long-term liability. Continued

improvement in investment performance and disciplined financial management of operating resources will also contribute to the ongoing reduction of the deficit.

Q: Can we get an update on the manual journal entries and the issue with the superuser override? Is it possible to change that to improve our controls or is that an issue of having a smaller City staff?

A: This comment is related to staffing size and role assignments. While the system allows a superuser override, we have defined segregation of duties within the team to mitigate the control risk associated with that access.

Q: I was wondering if it is possible/appropriate to update the letterhead for the Annual Comprehensive Financial Report so that it reflects the current makeup of City Council and City officials? I noticed that, though the date is Oct. 8, 2025, it still lists City Council members from before the May election and also the previous City Administrator. Is that because it pertains to the fiscal year when those folks were in those roles?

A: Yes, the government's principal officials (elected and appointed) align with the fiscal year 2025 reporting period. Updates reflecting the current council members and staff will appear in the 2026 fiscal year annual comprehensive report.

Q: On page 44 of the City Council packet, the auditors note that electric consumption seems steady from fiscal year 2024-25. Given there were several new industrial customers added (though some may not yet be fully operational), does this flat consumption **include the** level of reduction in residential use that we have been expecting (due to more efficient appliances, etc.)? Or is that also flat/increasing as people perhaps incorporate more electric appliances/vehicles?

A: No, consumption does not reflect a reduction in residential usage. Residential, industrial, and commercial sectors reflect increased usage over the prior year, offset by declines in governmental and City sector usage.

### **Agenda Item 10. Presentation of Ordinances and Resolutions**

#### **c. Consider Resolution No. 2025-126 Approving a Final Plat of Subdivision for the Geneva Commons Second Re-Subdivision.**

Q: What is the reason Geneva Commons is requesting to subdivide the property?

A: The owners of Geneva Commons are requesting to subdivide to create separate parcels for each building so they may be taxed, leased, and/or sold individually.

Per Ordinance 96-27 (the Fisher Farms PUD [planned unit development]), the owners are permitted to subdivide if the standards of the ordinance are followed, and subject to City Council approval.

#### **d. Consider Resolution No. 2025-17 Rejecting the Bid Received from Horizon Line Landscaping for Randall Road Landscape Median Restoration.**

Q: Is there landscaping work that needs to be done imminently?

A: There is no work that needs to be completed immediately. This project intends to restore the areas of landscaping that are incomplete. The recommendation to reject the bid is due in part

to receiving only one bid, given the difference in our budget versus the bid. Having multiple bids would provide a better overall scope and some basis for comparison.

- Q. This question is not particularly specific to the median bid, but does this present a need to research some type of pre-qualification process or a way to generate a pool of bidders for certain areas of work?
- A. Adding a pre-qualification requirement to bids would significantly slow the overall process down. A pre-qualification would require additional City staff reviews; current staffing levels are not conducive to this additional step.
- Q. Since Randall Road is a county highway, does Kane County have any responsibility here to aid in the maintenance of the landscaping along the route, or is there an agreement in place that states the City of Geneva has the sole responsibility?
- A. The City's maintenance obligations for the medians are included within the various agreements approved with the Geneva Commons/Randall Road corridor improvements.

**e. Consider Resolution No. 2025-128 Authorizing the Execution of Amendment No. 2 to the Professional Services Agreement with Fehr Graham Engineering in the Amount of \$54,000.00 for a Total Not-to-Exceed Amount of \$1,019,000 for Sanitary Sewer River Crossing and Screening Building Design Services.**

Q: Regarding the Fehr Graham Amendment No. 2 change order request, it is stated the original plan was to combine both the river crossing and screening building into one single project for a single contractor. However, after discussions, it was separated into two bids. Information regarding the 214 hours charged by Fehr Graham for separating the bid would be appreciated because that amount seems high for splitting bid documents.

A: Splitting the specifications required roughly 40 hours of labor. The drawings took significant effort to split into two plan sets. The civil sheets in each bid set had to be redone to clearly dictate which components were the responsibility of each contractor. This included reevaluating and redrawing erosion control plans, restoration plans, demolition plans, construction phasing plans, utility plans, and lay-down areas that needed to be reconsidered with two separate contractors. Because of the very limited working area, Fehr Graham spent significant effort delineating the scope of work and phasing to minimize potential contractor conflicts.

Overall, splitting the projects provided more competitive bids from qualified contractors, reduced the risk of unqualified subcontractors and resulted in significant savings.

Q: Understanding there are a number of entirely valid reasons for requiring amendments to contractor agreements, is there any consideration of the history of contractors' amendment request when reviewing new bids?

A: Yes, we take into account the history of any of the consultants we use. Amendments are one of many items we look at before recommending any consultant.

Q. In regard to the Fehr Graham amendment request, what is the explanation for needing to split the contract?

A: The River Crossing is a specialized type of construction project, whereas the Screening Building

is more of a typical construction project. The concern was that if we kept it as one contract, the overall bid price would be higher by having a single contractor for both projects.