

FINANCE COMMITTEE

June 21, 2012

MEMBERS

Chairman Lawrence
Alderman Burtle
Alderman Jones
Mayor Brotherton

ABSENT

Alderman Vota

ALSO PRESENT

Treasurer France Philip Carr
Alderman Walters Gary Fogelman
Alderman Heberling Jim Chilsen
Alderman Koonce Cindy Dey
Gary McNeely Derek Parris
Numerous Liquor License Holders

Chairman Lawrence called the meeting to order at 6:00 P.M.

RENEWAL OF PROPERTY AND LIABILITY INSURANCE

Mr. Gary McNeely, Agency Manager of Kinsella-McNeely-Ryan-Markwell, Inc. (KMRM), a Division of Dimond Bros, Ins. Agency, Inc. presented to the Committee an Insurance Renewal Summary explaining the renewal rates for property and general liability insurance for the City of Taylorville. The property and equipment coverage is provided through Cincinnati Insurance Company, the general liability and auto coverage is provided through Travelers Insurance Company, and the pollution liability/storage tank environmental impairment is provided through American Safety Insurance.

Mr. McNeely advised the Committee the total annual premium is \$176,714.00. The renewal pricing is \$5,843 higher than the inception premium at 8/1/2011, or 3.4%. The actual rates for the exposure insured would reflect a decrease on renewal because of the policy changes for the year. The changes are scheduled equipment values have increased by \$41,084.00; the City is insuring a net of eight (8) more vehicles, and two (2) 2013 Police vehicles just purchased are not included in the pricing number.

Motion by Alderman Jones and seconded by Alderman Burtle to recommend to the City Council to renew the property and equipment insurance, the general liability and auto coverage, and the pollution liability/storage tank environmental impairment insurance through Kinsella-McNeely-Ryan-Markwell, Inc. at a cost of \$176,714.00 that does not include the two (2) Police vehicles just purchased. Motion carried 3-0.

Electric Aggregation Opt-Out Program

Mr. Philip Carr, a representative of Good Energy, L.P., addressed the Committee regarding the issue of the Municipal Aggregation Opt-Out Program. The program allows the corporate authorities of a municipality to adopt an ordinance which would allow it to aggregate residential and small commercial retail electric loads and solicit bids and enter into service agreements to facilitate for those loads the sale and purchase of electricity. This would need to be done via a referendum. The theory is that the load aggregation would result in substantially better pricing from alternative suppliers, due to bulk buying power and the stripping out of marketing costs. This program would only be offered to Ameren customers. In municipalities where the aggregation has been utilized the ratepayers have seen up to a 35% savings on the supply portion of their electric bill.

Mr. Carr pointed out that there are three cost components that make up a customer's electricity bill. These are transmission costs, distribution costs, and supply costs. Supply is the only component affected by the aggregation. Participants would see no significant change in their Ameren bills other than a price reduction on energy supply.

Motion by Alderman Burtle and seconded by Alderman Jones to recommend to the City Council to place on the November 6, 2012 ballot as a referendum item "Shall the City of Taylorville have the authority to arrange for the supply of electricity for its residential and small commercial retail customers who have not opted out of such a program?" Motion carried 3-0.

Purchase of Property on Gandy Street

Chairman Lawrence informed the Committee that the City Attorney is still researching the title and liens on the property on Gandy Street.

Review/Approve FY 2012/2013 Budgets

The Committee reviewed the Administration, Fire/Police Commission, Municipal Building, Insurance, IMRF, and Social Security FY 2012/2013 Budgets. Chairman Lawrence recommended forwarding these Budgets to the City Treasurer for further refinement.

Motion by Alderman Jones and seconded by Alderman Burtle to recommend to the City Council to forward the Administration, Fire/Police Commission, Municipal Building, Insurance, IMRF, and Social Security FY 2012/2013 Budgets to the City Treasurer for further refinement. Motion carried 3-0.

Treasurer's Report

The March 2012 Sales Tax (received in June 2012) was \$197,951.93 and year-to-date (3 months) is \$26,925.89 more than last year.

The March 2012 Non-Home Rule Sales Tax (received in June 2012) was \$85,676.51 compared to \$77,100.81 in March 2011 and year-to-date (3 months) is \$29,465.46 more than last year.

Interest earned on the Sewer Project Fund Account to date is \$169,033.03 and the current balance is \$1,870,797.48. Treasurer France presented the Committee a current detail receipts and expenditures of the Sewer Project Fund.

Treasurer France informed the Committee that an expense line item number has been added to the Airport Budget for 35% of the Airport Manager's Salary and a revenue line item number has been added to the Cemetery Budget for the 65% Cemetery Sexton's Salary and upon approval of the FY 2012/2013 Budget the appropriate entries will be made.

Any Other Matters

The City Clerk's Office has been working diligently on obtaining payments for the mowing of properties. Recently while working with several financial institutions, payments were authorized but arrived after the date the City had to file a lien (within 60 days of service) as it takes a long time to make it through the bank's process. When payments were received, they were short the \$100.00 to file and release the lien. Several of the payments were substantial in size and long overdue. HBO George Calvert stated that the City would have made enough money on the mowing to cover this \$100.00. The Committee recommended that the decision to release the lien should be left to the discretion of the City Treasurer.

The salaries for the Elected Officials will be placed on the next regular Finance Committee Meeting Agenda.

Motion by Alderman Burtle and seconded by Alderman Jones to adjourn. Motion carried 3-0. Meeting adjourned at 7:51 P.M.

John Lawrence, Chairman
Finance Committee