

FINANCE COMMITTEE
October 16, 2014

MEMBERS

Chairman Budd
Alderman Burtle
Alderman Vota
Mayor Brotherton

ALSO PRESENT

Treasurer Nation
Ken Hart
Rich Hooper
Alderman Walters
Shirley Sams

MEMBERS ABSENT

Alderman Jones

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

FY 2013/2014 Audit Presentation

Mr. Rich Hooper of Lively, Mathias, Hooper and Noblet, presented the audit report for the Fiscal Year ending April 30, 2014.

Mr. Hooper advised overall he is very satisfied with the annual report stating the City has done a very good job the last three to four years and commended the Mayor and Council as there are several municipalities that have had to file for bankruptcy. There is approximately a \$600,000.00 surplus in the General Fund compared to last year, some of this surplus is due to the Video Gaming revenue the City is now receiving. He reported there were no compliance issues noted.

Treasurer Nation asked Mr. Hooper about information she received at the IML regarding GASB 67 and GASB 68. GASB 67 is related to the Pension Plans themselves, GASB 68 is related to the Employer. It affects IMRF, Police and Firefighter Pension Plans. Municipalities are being approached to start including the pensions on their financial statement for clarity of how much the unfunded liability for IMRF and pensions effect the overall financial outlook. Following are the dates these changes are to be implemented:

GASB 68 for Employers effective date- Fiscal Years beginning after June 15, 2014.

GASB 67 for Pension Plans effective date-Fiscal years beginning after June 15, 2013.

Mr. Hooper advised the problem is that auditors are not actuaries, so he isn't sure how this is going to proceed. In the future when a new employee is hired the municipalities have to look at the long range effect of what the employee is going to cost the City in salary and benefits over the thirty year or so work history.

He commended the City for being diligent in repaying the Water Fund quarterly payments. The interfund loan balance owed by the General Fund to the Water Fund will be completely paid in approximately a year.

Motion by Alderman Burtle and seconded by Alderman Vota to recommend to the City Council to accept the FY 2013/2014 Audit as presented by Rich Hooper of Lively, Mathias, Hooper and Noblet, LTD subject to receiving the final draft. Motion carried 3-0.

Worker's Compensation Renewal

No action taken on the Worker's Compensation Renewal.

Christian County CEO-Creating Entrepreneurial Opportunities

Mr. Ken Hart representing the Christian County Economic Development Corporation was present to discuss Christian County CEO (Creating Entrepreneurial Opportunities). This program was designed to help create an environment in which our area students will have the opportunity to start businesses which will enable them to stay in the community. He advised the City's population has decreased over the years.

He explained how this program works; the local business community partners with area schools to create project-based experiences for students. Students visit area businesses, learn from guest speakers, participate in a class business, write business plans, and start and operate their own businesses. The class meets from 7:30 A.M-9:00 A.M. at different businesses to meet business owners and discuss how they got started. Mr. Hart advised he has already contacted the County to discuss this program and will be speaking with the cities of Pana, Edinburg, Nokomis and Morrisonville.

Craig Lindvahl, a former City resident began this program in Effingham five to six years ago. When he began the program he asked the class how many planned to stay in the community only two said they would, at the end of the class nineteen of the twenty said they would stay. There are now sixty new businesses that have been created.

An instructor which is a certified teacher with a business background will be hired. The initial cost for the program is \$60,000.00 a year. The upfront fee is \$20,000.00, Mr. Hart has currently raised \$35,000.00, he is asking the City to donate \$1,000.00. His goal is to have the \$60,000.00 by January 1st. He was asked what would happen to the donations if enough money was not collected; he didn't think that would be the case but if the amount needed was not collected the donations would be returned.

Chairman Budd advised this was not budgeted for and asked if this would be a problem. The Mayor and Committee agreed this is an important program the City needs to promote for the future of the children of the community. There was discussion regarding which line item it would come from some suggestions were the Hotel/Motel, the Video Gaming, or Community Relations line items. Mr. Hart advised the last sheet of the packet of information he presented is the contribution sheet, the donations will be forwarded to Dee Krueger, Lincoln Land Community College. Mayor Brotherton thanked Mr. Hart for promoting this program stating he is always the go to guy when someone needs help getting things done.

Motion by Alderman Burtle and seconded by Alderman Vota to recommend to the City Council to donate \$1,000.00 now and \$1,000.00 for the next two years to the Christian County CEO Program. Motion carried 3-0.

American Tower Lease Agreement

No action taken on the American Tower Lease Agreement (tower by Lake Taylorville). This will be forwarded to next month's Finance Committee agenda.

Treasurer's Report

The July 2014 Sales Tax (received in October 2014) was \$223,853.09 compared to \$211,722.92 in July 2013 and year-to-date is \$89,034.46 more than July 2013.

The July 2014 Non Home Rule Sales Tax (received in October 2014) was \$87,462.76 compared to \$89,417.24 in July 2013 and year-to-date is \$21,291.16 more than July 2013.

The interest earned on the Sewer Project Fund Account to date is \$188,599.18 and the current balance is \$276,164.63

Motion by Alderman Burtle and seconded by Alderman Vota to approve the Treasurer's Report as presented. Motion carried 3-0.

Motion by Alderman Burtle and seconded by Alderman Vota to adjourn. Motion carried 3-0.

Meeting adjourned at 6:58 P.M.

Larry Budd, Chairman
Finance Committee