

## FINANCE COMMITTEE

April 18, 2019

### MEMBERS

Chairman Budd  
Alderman Walters  
Mayor Barry

### ABSENT

Alderman Lanzotti

### ALSO PRESENT

Alderman Olive	Dan McNeely
Treasurer Nation	Nichole Brown
Marty Sanders	Tom Fagan
Billie Heberling	Kellie Hamell
Megan Bryant	
Clerk Lilly	

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

### Azavar Government Solutions

Chairman Budd introduced Mr. Tom Fagan with Azavar Government Solutions, who presented information to the Committee regarding his company. Their operational objective is locating tax funds due to the City from the local utility companies (electric, gas and telecom) and the Illinois Department of Revenue. There is no up front cost to the City. He noted that when funds are returned to the City, the City will retain 55% of the money and Azavar would receive 45% for three years. This done by looking at 36 months of data, and can include retroactive payments going back 3-4 years. Azavar has worked with many local governments such as Mt. Zion, Springfield, and Neoga and was able to locate tax dollars due to all these communities.

Chairman Budd requested that Mr. Fagan send a contract to the City for Attorney Romano to review before proceeding any further.

### City Insurance Updates

Mr. Dan McNeely and Mrs. Nichole Brown were present from Dimond Bros. to discuss the health insurance. They noted that the HRA plan has a 19.8% utilization rate and an overall savings in 2018 of \$119,283. The first quarter of 2019 utilization rate is only 4.8%. At this time, prior to any rate relief negotiations, the renewal rate is a 4.85% increase. The rate increase in 2018 was 1.81%. They will be negotiating to bring the 2019 renewal rate down. Overall four year average is 1.79% increase.

They also discussed the Proactive Health Management option to keep costs down and provide a return to the employee. It is similar to an Aflac program with pre-tax payments and post-tax reward incentives for meeting healthy activities. More information is being gathered and will be presented at a later date.

Dental coverage is expected to increase by 5%, while vision received a four year rate guarantee good through June 30, 2022. The AmWINS Retiree policy saw a 1.25% decrease this year.

Open enrollment will be in June with July 1, 2019 renewal date for health coverage.

### Motor Fuel Tax Update

Mrs. Billie Heberling was present to discuss the results of her research into the MFT Fund balances. She has been working with Mrs. Marty Sanders, Street and Sewer Secretary, as well as Treasurer Nation and Clerk Lilly to gather information and records regarding the MFT Accounts. It has been determined that the Unobligated Account balance of \$343,624.64 matches the State balance shown in that account. Interest from prior years through 2018 has been reported and requested, and this will be moved to the Unobligated Account once approved by the State. \$1,542.52 will be left in the Interest Account for 2019 to date. Discrepancies exist in the Obligated Account balance between the State balance and that of the City. It is possible that, once all the documentation is presented to the State, there may be \$646,559.93 eligible to be moved from the Obligated Account to the General Fund to replace monies used from the General Fund to pay for past projects. These projects had been approved for use of MFT Funds.

There is a meeting on Wednesday, April 24, 2019 to discuss the findings with the State personnel.

A new process has been put in place to record and track all projects, invoices and payments to keep an accurate balance in all accounts between the Treasurer and the Street and Sewer Department. Records and balances will be monitored and reconciled monthly by both individuals to insure there are no discrepancies moving forward. There will be a separate and distinct bank account used for MFT Fund transactions and this money will no longer flow through the General Fund.

#### Airport Crop Income

Mr. Chris Groth with CMT presented at the recent Airport Committee Meeting regarding Airport Crop Income and how it is recorded and used. He stated that any income coming in should be kept in a fund for use only for airport updates and projects. Treasurer Nation advised that all Airport revenues and expenses are tracked, using Airport line items, through the General Fund. Chairman Budd and Treasurer Nation will follow-up with Mr. Groth to determine if a separate bank account is required.

#### Ratify Sam Taylor Fund Payment/Bella Amore

It was noted that additional interest had been earned prior to closing the account for the Sam Taylor Fund following the approval to make a final payment of the account balance to Janet DeClerck, owner of Bella Amore. Chairman Budd is requesting to ratify the total amount approved and paid out to Ms. DeClerck. The new total paid out is \$1,184.78. This will leave a zero balance in the Fund.

Motion by Alderman Walters and seconded by Alderman Budd to recommend to the City Council to ratify the amount paid to Ms. DeClerck from the Sam Taylor Fund in the amount of \$1,184.78. The motion carried (2-0).

#### Salary of Non-Bargaining Superintendents/Lake and Street and Sewer

Mr. Alan Jackson, Lake Superintendent, has tendered his resignation effective April 30, 2019, and Mr. Dick Wiseman, Street and Sewer Superintendent, will be retiring in October. Discussion was held regarding setting the salaries for these two positions. It was noted that a Superintendent must be paid a minimum of 110% up to a maximum of 200% of the Working Foreman's rate of pay. For the Lake, this amount would be between \$52,509.60 and \$95,472.00. It was also noted that if a Union employee were to move into the role of Superintendent, the cap on vacation time is lower for that of a Superintendent. Chairman Budd presented the option of Superintendent Speagle becoming Superintendent over the Lake, in addition to the Water, and offering him a salary increase. This would save benefits by not hiring an additional Superintendent. He also proposed increasing the salary of the Street and Sewer Superintendent, upon Superintendent Wiseman's retirement, so the City will be able to recruit a replacement with engineering experience. Mayor Barry noted that in doing so, it would increase the payout of IMRF benefits with the increased salaries.

Mayor Barry will be speaking with various candidates and will make a decision soon as to the replacement of the Lake Superintendent.

#### FY 2019/2020 Budgets

Chairman Budd and Treasurer Nation presented budgets from the following departments for review: Airport, Public Facilities, Fire, Street, Sewer, Garbage, MFT, Safety, Band, Cemetery, Fire and Police Commission, Administration, ESDA, Hotel/Motel, Contingencies, Audit, Insurance, Social Security, IMRF, and Police Pension.

Motion by Alderman Walters and seconded by Alderman Budd to recommend to the City Council to forward the FY 2019/2020 Budgets to the City Treasurer for further refinement. The motion carried (2-0).

#### Bidding of East Main Cross Overlay and Walnut and Pleasant Street

As these projects will total more than \$20,000.00, Chairman Budd advised that these projects must be bid. A bid notice will be sent to the Breeze Courier for publication. Superintendent Wiseman has prepared the specifications for each project.

Motion by Alderman Walters and seconded by Alderman Budd to recommend to the City Council to advertise for bids for the East Main Cross Overlay and the Sidewalk and Pavement for the Intersection of Pleasant and Walnut Streets. The motion carried (2-0).

Treasurer's Report

Sales Tax

The January 2019 Sales Tax (received on April 8, 2019) was \$174,851.98 compared to \$184,231.69 in January 2018 and year-to-date is \$9,379.71 less than 2018.

Non-Home Rule Sales Tax

The January 2019 Non-Home Rule Sales Tax (received on April 8, 2019) was \$73,746.59 compared to \$72,196.93 in January 2018 and year-to-date is \$1,549.66 more than 2018.

Business Development District Tax

January 2019 BDD Tax (received on April 8, 2019) was \$77,807.64. This tax money is held in a separate and distinct bank account at People's Bank. This was our first payment received.

Fire Pension accounts have been transferred from Raymond James to Bank of Edwardsville at the request of the Fire Pension Board. Gaming revenue is steadily rising. Telecom tax continues to be lower than the amount required to pay the bonds. This is supplemented with money from the General Fund. The General Fund Balance as of March 31, 2019 was \$1,171,330.84. Treasurer Nation requests that all are prudent with unnecessary spending, hiring and overtime.

Motion by Alderman Walters and seconded by Alderman Budd to recommend to the City Council to accept the Treasurer's Report as presented. Motion carried (2-0).

Any Other Matters

Mayor Barry noted that gaming revenue was up \$5,000.00 from February to March. The highest revenue is from the "parlors." He is considering an increase in the license fee for these establishments from \$3,000.00 to \$5,000.00 at the next renewal. He recommended that excess gaming revenue be placed into a separate savings account to replace police cars.

A question was raised regarding campground fees and water usage.

Chairman Budd requested that the next Finance and Ordinance meeting be moved to Wednesday, May 15, 2019. This will be put on the May 6, 2019 City Council Agenda for approval.

Motion by Alderman Walters and seconded by Alderman Budd to adjourn. Motion carried (2-0).

Meeting adjourned at 10:00 P.M.

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Larry Budd, Chairman  
Finance Committee