

FINANCE COMMITTEE

June 17, 2020

MEMBERS

Chairman Budd
Alderman Lanzotti
Alderman Burtle
Alderman Bryant

ALSO PRESENT

Mayor Barry
Alderman Olive
Treasurer Nation
Clerk Lilly
Dan McNeely
Gary McNeely
Steve Craggs
Kellie Hamell

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

General Liability, Automobile & Property Insurance Rates

Mr. Dan McNeely with Dimond Bros., LLC presented the recap of the General Liability/Auto & Property Insurance rates, along with Sales Tax Interruption, Cyber and Pollution coverages. The Water Treatment Plant, valued at \$20 million, has increased the insured values in the City considerably. Due to the 3 year average loss ratio, the overall cost will increase this renewal period. There was a significant increase in loss ratio in the 2017-18 and 2018-19 years. The majority of these claims were automobile accidents and tornado damage with subsequent payouts, along with open claims that have significant reserves. Once the 2017-18 period falls off the 3 year average, a decline in premiums could be expected if the City maintains a strong year in 2020-21. The City will no longer be offered a \$2,500.00 deductible option for property; the mixture of \$5,000 standard/\$10,000 wind/hail was selected as the best option for a savings of \$3,330 in premium costs. The three year pre-paid Fidelity Bond Options will be increased to a \$200,000 limit at a cost of \$2,607.

Motion by Alderman Bryant and seconded by Alderman Burtle to recommend to the City Council to approve the renewal of General Liability/Auto, Property/Equipment, Sales Tax Interruption, Cyber, and Pollution insurance coverage from Chubb and Travelers, including a three year pre-paid Fidelity Bond, at a total cost of \$285,701.00. The motion carried (4-0).

BDD Application

J.I. McDowell, representing Angelo's Pizza, has submitted an application for reimbursement for expenses incurred at Angelo's Pizza located at 404 W. Spesser Street. Concrete work and tuckpointing due to water damage are being completed by local contractors BradCo and Two Brothers Tuckpointing. The total project cost is \$17,038.40, with \$5,963.44 approved as the eligible reimbursement amount.

Motion by Alderman Burtle and seconded by Alderman Bryant to recommend to the City Council to approve payment to Angelo's Pizza in the amount of \$5,963.44 to be paid from the BDD Fund. The motion carried (4-0).

BDD Grant Program Applications

To date, 24 Applications have been received and approved for the BDD Commercial Lease Payment Grant Program for a total amount of \$20,945.00, to be paid out of the BDD Fund. 7 applications have been received and approved for the BDD Commercial Mortgage Subsidy Grant Program for a total amount of \$7,814.55, to be paid out of the General Fund. This General Fund amount may be reimbursed by the BDD Fund. All applications received have been approved in good standing through The Economic Group, Ltd. Response has been favorable and more applications are being received daily. All applications will go to the BDD Committee Meeting on July 1, 2020 and then to City Council for final approval on July 6, 2020.

Review of Budgets

Chairman Budd and Treasurer Nation have completed the initial budget process for all departments, with the assistance of department heads and the Mayor. There will be a roundtable meeting held the week of June 22,

2020 to make further cuts in the budgets for many departments. Revenues will be declining over the next few months until the State is fully operational. In the meantime, virtually all State of Illinois revenue sources have declined, or in the case of video gaming, ceased. This will be taken into consideration when cutting out unnecessary purchases for departments within the City.

Proposed Revenues

Chairman Budd is continuing to look for ways to increase revenues. The Mayor will again propose increasing the number of UTV permits to be sold and issued. A discussion on privatizing the Lake Taylorville Marina will be held at the next Lake Committee Meeting.

Treasurer's Report

The March 2020 Sales Tax (received in June) was \$209,403.31 compared to \$233,136.24 in March 2019 and year-to-date is \$18,801.35 less than 2019.

The March 2020 Non-Home Rule Sales Tax (received in June) was \$81,954.32 compared to \$91,850.38 in March 2019 and year-to-date is \$6,319.19 less than 2019.

March 2020 BDD tax (received in June) was \$101,802.87. Total received since January 2019 is \$1,451,797.87.

Motion by Alderman Bryant and seconded by Alderman Lanzotti to recommend to the City Council to accept the Treasurer's Report as presented. The motion carried (4-0).

Any Other Matters

None were discussed.

Motion by Alderman Bryant and seconded by Alderman Lanzotti to adjourn. The motion carried (4-0).

Meeting adjourned at 7:13 P.M.

Larry Budd, Chairman
Finance Committee