

## FINANCE COMMITTEE

May 15, 2019

### MEMBERS

Chairman Budd  
Alderman Burtle  
Alderman Bryant  
Alderman Lanzotti

### ALSO PRESENT

Mayor Barry	Dan McNeely
Alderman Olive	Nichole Brown
Alderman Dorchinecz	Becky Werra
Owen Lasswell	Jeremy Brown
Clerk Lilly	John Albrecht
Treasurer Nation	Rob Vollrath

Chairman Budd called the meeting to order at 7:04 P.M.

### Leopardo Energy Audit Study

Ms. Becky Werra and her team discussed the results of the recent Energy Audit conducted with the City of Taylorville by Leopardo. They analyzed utility bills throughout the City to determine potential savings available. Their preliminary audit determined that the City could potentially save over \$1,800,531.00 in cumulative cash flow. This is based on a project cost of \$1,734,820.00, to be financed through traditional financing or bonds over a 15-year period. This loan would cover the fees of Leopardo, as well as engineering, contractor, equipment and improvement costs. Items to be upgraded could include LED lighting, HVAC equipment, IT equipment, building features, and equipment for usage in the various departments. They track the utility bills for 2 plus years and follow the established protocols to ensure the savings. Leopardo guarantees the savings each year in the form of actual usage savings or a check directly paid to the City by Leopardo should those savings not be realized. The company does not negotiate rates or contracts for the procurement of the energy itself.

The next step in the process, if approved by the City Council, would be to prepare an Request for Qualifications (RFQ). They noted that there would be no cost for the next step other than the local advertisement to issue the RFQ. The City would then determine who is the most qualified to continue with the project. Ms. Werra will forward the documents for the RFQ to Clerk Lilly, who will in turn confer with City Attorney Romano regarding the legality of these documents.

Motion by Alderman Bryant and seconded by Alderman Burtle to recommend to the City Council to approve the RFQ process for Leopardo, pending approval of the documents by the City Attorney. The motion carried (4-0).

### City Insurance Updates

Mr. Dan McNeely and Mrs. Nichole Brown were present from Dimond Bros. to discuss the renewal of the health insurance. The contract has been negotiated with Blue Cross Blue Shield at a 1.82% renewal increase, down from the preliminary rate of 4.85%. The 4 year average has been 1.03%, with a 2018 savings of \$119,283.00.

Mrs. Brown touched on the PHNP wellness plan. This is a pre-tax savings wellness plan for the employee, offering after-tax rebates based on health and wellness. More information will be forthcoming as rates are determined.

Motion by Alderman Bryant and seconded by Alderman Burtle to recommend to the City Council to accept the 1.82% increase for Health Insurance renewal of the same Blue Cross Blue Shield/HRA plan. The motion carried (4-0).

### AZAVAR Government Solutions

Chairman Budd stated that the City Attorney has many concerns with the contract as presented by AZAVAR Government Solutions. City Attorney Romano noted that the contract states that the City will be paid on the

**FINDINGS** by AZAVAR, not on the amount collected. They are to receive 45% of the finding amount plus payment on an hourly basis plus expenses. As presented to the Committee previously, there was to be no cost to the City unless savings were collected. City Attorney Romano, along with the Committee members, felt as if this must be addressed and clarified before moving forward with any contract. Mayor Barry will follow up with AZAVAR to determine the intent of the contract terms in greater detail. He will also confer with other municipalities who have utilized this service and their terms. Until more information is received, no action will be taken.

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

Chairman Budd addressed concerns regarding the payment of this project. The Sidewalk, Curb, and Gutter portion is to cost in excess of \$33,000.00, approved through the bid process, to be completed by Truman L. Flatt and Sons. He does not feel Ward 1 should be responsible for the payment of this project, and would like help with funding from the 5<sup>th</sup> Fund. Questions were raised as to who is responsible for the oversight of this project, and why it was not included in the original project plans for the Taylorville Memorial Hospital construction. Does this responsibility fall with Mr. Joe Greene, the City Engineer, or with the engineer for the hospital? Mayor Barry will look into this, along with Alderman Dorchinecz and Superintendent Wiseman, to determine if someone other than the City could be responsible for the payment of this project. In the meantime, the project was approved through Council and is scheduled to start soon, so as not to delay the Overlay project on Walnut Street.

#### FY 2019/2020 Budgets

Treasurer Nation presented the Fire Pension Budget to the Committee. It was noted that the amount budgeted to be set aside from Property Tax has been increased from \$370,570 in 2018/2019 to \$454,801.00 in 2019/2020 based on the suggested figures from Lauterbach and Amen. The State of Illinois mandate amount is lower than this and a decreased amount could be budgeted. The concern is the 98% pension funding by the year 2040.

A special Finance Committee Meeting will be held on June 3, 2019 at 6:30 P.M. prior to City Council to review the remaining budgets for Police and Library.

Motion by Alderman Lanzotti and seconded by Alderman Bryant to recommend to the City Council to forward the FY 2019/2020 Fire Pension Budget to the City Treasurer for further refinement. The motion carried (4-0).

#### Motor Fuel Tax Fund Update

Chairman Budd provided information on the progress of the Motor Fuel Tax Fund Audit and internal controls. The Treasurer and the Street Department totals for all accounts match. The Audit results are not expected until early Summer. There is a potential of \$380,000.00 that will be eligible to be moved from the Motor Fuel Tax Fund to the General Fund to replace funds used for MFT approved projects.

Chairman Budd discussed the new processes put in place to deter transfers in the future. There are now checks to be used only for the MFT account for bills approved for MFT projects.

#### Treasurer's Report

##### Sales Tax

The February 2019 Sales Tax (received on May 8, 2019) was \$184,642.20 compared to \$188,575.85 in February 2018 and year-to-date is \$13,313.36 less than 2018.

##### Non-Home Rule Sales Tax

The February 2019 Non-Home Rule Sales Tax (received on May 8, 2019) was \$73,906.84 compared to \$75,011.66 in February 2018 and year-to-date is \$454.84 more than 2018.

##### Business Development District Tax

February 2019 BDD Tax (received on May 8, 2019) was \$81,036.34. This tax money is held in a separate and distinct bank account at People's Bank. This was our second payment received.

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

Any Other Matters

The City received notification from Iris Noblet-Crites of Lively, Mathias, Hooper and Crites stating that the City will need a Single Audit due to the funding received for the IEPA Water Treatment Plant Loan over the amount of \$750,000.00. This will be in addition to the yearly audit and will be at an additional charge per our agreement.

Chairman Budd began the process of cross-checking the bank statements and balances to reduce and/or prevent errors in reporting. This was at the recommendation of Mrs. Noblet-Crites in our last audit report and findings.

Motion by Alderman Bryant and seconded by Alderman Burtle to adjourn. Motion carried (4-0).

Meeting adjourned at 9:19 P.M.

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Larry Budd, Chairman  
Finance Committee