

FINANCE COMMITTEE

November 25, 2019

MEMBERS

Chairman Budd(arrived at 5:18 p.m.)
Alderman Bryant
Alderman Burtle
Alderman Lanzotti
Mayor Barry

ALSO PRESENT

Alderman Olive
Owen Lasswell
Kellie Hamell
Gary McNeely
Jonathan Wamsley
Steve Craggs
Clerk Lilly
Alderman Skultety
Alderman Driskell
Superintendent Mann
City Attorney Romano
Matt Phillips
Carol Endsley

Acting Chairman Burtle called the meeting to order at 5:16 P.M.

Workers Compensation Renewal

Mr. Gary McNeely with Dimond Brothers Insurance Agency presented the Workers Compensation annual premium for January 1, 2020 to December 31, 2020. The renewal premium is \$269,573.33 which reflects a \$97,000.00 increase in payroll. The experience modification used for the 2020 premium calculation uses the policy years of 2016 through 2018. The loss ratio is 60 %. The 2017 loss ratio increased from 40% to 61% and the 2016 loss ratio increased from 97% to 106% after the 2019 premium was calculated last fall for the November Finance Committee Meeting. Illinois Public Risk Fund (IPRF) continues to make sound risk selection and underwriting decisions. They again have retained their AAA Demotech financial rating. They currently insure over 740 members in Illinois. The City of Taylorville will receive a Grant Award for 2019 of \$18,009.00 from Illinois Public Risk Fund, redeemable in 2020.

Motion by Alderman Budd and seconded by Alderman Bryant to recommend to the City Council to approve the January 1, 2020 to December 31, 2020 Workers Compensation Policy Renewal Premium of \$269,573.00 from Illinois Public Risk Fund. The motion carried (4-0).

FY 2019/2020 Truth-In Taxation & Tax Levy

Chairman Budd presented the financial information for the 2019/2020 Annual Tax Levy. The amount of the levy is calculated at 104.99% of the prior year extension from the County Clerk plus the exclusion from PTELL. The tax levy for the library is added to this total to determine the total levy amount. Two options were presented utilizing different models for the Police Pension and Fire Pension, based upon the required contribution as suggested by the State of Illinois and that of the hired actuaries. Due to the future State of Illinois consolidation of Fire and Police Pension accounts, the scenario showing a slightly lower contribution to the pensions is preferred.

Motion by Alderman Burtle and seconded by Alderman Lanzotti to recommend to the City Council to direct the City Clerk's Office to prepare an Ordinance that, pursuant to the Truth-in-Taxation Act, the sum of \$3,028,858.35 for the City's current Fiscal Year 5/1/19 to 4/30/20 upon the taxable property in the City, which amount is less than 105% of the amount extended, or estimated to be extended upon the final aggregate levy of the preceding fiscal year; and a Truth-in-Taxation Public Hearing is not required. This includes a total maximum levy of \$282,310.35 for the Taylorville Public Library. The motion carried (4-0).

BDD Agreement – Robert and Rebecca Steiner

The Steiners presented an application to the Business Development District Committee detailing the proposed scope of work for their building, located at 100 West Market Street. They plan to repair and replace terra-cotta and brick on the exterior of the building. The project, including materials and labor, is expected to cost \$24,606.00. The Steiners are requesting a total reimbursement of \$8750.00 from the Business Development District Funds. Mayor Barry noted that per the estimate they have received, the expected reimbursement due to the Steiners would be 8,611.00. This agreement will deplete the \$50,000.00 set aside for the downtown area developers.

Motion by Alderman Bryant and seconded by Alderman Lanzotti to recommend to the City Council to forward the application for BDD Benefits for Robert and Rebecca Steiner to Jacob & Klein for further review and preparation of an Ordinance and Agreement, pending completion of the project, submission of receipts and cancelled checks. The motion carried (4-0).

iPads for Elected Officials

In an effort to streamline and control waste, consideration is being given to the Elected Officials receiving iPads, purchased by the City, to be used for City business only. The goal is to reduce paper and labor costs by creating electronic mailings to all Aldermen of agendas, minutes, Council and Committee meeting packets, ordinances, etc. Paper copies will be produced upon request only. The cost will range from \$349.00 for a standard iPad to \$800 for an iPad Pro. With additional Apple Care protection, the pen that is compatible with the iPad, and a case the cost could be \$1,100.00 per iPad.

This will be tabled until the January Finance Meeting after more research has been completed on the various options and a possible bulk purchasing discount.

Sewer Fees

Chairman Budd expressed an interest in increasing Sewer Fees to stabilize the consistent loss in the Sewer Fund, which was \$318,000.00 in the red for the last fiscal year. There has not been a break-even point in over 10 years for the Sewer Fund. While this cannot be corrected in one year, a gradual increase over 5 years could make a significant improvement in the financial situation for the Sewer Fund, provided expenses are kept manageable.

Water Office Manager Hamell presented the Committee with a spreadsheet created to show the potential increase in revenue should the rates be increased. This rate increase is based on sewer usage; a single person would be charged significantly less than a large family or a business. A realistic estimate is an increase of \$.37 per month for a single family user, and \$1.58 per month for a couple for the initial increase. Larger users would pay more. The total increase beginning January 1, 2020 would be \$0.002, followed by \$0.00225 in 2021, \$0.0025 in 2022, \$0.00275 in 2023, and \$0.003 in 2024.

Motion by Alderman Lanzotti and seconded by Alderman Bryant to recommend to the City Council to approve a five-year step increase for sewer fees beginning January 1, 2020, with an increase of \$0.002 per sewer customer, \$0.00225 on 1/1/21, \$0.0025 on 1/1/22, \$0.00275 on 1/1/23, and \$0.003 on 1/1/24. The motion carried (3-0), with Alderman Burtle abstaining.

Treasurer's Report

The August 2019 Sales Tax (received in November) was \$230,254.94 compared to \$223,230.88 in August 2018 and year-to-date is \$53,022.31 more than 2018.

The August 2019 Non-Home Rule Sales Tax (received in November) was \$90,297.61 compared to \$85,041.52 in July 2018 and year-to-date is \$21,924.71 more than 2018.

The August 2019 BDD Tax (received in November) was \$100,244.01. The total received for the year is \$763,534.52.

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

Any Other Matters

Maggie Tarr, an art instructor from Hillsboro, presented a proposal to paint murals depicting the history of Abraham Lincoln, farming, and agricultural through the years in Taylorville. She has spoken to the Business Development District Committee, who fully support her ideas. Her intent is to begin on the side of the

Advanced Title building along West Main Cross. The approximate cost to the City would be a \$15,000.00, up to a maximum of \$20,000.00, to pay for the preparation, equipment, supplies, paint and labor. The mural would be approximately 12'x80'. Ms. Tarr is interested in local assistance from the school Art Department staff and students, and other willing volunteers. The first mural is expected to take two months to complete, depending on weather. This item will be placed on the January Finance Agenda for further discussion. Ms. Tarr will be invited to return and provide more details and sketches.

Motion by Alderman Bryant and seconded by Alderman Burtle to adjourn. The motion carried (4-0).
Meeting adjourned at 6:43 P.M.

Larry Budd, Chairman
Finance Committee