

FINANCE COMMITTEE

September 23, 2019

MEMBERS

Chairman Budd
Alderman Lanzotti
Alderman Bryant
Mayor Barry

Absent: Alderman Burtle

ALSO PRESENT

Treasurer Nation
Alderman Driskell
Alderman Olive
Alderman Skultety
Alderman Dorchinecz
Superintendent Speagle
Superintendent Bialis

Clerk Lilly
Kellie Hamell
Owen Lasswell
Chief Wheeler
Iris Noblet-Crites
Mike Mann

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

Review of Audit Report

Mrs. Iris Noblet-Crites with Lively, Mathias, Hooper, & Noblet (LMHN) was present to discuss the results of the Audit of the City of Taylorville for the Fiscal Year ending April 30, 2019.

Overall outcome for the City of Taylorville was net positive \$72,094 over last year, although it was an overall deficit. Sales tax was up \$244,000 over last year with the majority of that hitting in December and January, potentially due to the tornado recovery, repair and rebuilding. Franchise fees were up \$134,000, but this directly correlates to the two years of fees paid in arrears by Ameren. Expenditures were \$389,000 lower due to a decrease in capital outlay. Income taxes were down, along with a lower rate paid to IMRF.

Proprietary Funds were reviewed, with the only positive net income reported in the Water Fund. All others had money transferred in from the General Fund to sustain operations. As in past years, the Sewer Fund continues to be a drain on the General Fund and the Council must consider an increase in fees to decrease the losses.

Mrs. Noblet-Crites recommended one reportable condition:

- Lack of segregation of duties in Treasurer's Office, specifically relating to bank account reconciliation and payroll. Payroll is now checked each period by the Human Resource Manager for discrepancies. It was suggested that either an Alderman or another City employee be trained to review the bank reconciliation monthly for the Water Fund Bank account and all accounts reconciled by the Treasurer.

Opportunities for strengthening the internal controls of the City include:

- Assigning expenditures to the correct line item for accurate reporting
- Review and update of all policies, specifically policies relating to grants
- Employee education, training, and policies to include Whistleblower and Ethics
- Adequate reconciliation of the water as related to other entities/funds

Issues verbally noted:

- Cash was found in the former Police Chief's desk drawer with a handwritten reconciliation of the amount received and use of the money. It was noted that all money coming into the City must flow through the Clerk or Treasurer for proper documentation.
- NE Storm Drain project was paid through Ward I funds with meeting minutes noting that they would receive reimbursement. Where was reimbursement to come from? Total project was \$61,000.00 with no reimbursement received from Drainage District or Township. The Council should investigate this further to determine a solution.

Any Other Matters

Chairman Budd stated that the August gaming revenue was \$25,415.00.

He has been approached by local downtown business owners who are concerned with lack of available parking on the square due to courthouse employees. They would like the City to explore options for these employees for parking.

The Mayor noted that a local business has requested to sell beer outside during Chilifest. He informed them that this is not allowed; only the one establishment has been granted a one-time license for this event is allowed and this business provides additional insurance through their business. Others have requested tables and chairs to be put out on the sidewalks for customers; he is supportive of this as long as the sidewalk is not blocked. There is an Ordinance in place that does not allow this but there are other businesses that have been doing this with no consequences.

Alderman Dorchinecz informed the Committee that the State will soon allow up to 6 gaming terminals per establishment, and felt this is a way to raise more revenue. Mayor Barry reminded the Committee that the City can only charge \$25.00 per terminal as a Non-Home Rule municipality. He would like to increase the liquor/gaming combination license this next year to a new rate of \$3,000.00. This will be discussed at a future Ordinance Committee Meeting.

Motion by Alderman Lanzotti and seconded by Alderman Bryant to adjourn. Motion carried (3-0).

Meeting adjourned at 7:19 P.M.

Larry Budd, Chairman
Finance Committee