

April 17, 2017

Minutes of the Budget Hearing of the City Council, City of Clinton at 6:45 p.m. in the Council Chambers of City Hall, Monday, April 17, 2017. Mayor Roger Cyrulik, presiding. On roll call Commissioners Ballenger, Edmunds, Crang and Wise were present.

Mayor Cyrulik introduced Paul Skowron, CEO of the Hospital to give an overview of the capital and operating budget for fiscal year 2018.

Paul Skowron, CEO, discussed the Capital Budget items excluding carry over and contingency. It is \$1,298,000.00 with all major expenditures to include: \$441,500.00 for 3D mammography equipment and mammography suite renovation. Emergency generator for the family medicine clinic building for \$200,000.00, various facility and grounds upkeeps for \$215,000.00, several information services purchases for \$131,000.00, Crash cart defibrillators to be used in emergency, med surg and surgery for \$85,000.00. The carry over budget includes expenditures approved in the current year but to be paid for next fiscal year. The contingency budget amount of \$1,710,000.00 is an amount for contingency equipment not listed in the budget if a need arises. He then discussed the Operating Budget, which is projecting an excess of revenues over expenses of \$253,947.00 for the operating income. Inpatient revenue is 12% with outpatient revenue at 88%. Of this revenue, over 42% will be written off due to Medicare, Medicaid and various other reasons concerning expenses, 40% relates to salaries/wages/benefits, 15% relates to purchase services and maintenance services, 13% professional fees and 8% relates to supplies/minor equipment with the rest being utilities, maintenance, education/travel and insurance.

Mayor Cyrulik thanked Paul for his presentation.

City Treasurer, Clint Lichtenwalter discussed the City portion of the budget. He stated that while most of our revenues remain stagnant we are also continuing to hear from the Illinois Municipal League that bills continue to be proposed each legislative cycle to decrease shared revenues to municipalities as a way to plug the state's budget gap. The largest unknown going forward is the State of Illinois, its lack of a budget and the continued threat of reducing local government dollars as a way to plug their budget gap. As well as the proposed items in Governor Rauner's turnaround agenda with the largest item being a property tax freeze. As we all know that would be a devastating impact to us. This budget is projected to end with a lower overall fund balance than where FY17 is projected to end. Part of this is due to some one-time expenses.

The total General Fund operating expenses are \$3,451,403 which would be a 4.46% increase from the projected current fiscal year end. These include some budgeted expenditures that include demolition of some dilapidated properties in town which is not

an ordinary expense for us and a Park Project. Removing these would make the increase only 1.43% which is less than the average inflation rate.

Since FY08 we have seen several income line items decrease while others have increased, but overall the annual increase in revenue has only average 0.52% over that time period. Sales tax which is by far our largest revenue source for the General Fund has only seen growth of approximately 1.5%/year, while our Telecom Tax has decreased by almost 5%/year and Interest income has decreased by 13%/year but has bottomed out. Overall our next year's revenue is budgeted at \$256,597 less than the projected current year end all due to some one-time revenue items in the current fiscal year that is ending.

It is debatable as to what level is appropriate for our cash reserves. It has been recommended that we should have a year's worth of reserves to cover any unexpected contingencies, and at a bare minimum 6 months worth. With this budget we will end the year at around 6 months of reserves.

The good news is Public Pensions and the underfunding of those. The Police Pension Fund is 95% - 100% funded and continues to remain there. The Fire Pension Fund dropped some this past year due to changes in the Actuarial Mortality Tables.

In conclusion we can report some good news on the topic of insurance. Over the past several years you have heard my warnings with the City's Self-Funded Insurance plan as the reserves had dwindled to very low levels. Several changes that were made to the plan around 9 years ago had been holding us steady with small increases or decreases each year in fund balance. However we did suffer losses in FY11 and FY12, and FY13 proved to be a very unhealthy year for the plan. This had caused us to implement several changes to the plan for FY14 including changing deductibles, out-of-pocket limits, a premium increase, and mandating mail order for maintenance type drugs. All of these changes led to the plan to a very small gain for FY14. FY15 and FY16 were great years and so far in FY17 we have been extremely healthy and have put a significant amount of cash back in the reserves. Claims have remained down year to date across the board showing both that we are healthier for the time being and that the education on the drug options has been working. Reserves are finally back to a healthy position. We are proposing no increase to the premiums for FY18.

Mayor Cyrulik opened the floor for any comments or questions from the audience. Hearing none, motion was made by Commissioner Ballenger and seconded by Commissioner Wise to adjourn the Budget Hearing. On roll call vote, Commissioners Edmunds, Crang, Wise, Ballenger and Mayor Cyrulik voted "Yes".

Respectfully submitted,

Cheryl A. Van Valey
City Clerk

April 17, 2017

Minutes of the regular meeting of the City Council of the City of Clinton, Illinois in session in the Council Chambers of City Hall, Monday, April 17, 2017 at 7:00 p.m. Mayor Roger Cyrulik, presiding. On roll call, Commissioners Crang, Wise, Ballenger and Edmunds were present.

Written motion was made by Commissioner Crang and seconded by Commissioner Wise that the minutes of the regular meeting of April 3, 2017 be approved as submitted. On roll call vote, Commissioners Wise, Ballenger, Edmunds, Crang and Mayor Cyrulik voted "Yes".

Written motion was made by Mayor Cyrulik and seconded by Commissioner Edmunds to approve the Intergovernmental Agreement between the City of Clinton and DeWitt County for the updating of the Mapping System in the amount of \$19,242.50. On roll call vote, Commissioners Ballenger, Edmunds, Crang, Wise and Mayor Cyrulik voted "Yes".

The bills and payroll were read.

Written motion was made by Commissioner Edmunds and seconded by Commissioner Ballenger that the bills and payroll be allowed as read and the Clerk be instructed to issue warrants on the Treasurer for the several amounts. On roll call vote, Commissioners Edmunds, Crang, Wise, Ballenger and Mayor Cyrulik voted "Yes".

PETITIONS AND COMMUNICATIONS

John Baker, Chairman of the Tree City Commission, presented the awards to the Arbor Day Poster winners, which were Jianna Oritz (1st place), Brooks Cluver (2nd place) and Elizabeth Deavers (3rd place). Mayor Cyrulik read an Arbor Day proclamation. Commissioner Wise is on the Tree City Commission and he made some comments and congratulated the winners. The Arbor Day Celebration will be Saturday, April 29th at Rotary Park at 10:00 a.m.

REPORT FROM THE DEPARTMENT OF PUBLIC AFFAIRS

Mayor Cyrulik stated that the item on file for the Kirkwood Drive West Project will be taken off the agenda.

REPORT FROM THE DEPARTMENT OF STREETS & PUBLIC IMPROVEMENTS

Commissioner Crang reported that the vouchers for the City Wide clean-up can be picked up at City Hall and they can take their items to Area Disposal any time from May 1st – June 30th.

REPORT FROM THE DEPARTMENT OF PUBLIC PROPERTY

Commissioner Wise reported the electronic equipment is going in this week and the computer and software is on order. The filters are also being worked on.

REPORT FROM THE DEPARTMENT OF PUBLIC HEALTH & SAFETY

Commissioner Ballenger reported the training on the properties where the new gas station will be located was well attended and went very well.

REPORT FROM THE DEPARTMENT OF ACCOUNTS & FINANCES

Commissioner Edmunds had no report.

UNFINISHED BUSINESS

Written motion was made by Commissioner Edmunds and seconded by Commissioner Crang to adopt Ordinance #1445, An Ordinance Adopting Budget (FY 2018). On roll call vote, Commissioners Crang, Wise, Ballenger, Edmunds and Mayor Cyrulik voted "Yes".

Written motion was made by Mayor Cyrulik and seconded by Commissioner Wise to adopt Ordinance #1446, Ordinance Authorizing Borrowing Funds (Hospital Line of Credit for \$1,000,000.00). On roll call vote, Commissioners Wise, Ballenger, Edmunds, Crang and Mayor Cyrulik voted "Yes".

Written motion was made by Mayor Cyrulik and seconded by Commissioner Wise to approve Resolution 2017-5, A Resolution Authorizing Execution of an Agreement for City Participation in Facade Renovation (Joe Sartie/112 Warner Ct.) in the amount of \$19,705.00 (City's portion). On roll call vote, Commissioners Ballenger, Edmunds, Crang, Wise and Mayor Cyrulik voted "Yes".

NEW BUSINESS

On File - Supplemental Resolution for Jericho Rd. & Hillcrest Dr. - \$73,026.00

On File – Stream Bank Stabilization – Kirkwood Drive West/Street Dept. – Cummins Engineering Corporation - \$5,000.00 – This was taken off the Agenda by Mayor Cyrulik.

ADJOURNMENT

With no further business to come before the Council, a motion was made by Commissioner Crang and seconded by Commissioner Ballenger to adjourn the meeting. On roll call vote, Commissioners Edmunds, Crang, Wise, Ballenger and Mayor Cyrulik voted "Yes".

Respectfully Submitted,

Cheryl A. Van Valey
City Clerk