

April 15, 2013

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 15, 2013. Mayor Carolyn Peters, presiding. On roll call Commissioners Edmunds, Crang, Wise and Milton were present.

Mayor Peters introduced Earl Sheehy, CEO and Donna Wisner, CFO of the Hospital to give an overview of the capital and operating budget for fiscal year 2014.

Donna Wisner, CFO, stated the Operating Budget is projecting a near break even over expenses of \$13,162.00 this year. Inpatient revenue is 16% with outpatient revenue at 84%. Of this revenue, over 41% will be written off due to Medicare, Medicaid and various other reasons concerning expenses, 40% relates to salaries/wages/benefits, 13% professional fees and 10% relates to supplies/minor equipment with the rest being utilities, maintenance, education/travel and insurance.

Earl Sheehy, CEO, discussed the Capital Budget items excluding carry over and contingency. It is \$1,264,655.00 with all major expenditures to include: \$1,000,000.00 for the Electronic Health Record and associated financial system, including the migration of the existing data and \$215,000.00 for asphalt paving of the physical therapy building parking lot, parking lot on the corner lots of White St. and Grant St. and widening the driveway on White St. The carryover budget of \$145,000.00 includes purchases that have been approved in the current fiscal year but may not be paid for until next fiscal year. The contingency budget amount of \$1,805,738.00 is an amount for contingency equipment not listed in the budget, but will be spent as a need arises.

Mayor Peters thanked Earl and Donna for their presentations.

City Treasurer, Clint Lichtenwalter discussed the City portion of the budget. This year's budget was somewhat difficult. While most of the revenues continue to remain stagnant and not growing there are also decreases in state shared revenues.

In recent years the City has dipped into reserves but fiscal year 2014 will have a balanced budget. Operating expenses for the General Fund, if you take out the expenses for the Kleemann Rd. project next year, makes the total General Fund expenses 3.15 million, which is a 26% decrease from the projected current fiscal year end. Outside of the Kleemann Rd. project there are no other significant changes to expenses in the General Fund for next year.

State shared revenues have been bouncing up and down over the last several years, mostly due to the economy, with the income tax share being the most volatile. While projecting the FY13 income tax to end the year up approximately \$131,000.00, there is a projected increase of about \$33,000.00 for next year. FY13 sales tax grew at an increase of 4.6% and the city is projecting a small increase in sales tax for FY14 budget. The Non-Home Rule Sales tax ended FY13 with a 4.2% increase. Overall next year's

revenue is budgeted at \$43,400.00 less than the current projected year end revenue when taking out the projected grant money for the Kleemann Rd. project.

Mr. Lichtenwalter stated it is recommended that the City should have a year's worth of reserves to cover any unexpected contingencies, and at a bare minimum 6 months worth. With this budget, the City will end the year with approximately 5.4 months worth of reserves, but if you take out the expenses of the Kleemann Rd. project it would leave us at 7.7 months of reserves. The overall lack of growth in revenues and the continued increase pressure of inflation on expenses has caused negative pressure on reserves.

The changes that were made to the City's Self-Funded Insurance plan around 7 years ago have been holding the City steady with small increases or decreases each year in fund balance and those changes were in how the plan was implemented not in rate changes. There were losses in FY11 and in FY12, and this year ending will also be very unhealthy. This has caused the City to implement several changes such as increase of deductibles, out-of-pocket limits, a premium increase and mandating mail order for all maintenance type drugs. All of these changes are projected to allow the plan to break even for FY14.

Motion was made by Commissioner Edmunds and seconded by Commissioner Crang to adjourn the Budget Hearing. On roll call vote, Commissioners Crang, Wise, Milton, Edmunds and Mayor Peters voted "Yes".

Respectfully submitted,

Cheryl A. Van Valey
City Clerk

April 15, 2013

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 15, 2013. Mayor Carolyn Peters, presiding. On roll call, Commissioners Wise, Milton, Edmunds and Crang were present.

Written motion was made by Commissioner Milton and seconded by Commissioner Wise that the minutes of the regular meeting of April 1, 2013 be approved as submitted. On roll call vote, Commissioners Milton, Edmunds, Crang, Wise voted "Yes". Mayor Peters abstained.

The bills and payroll were read.

Written motion was made by Commissioner Edmunds and seconded by Commissioner Milton 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, Milton and Mayor Peters voted "Yes".

PETITIONS AND COMMUNICATIONS

John Baker, Chairman of the Tree City Commission, presented the awards to the Arbor Day Poster winners, which were Tori Burke (1st place), Lensly Magana (2nd place) and Aubra Fatheree (3rd place). Lensly Magana and Aubra Fatheree were not present. Mayor Peters read an Arbor Day proclamation.

REPORT FROM THE DEPARTMENT OF PUBLIC AFFAIRS

Written motion was made by Commissioner Edmunds and seconded by Commissioner Milton to reappoint Debra Waks to the Police Pension Board – said term to expire May 1, 2015. On roll call vote, Commissioners Crang, Wise, Milton, Edmunds and Mayor Peters voted "Yes".

Written motion was made by Commissioner Wise and seconded by Commissioner Crang to reappoint Carol Thompson to the Tree City Commission – said term to expire May 1, 2016. On roll call vote, Commissioners Wise, Milton, Edmunds, Crang and Mayor Peters voted "Yes".

Written motion was made by Commissioner Crang and seconded by Commissioner Milton to reappoint John Wise to the Tree City Commission – said term to expire May 1, 2016. On roll call vote, Commissioners Milton, Edmunds, Crang and Mayor Peters voted "Yes". Commissioner Wise voted "Present".

Written motion was made by Commissioner Edmunds and seconded by Commissioner Wise to reappoint Steve Watkins to the Planning Commission – said term to expire May

1, 2016. On roll call vote, Commissioners Edmunds, Crang, Wise, Milton and Mayor Peters voted “Yes”.

Mayor Peters announced there will be a Public Hearing on May 1, 2013 at 12:00 p.m. and before the Council meeting on May 6, 2013 at 6:30 p.m. on the electrical aggregation.

REPORT FROM THE DEPARTMENT OF STREETS & PUBLIC IMPROVEMENTS

Commissioner Crang reported that April 20, 2013 will be the City-wide Clean-up Day from 8:00 a.m. – 12:00 p.m. and 1:00 p.m. – 5:00 p.m.

Phil Matone from Farnsworth Group updated the Council on the Kleemann Rd. project and after discussion the consensus of the Council is to proceed with the changes to the project.

REPORT FROM THE DEPARTMENT OF PUBLIC PROPERTY

Commissioner Wise had no report.

REPORT FROM THE DEPARTMENT OF PUBLIC HEALTH & SAFETY

Commissioner Milton had no report.

REPORT FROM THE DEPARTMENT OF ACCOUNTS & FINANCES

Commissioner Edmunds reported that the sales tax is up \$73,803.00.

UNFINISHED BUSINESS

Written motion was made by Commissioner Edmunds and seconded by Commissioner Crang to approve Ordinance #1310, An Ordinance Amending Annual Budget (FY 2013). On roll call vote, Commissioners Crang, Wise, Milton, Edmunds and Mayor Peters voted “Yes”.

Written motion was made by Commissioner Wise and seconded by Commissioner Edmunds to approve Ordinance #1311, An Ordinance Adopting Budget (FY 2014). On roll call vote, Commissioners Wise, Milton, Edmunds, Crang and Mayor Peters voted “Yes”.

Written motion was made by Commissioner Wise and seconded by Commissioner Milton to adopt Resolution 2013-8 for the Collective Bargaining Agreement between the City of Clinton and the United Association of Plumbers & Pipefitters, Local Union #137. On roll call vote, Commissioners Milton, Edmunds, Crang, Wise and Mayor Peters voted “Yes”.

Written motion was made by Commissioner Edmunds and seconded by Commissioner Milton to adopt Resolution 2013-9, Resolution Authorizing Execution of Contract between the City of Clinton and the Policemen's Benevolent Labor Committee, Inc. and the Policemen's Benevolent and Protective Association. On roll call vote, Commissioners Edmunds, Crang, Wise, Milton and Mayor Peters voted "Yes".

Written motion was made by Commissioner Wise and seconded by Commissioner Crang to approve Ordinance #1312, Ordinance Amending Section 7-8-3(A) of the City Code of the City of Clinton, Illinois. On roll call vote, Commissioners Crang, Wise, Milton, Edmunds and Mayor Peters voted "Yes".

Written motion was made by Mayor Peters and seconded by Commissioner Edmunds to approve the Contract with Farnsworth Group for the Bandstand Roof Structure on Mr. Lincoln's Stage in the amount of \$5,500.00 plus an allowance of \$150.00 for reimbursable expenses. On roll call vote, Commissioners Wise, Milton, Edmunds, Crang and Mayor Peters voted "Yes".

Written motion was made by Commissioner Crang and seconded by Commissioner Wise to approve the Engineering Agreement with AMEC Environment & Infrastructure, Inc. for the Sanitary Sewer Project. On roll call vote, Commissioners Milton, Edmunds, Crang, Wise and Mayor Peters voted "Yes".

Written motion was made by Commissioner Edmunds and seconded by Commissioner Crang to approve the Contract with Farnsworth Group for the Demolition Specs for 310 N. Madison St. in the amount of \$6,080.00. On roll call vote, Commissioners Edmunds, Crang, Wise, Milton and Mayor Peters voted "Yes".

Written motion was made by Commissioner Edmunds and seconded by Commissioner Crang to approve Ordinance #1313, Ordinance Authorizing Borrowing of Funds. On roll call vote, Commissioners Crang, Wise, Milton, Edmunds and Mayor Peters voted "Yes".

NEW BUSINESS

On File – Bids for Stump Removal

On File – Construction Engineering Agreement with Farnsworth Group for the White St. Project- \$28,400.00 scheduled to start May 28, 2013

On File – Fire Contract – 2% wage increase and 1.5% increase in health insurance

On File - Supplemental Contract with Farnsworth Group for the Kleemann Road Project – \$22,000.00

On File – An Ordinance Approving the City of Clinton Electricity Aggregation Program Plan of Operation and Governance

On File – A Resolution Authorizing Execution of a Service Agreement with the Lowest Responsible Bidder for the Supply of Electricity for Residential and Small Commercial Retail Customers Who Do Not Opt Out of Such a Program – Giving the Mayor authority to enter into an agreement for the lowest bidder on May 15, 2013

On File – Annual Audit FY13/Floyd & Associates, CPAs - \$22,100.00 and \$3,500.00 for the A-133 Audit

On File – Annual Audit TIF Funds FY13/Floyd & Associates, CPAs - \$2,160.00

Written motion was made by Commissioner Edmunds and seconded by Commissioner Crang to approve a Raffle License for Clinton Community YMCA/Camp Osage with their event to be held Monday, May 6, 2013 at the Clinton Elks. On roll call vote, Commissioners Wise, Milton, Edmunds, Crang and Mayor Peters voted “Yes”.

Written motion was made by Commissioner Milton and seconded by Commissioner Crang to hold a closed session for the purpose of Approval of Closed Session Minutes and Appointments of Annual Appointees. On roll call vote, Commissioners Milton, Edmunds, Crang, Wise and Mayor Peters voted “Yes”.

ADJOURNMENT

With no further business to come before the Council, a motion was made by Commissioner Crang and seconded by Commissioner Edmunds to adjourn the meeting. Voice vote was taken. Motion was unanimous.

Respectfully Submitted,

Cheryl A. Van Valey
City Clerk