

April 21, 2014

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 21, 2014. 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 2015.

Donna Wisner, CFO, stated the Operating Budget is projecting a near break even over expenses of \$14,561.00 this year. Inpatient revenue is 11% with outpatient revenue at 89%. Of this revenue, over 41% will be written off due to Medicare, Medicaid and various other reasons concerning expenses, 36.5% relates to salaries/wages/benefits, 14% 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 \$1,030,500.00 with all major expenditures to include: \$150,000.00 for the Parking Lot Project and \$100,000.00 for Rural Health Clinic flooring project, both of which are included in the USDA Rural Development bond issue, \$300,000.00 for the replacement of the telephone system, \$345,000.00 for the RHC ambulatory electronic health record. The carryover budget of \$1,146,540.00 is for the electronic health record and associated financial computer system that has been approved but will continue to be paid for next fiscal year. The contingency budget amount of \$1,383,000.00 is an amount for contingency equipment not listed in the budget if a need arises.

Mayor Peters thanked Earl and Donna for their presentations.

City Treasurer, Clint Lichtenwalter discussed the City portion of the budget. While most of the revenues continue to remain stagnant the City is 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. Since the FY14 and FY15 budgets both include parts of the Kleemann Road project some of his comparisons were to the FY13 budget and year end. He reported it is projected to end with a lower cash balance due to payments on the fire truck loan.

Removing the expenses for the Kleemann Road project next year would make total General Fund expenses \$3,381,238 which would be a 6.68% increase from the projected current FY end. The bulk of the increase in expenses in the General Fund is in the Capital section.

The state shared revenues have been bouncing up and down over the last several years, with the income tax share being the most volatile. He is projecting FY14 income tax to end the year up approximately \$10,000.00 and is projecting an increase of \$4,000.00 for next year. FY14 saw sales tax grow at an increase of 2.0%. He is projecting a small increase in sales tax for FY15. The FY14 Non-Home Rule Sales tax actually saw a small

decrease of about 0.64%. He projected a small increase in this tax for FY15. Overall the next year's revenue is budgeted at \$55,214.00 more than the projected current year end when taking out the State Grant money for the Kleemann Road project.

He stated it is debatable as to what level is appropriate for the cash reserves. It has been recommended that there should be a year's worth of reserves to cover any unexpected contingencies, and at a bare minimum 6 months worth. With this budget (taking out the Kleemann Road expenses), the year will end with around 7.5 months of reserves.

The Sewer Fund is taking on a large project. The lapse in time from the last bonds being paid off and this project starting allowed the fund to build back some reserves. The Water Budget does include a 3% increase in water rates.

The City's Self-Funded Insurance plan's reserves have dwindled to very low levels. Several significant changes that were made to the plan around 8 years ago had been holding the plan steady with small increases or decreases each year in fund balance. However there were losses in FY11, FY12 and FY13 proved to be a very unhealthy year for the plan. This caused several changes to be implemented 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 had been projected to allow the plan to break even for FY14. Through the first 7 months of FY14 the employees were very healthy and a significant amount of cash was put back in the bank. Three major events in December caused the plan to lose approximately \$250,000.00 in that month alone. Since then claims leveled off. Another education piece on prescriptions will be done which should lead to even more than the \$85,000.00 in savings we generated last year. This budget implements a 5% premium increase.

Mayor Peters read language from a statute regarding the regulation of finances of the Hospital Board.

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 21, 2014

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 21, 2014. Mayor Carolyn Peters, presiding. On roll call, Commissioners Wise, Milton, Edmunds and Crang were present.

Written motion was made by Commissioner Wise and seconded by Commissioner Crang that the minutes of the special meeting of March 24, 2014 and the regular meeting of April 7, 2014 be approved as submitted. On roll call vote, Commissioners Milton, Edmunds, Crang, Wise and Mayor Peters voted "Yes".

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 Mia Kaufman (1<sup>st</sup> place), Kolby Weiss (2<sup>nd</sup> place) and Bethany Overbey (3<sup>rd</sup> place). Mayor Peters read an Arbor Day proclamation. She also read a Poppy Proclamation.

#### **REPORT FROM THE DEPARTMENT OF PUBLIC AFFAIRS**

Written motion was made by Commissioner Milton and seconded by Commissioner Wise to reappoint Scott Harrold to the Clinton Planning Commission – said term to expire May 1, 2017. 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 Harold Allen to the Tree City Commission – said term to expire May 1, 2017. 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 reappoint John Baker to the Tree City Commission – said term to expire May 1, 2017. On roll call vote, Commissioners Milton, Edmunds, Crang, Wise and Mayor Peters voted "Yes".

Mayor Peters announced that the Bandstand Project is behind schedule and the completion date is June 8<sup>th</sup>. She also announced that the staff has been interested in offering a Community Garden and if citizens are interested to call City Hall.

## **REPORT FROM THE DEPARTMENT OF STREETS & PUBLIC IMPROVEMENTS**

Commissioner Crang reported that the City-wide Clean-up is Saturday, April 26<sup>th</sup> from 8:00 a.m. – 12:00 p.m. and 1:00 p.m. – 5:00 p.m. with dumpsters set up at the Yard Waste site. She reported electronics could be dropped off at the Human Resource Center from 9:00 a.m. – 3:00 p.m.

## **REPORT FROM THE DEPARTMENT OF PUBLIC PROPERTY**

Commissioner Wise reported that Well #11 had some electronic parts go down and it has been fixed.

## **REPORT FROM THE DEPARTMENT OF PUBLIC HEALTH & SAFETY**

Commissioner Milton had no report.

Chief Lowers reported that on Saturday, April 26<sup>th</sup> they will be taking part in the Take Back Initiative where they will be accepting unused medication that can be dropped off between 10:00 a.m. – 2:00 p.m. at the Police Dept. He also reported that the Canine Unit, Lasko is on the disability list. He had surgery and will have a 6 months recovery and then go through a training process.

Assistant Chief James reported that the Fire Dept. along with staff at the hospital will be doing an exercise on July 22<sup>nd</sup>.

## **REPORT FROM THE DEPARTMENT OF ACCOUNTS & FINANCES**

Commissioner Edmunds reported that the sales tax is down slightly but is \$25,000.00 up from this time last year.

## **UNFINISHED BUSINESS**

Written motion was made by Commissioner Edmunds and seconded by Commissioner Wise to approve Ordinance #1336, An Ordinance Amending Annual Budget (FY 2014). 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 #1337, An Ordinance Adopting Budget (FY 2015). Commissioner Edmunds made some comments and read a statement. Commissioner Edmunds then made a motion to amend the budget of the Hospital Board to the one approved on March 24, 2014. Commissioner Milton seconded the motion. Mayor Peters commented. Commissioner Wise commented. Commissioner Crang asked Steve Myers if he knew that he was going to be handed copies of the statute. He commented that he had not. She also asked if the Council needed an attorney’s opinion that specializes in

hospital issues. Mayor Peters requested Steve Myers not to give an opinion, to keep him from being caught in the middle since he was attorney both for the City and the Hospital. On roll call vote, Commissioners Crang, Wise, Milton, Edmunds voted "Yes". Mayor Peters voted "No". Motion to approve Ordinance #1337 as Amended, An Ordinance Adopting Budget (FY2015). On roll call vote, Commissioners Wise, Milton, Edmunds, Crang voted "Yes". Mayor Peters voted "No".

Written motion was made by Commissioner Wise and seconded by Commissioner Edmunds to approve Ordinance #1338, Ordinance Amending Section 7-8-3(A) of the City Code of the City of Clinton, Illinois. 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 approve the New Flooring and Base Board for City Hall from Sterling Services, Inc. in the amount of \$38,500.00. 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 Bid from Jim Redding Painting & Staining in the amount of \$5,480.00 for painting of City Hall. 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 Milton to award the Contract to K & K Construction & Concrete for Replacing the Roof on the Spurgeons Bldg. in the amount of \$18,400.00. On roll call vote, Commissioners Crang, Wise, Milton, Edmunds and Mayor Peters voted "Yes".

Written motion was made by Commissioner Crang and seconded by Commissioner Wise to adopt Resolution 2014-3 to authorize \$100,000.00 for Summer Maintenance 2014. 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 Contract with Farnsworth Group, Inc. for the Illini Dr. Detention Basin Drainage Improvements in the amount of \$5,000.00 + expenses incurred. On roll call vote, Commissioners Milton, Edmunds, Crang, Wise and Mayor Peters voted "Yes".

## **NEW BUSINESS**

On File – Ordinance on Liquor Regulations – The Mayor instructed the City Clerk to send out the new Ordinance to the Liquor License holders and they were to contact Commissioner Edmunds if they have any questions

On File – Colored Rubber Mulch (4 Triangular Flower Beds on Mr. Lincoln's Square & Flower Beds in front of City Hall)/Jason's Lawn Service LLC - \$4,974.52

On File – Riddle Third Addition Subdivision Plat – Chris Riddle wants to subdivide Lot #10

On File – Annual Audit FY14/Floyd & Associates, CPAs - \$24,000.00 and \$3,750.00 for the A-133 Audit

On File – Annual Audit TIF Funds FY14/Floyd & Associates, CPAs - \$2,400.00

On File – Change Order Doc. G714-2007/Bandstand Project – Repair Existing Electrical Wires – Dollar Amount based on Time and Material Cost

On File – Change Order Doc. G701-2001/Bandstand Project – Hand Holds & Conduit – \$2,609.00

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