

**Finance & Administration Committee
Minutes and Report to City Council
4:00 p.m., March 22, 2017**

Roll Call:

Dave Slaughter
Terra Waldrop
Mayor Dan Kleiss
Drew Hoel
Alta Long

The Finance & Administration committee convened the meeting at 4:00 p.m. at Tuscola City Hall.

- FY2018 Budget. Long reviewed the prepared draft budgets for each department and fund. It was noted that the department heads had each reviewed the budget draft with Long and provided input to proposed changes over last year's budget. Long noted that, throughout the draft budget, salary lines have been increased by 2.5% as a "placeholder" until a specific wage and salary proposal is made. She also noted that insurance lines are decreased throughout the budget due to an increase last year for a one-time min/max payment for hail damage to city properties. Long also indicated that she completed a multi-year review of expenditures in all operating lines and has adjusted those to reflect current spending expectations. Specific comments, by department, were as follows:
 - Administrative Department.
 - Revenue projections have been updated to reflect the most current Illinois Municipal League projections for state shared revenues. Property tax revenues are based on the current tax levy. Sales Tax and Gaming Tax have been decreased slightly to reflect current trends.
 - It was noted that there has been insufficient interest income in the Cashford Fund to consider a distribution this year.
 - Small Equipment is decreased from \$15,000 to \$12,000.
 - The proposed budget does not attempt to project any impacts from any of the several proposed changes regarding the State budget, shared revenues, property tax freezes, etc. Hoel and Long pointed out that there is a potential risk of negative impacts to City revenues based on legislative initiatives that are currently being considered.
 - Building & Electrical Inspection Department.
 - The Salary lines accommodate the anticipated hiring of a new Building inspector, as well as some continued part-time hours for Steve Hettinger to assist in the transition.
 - Municipal Buildings.
 - Utilities have been decreased from \$20,000 to \$17,000 due to increased efficiency and insulation at the Community Building.
 - Small Equipment is reduced from \$6,000 to \$3,000 due to several additional items in last year's budget related to the Community Building renovation.

- Repairs & maintenance is increased from \$20,000 to \$30,000 for repairs to the HVAC system and the addition of glycol at the Community Building, repair of the siding at the Senior Center, and completion of lock replacement at City Hall.
- Long and Hoel reviewed the remainder of the department budgets, the specific comments for each of which were reported in those respective committee minutes.
- The overall General Fund budget projects a surplus of \$40,484, compared to a projected deficit of \$64,044 for the current year.
- Committee members discussed salary and wage reviews. Mayor Kleiss recommended a 2.5% across-the-board increase for all full-time and permanent part-time employees, and committee members agreed with the recommendation.
- Long discussed her recent solicitation of proposals for auditing services. The City has been with its current auditor for several years, even though the original firm (Bray, Drake, Liles & Richardson) was acquired by Kemper CPA Group prior to last year's audit. Kemper CPA Group, Martin, Hood, Friese Associates, and Larsson, Woodyard & Henson were the three firms that provided proposals to us. Long reviewed those proposals and their pricing, and committee members concurred with her recommendation to award the audit to Larsson, Woodyard & Henson of Tuscola. That recommendation will be on the next city council agenda for consideration.

Meeting adjourned at 5:25 p.m.