

**Finance & Administration Committee
Minutes and Report to City Council
4:00 p.m., March 22, 2018**

Roll Call:

Phyllis Truitt
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.

- FY2019 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. Specific comments for the Administrative 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 has been decreased slightly and Gaming Tax has been increased slightly to reflect current trends.
 - Reserve allocations are unchanged.
 - It was noted that there has been insufficient interest income in the Cashford Fund to consider a distribution this year.
 - Interest income throughout has been increased slightly as rates rise.
 - Postage is decreased from \$6,000 to \$4,000 based on recent experience.
 - Minor, and mostly offsetting, adjustments in other line items to reflect recent trends.
 - Committee members agreed with Long's recommendation to transfer internet service at City Hall to fiber optic from MCC. The fiber drop is across the street from City Hall and can be installed and provided for approximately the same cost as the current internet and phone service.
 - Short-term disability insurance provided by the City is currently capped at 50% up to \$750 per week, but some employees now exceed that salary. Committee members agreed to increase the coverage to 50% up to \$1,000 per week, at an approximate cost of \$200 per year.
 - VSP vision insurance rates are proposed to increase 7%, or \$20 per month for the entire employee pool. Committee members recommend continuation of the plan at the increase.
 - Pavement Maintenance Reserve. Committee members discussed the recommendation of the Public Works Committee to pursue a pavement maintenance project during this fiscal year at a budget of \$400,000.

- Capital Replacement Plan. Committee members reviewed the overall Capital Plan, as recommended by other committees. There is no planned capital replacement within the Administrative Department.
- Fire Pay Proposal. Committee members reviewed and discussed the proposed revisions to the Fire Department Pay structure, initially presented to the Public Safety Committee. The full council will discuss this proposal during the study session, and Long will prepare and distribute gross pay amounts for prior years, compared with projected pay amounts under the proposed structure. The proposed structure is projected to be cost neutral.
- Wage and Salary. Committee members reviewed and discussed wage and salary data that Long had compiled from several area municipalities and the Illinois Department of Employment Security for the Champaign area. There was discussion concerning long-range goals and policy objectives for wage and salary determinations. Committee members reviewed data by position and determined that our pay scale is generally appropriate given market comparisons in the area, and that there were no significant inequities in any given position. Committee members discussed the Consumer Price Index and past raise amounts. The committee will recommend a 3% increase to full-time and certain part-time wages and salaries. Long will publish a detailed schedule for review at the study session.

Meeting adjourned at 6:45 p.m.