

**Finance & Administration Committee
Minutes and Report to City Council
3:00 p.m., March 31, 2021**

Roll Call:

- Terra Waldrop
 - Juanita Brace
 - Mayor Dan Kleiss
 - Drew Hoel
 - Alta Long
-
- FY2022 Budget. Hoel noted that the other committee meetings had been completed, and that the budget generally reflects an attempt to keep expenditures flat.

 - Administrative Department.
 - Long stated that Sales Tax reports now include Local Use Tax, which has increased substantially due to taxation of some internet sales.
 - Personnel Policy re-write is underway and currently undergoing legal review. Draft will be submitted to council soon and no increased costs for review or implementation expected.
 - Utility costs adjusted down to reflect savings from solar installation.
 - Audit costs increased due to receipt of stimulus funds and grant funds, triggering increased audit requirements.
 - Fiscal and administrative policies (grant, whistleblower, procurement, etc.) are being drafted to comply with increased grant reporting requirements. Will be presented to full council soon.
 - Additional federal funds will likely be received under the American Rescue Plan Act. The timing of the funds and any use restrictions are not yet known, but it appears we will receive up to \$540,000 over the next two years. Since the details are not known, and since there will necessarily be offsetting revenue and expense lines, these funds are not reflected in the current budget draft. Appropriations will be increased to accommodate possible additional revenue.
 - Health insurance costs continue to increase substantially.
 - State shared revenues based off Illinois Municipal League estimates. Sales taxes very volatile, thus hard to project, due to COVID, mall occupancy decline, and Love's start-up.
 - Allocations to reserve funds unchanged.
 - Committee members discussed a possible project at the park to utilize Cashford funds to the benefit of Tuscola youth. The fund no longer generates sufficient interest on the balance to distribute funding to local organizations annually.
 - Committee members discussed the Local Motor Fuel Tax.

 - 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.

- Pool Wages. Long and Hoel commented on the impact of the minimum wage increase on the wage scale for the swimming pool. City Council will need to determine that wage scale prior to hiring for the season within the next several weeks. Minimum wage is now \$11/hour for those 18 and older. Lifeguards have traditionally been paid more than minimum wage due to competition in the local labor market and the need for certification. Assistant manager and manager positions are traditionally higher still. Most recent pool wages from 2019 were: \$8.25 cashier (then minimum wage); \$8.75 lifeguard; \$10 Asst. Manager; \$12.50 Manager.
- Summary Report. Long and Hoel reported on the significant expenditures/budget changes of the 3 other committees and the funds/departments overseen by them, summarized in a prepared report submitted to the committee members.
- Wage and Salary. Long and Hoel left the meeting. Committee members discussed possible recommendations for wages/salary increases for City employees. Long will publish a detailed schedule of wages and salaries for review at the budget study session, which will likely be held immediately prior to the April 12th City Council meeting.

Meeting adjourned at 5:15 p.m.