

**MINUTES OF THE FINANCE, CLAIMS, BONDS AND INTEREST
COMMITTEE MEETING OF THE CITY COUNCIL OF THE CITY OF
COLUMBIA, ILLINOIS HELD MONDAY, OCTOBER 13, 2014 IN THE
COUNCIL ROOM OF CITY HALL**

I. CALL TO ORDER

Chairman Roessler called the Finance, Claims, Bonds and Interest Committee Meeting of the City Council of the City of Columbia, Illinois to order at 7:00 P.M.

Upon Roll Call, the following members were:

Present: Chairman Roessler and Aldermen Ebersohl, Huch and Holtkamp.

Absent: None.

Quorum Present.

Others Present: Mayor Hutchinson and Aldermen Niemietz, Mathews and Reis.

Administrative Staff Present: City Administrator Al Hudzik, Accounting Manager Linda Sharp, Chief of Police and Ambulance Director Joseph Edwards and Deputy Clerk Donna Mehaffey.

Guests Present: Mr. James Schmersahl and Mr. Steve Tripi of Schorb & Schmersahl LLC - Certified Public Accountants (arrived at 7:20 P.M.) and James Morani.

Chairman Roessler stated the meeting was called to (1) receive an audit presentation by Schorb & Schmersahl, (2) discuss the City's Tax Levy; and (3) discuss any other items to be considered.

II. TAX LEVY DISCUSSION

Chairman Roessler opened the meeting and called upon City Administrator Al Hudzik to address the Committee/Council Members on this issue. Mr. Hudzik presented a memo and reviewed data contained on the Memo's attachments, consisting of a worksheet entitled "Tax Levy Analytical Data for the Tax Years from 2008 – 2013" containing headings of "Equalized Assessed Valuation Data", "Tax Levy Data" and "Tax Rates/\$100", as well as supporting data received from the Monroe County Clerk on documents entitled "Equalized Assessed Valuations – City of Columbia", "City of Columbia Tax Levy Rates for Year 2013 Payable in 2014", "Comparative Tax Rates for Monroe County Municipalities – Tax Levy Year 2013 – Taxes Payable in Year 2014" and "Admiral Parkway TIF District – Tax Year 2013 Taxes Payable in 2014". During Hudzik's documentation review, all in attendance were given the opportunity to make comments, ask questions and express their opinions, which included (a) the city's equalized assessed valuation of taxable property in Monroe County increased for Tax

Year 2013 with most of the increase attributed to residential home building in Monroe County; and (b) the city's real estate tax rate has ranged from approximately \$.763/\$100 of assessed value to \$.894/\$100 of assessed value over the last six (6) years representing between 12.08% - 12.74% of the total real estate tax billing amounts paid by taxpayers within the city limits.

Mr. Hudzik indicated (i) the Tort & Immunity levy has increased over the last two years and that \$67,000 would again have to be included in this year's real estate tax levy to pay one-third of the amount due the IMLRMA (the city's insurer) pertaining to the settlement of the STS Custom Homes litigation (this will be the last year); Mr. Hudzik recommended the Tort & Immunity levy increase to the \$195,000 to \$200,000 range this year; (ii) it was Mr. Hudzik's opinion that the Police Pension Fund levy request this year would increase slightly over last year's \$300,000 levy; (iii) Mr. Hudzik stated the Library operating levy can remain at the \$330,000 level due to their accumulation of cash reserves, (iv) Accounting Manager Linda Sharp will estimate the IMRF levy (currently the City's share is 10.33 % and in January 2015 it will go down to 9.33%) based upon estimated wage levels ; and (v) the Corporate and Roads/Streets levies should be reviewed and probably be increased in order to help meet the City's operating expenses. Mr. Hudzik noted a Tax Levy approximating \$2,135,000 would be appropriate for the City's Fiscal Year from May 1, 2014 to April 30, 2015.

Mr. Hudzik indicated the documentation reviewed (and discussed) at this meeting was for informational purposes only. Mr. Hudzik stated that this was the first meeting for the tax levy discussion and that there would be one or two more committee meetings held to discuss the Tax Levy. He added that the Tax Levy recommendation should be completed by the November 17th City Council meeting and that the Tax Levy Ordinance would have to be passed at the December 15th City Council meeting to meet the filing deadline by the last Tuesday in December.

Mr. Hudzik stated that if anyone had any questions to contact him. Chairman Roessler thanked Mr. Hudzik for his presentation.

III. AUDIT PRESENTATION (for the City's FYE 04/30/14) BY SCHORB & SCHMERSAHL

Chairman Roessler opened the meeting and called upon James R. Schmersahl, CPA, Partner with the firm of Schorb & Schmersahl, LLC, to make the annual financial report and audit presentation – Mr. Steve Tripi of the firm distributed draft copies of the City's Annual Financial Report for the fiscal year ended April 30, 2014. Mr. Schmersahl began his presentation by thanking Accounting Manager Linda Sharp and city staff for their cooperation in providing the necessary financial data during the city's audit for its recently ended fiscal year. Jim then informed the Committee/Council Members that (1) the city's accounting policies conform to generally accepted accounting principles appropriate to local governmental units of this type (i.e., municipalities); (2) the audit was conducted according to proper accounting standards and with qualified personnel; and (3) the draft contained an unqualified (clean) audit opinion on its financial statements for

the past fiscal year – he also advised the Committee/Council Members that no problems were encountered during the audit and there were no difficulties, disputes or disagreements (with city staff) to report.

Jim then reviewed and analyzed some of the documentation/financial data in the Annual Financial Report (FYE 04/30/14) including (i) P. 11 – Statement of Net Position; (ii) P. 12 – Statement of Activities; and P. 18 – Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds. Additionally, he reviewed figures on P. 45 - Illinois Municipal Retirement Fund as well as P. 46 - Police Pension Fund.

During his presentation, Jim made various comments on the financial figures he reviewed; (a) (P. 11) Statement of Net Position, Noncurrent Assets, Bond Discount, Net of Amortization - Jim noted that the City complies with GASB (Governmental Accounting Standards Board) 65 standards; (b) Total Governmental Activities Expenses had a 2.95% increase due mainly to salary increases; (c) (P.11) Statement of Net Position – Net Position - Unrestricted Governmental Activities went down due to several property purchases this year; (d) the City's liabilities for projects not being billed in a timely manner from the State of Illinois (Administrator Hudzik noted that all City projects not paid for from the State of Illinois have been identified); (e) Loans and Accrued Interest are up due to loans to various businesses through the City's Community Development Assistance Fund; (f) (P.11) Statement of Net Position, Current Liabilities Notes Payable and Noncurrent Liabilities Notes Payables were mentioned (Mr. Hudzik noted that a guarantor in the TIF District has been paying some of the TIF bond indebtedness since not enough revenue was being received from the property taxes in a portion of the TIF District); (g) Ambulance Operating Expenses – Bad Debt expense resulted in an increase in the fund's deficit; (h) Garbage Operating Expenses Income Loss; (i) Water and Sewer Operating Revenues are down (Mayor Hutchinson and Linda Sharp agreed sewer collections are down due to the winter averaging put in place for the City's water/sewer customers.); (j) pointed out that the City's Illinois Municipal Retirement Fund's unfunded Actuarial Accrued Liability changed from an overfunded balance to an underfunded balance (in the last several years) due mainly to the poor investment performance experienced by the state run pension fund; and (k) the Police Pension Fund continues to maintain an Actuarial Accrued Liability level of approximately 70%.

A general discussion took place by all in attendance during Mr. Schmersahl's presentation and he answered various questions that were asked of him. Chairman Roessler thanked Mr. Schmersahl for his presentation.

IV. OTHER ITEMS TO BE CONSIDERED OR DISCUSSED

There were no other items to be considered or discussed by the Finance, Claims, Bonds and Interest Committee.

V. **ADJOURNMENT**

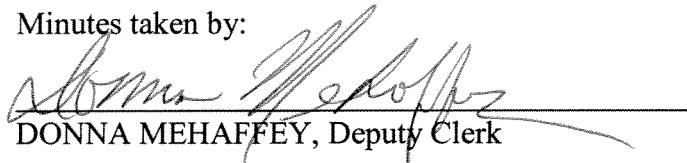
MOTION:

It was moved by Alderman Ebersohl and seconded by Alderman Holtkamp to adjourn the Finance, Claims, Bonds and Interest Committee Meeting held Monday, October 13, 2014 at 8:05 P.M. Upon roll call vote, Chairman Roessler and Aldermen Ebersohl, Huch and Holtkamp voted yea. **MOTION CARRIED.**



MARK ROESSLER, Chairman
FINANCE, CLAIMS, BONDS AND INTEREST COMMITTEE

Minutes taken by:



DONNA MEHAFFEY, Deputy Clerk

**MINUTES OF THE COMMITTEE OF THE WHOLE MEETING OF THE CITY
COUNCIL OF THE CITY OF COLUMBIA, ILLINOIS HELD MONDAY,
OCTOBER 13, 2014 IN THE COUNCIL ROOM OF CITY HALL**

I. CALL TO ORDER

Chairman Ebersohl called the Committee of the Whole Meeting of the City Council of the City of Columbia, Illinois to order at 8:06 P.M.

Upon Roll Call, the following members were:

Present: Chairman Ebersohl and Aldermen Niemietz, Roessler, Huch, Mathews, Reis, Holtkamp. Mayor Hutchinson was also present.

Absent: Alderman Agne.

Quorum Present.

Administrative Staff Present: City Administrator Al Hudzik, Chief of Police and EMS Director Joseph Edwards and Deputy Clerk Donna Mehaffey.

Guests Present: None.

Chairman Ebersohl stated the meeting was called for the purpose of discussing: (1) Charter Communications Cable TV Franchise Extension; (2) Executive Session – (a) receive an update on EMS Negotiations; (b) the appointment, employment, compensation, discipline, performance or dismissal of specific employee(s) of the public body; and (3) any other items to be considered or discussed;

**II. CHARTER COMMUNICATIONS CABLE TV FRANCHISE EXTENSION
DISCUSSION**

Chairman Ebersohl opened the meeting and called upon City Administrator Al Hudzik to address the Committee/Council Members on this issue. Mr. Hudzik explained that the Charter Communications Cable TV Franchise expires at the end of this year (i.e., December 31, 2014), and that the Harrisonville Telephone Company Cable TV Franchise ends on January 31, 2016. Since both cable TV franchise agreements contain similar terms and provisions, Hudzik recommended that the Charter Communications Cable TV Franchise be extended for one year (until December 31, 2015) so the extension/renewal of both cable TV franchises could be negotiated at the same time.

It was the consensus of the Committee Members that Mr. Hudzik proceed with the Charter Communications Cable TV Franchise extension, and that the proper documentation be presented at a future City Council meeting for the council's consideration. Mr. Hudzik noted that the terms and provisions would remain the same and that only the expiration date would change.

III. EXECUTIVE SESSION

Chairman Ebersohl entertained a motion to go into Executive Session for an update on the EMS negotiations and to discuss the appointment, employment, compensation, discipline, performance or dismissal of specific employee(s) of the public body.

MOTION:

It was moved by Alderman Niemietz and seconded by Alderman Reis to go into Executive Session at 8:08 P.M. for an update on the EMS negotiations and to discuss the appointment, employment, compensation, discipline, performance or dismissal of specific employee(s) of the public body. Upon Roll Call vote, Chairman Ebersohl and Aldermen Niemietz, Roessler, Huch, Mathews, Reis and Holtkamp voted yea. **MOTION CARRIED.**

IV. REGULAR SESSION

MOTION:

It was moved by Alderman Holtkamp and seconded by Alderman Reis to return to the Regular Session of the Committee of the Whole Meeting at 8:44 P.M. Upon voice vote, Chairman Ebersohl and Aldermen Niemietz, Roessler, Huch, Mathews, Reis and Holtkamp voted yea. **MOTION CARRIED.**

Upon return to the Regular Session of the Committee of the Whole Meeting, Mayor Hutchinson and the following Committee Members were present: Chairman Ebersohl and Aldermen Niemietz, Roessler, Huch, Mathews, Reis and Holtkamp.

Chairman Ebersohl asked if there was any action to be taken as a result of the Executive Session of the Committee of the Whole Meeting. There was none.

V. OTHER ITEMS TO BE CONSIDERED OR DISCUSSED

There were no other items to be considered or discussed by the Committee of the Whole.

VI. ADJOURNMENT

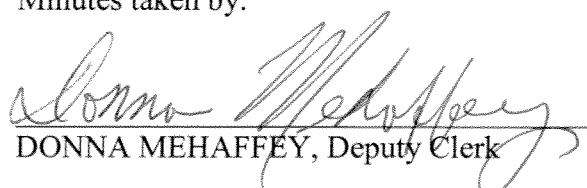
MOTION:

It was moved by Alderman Reis and seconded by Alderman Holtkamp to adjourn the Committee of the Whole Meeting of the City Council of the City of Columbia, Illinois held Monday, October 13, 2014 at 8:45 P.M. Upon voice vote, Chairman Ebersohl and Aldermen Niemietz, Roessler, Huch, Mathews, Reis and Holtkamp voted yea. **MOTION CARRIED.**

Minutes taken by:



GENE EBERSOHL, Chairman
COMMITTEE OF THE WHOLE



DONNA MEHAFFEY, Deputy Clerk