

MINUTES  
FINANCE COMMITTEE  
FEBRUARY 20, 2018

The Finance Committee met on February 20, 2018, at 4:30 p.m. in the Council Chambers at City Hall.

Present: Chairman Thornton, Alderman Braun, Alderman Sharp Mayor White, Office Manager Passage  
Absent: Alderman Colwell

Chairman Thornton called the meeting to order.

Office Manager Passage advised the committee that she has received the 2017 Police Pension Fund Actuarial Valuation Report. It shows that the amount that needs to be levied for 2017 should be \$251,352. The actuarial was not received at the time necessary to set the tax levy. Therefore the tax levy was set based on history and the dollar amount levied was \$230,535. There will be a short fall of \$20,535. To correct this General Fund would make a one time transfer to the Police Pension Fund for the year 2017, in 2018 fiscal year. This has been placed in the budget. When the tax levy is set in 2018 it will need to increase \$20,535 plus what the new actuarial states. The consensus of the committee was to place the payment in the budget for fiscal year 2018-2019.

Office Manager Passage also advised the committee that Auditor Pat McElhiney has decided to step aside in preparing the City's Audit. After talking with Chairman Thornton, an RFP was prepared and has been sent to seven auditing firms. Proposals are due back by March 9, 2018. With a new auditing firm the city may have to have an outside Actuarial Report for the Police Pension completed. This will also help in setting the appropriate amount for the tax levy. Chairman Thornton stated that it would most likely be in the best interest of the city to have the actuarial report done.

Office Manager Passage presented an overview of the proposed budget for 2018-2019. All supervisors have submitted their respective budget and the budget has been compiled. The proposed budget shows that expenses exceed the revenue in General Fund and the Water/Sewer Fund. There is sufficient cash carry over in the General Fund, at this time. Water/Sewer Fund will need to look at a water rate increase. A discussion ensued regarding the presentation. Chairman Thornton stated that we water rates will need to be adjusted. Office Manager Passage stated that the Superintendent Sutherland is talking with the rural water to get their input regarding water rates. Office Manager Passage stated that at the budget workshop all the funds will be reviewed. Mayor White stated that we would also have several charts that will help with understanding the budget.

There being no further business the meeting adjourned at 5:25 p.m.

Respectfully,

James Thornton, Chairman