



City of Rock Falls Finance/Insurance/Investment Committee

Date: October 27, 2009 **Time Meeting Started:** 6:45 pm **Time Meeting Ended:** 8:06 p.m.

Members		Also Attended	
Ald. Kuhlemier, Chairman	P	City Administrator, Richard Downey	P
Ald. Schuneman	P	City Clerk, William Wescott	P
Ald. Thurm	P		
Mayor Blanton	A		
Also Attended			

Topic	Discussion	Plan of Action
1. Call to Order	<ul style="list-style-type: none"> Chairman Kuhlemier called the meeting to order upon establishment of a quorum 	In Session: 6:45 pm
2. Approve Minutes Special Meeting October 19, 2009	<ul style="list-style-type: none"> Committee reviewed the minutes of the Special Meeting on October 19, 2009 	Minutes approved
3. Unfinished Business: Amending Stipulated Loan Agreement	<ul style="list-style-type: none"> Mr. Downey has made contact with John Brimeyer of Terracon as requested at the October 19th meeting to get the cost estimates for consideration on amending the current stipulated loan agreement in regards to the Reliant Fastner Properties. The tunnel that was located during previous scheduled clean up was found to be full of an apparent oil based sludge. The Sludge was removed at an additional cost of \$30,000.00. The question remaining is the demolition and removal of the tunnel that runs parallel to the river. There are three options; 1) leave the tunnel as is, however, that will create problems later on with future development. 2) Demolition and removal of the tunnel at this time with the assistance of additional funding by an outside contractor; 3) clean up the tunnel our self. Following discussion, the committee is making the following recommendation: Recommend to the Council to allow Mr. Downey to proceed with the necessary paperwork to apply for an amending of the current stipulated loan. The amendment would encompass a request for an additional \$37,067.00. 	Recommend Council approve the amending of the stipulated loan for an additional \$37,067.00
New Business: a) Consider Refinance of Series 2005 Bond	<ul style="list-style-type: none"> Mr. Downey has been in contact with Speer Financial who graciously performed an analysis to refund/restructure the series 2005 Bond on behalf of the City. The current Bond will run out 01/01/2019, and though in place is that if we can pay this bond off earlier, we can utilize the MFT monies paying the bond for other projects. The analysis looked at reducing the Bond a period of 1-5 years. To reduce the years would require an additional influx of monies ranging from 11% for (1) year to 52% for (5) years over the currently allocations to meet the Bond payments. A discussion ensued concerning the amount of MFT monies currently being received by the City and its breakdown of use. The Committee requested for the next meeting, that Mr. Downey prepare a breakdown on the current receipts yearly for MFT and its usage, (i.e. Bonds, General Maintenance, etc.). Will be addressed as unfinished business, at the next meeting. 	Next Committee Meeting : Unfinished Business Prepare MFT funding report.

<p>b) Electric Department Cost of Service Report</p>	<ul style="list-style-type: none"> Mr. Jakubczak, Director of Electric Utilities presented a report to the Committee at the request of the Electric Committee. In 2008, a Cost of Services Study was completed, by Utility Financial Solutions, specifically looking at our rate classes. The last rate increase for the electrical utilities was in 1996, although cost adjustments for purchase of power have occurred. Cost for the purchase of power have risen 8.5% in 2007-2008 and 9.9% in 2008-09. Electric would like to see the increases be put in place starting May 2010 and have rates addressed for a 4-year period through 2014. It is important to note that rate increase will not be across the board, but in identified areas. 	<p>Committee recommends the Council Direct the City Attorney to work with (UFS) Utility Financial Solutions to draft a multi-year cost rate proposal.</p>
<p>c) IMLRMA Min/Max Payment Renewal</p>	<ul style="list-style-type: none"> Clerk Wescott presented the 2009-2010 IMLRMA Insurance renewal information to the committee. Overall, the increase for each of the Funds is as follows: General Fund 18%, Electric 2%, Sewer 17% and Water 11%. The total cost of the Min/Max contribution for the year is \$385,339.68 if paid prior to November 20, 2009. 	<p>Committee recommends the Council approve the Resolution with the IMLMRA for participation in the MIN/Max program for the year 2009-2010.</p>
<p>5. Investment Review (July, August, September)</p>	<ul style="list-style-type: none"> Committee reviewed the information presented. Total interest earned from Money markets for the period of July-September is \$12,945.11; a monthly average of \$7,648.37. Clerk Wescott spoke briefly about the declining interest rates available for short term CD's in the current market. 	<p>Committee accepted the report as presented and thanked DC Conklin for her report.</p>
<p>6. Committee Member Items</p>	<ul style="list-style-type: none"> Ald. Schuneman addressed the Committee and expressed his concern over the apparent lack of interest in some of the recent committee meeting agenda's in regards to issues, which will eventually require Council approval for implementation. 	<p>No Action</p>
<p>7. Adjournemnt</p>	<ul style="list-style-type: none"> With no other business to come before the committee, the meeting was adjourned. 	<p>Adjournment at 8:06 pm</p>

Ald. Glen Kuhlemier, Committee Chairman