



City of Rock Falls Finance / Insurance Committee Meeting Minutes

Date: 1-24-2018

Time Meeting Started: 5:00pm

Time Meeting Ended: 5:50pm

| Members | | Also Attended | |
|-------------------------------|---|------------------------|---|
| Alderman Kuhlemier – Chairman | x | Mayor Wescott | x |
| Alderman Logan | x | Administrator Blackert | x |
| Alderman Kleckler | x | Clerk Arduini | x |
| | | Alderman Schuneman | x |
| | | Alderman Sobottka | x |
| | | Ted Padilla | x |
| | | Ed Cox | x |
| | | Diane Hatfield | x |

| Topic | Discussion | Plan of Action | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--------------------------|---------------------------------|-------|---------------------------------|------|------|------|--|------|------|-------|--------|------|------|------|--------|------|------|-------|--------|------|------|------|--------|-----------------|
| 1. Call to Order @ 5:00p.m. – Chairman Kuhlemier | Meeting was called to order at 5:00pm | Meeting begins at 5:00pm | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Public Comment | None | No action | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Approve Minutes of the December 18th, 2017 meeting | The minutes were reviewed by the committee | Minutes approved | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. New Business: a. Review & Discuss Rate Study Presentation | <p>City Administrator Robbin Blackert presented a PowerPoint slide presentation explaining the rate study, and rate recommendations for sewer and water rates. The last study was done in 2009. The recommended rate increases were:</p> <table style="margin-left: 40px;"> <thead> <tr> <th>Year</th> <th>Water</th> <th>Sewer</th> <th>Amount of cost for average home</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>1.9%</td> <td>1.9%</td> <td></td> </tr> <tr> <td>2019</td> <td>4.5%</td> <td>8.93%</td> <td>\$5.13</td> </tr> <tr> <td>2020</td> <td>4.5%</td> <td>3.9%</td> <td>\$2.46</td> </tr> <tr> <td>2021</td> <td>4.5%</td> <td>3.94%</td> <td>\$2.33</td> </tr> <tr> <td>2022</td> <td>4.5%</td> <td>3.9%</td> <td>\$2.73</td> </tr> </tbody> </table> <p>Alderman Kleckler presented a comparison for a vacant house's water and sewer charges in Rock Falls versus Sterling. Though Sterling has not yet built a new sewer plant, the perceived difference in prices may make it harder to attract businesses and residents.</p> <p>Alderman Sobottka spoke on concerns of the water quality.</p> <p>Administrator Blackert explained that the rate increase is only to maintain covering the cost of service. The sewer department has already reduced staff, and there may be more mandated state requirements coming.</p> <p>Alderman Logan pointed out that the Rock Falls charge of \$28.99 would not be there if the City were not forced by the state to build a new plant. Without that charge the costs are comparable.</p> <p>Alderman Kuhlemier stated that the EPA requires plant upkeep and reserve funds.</p> <p>Mayor Wescott stated that the economic incentives given to the hotel are returning much more than the cost. These rate increases are in part because the former unwillingness to make rate adjustments when they were necessary, and a lot of Band-Aids put on the old sewer plant, rather than building a new one. Bonds were taken out in the past to pay employees. The state has now mandated the CMOM Plan which lays out a 20 year spending plan for repairs to the system. The business of wastewater is expensive.</p> <p>Alderman Kuhlemier stated that the lift stations are better now than ever, and the water is second to none in the state.</p> <p>A motion to forward the rate increase to the council for approval was made by Alderman Logan, and second by Alderman Kleckler.</p> | Year | Water | Sewer | Amount of cost for average home | 2018 | 1.9% | 1.9% | | 2019 | 4.5% | 8.93% | \$5.13 | 2020 | 4.5% | 3.9% | \$2.46 | 2021 | 4.5% | 3.94% | \$2.33 | 2022 | 4.5% | 3.9% | \$2.73 | Motion Carried. |
| Year | Water | Sewer | Amount of cost for average home | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 1.9% | 1.9% | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 4.5% | 8.93% | \$5.13 | | | | | | | | | | | | | | | | | | | | | | | |
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| b. Review of IPBC Financial Summary | Clerk Arduini explained that even though health insurance losses were higher than expected in the previous year, the IPBC pool and NIHII sub-pool have helped keep the premium increase to the City at a decent level. | No action |
| c. Utility Office Write Offs – October 2017 through December 2017 | Utility Superintendent Diane Hatfield presented a list of utility bill write offs to the committee totaling \$15,348.41 | The committee recommends the write-offs to the Utilities Committee for approval. |
| d. Review of Money Market Accounts | Adm. Blackert explained that the money market accounts at Midland States Bank, and Illinois Bank and Trust do not generate much interest. The accounts become dormant in their systems, and the City has had issues with attaining collateralization paperwork and removing them from dormancy. Adm. Blackert would like to put the accounts out to the local banks to find out what kind of CD rates could be found. | The Committee recommends that the City Administrator move forward to shop these accounts to the local banks. |
| 5. Municipal Investment Reports | The Committee reviewed the Municipal Investment Report. | Report approved |
| Adjournment | With nothing else for the good of the committee, the meeting was adjourned at 5:50pm | Meeting ends at 5:50pm |



Committee Chairman