

**Harrisburg City Council Meeting
Council Room, City Hall
Harrisburg, Illinois
Regular Meeting
December 20, 2018
6:00 pm**

The Harrisburg City Council met on December 20, 2018 at 6:00 pm in the Council Room, City Hall, Harrisburg, Illinois.

Mayor John McPeek presided over the meeting with Commissioners Natalie Miller, Beth Montfort, Richard Harper and Mike Weirauch answering roll call.

Rev. Paul Taylor from the Land Street Church of God led the group in prayer and the Pledge of Allegiance.

Commissioner Harper made a motion to approve the following items under the Consent Agenda:

1. Minutes of the Regular Meeting of December 6, 2018.
2. Accept from the Saline County Circuit Clerk Court Fees in the amount of \$2,519.99.
3. Bill from Southern Illinois Power Cooperative for cinders in the amount of \$3,465.00 to be taken out of MFT.
4. Bill from Beelman Logistics for delivery of cinders in the amount of \$1,441.80 to be taken out of MFT.
5. Bill from Compass Minerals for salt in the amount of \$1,963.65 to be taken out of MFT.
6. Bill from Compass Minerals for salt in the amount of \$6,297.74 to be taken out of MFT.
7. Bill from Compass Minerals for salt in the amount of \$6,307.66 to be taken out of MFT.
8. Bill from Compass Minerals for salt in the amount of \$2,031.45 to be taken out of MFT.

Commissioner Montfort seconded. By roll call vote, all voted yes. Motion carried.

Jim Brown from Brown & Roberts stated the City had been working on a watermain project since 2014 and the next step was to seek IEPA funding. He was asking permission to go ahead and bid the job. He stated there is 45 day window to advertise and then the bids could be held for 60 days. He continued that within that time frame the funding should be available. Commissioner Harper moved to authorize Brown & Roberts to advertise for bids for the Phase I 2014 Watermain Rehabilitation project. Commissioner Miller seconded. By roll call vote, all voted yes. Motion carried.

Mayor McPeek stated the audit presentation was being moved to the next item.

Tim Rice from B B & A CPA presented the audit to Council with the following explanations:

Pages 1-3: The actual audit report in combination with the financial statements. He stated his firm looks at the information provided to them as the financial statements which belong to the City. His firm provides the actual report that goes in front of the statements. He stated the opinion his firm was rendering for Fiscal Year Ending April 20, 2018 was non-modified opinion which means that the financial statements presented to them represents a fair representation of the City's financial position. He stated the opinion was the first paragraph on page 2. He stated the last paragraph on page 3 was because the City receives funding from the state of Illinois so Government Auditing Standards (GAS) were followed.

Page 4: The Statement of New Position for government activities and business-type activities. He noted the

total assets were a little over \$17 million for government activities and almost \$16 million for business-type activities for a total assets of \$33,287,673.00. He referred to the section that were the liabilities which were \$9.5 million for government activities and a little over \$3 million for business activities for a total of \$12,592,923.00. He noted the non-current liabilities were largely the Fire and Police pensions but the OPEB (Other post-employment benefits) were for medical insurance for former employees who have retired. He referred to the section of deferred inflows of resources that were revenues to be received in the future so could not be recognized as revenues yet. He stated the net position for the City was \$18,743,824.00.

Page 5: Statement of Activities' purpose was to show the revenues and expenses for the City with expenses of \$5.9 million for government activities and \$4.1 million for business-type activities. The revenues for business-type activities were a little over \$4 million which makes a loss of \$125,723.00. General revenues totaled \$5,583,492.00 and losses totaled \$227,665.00, creating a net position of \$18,743,824.00.

Page 10: Balance Sheet for business-type activities tied to Page 4.

Page 11: Statement of Revenues, Expenses and Changes in Fund Net Position for Water/Sewer showed expenses totaled \$4,057,426.00 for a loss of \$46,109.00 and non-operating expenses show a loss of \$74,150.00 for a net position of a loss at \$120,259.00.

Page 12: Cash Flow Statement is to show the actual inflows and outflows for Water/Sewer and, even though there was a loss, there was cash inflow of \$764,011.00. The cash outflows were \$446,916.00 with interest of \$5,464.00 for a total cash inflow of \$322,559.00.

Page 13 and 14: Fiduciary Funds for Police and Fire pensions show assets for Police of \$5,685,072.00 and Fire of \$4,117,444.00. The contributions were \$490,126.00 from Police and \$197,482.00 from Fire with investments earnings for the Police of \$293,046.00 and \$363,755.00 for Fire. The deductions were \$532,530.00 for Police and \$288,131.00 for Fire.

Commissioner Weirauch asked about the health insurance funds. Rice stated there was a schedule in the back that listed all the individual funds but referred to Page 6 where the Committed funds were \$1,733,826.00 which was part of the General Fund and insurance funds were included with other activities. Commissioner Montfort stated she believed there was \$2.3 or \$2.4 million to have been committed. Treasurer George stated the maximum was \$2.6 million but Water/Sewer was listed separate so the actual was \$2.4 million in that fund.

Rice stated the footnotes provided further explanation of the financial statements which had references in them to the footnotes.

Rice noted that Pages 59, 60, 61 and 62 showed the employer contributions for IMRF, Police and Fire pensions as well as other post-employment benefit plans. He stated that Pages 63-65 reflected the changes for the year. He pointed out the Police percentage of total pension liability was 47.07% funded and Fire was 66.1% and IMRF was totally funded. Commissioner Montfort asked why there was a difference. Rice stated it had to do with the investments of each fund and how they are managed.

Pages 66 and 67: Budget to actual statements of major funds for General and Worker's Comp.

Pages 68-71: Budget to actual statements for non-major funds.

Page 72 and 73: Their report in accordance with Government Auditing Standards with no opinion but the statement that they did not find anything negative or any significant deficiencies or anything that needed to be reported by statute or non-compliance relating to grant agreements.

Rice stated they were ready to issue a final report and get it uploaded to the Comptroller. Commissioner Harper moved to accept the 2017/2018 Audit Report. Commissioner Miller seconded. By roll call vote, all voted yes. Motion carried.

Jim Williams of Williams & Associates stated they handle the liability and auto coverages for the City and work jointly with Bill Ghent who handles the comp and property for the last 35 years. He stated municipalities are unique in their exposures that are in addition to those that everyone thinks about. He listed coverage for the Fire Department and Police Department, civil rights exposures, public official liability, employment practices liability and risk, errors and omission liability. He stated GIE, which the City is part owner of and one of the founding members, has a package for all of the liabilities but do not just automatically pay claims. He stated they have taken cases to court and won which has saved the City a lot of money. He stated that last year there was a reduction in premium which is gone this year and the premium is back up to 2016/2017's rate but still lower that it was six years ago when the City did some major changes, added some coverages and doubled the limit. He stated that GIE has been very stable and a great partner with the City.

Commissioner Montfort stated the Fire Department had been really busy and the Police are doing a good job.

Commissioner Montfort stated she had received Officer Johnson's resignation letter and he will be retiring on May 15.

Mayor McPeck wished everyone a Merry Christmas and a Happy New Year and please don't litter.

Citizen Cliff Hickman addressed Council with the attached statement which he asked to be made part of the record of the meeting.

Commissioner Weirauch stated he believed the Ordinance was pretty clear and did think shrub and tree would fall in the same category. He stated someone had taken up the surveyor's markers which had been now replaced. He stated the lots had been marked with paint and anything they wanted to put inside the markings they were welcomed to do so. He stated the City was going to maintain control of the cemetery. Hickman inquired about the monument on the east side of the lot on the lot owned by the Wright family. Commissioner Weirauch stated he did not know if it was on their lot or not because, in the past, monument companies did not work with the City a lot of the times when they placed a monument. Hickman stated they had operated under the assumption they had permission and asked who they should address a request for written permission to do anything. Commissioner Weirauch stated it should be directed to the Superintendent, the Commissioner and the cemetery sexton.

Commissioner Harper moved the meeting be adjourned. Commissioner Montfort seconded. By roll call vote, all voted yes. Motion carried.

Adjourned: 7:05 pm