



Office of Jim Grafton
City Administrator ▪ Public Works Director

Date: 3-19-18

Re: Finance Meeting

Attendance: Rick Lohse, Kathy Hall, Ian Pavelonis, Jim Nelson, Jim Grafton

Guest: Dave Emerick

Location: City Hall 121 11th Street

Chairman Lohse called the meeting to order at 4:00pm and noted a quorum was present for three agenda items.

The first agenda item was discussion on a Money Market account for the City of Silvis. Clerk Nelson reported that Blackhawk Bank stepped up and offered great CD rates and a rate tied with the Federal Reserve for the sweep account. Blackhawk Bank also pledges those funds. Jim Nelson said this would generate about \$50,000 per year. There are 31 accounts at the bank now...goal to consolidate to five accounts. Chairman Lohse asked if the accounts were tied; difficult for the accountant to reconcile. This would be ready by May 1st (sweep accounts). Committee was in agreement to move forward with the direction discussed. (it was noted that water sewer and pension funds would not be affected). This will be discussed at March 21st COW agenda. Committee thought this would be a policy change.

The next topic was discussion on placing the restricted funds in various CD to generate higher interest yields. Chairman Lohse suggested staggering terms for the restricted fund CD's. It was suggested to break into three CD's; the penalty is based on the funds taken out. CD's would be issued in blocks of \$300k; 2 year at 2%, 3 year at 2.1%, 4 year at 2.2% and 5 year at 2.25%. Chairman Lohse suggested that the funds and CD be kept with Blackhawk Bank. Since this is in reference to the restricted reserve account this would require a motion. Chairman Lohse would like to keep interest to roll into the restricted funds account. Committee was in agreement and the item would be placed on the March 21st COW agenda for consideration.

Chairman Lohse asked about the Public safety building plans. Jim said the plans should be completed this fiscal year however construction would not take place until next year. Jim added he would like to get additional input from the fire chief. Chairman Lohse asked about firemen wages; should match what was agreed to by FOP, other Department Heads would be 3.25%. Committee discussed HVAC at City Hall could be TIF eligible cost. Jim said he would look into that. QCOMM was also discussed and Jim explained that with the opening date changing it affects the budgets accordingly. The library budget was next discussed. Replacement tax reimbursement was \$23,000 AN 160-00-342. Committee questioned the need for funding the replacement tax. Clerk Nelson will check with attorney to see if there is a requirement to provide replacement tax.

Committee discussed the use of solar however there were no funds allocated budget. Committee would like to consider this on a case by case basis and to see the return on investment. Additional information is needed.

Police pension was next discussed; Clerk Nelson said that Milan had issued a bond to get them to the funded amount. Our city is funding what the actuary recommends for the police and fire pensions. Chairman Lohse would like to see contributions increased to \$1Mil. It was suggested that Finance and Actuary meet to discuss additional funding of the police pension; there is concern that with additional retirees the requirements would increase. Chairman Lohse reported that the current pension obligation is more than \$8Million; would like to address this with this budget. He will discuss relaxing the Restricted Fund requirement by repealing the ordinance.

The last agenda item was discussion of the 2018-19 budget for the City of Silvis. Jim provided the committee with a packet of information; the treasurer's report, a summary of the General Fund, summary of the TIF funds, MFT, and Infrastructure Tax. Jim reviewed the information accordingly; projected revenues \$4,276,600 are down slightly from last year by \$46,950. Expenses are \$4,458,356 down from prior year by \$62,544 and overall expenses exceed revenues by \$181,756.

TIF funds total \$2,791,000 in revenues and expenses are \$2,715,250. Jim explained where the funds were budgeted to be spent; developer reimbursements, professional fees, major equipment, and improvements to public facilities within the TIF areas.

Infra Tax revenues are budgeted at \$506,462 and expenses are \$485,000. Funds will be used for signs, engineering, sidewalks, road repairs, culvert replacement, tree removal, slip lining, and for two bond payments (\$349,500).

Use of MFT funds include street maintenance (chip and tar), engineering, demolition (Jim said this will be removed), salt purchase and for debt service.

The last part of the budget presentation had to do with major equipment purchases and for CIP plans for street repairs. Jim explained a plan as to how to fund the first truck; a portion would be funded from TIF and the balance would have to be financed. There was no action taken on the major purchases or street work as this would be referred to Public Works at a later date.

There were no other agenda items and the meeting was adjourned at 6:15pm.

Respectfully submitted,

