

Finance Committee Meeting
City Of Virden
City Council Chambers
Thursday January 30th, 2025

Meeting called to order by Mottershaw at 7:01 PM

Aldermen in attendance: Mottershaw, Bertolino, Neighbors, Donley, Mitchell, Boster, Schnetzler and Calloway

Absent: None

Also in attendance: Mayor George Murphy, City Clerk Jon Myint, Bookkeeper/Treasure Barry Liss

Audience: None

Comments from Audience: None

Topics:

1. Approval of Minutes

Motion made by Mottershaw seconded by Boster to approve minutes of 10/24/24 and Special Finance Meeting 12/5/24.

Motion Passed.

2. December Treasurer's Report

Barry Liss passed out the December Treasurer's report. He said that Otter Lake will be raising their water cost in February or March. Then he did a line by line explanation of the report. He also reported that water would appear to have made some money in December. In January, the audits going to come through; water pays half of it, \$10,450, which is a onetime annual expenditure. Also, in January we got Julie, the utility researcher, \$1037 due in January. Expenses for water are up to \$77,000 in January and were only \$52,000 in December. That is when we made about \$16,000. The other thing that I am really excited with water, it is that I saw that the water expense in December to Otter Lake was down to \$40,276. Earlier in 24 it was as high as \$64,000. Fixing that leak has done an amazing job of bringing the expenditure down. Even more encouraging is

that in January it is \$40,638 so we now have two months running when it is down to \$40,000. That is the best thing that happened to water a long time that it should get us to a profit. I noticed in January that our revenue shot up to \$144,000; in December it was only \$113,008 per general, not including water, the difference was sales tax. I do not really understand this but in December sales tax was \$28,296, and in January \$60,000, so it is a \$31,000 increase and was solely the reason that we went up in January.

3. Budget Worksheets

Mottershaw passed out a copy of the Projected Operating Budget for FY26. He did a line by line explanation of his part of the report. Discussion on when the best time might be to raise the water rates to cover Otter Lake's increase and water meter replacement. (Is it better to have two small raises or one big one?) Gary Etter should be getting a revised cost estimate on the meter replacement. How long should the loan be? Boster said once we get the numbers, we need to let the people know why there is going to be an increase.

Mottershaw went through his report for each department and their major expenses.

Administrative-----	\$405,888
Streets & Alleys-----	\$560,000
Police -----	\$860,000
Buildings & grounds --	\$41,000
Park expenses-----	\$32,500
Sanitation -----	\$15,200
Community Ctr-----	\$5,620

Mottershaw talked about the North End Drainage Project, what the grant may cover and what the city may have to cover. He also spoke of departmental wish lists. He went on to say that all the departments' budgets added up to \$1,921,391.00. That does not include water, just the general corporation. Mottershaw suggested making cuts and small adjustments. He mentioned that the remaining half of the insurance payment is due in June. He said "I know we can get in there and do some cutting and making small adjustments to bring this into focus. There is still a lot of discussion to do on it. The general corporate operating fund at the end of December had \$609,000. In June, we will pay the remaining \$61,000 or \$62,000 for insurance, reducing the fund to approximately \$540,000."

Gary Etter says he is using a little bit of that money to cover Dean Street. Now we are looking at least \$230,000 on the North End drainage and where these meters are. Mottershaw spoke about talking to the bank, the money in CDs and their percentage rates. Mottershaw said come the end of March the emergency fund would still have \$820,000 in it for a rainy day. Boster stated that he thought that we had way too much money tied up in CDs. I have said before we must do a supplemental budget and let us do a supplemental budget if we must take care of certain debts. That is a lot of damn money to be sitting in CDs for rainy days for 3231 people and do not take it wrong but there are needs in this community that we must address. Mayor Murphy explained that the bottom line is that some of this money on hand is ARPA money, we got \$450,000.

Bertolino asked about the \$18,000 the boring company forfeited by not cleaning up their mess. Barry said, "You had me set up a Boring account. It has been sitting there a long time, and I have been wondering what we need to do with it. Mottershaw recommended that this be put on the February council meeting agenda.

Both Bertolino and Boster believe that if a contractor forfeits money, that money should go towards fixing the problem and not be put into the general fund. Additionally, whatever department corrects the problem and there is money left over, that money should stay in that department. Example being, if the Police seize a drug car, and that car is sold at auction then the money netted should go to the Police department.

More discussion on what to do with forfeited money.

Bertolino also said, the company that forfeited the \$18,000 is coming back to town to do some more work.

4. VSD Contract

Mayor Murphy passed out a rough copy of a contract between the City and the Sanitary District for discussion.

Boster said "the simpler the better."

Calloway said overall it is good; we need to stick to what the Representatives told us what to do and if they reject it then we have done our part.

Mottershaw said he would be making a motion at the next City Council Meeting to offer the Sanitary District a contract for billing, with a response date no later than the close of business February 28th.

There was a consensus from the Council that with the time and effort that Mayor Murphy has been putting into the City of Virden and this VSD contract he does not make enough money as this is a full time job.

Executive Session:

None

Additional: Mayor Murphy said that the Council needs to put the Tree Grant into the budget for this year and next year.

Motion made by Boster seconded by Calloway to adjourn at 8:56 pm. Consensus passed.

Jonathan J. Myint
City Clerk

Date Approved: