**Finance Committee Meeting**

City Of Virden

City Council Chambers

Thursday June 22, 2023

Meeting called to order by Alderman Mottershaw at 7:01 pm.

**Aldermen in attendance**: Bertolino, Calloway, Cunningham, Ibberson, Mottershaw and Neighbors.

**Additional in attendance were:** Mayor George Murphy and Deputy Treasurer/Bookkeeper Barry Liss

**Topics:**

1. **Approval of Meeting Minutes 4-25-2023 this is the wrong date on agenda. April Finance meeting was April 27th May meeting was May 25th Aprils was approved in May. Motion stated April 25th which was incorrect**

Motion made by Mottershaw seconded by Bertolino to approve the 4-25-2023 Finance Committee Meeting Minutes. Motion passed with all in favor.

1. **May 2023 Treasurer’s Report**

Corporate Revenue of $174,533 in comparison to last month, which was $217,365. This is down $42,832. The revenues don’t run evenly every month. There was a corporate payment in April totaling about $81,000. Offsetting that was a 3% increase in income tax from the state.

Regarding streets and alleys, for repairs and maintenance were $20,758 which was a significant jump from $5,500 from last month. This was the first month of the fiscal year and it included the new bed on the red International truck. A new income line was added for road cut fees. A new account was established for this. This triggered a move of $200 from 3011 to new account 3051. On the sheet of adjustments, there is a CD for $500,000. The bank and rate are incorrect. It was moved to Warren-Boynton State Bank with 4.65% for 13 months. This will be corrected in the June report.

Motion made by Mottershaw seconded by Neighbors to recommend to council to approve treasurer reports for May 2023. Motion passed with all in favor.

1. **Budget and Appropriations**

Legally it is not required to have a budget. It is required to have appropriations and have it passed by the end of the first quarter. A copy of the appropriations is sent to the county clerk. The budget is a tool to try to stay within incoming revenue. Some areas are overestimated within the budget such as areas of insurance (property, casualty, workman’s comp, health) because items fluctuate. It is all based on estimates. In the beginning of the year, the goal is to stay very strict within budget to be able to adjust if emergency items come up throughout the year. The chief did have a purchase of a new car in the budget he turned in, however with all the other departments already turning in their budgets on time and already being approved, the purchase of a new car had to be cut from his budget and appropriated.

**Additional Items:**

Water Meters: At the end of May there was $29,525 in the water operating fund. When Barry looked in June there was approximately $130,000 but that was before paying Otter Lake $44,914. Also, part of that money is monies collected for the Sanitary District which typically runs about $51,000. Every month a gallon’s report is ran that reports how much is purchased compared to how much was metered. This has been showing that the city is purchasing 4 million more gallons than what is metered. The process has started of trying to figure this out. About a year ago the unit that all the meters send the signal to, was hit by lightning. It was replaced by a new unit. The new unit stopped working and was sent off to be fixed and in the meantime was loaned a second hand unit. Currently trying to determine if the unit isn’t reading all the meter signals and sending correct information. When looking at last year’s numbers, we purchased 108.7 million gallons and sold 60 million. The city’s cost was over $250,000. Could manually reading all meters be an option to get a baseline? Spot checks with manual reading were done, and only found three major discrepancies. If the city keeps paying for more than we are billing for it will come to a point that the city might not have enough to cover the month’s bills. It does look like there is a glitch in the meter reading system, but it could be in multiple places. It could be Midwest Meters not putting correct calibrations or with Locis not placing correct numbers when calculating from gallons to dollars. Investigations have started with Midwest Meters but are having trouble with them returning calls. The Director of Public Works is continually reaching out, but Midwest Meters priority is the unit on the water tower. The city’s priority is the discrepancy. It looks more like a gallon problem over incorrect calculation on money. In August of 2012 is when all the new meters were placed to electronically read from manually read. Two to three years ago Otter Lake came to us with a price increase. It was going to be increased 3% a year until 2025 which figured out to be 1.6 cents per 100/gallon. At that time the council decided to raise the rate all at once with an increase of 2 cents/100 gallon to allow for operating costs. In the month of May we took in $53,000 and spent $65,000. To offset the discrepancy, an increase to 14-15 cents/100 gal would be needed. That is a huge increase that might not even be necessary.

Sanitary District: The Sanitary District may decide to do the billing themselves. They stated the numbers would be public information and they would send a FOIA request for the numbers. The contract needs to be reviewed and come up with numbers or percentages of what the increase will be. At 35% it would be $950.90/month and at 40% it is $1,353/month more than what they are currently paying. Then for adjustments in inflation per year, it could be stated that each year a 5% increase would be applied with a 3-year contract. In May it was suggested by Alderman Bertolino after discussing with Public Works director to increase to $3000/monthly with 5% each year and no more than a 3-year contract.

Wrightsman Street: Poggenpohl got ahold of Mayor Murphy regarding more tickets being written, not by Virden police. One by State police and another by Secretary of State Police due to not being local traffic. Dave Miller also has issue he is a farmer and has grain bins on that road that trucks need to come in for. According to the state statute an ordinance is not needed for stop or yield signs as long as the signs are up. An ordinance is needed for regulatory such as weight limits or parking. The ordinance that set the weight limit/local traffic is no longer a current ordinance it was repealed. When the codebook was passed every ordinance that had been passed before was now null and void. Only what remains in the codebook remains in effect. The Public Works director will take down posts and signs that are no longer in effect in the code book on Wrightsman Street.

Royell On City Square: Mayor Murphy spoke with Joe from Royell, and he did not agree with what the city wanted to do. It has been tabled currently. It will not be available for The Zone.

Motion made by Calloway seconded by Bertolino to adjourn at 8:27 pm. Motion passed with all in favor.

Meeting adjourned at 8:27 pm.

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Shelly Boster

City Clerk

Date Minutes Approved: 7/27/2023