

**CITY OF WASHINGTON  
FINANCE & PERSONNEL COMMITTEE  
TUESDAY, JANUARY 17, 2017  
4:30 P.M.  
CITY HALL CONFERENCE ROOM  
301 WALNUT STREET**

**AGENDA**

- 1. NON-MEMBER ALDERMAN WISHING TO BE HEARD ON NON-AGENDA ITEM**
- 2. CITIZENS WISHING TO BE HEARD ON NON-AGENDA ITEM**
- 3. APPROVAL OF MINUTES** – December 19, 2016 regular meeting
- 4. BUSINESS ITEMS**
  - A. Policy Review: Water Meter Charges
  - B. Code Text Amendments: Utility Billing
- 5. OTHER BUSINESS**
- 6. EXECUTIVE SESSION** – for the purchase or lease of real property for the use of the public body, including meetings held for the purpose of discussing whether a particular parcel should be acquired per 5 ILCS 120/2(c)(5) and for the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel of the public body per 5 ILCS 120/2(c)(1) of the Illinois Open Meetings Act.
- 7. REGULAR SESSION**
  - A. Recommendation – Health Benefit Appeal
- 8. ADJOURNMENT**

**CITY OF WASHINGTON  
WASHINGTON, ILLINOIS**

TO: Mayor Manier and City Council  
FROM: Finance & Personnel Committee  
DATE: January 13, 2017  
SUBJECT: Report of Proceedings of Finance & Personnel Committee Meeting Held on Monday, June  
December 19, 2016

The meeting was called to order by Chairman Moss at 4:35 p.m.

Present: Chairman Moss, Mayor Manier

Absent: Alderman Moehle

Also Present: City Administrator Culotta, Controller Baxter, Treasurer Dingleline, Planning & Development Director Oliphant, Alderman Brucks, Dave Cook and Greg Aleman from IPBC, Scott Gregg, Lisa Scott, Chris Nichols, Steve Hullcranz

**AGENDA**

1. Non-member Alderman wishing to be heard on a non-agenda item – None.
2. Citizens wishing to be heard on a non-agenda item – None.
3. Approval of minutes

Mayor Manier made a motion and Chairman Moss seconded to approve the November 21, 2016 regular session minutes. Motion carried.

4. Business Items

A. TIF Subsidy Consideration – Denhart's

Scott Gregg and his architect Lisa Scott gave a presentation on the interior and exterior renovations they plan to make to Denhart's Baking Company & Restaurant and C-Note spaces. The renovation will be done in conjunction with the purchase of the properties from Tom and Judy Gross and Mr. Gregg is seeking TIF assistance to make the project more feasible. The project is estimated at \$385,000 and the typical subsidy based on the 20% base plus an additional 20% for historic preservation would equate to \$115,800. Mr. Gregg requested the subsidy be paid up front since in conjunction with the financing for the purchase.

Mayor Manier indicated he would be in favor of 50% up front and the remainder paid upon completion due to wanting to keep these buildings operating and a focal point of the Square and not divided into leased spaces. Following discussion, Mayor Manier made a motion, seconded by Chairman Moss to take this issue to the Committee of the Whole in January, possibly a special meeting on January 3. Motion carried.

B. Presentation – Intergovernmental Personnel Benefits Cooperative

Dave Cook and Greg Aleman from the IPBC gave a presentation on a pooled insurance group offered through Gallagher. The pool would allow the City to create more of a fixed cost based system rather than being subject to fluctuations in premiums due to high claims. Following discussion, the Finance & Personnel Committee directed Staff to have a similar presentation made to the full Council at the Committee of the Whole in January.

C. Personnel Manual Revision

City Administrator Culotta updated the Committee on the process of obtaining quotes for the revision of the Personnel Manual. He has received three so far ranging from \$1,000 to \$6,000 and at this point Davis & Campbell is the lowest. The Mayor indicated that it would make sense to stay with Davis & Campbell in light of them being City attorneys and being most familiar with City operations and procedures. Manier made a motion, seconded by Moss to direct Staff to negotiate an agreement and take to City Council for approval. Motion carried.

D. Utility Billing Update

Controller Baxter updated the Committee on various issues and concerns that had been expressed in regard to the AMR program and monthly billing. She provided information on the cost of monthly versus quarterly billing, the minimum charge on second water meters and other questions that have been raised by the public and elected officials. Following discussion, the Mayor indicated that he would like to further consider eliminating the minimum charge on the second meter and directed Staff to bring this issue back to the Finance & Personnel Committee in January for further discussion.

5. None.


6. There being no further business, the meeting was adjourned at 6:15 p.m.

**CITY OF WASHINGTON**  
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## MEMORANDUM

TO: Mayor Manier and Finance & Personnel Committee  
FROM: Joanie Baxter, Controller   
DATE: January 13, 2017  
SUBJECT: Water related issues

### *Minimum charge on 2<sup>nd</sup> (water only) meter*

- There has been a minimum charge on the water only meter since it was first introduced back in the early 1990s. This minimum was set equal to 2,500 gallons.
- During implementation of AMR and monthly billing, Staff recommended and the City Council approved for the minimum to be divided among the 3 months so that 2,500 per quarter translated to 833.33 gallons per month, rounded to 850 gallons. The increase in the overall charge for the minimum due to monthly billing is negligible, roughly \$.84 per year.
- Since there are no sewer fees charged for this usage, at the current rate of \$8.58 per 1,000 gallons, it would take water only usage of a little over 7,200 gallons to offset the additional fees charged for the 2<sup>nd</sup> meter (\$3.50 minimum plus \$1.65 additional technology fee per month x 12 months = \$61.80; 7,200 gallons x \$8.58 per gallon = \$61.78)
- The minimum charge for 2<sup>nd</sup> meters totals approximately \$42,000 in annual Water revenue. This is equal to roughly 3 ½% of total Water revenue. To keep Water revenue unchanged and reserves intact, a 3 ½% rate increase would be necessary should the minimum charge for 2<sup>nd</sup> meters be waived.

### *Water and Sewer Rate Annual Increase*

The current ordinance indicates that an increase equal to CPI with a minimum of 2 ½% annually will be applied to the water and sewer rates. As a result of quarterly billing, this rate increase has always been effective January 1 so that it could be applied to the May 1 bills. This would result in the new rate being effective for the entire fiscal year. As such, the current rates were applied May 1 for January usage.

The ordinance needs to be changed to reflect what date the rate increase should be effective. If the billing date is for May 1, the usage date would need to be change to reflect April rather than January.

General discussion is planned for both topics.