

**FINANCE COMMITTEE MINUTES
AUGUST 5, 2014**

SIGN IN

**VIRGIL KAMBARIAN
GERALD WILLIAMS
BILL DAVIS
JUDY WHITAKER
BRIAN KONZEN**

**PAUL JACKSTADT
RON SIMPSON
DON THOMPSON
ED HAGNAUER**

ALDERMAN KAMBARIAN CALLED THE MEETING TO ORDER.

KAMBARIAN STATED THAT FIRST WE HAVE THE 2014 TAX LEVY FOR THE TOWNSHIP. IT SHOWS AN INCREASE IN THE AMOUNT OF \$1,101,940.00 AN INCREASE IN THE AMOUNT OF 4.75% OVER THE 2013 LEVY IN THE AMOUNT GENERATING AN ADDITIONAL \$49,00.00 TO OFF SET THE LOSSES IN THE ILLINOIS REPLACEMENT TAX INCREASE THE TAX LIABILITY FOR HEALTH INSURANCE, TOWNSHIP EMPLOYEE RAISES AND AGREED ON PARCEL ANNEXED INTO GRANITE CITY.

MOTION BY KAMBARIAN, SECOND BY MCDOWELL TO ACCEPT THE 2014 TAX LEVY. MOTION CARRIED.

KAMBARIAN STATED THAT ITEM # 2 IS THE REFERENDUM REGARDING POLICE & FIRE PENSION FUND AND WHAT WE WOULD LIKE TO DO IS TO GET A BOND THAT WOULD ALLOW US TO PAY THAT OBLIGATION. IN ORDER TO DO THIS WE WILL HAVE TO HAVE AN ADVISORY REFERENDUM.

KAMBARIAN STATED TURN THE MEETING OVER TO COMPTROLLER ONEY.

ONEY STATED THAT WHEN WE MEET WE DISCUSSED THE POLICE AND FIRE LARGE UNFUNDED LIABILITIES. 4.5 MILLION IN LIABILITY THE CITY FUNDED 2 MILLION SIXTY THOUSAND, SO THE ONLY WAY THAT WE CAN MEET THE REST OWED IS IF WE PUT OUT A REFERENDUM. AS YOU KNOW WE PUT OUT ONE IN 2011 AND THE PEOPLE OF THE CITY TURNED IT DOWN. SO THE CITY REDUCED STAFFING. THERE ARE DIFFERENT WAYS THAT WE ARE LOOKING AT RESOLVING. WHAT WE ARE LOOKING AT IS FUNDING THIS BY A GENERAL OBLIGATION FUND AND HOPING THE WE CAN EXTENT THE BOND OUT AS FAR AS WE CAN TO REDUCE LIABILITY. THIS WILL NOT FIX THE PROBLEM IT WILL MAKE IT INTO A MANAGEABLE SITUATION.

BECAUSE IF WE HAVE TO COME UP WITH 2-3 MILLION WE ARE LOOKING AT LAYING OFF QUIT A FEW EMPLOYEES TO MAKE UP THIS FUND. WE ARE LOOKING AT FUNDING A GENERAL OBLIGATION BOND. THIS WOULD REDUCE THE AMOUNT THAT WE WOULD HAVE TO FUND EACH YEAR. SO INSTEAD OF LAY OFFS FOR 30 EMPLOYEES, WE COULD PAY THE OBLIGATION BACK IN 5-10 YRS. WE WANT TO GET IT TO A MANAGEABLE AMOUNT SO IT NOT DEVASTATING TO OR WORKERS. SO WE NEED AUTHORITY TO HIRE ACTUARY, AT A COST OF 6-8 THOUSAND DOLLAR, WE NEED THEM TO GIVE US DIFFERENT SCENARIOS FOR THE CITY. SO IN NOVEMBER THERE WILL BE A GENERAL OBLIGATION LOAN AND ANOTHER LINE ITEM ON THE TAX LEVY A SPECIAL ASSESSMENT FOR THE PEOPLE TO VOTE ON THIS WILL REFLECT THE PROPERTY TAXES.

KAMBARIAN STATED THAT BY LAW WE ARE REQUIRED TO HAVE THE PENSION FUNDS FULLY FUNDED BY 2016.

ONEY STATED THAT THE REQUIRED FUNDING IS 4 MILLION DOLLARS BY 2018, WHICH IS WHAT WE HAVE TO FUND.

KAMBARIAN STATED THAT THE BOTTOM LINE IS THAT WE WANT TO FUND OUR STATE OBLIGATION AS IT IS WRITTEN. THE MONIES THAT WE LEVY WILL GO INTO THE FIRE AND POLICE PENSION FUND, AND HOPEFULLY WE WILL NOT HAVE TO LAY OFF.

ONEY HANDED OUT THE PROJECT PROPOSAL FOR THE 4.95% TAX LEVY AND EXPLAINED THE IMPACT ON THE POLICE AND FIRE PENSION.

MOTION BY KAMBARIAN, SECOND BY MCDOWELL TO ADD THE 4.95% TO THE TAX LEVY. MOTION CARRIED.

KAMBARIAN STATED THAT ITEM THREE IS A TIFF GRANT REDEVELOPMENT AGREEMENTS.

KAMBARIAN TURNED OVER TO FERRY.

FERRY STATED THAT WE HAD TEN APPLICANTS FOR THE PROJECT AND THE COMMITTEE HAS AWARDED EIGHT APPLICANTS FOR THE TIF GRANT REDEVELOPMENT AGREEMENTS BASED UPON INFORMATION THEY GAVE US. FERRY STATED IT STATES THE PROJECTS THAT THEY ARE REQUESTING AND THE COST FOR THE PROJECT.

KAMBARIAN STATED THAT THE GRANTS COMMITTEE AND THE HARC COMMITTEE HAVE APPROVED ALL OF THESE NOW IT IS OUR RESPONSIBILITY TO APPROVE THESE.

MOTION BY KAMBARIAN, SECOND BY WILLIAMS TO APPROVE THE SEVEN APPLICATION GRANTS. MOTION CARRIED.

KAMBARIAN ASKED IF ANYONE FOR THE POLICE OR FIRE PENSION WOULD LIKE TO ADDRESS THE COUNCIL.

REPRESENTATIVE FROM THE POLICE PENSION FUND STATED THAT THERE ARE 2 PARTS TO THE PENSION THE CURRENT POLICE OFFICERS AND THE UNFUNDED LIABILITY IT IS SUPPOSE TO BE 90% FUNDED BY THE CITY IN THE YEAR 2040. AND UNDER CURRANT LAW THERE IS A FORCED FUNDING BILL THAT WAS PASSED THAT PENSION UNFUNDED WAS TO GO TO THE COMPTROLLER BEGINNING IN 2016 AND THE COMPTROLLER CAN ACTUALLY TAKE A THIRD OF THE STATE FUNDS AND DIRECT IT TO THE PENSION. AND BY 2019 IT BECOMES THE FULL AMOUNT. WHEN TALKING ABOUT THE FULL AMOUNT IT THE DIFFERENCE BETWEEN THE MONIES NEED FOR THE FUND AND THE MONIES ACTUALLY PUT INTO THE FUND.

KAMBARIAN STATED THAT THE WINDOW MAY BE EXTENDED BY CONGRESS BY TEN YEARS BUT WE ARE NOT BASING THIS ON PROBABILITIES.

REPRESENTATIVE FROM THE FIRE DEPARTMENT ASKED IF THE COUNCIL HAD THE RIGHT TO RAISE THE LEVY.

ONEY STATED AS LONG AS IT IS UNDER 5%.

KAMBARIAN STATED THAT WE ARE BETWEEN A ROCK AND A HARD PLACE, WE SHOULD HAVE LEVIED PRIOR TO THIS.

MOTION BY KAMBARIAN, SECOND MCDOWELL TO PUT THE REFERENDUM ON THE BALLOT. MOTION CARRIED.

MOTION BY KAMBARIAN, SECOND BY MCDOWELL TO ADJOURN. MOTION CARRIED.

MEETING ADJOURNED.