

COUNCIL OF THE CITY OF DIXON, ILLINOIS
SPECIAL COUNCIL MEETING
COUNCIL CHAMBERS – CITY HALL
TUESDAY, FEBRUARY 7, 2017
5:00 P.M.

ROLL CALL

The meeting was called to order by Mayor Arellano at 5:00 pm. Councilmen Bishop, Marx, Tucker, and Mayor Arellano answered Roll Call. The Pledge of Allegiance was cited.

WORK SESSION – PRESENTATION ON THE PENSIONS' IMPACT ON THE CITY'S
BUDGET

Finance Director Paula Meyer presented a 10 year projection of the City's finances. This did not include Water, Wastewater, and the airport since those funds should be self-sustaining from user fees. By 2027, she projected that \$3.4 million of the budget will be for pensions and \$1.6 million will be for operations.

Jesse Arjes asked why the revenue is flat. Paula said she put in a 2% annual projection. Jesse wondered if that was past history.

Chief Langloss asked if the projections included funding needed for Police and Fire. Paula said she is putting in 30 – 50% more to Police and Fire pensions so they will be 100% funded by 2040 as required by statute. Chief wondered what percent funded they were currently and wondered when the actuary changed the formulas. Paula said Police is funded around 55% and the actuary rate was changed within the past two years

Councilman Marx asked if the City has funded what the actuary said every year. Paula said that pension payments have been made every year according to what the actuary said was needed.

Rory Sohn, City Auditor from WIPFLI, gave a brief overview of the pensions relating to the financial audit. He stated that trends have been down which is creating the deficiency in the pensions. He is also concerned that IMRF is still using too high of a projected return percentage and believes IMRF may need to be levied for prior to the 2023 projection.

WORK SESSION – POSSIBLE SOLUTIONS TO FUND PENSIONS

Mayor Arellano presented a list of possible options to help with the increased need of pension funding and would like input from Council members and Department Heads on other ideas. Councilman Tucker asked how long the firm has been used that oversees the Police and Fire pension investments. Mark Callison said they have had UBS for about 25 years. Glen Hughes said that the Pension Board sends out an RFP every 3-5 years.

Deputy Chief Mark Callison said the fire's goal is to get to ten million dollars in their pension account. They have considered borrowing from the Police pension or have considered asking for

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recovery money. They would be able to get better rates of return once they are at the ten million mark. He would also like to see the projections if three million dollars of recovery money was put into the police and fire pensions.

Mayor Arrellano stated that the City put an additional \$500,000 last year into Public Safety Pensions and they still went backwards. Chief Langloss asked if that was before or after the actuary change. Mayor stated the additional funding occurred after the changes.

Glenn Hughes said the City has had a poor rate of return and is falling backwards because projections were higher.

Chief Langloss asked if the Council is looking to hire or invest in and Economic Developer. He believes this could help bring more revenue to the City. Mayor Arellano said that LCIDA is currently looking to hire an Executive Director. He asked if the City should hire in house or contribute more to LCIDA.

Councilman Marx said it is to the City's credit that this topic is being looked at ahead of time and not waiting until the till is empty. He would like to see this happen on a collaborative level.

COUNCIL REPORTS

Mayor asked the Council to review the Liquor License memo. The key issue is to decide if gas stations can sell hard liquor. He mentioned that he put a legal notice in all Council members' mail boxes in regards to manure, etc. on the edge of City limits. Rob LeSage said the City could create an ordinance if it affects Citizens' health. He also mentioned that he met with Representative Demmer, would like to update the raffle ordinance, would like to have a Town Hall Meeting this year and would like to schedule a work session on r360 (economic development consultant).

Councilman Tucker stated that he has been approached about the music ordinance and was told that storefronts are not able to be rented out because of the music. He thinks the decibel level needs readdressed and would like to do a test run with the decibel meter.

Councilman Venier believes that you grow your City by sales tax and that the City should focus on economic development.

ADJOURNMENT

Councilman Tucker moved that the Special Council Meeting of Tuesday, February 7, 2017 be adjourned to meet in Special Session on Monday, February 13, 2017 at 5:00 p.m. in the Council Chambers at City Hall. Seconded by Councilman Marx. Voting Yea: Councilman Bishop, Marx,

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Tucker, Venier and Mayor Arellano. Voting Nay: None. **Motion Carried.** The meeting was adjourned at 7:00 p.m.

Becky Fredericks, City Clerk