

Finance Committee

December 27, 2022

6:00pm - City Hall Council Chambers

Chairman Ptak Called the Meeting to order at 6:00pm

ROLL CALL

Present: Chairman Ptak, Aldermen Thompson, Lavieri, Jeppson

Excused Absence: Alderman Herndon

Others Present: Finance Director John Duncan, Deputy Clerk Brent Bader, Alderman Bacidore, Alderman Reynolds, Alderman Crane, Buidling Inspector Andy Bacidore, Econ. Dev. Director Curt Bedei

A quorum was present.

Moved by Alderman Lavieri and seconded by Alderman Jeppson to approve and place on file the minutes of the Finance Committee for December 12, 2022.

Each and every alderman has a copy.

Voice vote, all ayes. Motion carried.

No questions on the bills.

OLD BUSINESS

Economic Development Director Curt Bedei mentioned that the Committee approved a façade improvement bid for George Knafelc. According to City's terms and conditions, they must produce the work in a 90-day period. Bedei received a call from Knafelc last week and they will not be able to fulfill that within 90 days due to items being unable to be delivered on time. They also mentioned that due to the wintertime, they do not plan to open up the building to a tenant and to heat the building at this time. Knafelc did ask Bedei if they would need to file their bid again or what the process was. Bedei did mention that they will have to apply for another building permit. Deputy Bader mentioned that after speaking with Attorney McPhedran, the best course of action will be to put this item on the agenda for next Finance Committee Meeting. The Finance committee would be able to vote on whether they want to extend this facade bid project for Mr. Knafelc. Lavieri asked about the money coming out this fiscal year or next if we extend the project. Duncan mentioned it would come out of this fiscal year if work was completed by April 30, 2023.

Chairman Ptak asked for a straw vote to extend this for Mr. Knafelc and all agreed to this. The item will be on next finance committee agenda in two weeks for approval.

Alderman Jeppson asked about the progress of the City Hall roof. There has been no work done at this time. Chairman Ptak believes that the company will blame the city for the delay in project because they asked for more color samples. He believes that the supplier probably dropped the ball on this.

Duncan did reach out to the roofing company and he mentioned that City's disappointment with this matter. The city was assured that they would be the first project that occurs in the spring, weather dependent. Duncan mentioned that the city wanted to make sure that they saw a sample since the city was working with a couple different color blends. The company never did mention that when the City requested a color sample that it would delay the project. The City indicated that the company knew that the city wanted the project done in the fall. The company is now using this sample request as an excuse for the delay in the project. The company did lock the city in with the price that they bid it out at, which has now been close to over a year ago.

Chairman Ptak mentioned that Duncan has been very persistent with the roofing company in trying to get the color sample.

NEW BUSINESS

Finance Director Duncan wanted to discuss with the Finance Committee that the potentially hiring of a police officer that has finished number one in the eligibility list and the city currently has an opening to hire an officer. This officer has reached the retirement eligibility age for the downstate pension. If this officer is hired, he would not be eligible for a pension from the City. Duncan mentioned what some municipalities are doing to attract candidates like this, retired officers from other departments at or around 50, and that they are offering a 401a. This is a government version of a 401k. The city does not have to opt for this, nor is the city legally obligated to contribute anything to such a thing. This sort of hire could take their own savings, put it into something tax-free, and based on whatever their tax limitations are, and contribute to a retirement fund for themselves. The City also has the option of potentially putting together some sort of employer matching. Duncan believes that this current officer will come regardless of whatever the Committee decides. The Committee does not need to decide this right now and can always do this later too. But if the city does do it later, the city would have to cancel everything the committee does now and reenroll everyone and it would create a bunch of paperwork. Duncan thinks that this may be something to consider because this employee could take a lateral transfer and get a contribution to a retirement plan from a different community. Duncan reminded the Committee that officers are currently very hard to come by these days. In addition, the small percentage that the city could match to a 401a contribution is exponentially less than what the City would be having to contribute to a pension. It would be ideal to get in step with the other communities surrounding us and all agree to the same or similar incentives for these potential retired officers.

Alderman Thompson thought it was not possible to hire an officer after the age of 35.

Building Inspector Bacidore mentioned that Illinois Police and Fire does allow communities to hire officers after age 35, if they were previously employed as an officer.

Alderman Crane wondered FOP's opinion. Duncan mentioned that there was not concern from them because it was not a negotiating or contract issue.

Alderman Ptak believes that the city should do something like this to attract other officers.

Duncan believes that he will not be the first candidate to be in this situation. He believes that if the city did do something in form of a 401a contribute toward a retired officer, it would up the attraction to officers that may consider leaving Chicago or Chicago area to go to a smaller town. This 401a would allow these candidates to contribute toward their own savings for retirement. In most cases, many will have to do something until they are 60 to 65 because most are still reliant on health insurance. Duncan does believe this it is something to consider to make the city an attractive candidate for people in that situation.

Duncan strongly suggests the city to do a match by each contributing 3, 4, or 5% of the salary. A 4% match contribution seems to be the going rate in private market. Duncan wants to know the committee's opinion so he can go back and discuss with the city's Nationwide. The Council would have to adopt an ordinance and it would come back to the Council for approval.

Alderman Thompson agrees with the 3-5% match contribution but to do a little research. Duncan did call Peru to ask what they have done with the retired officer that they hired full time and they have not done anything currently but are having the same conversations.

Duncan hopes to get on the same page with Peru so that they don't lose officers to us or LaSalle doesn't lose any to Peru. He also reminded the committee that a standard police pension is based on the officer's salary. If the officer's salary is \$70,000, the city's pension contribution is \$70,000. If the city decides to contribute now to an officer making \$70,000 with a 2-4% contribution, the savings would be quite significant for the city. This would allow for the city to attract these types of candidates. Duncan understands that there is an argument on both sides of this when it comes to hiring retired candidates. One may argue that these retired officers are already getting a retirement benefit in the pension.

The committee verbally agreed for Duncan to move forward and to put some language together for such percent match contribution plan.

There were no more questions or comments from the public.

Moved by Alderman Thompson and seconded by Alderman Lavieri to adjourn the meeting.

Voice vote, all ayes. Motion carried.

Chairman Ptak adjourned the meeting at 6:17p.m.

A handwritten signature in black ink that reads "Amy Quinn". The script is fluid and cursive, with the first name "Amy" and last name "Quinn" written in a single continuous stroke.

Amy Quinn, City Clerk