

## Committee-of-the-Whole Agenda

6:00 p.m.

Tuesday, October 6, 2020

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This meeting will be conducted by audio or video conference without a physically present quorum of the Moline City Council due to the disaster declaration issued by Governor Pritzker related to COVID-19 public health concerns affecting the State and the City. The Mayor has determined that an in-person meeting at City Hall with all participants is not practical or prudent because of the disaster. Aldermen, the City Administrator, and Staff may not all be physically present at City Hall due to the disaster. Physical public attendance at City Hall may be limited or not feasible. You may listen to the meeting by calling (720) 902-7700, meeting ID: 777 534 0806.

### Remote Electronic Attendance

Approval of the remote electronic attendance of certain elected officials

### Presentation

TaxSlayer Center Update (Scott Mullen)

### Questions on the Agenda

### Agenda Items

1. **Declaration of Surplus Vehicles** (Sarah Mark, Interim Fleet Manager)
2. **Historic Preservation Commission Demolition Review Code Amendments** (Derke Price, Corporation Counsel)
3. **Budgeting/Accounting Policies and Procedures** (Carol Barnes, Finance Director)
4. **Other**

### Informational

**August Financial Statements** (Carol Barnes, Finance Director)

**Proposed 2020 Budget Amendments** (Carol Barnes, Finance Director, and Marty Vanags, Interim City Administrator)

**2021 Budget Guidance** (Carol Barnes, Finance Director, and Marty Vanags, Interim City Administrator)

**Administrator's Update** (Marty Vanags, Interim City Administrator)

### Public Comment

Members of the Public are permitted to speak after coming to the podium and stating their names. Comments may also be emailed the day of the meeting, by 5:30 p.m., to the City Clerk, at [jparr@moline.il.us](mailto:jparr@moline.il.us). Please type **Public Comment** in the Subject line.

**COUNCIL ACTION REPORT**  
**October 6, 2020**

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**A Resolution declaring the following City-owned vehicles as surplus property: 2010 Ford Fusion, VIN# 3FADP0L36AR141147; 2008 Dodge Caravan, VIN# 1D8HN44H28B171054; 2010 Dodge Journey, VIN# 3D4PH9FV7AT239700; 2006 Ford Taurus FFV, VIN# 1FAFP53286A237912; 2007 Ford Ranger 2WD, VIN# 1FTYR14U27PA10252; 2008 Ford Crown VIC, VIN# 2FAHP71V38X179669; 1999 Ford Ranger, VIN# 1FTYR14V2XPA96493; 2007 Chevrolet Impala, VIN# 2G1WT58K579397735; 2010 Ford Fusion, VIN# 3FADP0L38AR141148; 2008 Ford Crown VIC, VIN# 2FAHP71V38X125935; 2010 Ford Fusion, VIN# 3FADP0L30AR314810; 2010 Ford Fusion, VIN# 3FADP0L3XAR314815; 2004 Ford F-150, VIN# 2FTRF17W64CA63432; 2008 Dodge Caravan, VIN# 1D4HN11H58B168038; and 1997 Monroe 8PV3250H/AUGER, Serial #97-11-8622.**

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**PREPARED BY: Sarah Mark, Interim Fleet Manager**

**REVEIWed BY: Marty Vanags, Interim City Administrator  
J.D. Schulte, Director of Public Works**

**FISCAL IMPACT: Proceeds deposited into Account #448-0000-392.20-00, Sale of Surplus Property.**

**GOALS IMPACTED: Financially Strong City**

**STAFF RECOMMENDATION: Approval**

**ATTACHMENTS: List of Vehicles, Budget Level Text, Naviline Screenshot**

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**PROPOSAL**

Declare the following City-owned vehicles as surplus: 2010 Ford Fusion, VIN# 3FADP0L36AR141147; 2008 Dodge Caravan, VIN# 1D8HN44H28B171054; 2010 Dodge Journey, VIN# 3D4PH9FV7AT239700; 2006 Ford Taurus FFV, VIN# 1FAFP53286A237912; 2007 Ford Ranger 2WD, VIN# 1FTYR14U27PA10252; 2008 Ford Crown VIC, VIN# 2FAHP71V38X179669; 1999 Ford Ranger, VIN# 1FTYR14V2XPA96493; 2007 Chevrolet Impala, VIN# 2G1WT58K579397735; 2010 Ford Fusion, VIN# 3FADP0L38AR141148; 2008 Ford Crown VIC, VIN# 2FAHP71V38X125935; 2010 Ford Fusion, VIN# 3FADP0L30AR314810; 2010 Ford Fusion, VIN# 3FADP0L3XAR314815; 2004 Ford F-150, VIN# 2FTRF17W64CA63432; 2008 Dodge Caravan, VIN# 1D4HN11H58B168038; and 1997 Monroe 8PV3250H/AUGER, Serial #97-11-8622. To reutilize vehicles within the Fleet and extend their useful lives in different capacities to help stabilize the vehicle replacement fund balance over the next 5 years.

**BACKGROUND**

We currently have (19) 2013 Ford Police Interceptors Utility (PIU) vehicles that have been retired from police service and were declared surplus when the replacements were purchased.

Looking at the upcoming budget years and the vehicle replacement schedules, there are several hybrid Ford Fusions, a Chevrolet Impala, a Ford Ranger in the Fleet motor pool and 2 passenger vans that are on the replacement schedule for 2021, as well as a very old, rusted and unused salt spreader. There are also 2 vehicles that were scheduled for replacement that have had major components fail and the value of the car is not worth the repairs.

In an effort to extend the life of vehicles the City already owns, I would like to reutilize and redistribute the PIU's back into the fleet. Fleet staff believes that with these vehicles being used under normal driving conditions, compared to extreme conditions (patrolling, pursuit, emergency responding) that they can last another 5 years, especially because we know we can get parts for these vehicles. By reutilizing these vehicles, it will reduce user charges for vehicle leases and will allow for the Fleet division to rebuild the vehicle replacement fund, while leveling out the replacement expenses over the next 5 years. Additionally, pool vehicles will be replaced by reutilizing vehicles from other areas of the fleet when they are no longer needed or have exceeded their useful life in their current applications instead of purchasing new vehicles for pooled use.

The Fusion vehicles specifically are a candidate to replace with PIU's. The warranty on the battery cell that powers them (they are hybrid) is 8 years, or 200,000 miles. All of the Fusion vehicles are 10 years old. The City's cost to have a new battery installed is \$6,200 and that only gives an additional 2-year warranty. With the vehicles only being worth around \$2,000-\$3000 for resale, it does not make economic sense to reinvest in these particular vehicles. Staff has found a forum stating that the battery life can be "reset" and the vehicle will run on gasoline, however when we called the dealership they said they were unsure if the vehicles would run and had not heard of this. The lack of confidence from the dealership in this corrective action does cause concern.

Staff has identified 13 vehicles that can be replaced with PIU's in the 2021 budget replacement year and is currently working with division and department managers to verify their needs to see if any more can be repurposed. Attached is a list of the vehicles suggested for disposal and the reason for the classification. There are an additional (7) Fusions in the Police department that they would rather see be replaced with something less conspicuous than a PIU, so Fleet and the Police Department would like to replace their Fusion fleet between 2021 and 2022.

### **ANALYSIS/ALTERNATIVES**

Keep as City assets.

### **ADVANTAGES/DISADVANTAGES**

Regardless of the action, there will be no addition to the size of the fleet. Should this be denied, the PIU's have already been declared surplus and they will be sold so there will be no "fleet creep", sale profits go towards vehicle replacement fund.

The longer they sit, the more we will have to invest to get them started when we dispose of them, more rust, lower profit for older vehicles from auctions, insurance costs continue.

**SUPPORTING LINKS/DOCUMENTATION**

List of Vehicles, Budget Level Text, Naviline Screenshot

**FOLLOW UP REQUIRED**

**DATE:** \_\_\_\_\_

EQ #	Description	Department	Date In Service	Purchase Price	Expected Life in Yrs	original life months	Current life in months	Life Remaining in months	Mileage	Original Repl. Date	adjusted replacement	Notes
115	2010 FORD FUSION	STORM	05/22/09	25,162	10	120	137	-17	110,996	05/22/19	REPLACE WITH PIU	
214	2008 DODGE Caravan	CDBG	05/03/08	21,466	10	120	149	-29	74,335	05/03/18	REPLACE WITH PIU	
344	2010 DODGE JOURNEY	POLICE	02/11/13	18,000	10	48	92	28	118,704	02/11/17	02/11/2023	Blown Trans.
410	2006 FORD TAURUS FFV	FLEET POOL	03/06/06	11,934	10	120	175	-55	65,226	03/06/16	REPLACE WITH PIU	
411	2007 FORD RANGER 2WD	FLEET POOL	06/28/06	12,005	10	120	172	-52	98,670	06/28/16	REPLACE WITH PIU	
412	2008 FORD CROWN VIC	FLEET POOL	08/18/08	23,625	12	144	146	-2	56,006	08/18/20	REPLACE WITH PIU	
413	1999 FORD RANGER	PARK MAINT	11/04/99	17,995	10	120	251	-131	114,488	11/04/09	REPLACE WITH PIU	
414	2007 Chevrolet IMPALA	FLEET POOL	07/03/07	19,043	10	120	158	-38	58,219	07/03/17	REPLACE WITH PIU	
415	2010 FORD FUSION	FLEET POOL	05/22/09	25,162	10	120	137	-17	71,818	05/22/19	REPLACE WITH PIU	
416	2008 FORD CROWN VIC	FLEET	11/19/07	26,207	12	144	155	-11	97,770	11/19/19	REPLACE WITH PIU	
339	2010 FORD FUSION	POLICE	05/22/09	25,162	10	120	127	-7	71,631	05/22/19	REPLACE W/ LOWER MILE FUSION	
303	2010 FORD FUSION	POLICE	03/05/10	25,087	10	120	127	-7	60,979	03/05/20	REPLACE W/ LOWER MILE FUSION	
508	2004 FORD F-150	PARK MAINT	04/05/04	12,362	17	120	198	6	127,070	04/05/14	04/05/2021	Blown Engine
599	2008 DODGE Caravan	RECREATION	07/03/08	18,958	13	120	146	10	74,620	07/03/18	REPLACE WITH PIU	
708V	1997 MONROE8PV3250H/AUGER	STREET DIV	11/19/97	4,744	10	120	275	-155	NA	11/19/07	RETIRE	



**COUNCIL ACTION REPORT**  
**September 30, 2020**

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An Ordinance amending Chapter 8 “BUILDINGS AND OTHER CONSTRUCTION AND BUILDING SERVICES,” Section 8-2101 “Amendments to the Building Code,” paragraphs “w,” and “x;” and Chapter 25, “PLANNING AND DEVELOPMENT,” Section 25-4112.

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**PREPARED BY:** Fawn Schultz, Community & Economic Development  
Administrative Assistant

**REVIEWED BY:** Marty Vanags, Interim City Administrator  
Derke Price, Corporation Counsel  
Jeff Anderson, City Planner

**FISCAL IMPACT:** N/A (No direct cost to the City)

**GOALS IMPACTED:** Great Place to Live

**STAFF RECOMMENDATION:** Approval

**ATTACHMENTS:** Proposed Changes to The Moline Illinois Code of Ordinances Chapter 8 Buildings and Other Construction and Building Services and Chapter 25 Planning and Development

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**PROPOSAL**

Staff seeks approval of an Ordinance amending the Code of Ordinances to implement the recommendation of the Historic Preservation Commission giving the Historic Preservation Commission an opportunity to review the proposed demolition of structures that are 50 years old or older (in addition to the process that is codified presently for designated Landmarks or structures within a historic district).

**BACKGROUND**

Currently, there is no such provision as described above within Chapter 8 or Chapter 25 of the City Code for structures that are 50 years old or older; however, Chapter 25 does require the issuance of a Certificate of Appropriateness for modifications to a structure’s exterior if said structure is a locally designated historic landmark or within a locally designated historic district (this does not apply to the National Register). The HPC has discussed this matter for several months and believes it is in the City’s best interest to avoid, if possible, the demolition of historically significant structures.

**ANALYSIS/ALTERNATIVES**

The proposed code amendments include modifications to Chapter 8 (Building Code) and the Historic Preservation section of Chapter 25 (Planning and Development). The amendments would provide a mechanism whereby the HPC would have an opportunity to review the proposed demolition of structures that are 50 years old or older (but that are not designated Landmarks or within a historic district). The HPC would have 15 days from the date the application is received

by the Building Official to review the demolition request and determine if a historic resource would be impacted. If a historic resource would be impacted by a proposed demolition, a hold could be placed on the permit application for a period not to exceed sixty calendar days (measured from the date that the Application was received by the Building Official). During the hold period the HPC would schedule a meeting with the applicant to discuss potential alternatives to demolition. The hold on the permit application would be automatically released at the end of the 60-day period or could be released anytime during the 60-day period by the HPC. Any structure which is determined by the Building Official to create a threat to persons or property or that is an accessory structure of de minimis historical value would be exempt from this review process. The City Building Official has reviewed HPC's proposal and did not take issue with the proposal. The City's Corporate Counsel reviewed the proposed code amendments and has modified HPC's draft code provisions to avoid issues with amendments to the building code and to clarify the procedural steps, timing elements, and exemptions.

**ADVANTAGES/DISADVANTAGES**

HPC views this as an opportunity to educate property owners. Perhaps the structure owner is unaware of tax incentives to rehabilitate, preserve or move the structure. If it were to proceed toward demolition, the holding period would allow time for salvaging historical details from the property and photo documentation of the structure. There are instances where a demolition may be grant funded making it time sensitive.

**SUPPORTING LINKS/DOCUMENTATION**

Attachment - Proposed Changes to The Moline Illinois Code of Ordinances Chapter 8 Buildings and Other Construction and Building Services and Chapter 25 Planning and Development

**☐ FOLLOW UP REQUIRED**

**DATE:** \_\_\_\_\_

**SECOND DRAFT**

**Proposed Changes to The Moline Illinois Code of Ordinances  
Chapter 8 Buildings and Other Construction and Building Services  
And  
Chapter 25 Planning and Development**

CHAPTER 8  
ARTICLE 11. BUILDING AND RESIDENTIAL CODES  
SECTION. 8-2101. AMENDMENTS TO THE BUILDING CODE

**1. Section 3303 Demolition:** Add the following two new sub sections to Section 3303.1.1 Permit and Fees:

3303.1.1.2. See Chapter 25, SEC. 25-4106 for additional requirements before a permit can be issued for any designated landmark or landmarked structure in a locally designated historic district.

3303.1.1.3. See Chapter 25, SEC. 25-4112 for additional requirements before a permit can be issued for structures 50 years old or older.

**2. Section 3410 Moved Structures:** Add the following new sub section to Section 3410.2. Permit and Fees:

3410.2.1. See Chapter 25, SEC. 25-4106 for additional requirements before a permit can be issued for any designated landmark or landmarked structure in a locally designated historic district.

CHAPTER 25  
ARTICLE IV HISTORIC PRESERVATION

**1. SEC. 25-4112. CIVIL RELIEF:** Change to read SEC. 25-4113. CIVIL RELIEF.

**2. Add the following new Section:**

**SEC. 25-4112. DEMOLITION OF STRUCTURES  
FIFTY YEARS OLD OR OLDER.**

(a) All permit applications received by the Building Division for the demolition of a structure fifty years or older shall be submitted to the Historic Preservation Commission for review prior to the granting of said permit by the Building Official. This requirement shall apply to all structures as defined below:

(1) Any structure/building fifty years or older that is not required by SEC. 25-4106 to obtain a certificate of appropriateness.

(b) Upon the receipt of the permit application from the Building Official, the Historic Preservation Commission shall have a maximum of 15 business days to review the application and determine if the structure subject to demolition is historically significant.

(1) If after review, the structure subject to demolition is determined to not be historically significant, the permit application shall be immediately returned to the Building Official for his action.

(2) If after review, the structure subject to demolition is determined to be historically significant, the Historic Preservation Commission shall place a written hold on the permit application for a period not to exceed a maximum of sixty-calendar days. The written hold shall be submitted to the Building Official for his action and shall explain the findings of the review and include the starting and not to exceed dates of the hold period.

(c) Upon the issuance of the written hold the Historic Preservation Commission shall contact the applicant and schedule a meeting to further explain the findings of their review and to discuss potential opportunities and/or alternatives to demolition. Potential alternatives to demolition may include but not be limited to the following:

- (1) Finding a new owner who may be interested in preserving, rehabilitating and/or moving the structure to a new location.
- (2) Rehabilitation utilizing State or Federal tax incentives.
- (3) Designation as a local historical landmark.
- (4) Salvaging building materials of historical interest such as architectural details, ornaments, etc.
- (5) Photo documentation of the structure.

(d) Release of Hold: The Historic Preservation Commission may release a hold on a permit application anytime during the sixty-calendar day holding period. The hold on a permit application is automatically released at the close of business on the not to exceed date.

(e) Exemptions: Any structure which is determined by the Building Official to be structurally unsafe and/or a threat to the life safety of the public is exempt from the requirements of this Section: SEC. 25-4112.

**COUNCIL ACTION REPORT**  
**October 6, 2020**

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**A Resolution approving Budgeting/Accounting Policies & Procedures**

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**PREPARED BY:** Derke Price, Ancel Glink & Carol A. Barnes, Finance Director

**REVIEWED BY:** Marty Vanags, Interim City Administrator

**FISCAL IMPACT:** N/A

**GOALS IMPACTED:** Financially Strong City

**STAFF RECOMMENDATION:** Approval

**ATTACHMENTS:** Resolution, Budgeting/Accounting Policies and Procedures

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**PROPOSAL**

Staff seeks approval to adopt the attached Budgeting/Accounting Policies & Procedures that were discussed and reviewed during a Special Work Session with the Council on September 4, 2020.

**BACKGROUND**

On September 4, City Council held a Special Work Session to discuss and review proposed Budgeting/Accounting Polices & Procedures prepared by staff. At the end of the work session, a motion was made to move forward with preparing a Resolution for adoption. Exhibit A, attached, formalizes the outcome of that work session and provides guidance for maintaining the City's financial management system and assists in articulating the methods underlying the City's financial reporting.

**ANALYSIS/ALTERNATIVES**

The alternative is to do nothing, stay status quo without approved written policies and procedures.

**ADVANTAGES/DISADVANTAGES**

Having approved Policies & Procedures will provide staff and Council with guidance for maintaining the City's financial management system and will assist in articulating the methods underlying the City's financial reporting. These policies and procedures do no limit the City Council's ability and responsibility to respond to service delivery needs above and beyond these policies and they are intended to support (rather than inhibit) the delivery of those services to the residents of Moline. There are no disadvantages to having formal written policies and procedures that are approved by Council

**SUPPORTING LINKS/DOCUMENTATION**

Exhibit A

**FOLLOW UP REQUIRED**

**DATE:** \_\_\_\_\_

# EXHIBIT A

## Budgeting/Accounting Policies & Procedures

The following Budgeting/Accounting Policies & Procedures have been developed to provide guidance for maintaining the City's financial management system and to assist in articulating the methods underlying the City's financial reporting. These policies and procedures do not limit the City Council's ability and responsibility to respond to service delivery needs above and beyond these policies and they are intended to support (rather than inhibit) the delivery those services to the residents of Moline.

### **SECTION I: General Budgeting & Accounting Policies & Procedures**

- 1) **Minimize the use of inter-fund Transfers:** The use of inter-fund Transfers should be limited to subsidies or one-time funding only – with no payback expected from the receiving fund. Overuse of Transfers can result in inflated budgets and higher reserve requirements.
  - Deposit revenue received directly into the proper fund of its intended use to avoid transfers, if possible. Example, Home Rule Sales Tax deposit allocation:
    - 40% General Fund
    - 60% remaining balance split directly between the Debt Service Fund and CIP fund. Allocation 1<sup>st</sup> by annual required debt service payments on bonds with the balance deposited directly into the CIP Fund.
  - Utilize Due To/From and Notes Receivable/Payable for short-term inter-fund borrowing, example: Revenue Anticipation Notes (RAN's) issued between funds.
  
- 2) **Limit the use of Inter-Fund Charge Backs to Internal Service Funds only.** Excluding Internal Service Funds, the use of Inter-Fund charge backs should be limited, as they result in inflated budgets and higher reserve requirements. Implement direct splitting of expenditures, when possible:
  - Salary splits for personnel working in multi-funds (Annual salary split reports will be provided to Council during the budget).
  - When paying invoices, split expenditures into proper fund at time of payment.
  
- 3) **Eliminate Contra-Accounts.** Eliminate Contra-Accounts for personnel costs by department to streamline the budget process. Replace Contra-Accounts with:
  - Adding a contingency account for all Operating and Enterprise Funds of the City, and budgeting a “reduction” for half of the increase of the three year average of audited, Net Change in Fund Balance or Net Cash Flows from Noncapital Financing Activities. If the three year average of audited, “Net Change in Fund Balance or Net Cash Flows from Noncapital Financing Activities” is NEGATIVE, no reduction in budgeted amounts will be made.
  - Adding a Vested Benefits Payout Account # for all Operating and Enterprise Funds and budgeting annually for the 5-year average of vested vacation and sick leave paid out in each fund. Budgeting for projected payouts will help smooth out the impact of the actual vested benefit payouts for employment departure.

## **SECTION II: Fund Balance/Net Cash Reserve Policy & Annual Funding Policies**

Operating Fund Balances and Net Cash Reserves, for all fund types, will be maintained at levels to ensure financial stability, adequate cash flow for operations and the assurance that the City will be able to respond to emergencies with fiscal strength. This policy establishes the parameters for the minimum Fund Balance/Net Cash Reserves for selected Governmental, Enterprise, and Internal Service Funds, as well as, addresses recommended annual funding levels for several of the funds.

### **GOVERNMENTAL FUNDS:**

#### **1. General Fund, Parks Fund , and Library Fund:**

- Strive to maintain 20-25% Fund Balance to Annual Expenditures
- Draw downs below 20%, allowed for 1 time exceptions or emergency purchases only
- When Fund Balances fall below the minimum, a plan should be provided to Council to restore balances to minimum level.
- Fund Balance accumulating in excess of 25% may be considered for balancing future budgets

#### **2. Debt Service Fund :**

- All revenues collected in this fund are specifically pledged to pay for annual principle interest payments
- Budget the fund to breakeven
- No fund balance required, except those required by any bond covenant

#### **3. Capital Projects Funds & Motor Fuel Fund (MFT):**

- All revenues collected in these funds are specifically pledged for the acquisition or construction of Capital Assets and in accordance with State/Federal Law (MFT and Federal/State Grants)
- Strive to maintain minimum \$250,000 or adequate cash reserves to support fluctuating capital expenditures.
- Maintain 5-year Capital Improvement Plan in each fund

#### **4. Tourism:**

- No fund balance required, existing reserves will be transferred to the City's General Fund.
- Taxslayer must deplete all of their audited "Operating Surplus Funds" prior to the City having any obligation
- If an operating deficit occurs for the Taxslayer and all of their operating surplus funds are depleted, the City must use General Fund revenue/reserves to fund the shortfall at a level equal to the Taxslayer's prior year's operating deficit
- The City will review the Taxslayer's audit annually, and if the Taxslayer's reserves fall below \$2,000,000, the City will put a plan in place to begin setting aside reserves to fund the possibility of future shortfalls.

## **ENTERPRISE FUNDS:**

### **1. Water, Water Pollution Control (WPC), Stormwater, & Sanitation:**

- Strive to maintain 25-30% Net Available Cash Reserves (calculated on operating expenditures only, net of Capital, Depreciation expense, bond proceeds and any bond covenant requirements)
- Draw downs below 25%, allowed for 1 time exceptions or emergency purchases only
- When Net Available Cash Reserves fall below the minimum, a plan will be provided to Council to restore balances to minimum level.
- Review & adjust fees annually during the budget process, if needed, to insure Enterprise Funds are adequately funded.
- Maintain 5-year Capital Plan for Water, WPC and Stormwater Funds.

## **INTERNAL SERVICE FUNDS:**

### **1. Information Technology (IT), Facility Management, & Fleet:**

- Reserve 0% towards operating portion of expenditures (20-25% already reserved in other funds as charge backs)
- Net Available Cash Reserves: Must maintain adequate cash reserves to support fluctuating capital purchases (calculated on Capital Expenditures only):
  - IT: strive to maintain minimum \$150,000 Fund Balance; Maintain 5-Year Capital Replacement Projections
  - Facility: Strive to maintain minimum \$250,000 Fund Balance; Maintain 10-Year Capital Replacement Projections
  - Fleet: Strive to maintain minimum \$500,000 Fund Balance; Maintain 20-Year Capital Replacement Projections (to account for Fire Apparatus)
  - If Net Available Cash Reserves fall below the minimum due to 1 time draw downs or emergency purchases, a plan will be provided to Council to restore balances to minimum level.

### **2. Liability Fund:**

- Recommend procuring an Annual Actuarial Report - (paid by Liability Fund)
- Strive to fund 100% of expected claims and premiums through Internal User Charges, Interest Income, and other revenues if available/needed (property taxes)
- Reserve 0% for salaries and operating expenditures in Fund Balance (20-25% already reserved in other funds as charge backs)
- Net Available Cash Reserves: Strive to maintain reserves at a level to cover projected IBNR claims from Actuarial Report; backfilled by restricting reserves in General Fund if needed.

### 3. **Active Health Fund:**

- Self Insured Fund with Maximum Exposure equal to the Aggregate, or 125% of Expected Claims. City will acquire Insurance coverage for claims over the 125% aggregate.
- Strive to Fund 100% of Expected Claims/Premiums through Internal User Charges, Interest Income, other revenues if available/needed (property taxes)
- Reserve 0% for salaries and operating expenditures in Fund Balance (20-25% already reserved in other funds as charge backs)
- Net Available Cash Reserves: Strive to maintain reserves at a level to cover the gap between Expected Claims at 100% and Aggregate Claims at 125%, backfilled by restricting reserves in General Fund if needed.

### 4. **Retiree Health Fund:**

- Recommend procuring an Annual Actuarial Report - (paid by the Retiree Health Fund)
- Strive to maintain a minimum of 25% Net Available Cash Reserves to our total Net OPEB Liability and progress annually towards fully funding our liability.
- If Net Available Cash Reserves fall below the 25% minimum, a plan will be provided to Council to restore balances to minimum level.
- Strive to fund the "Normal Cost of Benefits" to our retirees as stated in the annual Actuarial report PLUS the % increase in our total OPEB Liability from the previous year. This funding formula is projected to allow between 1-2% annual progress towards meeting our Net OPEB Liability. This funding formula will be supported by transfers made from the Active Health Fund.
- If annual investment income falls short of projections OR if annual claims exceed projections, this could affect the annual growth of reserves in the fund.

## **TRUST & AGENCY FUNDS:**

### 1. **Police & Fire Pension Funds:**

- Recommend procuring an Annual Actuarial Valuation Report for both the Police and Fire Pensions, to be paid by the respective pension plans.
- Monitor Actuarial Accrued Liability and % funded to ensure Mandatory Statutory funding level of 90% will be met by 2040.
- Determine annual funding level for the pension budgets: The Statutory Minimum Contribution stated in the Actuarial Report must be funded annually, and helps ensure 90% of the Actuarial Accrued Liability will be met by 2040. Funding the Recommended Contribution will help ensure 100% of the Actuarial Accrued Liability will be met by 2040.
- **Annually, the Council can choose to budget funding for the Pension Funds at any amount at or above the Statutory Minimum Contribution.**
- If annual investment income falls short of projections OR if annual claims exceed projections, this could affect the annual growth of reserves in the fund.