

The March 8th, 2021 Council Meeting was called to order at 7:02 PM. All members of the City Council were present in Chambers.

The Consent Agenda included the following items:

- a. Approval of Minutes of the February 22nd Meeting.
- b. Payroll for the pay period ending February 27th , 2021 in the amount of **\$212,126.20.**
- c. Reports from Police, Community Development, and Bock, Incorporated

Discussion: None

Motion made by Councilmember Colomer to approve consent agenda. A Seconded was made by Councilmember Komnick. Motion Passed 5-0

Bills were presented in the amount of \$195,580.07.

Councilmember Faber moved to approve payment of the bills. Councilmember Faber seconded the motion. Discussion: Councilmember Yaklich asked what and where the repairs for the Boilers were at. K Newton stepped up and stated that these were the City Hall Boilers, and they needed a burner plate repaired and assemblies. Councilmember Colomer inquired about the S&I Solutions for the Geo Salt. Colomer asked approx. where were regarding the budget and salt for this past winter season. K Newton stated that he believed we were over budget but could not recall that exact number. Colomer stated that this is not anything we can control but was just curious where were. Councilmember faber asked if the 2 bills on the warrant list the final bills were. City Clerk Jones stated that yes these were the 2 final bills, and we would be closing out this claim. Councilmember Yaklich asked about the checks sent to the Economic Group. City manager Bradley stated this is the firm that we have used for the past years, and they come here and provide the TIF reports and joint review board. They are affiliated with Jacob and Klein. It is the same company. Mayor Moore asked about the Police Phone service that we have and the cost. Chief Welgat stated that we have multiple lines, and Wi-Fi pack options in the vehicles. K Newton stepped to add that the phone system at City hall were being upgraded and there maybe an option to have an app that will forward your calls and eliminate potentially the need for an additional line and or phone. Faber asked if there were companies out there to give discounts for Municipalities. Bradley stated yes, there are numerous companies. **The motion was approved 5-0.**

Public Comments: None

New Business:

- a) **Presentation from Adam Pulley with Clifton Larson Allen.** Adam Pulley started with a presentation that was included in the packet. Adam started on page 2 with a few quick highlights. The Audit report led to a clean opinion. There was one small part that was not clean and those were regarding the Pension funds. Those should be included in the financial statements. But they do understand that these were performed by an outside firm and that this is just a

technicality with no real concern. Total change in net position from 2019-2020 was a decrease. Most were in governmental activities. Next pages are just for reference to compare 2019-2020. Adam wanted to go through the letters that were issued with the financial statement. One of the letters that were issued was the letter to government. This is a place to communicate to the council any significant difficulties that we may have come across. Couple things that Adam wanted to point out was the Audit was a significant delay in the audit due to bank reconciliations and journal entries. Also turn over of employee and changes. The bank reconciliations done timely is a big part of the audit and its delay. Another piece of this letter was journal changes that would help get that clean opinion. Councilmember Yaklich spoke up and asked if questions should wait till the end of Adam presentation. Adam stated he was good either way. Councilmember Yaklich asked if turnover in key positions at City Hall and the Finance Director leaving on September 25th played a part in the audit not being completed since she would have had 2 more weeks to finish. Adam stated yes in part that would have hindered the audit. Yaklich also about timely journal entries and I would like a clarification. Yaklich stated that we have a City Treasurer, City Clerk and City Manager that deal with this stuff regarding paying of the bills. Where is the accountability and who dropped the ball and why were you not prepared? Adam stated he believes his question would be answered on page 7 which is some of the controls. The internal control letter is a separate letter that we came across during our audit. It talks about the weakness in the manual journal entries. The City does have an internal control policy for the proper review and approval, but we found it was not being consistently followed by the past finance director throughout the year. There should always be a second review of the entries and signing off. We have just noted that throughout the entire year it was not being done consistently by the past Finance Director. Adam noted that the other letters in the review were repeat errors from the past. Yaklich stated that he seems to think that is we pay a bill and that is the City Clerk, then they come to the Council for approval, the treasurer signs the checks, then journal entries are done but Yaklich stated this challenge is the first time that it has been an issue and Yaklich asks Adam as the auditor are you a Professional CPA? Adam responded with yes, he was. Yaklich asked if his firm has other Municipalities? Adam stated yes, they do. Yaklich asked if its typical for your clients to ignore their recommendations? Adam stated yes, it is common but that he will still recommend that they make the necessary changes. Adam gave an example of the Financial statements. His firm assist in getting those prepared, but they need to stay independent for integrity purposes. These findings per Adam, are something he would recommend that work towards rectifying. Yaklich then stated that they did not perform a forensic audit? Adam explained that we prepare a system that allows this to be a material audit, and this is not a forensic audit. These are not procedures that are designed to find fraud however is we do come across it we would report it. Yaklich stated that it concerns him that the council are not professionals and in the past audits the verbiage stated that these procedures leave us vulnerable. Yaklich asked after 4 years of these types of audits if this would warrant a forensic audit. Adam was not ready currently to respond. Mayor Moore asked Adam if the current personal was working with his firm to get these changes completed? Adam stated yes and he has multiple conversations with staff and feels they have the same concerns and that they have reached out to him with additional concerns and part of our risk assessment is looking at the attitude towards the audit and I can

say with everyone reaching out to him and asking questions that there is an interest to improve. Faber asked if this process was done previously? Adam stated not to the same degree. Adam continued with 2 additional areas. The City pulled accounts had negative balances and transfers were not as transparent as they need to be. The financials were murky to look at. The minimum fund balance in the Health insurance fund was on this audit again. Adam would not consider this a concern, but it is policy that the City has in place. Yaklich asked if April 30th of 2020 this is a snapshot and what affect would be having this transfer completed to the general fund. Yaklich asked if the general fund would be overstated. Adam stated yes. Yaklich brought up tier 2 fireman and tier 1 fireman had not had a deposit and what affect did that have on the year end? Adam stated the general fund would be higher. Yaklich stated that is very concerning to him when he sees them because Yaklich does not have Adams's expertise. Discussion regarding bond and proceeds continued. Adam stated yes and that is why it was an opinion on the audit. These are some changes that need to be made. Yaklich asked what changes need to be done before the next audit. Adam stated this would not happen overnight. Yaklich asked Adam if he agreed that all involved should be responsible for spending taxpayer's money? Mayor Moore asked Adam financially is the City in Trouble? Adam would like to not respond to that question due to the experience and it being a tough question to ask. Really depends on the Cities goals short term and long term. Yaklich asked if a forensic audit would be a better audit. Adam stated those are just specific procedures. Adam does not feel its necessary. Colomer asked if we need to look at some of the deficiencies? Adam stated just strengthening these controls are the better solution. Komnick stated he feels reconciling the bank accounts in a timely fashion should go a long way. Komnick appreciated the statement earlier that the City employees are reaching out to get things fixed and establishing better practice. Mayor Moore stated he has all the confidence in the personnel in place. Yaklich stated we do not seem to learn from our mistakes. Things were not done for a year and how the heck can we run a business that way? City Clerk stated that Mr. Yaklich is asking these questions to a staff member that is no longer here. We can not answer those questions. Mayor Moore asked R. Haley if she was working on the entries currently. Haley stated she has been working on them. Yaklich asked when the journal entries back logged? Haley stated August and bank recs could not be located since April 2020. Komnick reiterated did he hear that correct, April 2020 since last bank recs. Adam concluded that there were multiple obstacles, but he feels confident going forward.

- b) Presentation from Scott DeSplinter with Crawford, Murphy, and Tilly.** A brief introduction and historical relationship were expressed. Nate Davis stepped up to discuss the current regulations and mandates that affect the WWTP. This will help tie in the report that was prepared. Most likely scenario is a phosphorous limit starting 2030. Yaklich stated that we are bringing in access monies to help with maintenance. Yaklich stated this plan has been in place for many years. CMT stated that we need 1.5 million to help with future repairs. Yaklich stated we have no need to reserve more funds. CMT stated we need to consider this phasing plan to take chunks of maintenance as we go and not when it is an urgency. Looking at the rates and trying to plan for the increase spending there are loans that are very attractive out there however, the increase of \$2.00 on average account or household...and \$1.50 year 3 will be advantageous to help with maintaining our system in place. After much discussion and questions

there is a plan in place and the recommendations were in the packet of information provided.

- c) **Consideration of an Ordinance # 4046** to grant a Special Use Permit to allow an automobile, truck, utility trailer, tractor, or bus storage yard, operable vehicles only to Robert Barnes, owner of and doing business as Barnes Trucking, to be located at 1047 N. Main St. **Councilmember Komnick moved to approve. Councilmember Colomer seconded the motion. Discussion:** Mayor Moore started with asking if any neighbors were present and had any concerns. He noticed that there were none that attended the special meeting. Moore was concerned about the look of the property and its location in the City. Mr. Barnes stated that he has tried to put a fence up but having a hard time getting eh material. Barnes stated he was wanting to get one like Hodge. Komnick asked hoe close was he with the demolition. Barnes stated waiting till spring and after the rains. Keith Edwards stated that there is no reason he could not have a metal fence. Yaklich asked Barnes to investigate the Enterprise zone. **Councilmember Colomer amended the Ordinance to reflect a time of 6 months to get the fence completed. Councilmember Yaklich seconded the Motion. Motion passed 5-0**
- d) **Consideration of an Ordinance # 4047** to grant a Special Use Permit to sell alcohol by the individual serving in the proposed gaming parlor to Steven Lemanski, owner of and doing business as Top Gem Entertainment, to be located at 109 W. 2nd St **Councilmember Colomer moved to approve. Councilmember Faber seconded the motion. Discussion:** Councilmember Yaklich asked if this was located next to his current business. Atty Frank and Bill Cox started with a discussion regarding the reasoning of why they had to move their current business to across the street. Frank stated there were many repairs needed to their new building. Frank wanted the council to consider the amount of gaming terminals in the City and that saturation. Frank is concerned that the funds will run out to sustain all these gaming shops. Frank stated they did not see the planning commission meeting and did not receive a notice. Yaklich stated that just to be clear, Frank and Bill are here to voice concerns about competition. Yaklich stated the council was not here to stifle businesses. Mayor Moore stated the plain and simple fact is that make your business better. Bill Cox stepped up and stated that Top Gem stole his business and evicted them illegally. He built this business from 2015. Frank wanted them to consider sustainability. Faber stated that they cannot win on the council regarding allowing or denying businesses. Moore stated we cannot intervene. **The motion was approved by 5-0.**
- e) **Consideration of a Resolution #5273** to affirm the Mayor's recommendation for appointments to various commissions and boards **Councilmember Yaklich moved to approve. Councilmember Komnick seconded the motion. Discussion:** Mayor Moore stated this young man will be an asset to this board. **The motion was approved 5-0.**
- f) **Consideration of a Resolution #5274** to declare certain equipment excess and no longer required in the operations of the City of Kewanee and directing the City Manager to dispose of same. **Councilmember Colomer moved to approve. Councilmember Faber seconded the motion. Discussion:** Councilmember Yaklich asked if the new body camera material interface with a server. City Manager Bradley stated data was held in the cloud. Chief Welgat explained that

we are in the process on getting new body cameras and this is an opportunity for a smaller community to get a good deal on cameras before the new state law requires them to have them. **The motion was approved 5-0.**

Council Communications:

- Councilmember Colomer wanted to express the need to be aware of bikes as the weather gets nicer. Make sure you are watching for the kids.
- Councilmember Komnick started with it is International Women's Day and the first day was recognized in 1911.
- Councilmember Yaklich again asked now that the journal entries are being done can they or will they get budgetary documentation. R Haley stated she is still working on the entries. R. Haley stated that it is her goal to be transparent and at the last budget meeting she shared some comparisons, but since Yaklich stated he was not going to be affiliated with the budget she did not send any of those to him. But she is happy to do so. Yaklich does not accept that they have not gotten these reports and wants to know what is being done about this? R Haley stated there are some additional trainings that she is planning to use going forward. Yaklich asked if she has seen past reports. Haley stated she has seen past reports and understands what is expected but that does not mean she can get them together without numbers being accurate. Mayor Moore stated that after a conversation with R Haley that they should expect the reports to be generated at the second meeting. R Haley stated that is standard practice.
- Councilmember Faber wanted to thank the City manager and staff for keeping Council informed and passing along information. Its greatly appreciated. Fabre asked if there were any new updates on the speed sign. Chief Welgat stated this report would be once a month. Yaklich asked how the Police department is prepared to more in school activity. Chief stated they are aware and have plans in place. Colomer wanted to speak up to the Video challenges and how good they were!!
- **Mayor's Communications:**

Mayor Moore also wanted to speak to the great job of the Pine Wood derby challenges. Moore also wanted to mention the International Woman's day and its brief history. Moore wanted to see if there was a way that we can get volunteers or help with participants in the spring clean up and if they do not have the ability to maybe get the junk to the cleanup sight. City Manager Bradley stated this had been past practice and we can investigate it again. Several residents on Prospect are having sewer issues and how can we help them. Is there away that we can work them like we did with Advil court? City Manager Bradley stated there are steps that we can try and move forward on. Mayor stated he will reach out and see what need to be done and the next steps.
- **Announcements:** Spring Cleanup will be from March 20th, 2021 through March 31st, 2021. Please remove all decoration and or adornments that you will want to

save. Please do not add any new decorations till after cleaning up period.
Landscape bags pick up will start March 15th. No burn days until April.

Councilmember Colomer moved to adjourn the meeting. Councilmember Faber seconded the motion. The motion was approved 5-0. The meeting adjourned at 9:02 PM