

FINANCE COMMITTEE
May 21, 2020

MEMBERS

Chairman Budd
Alderman Bryant
Alderman Lanzotti
Mayor Barry

ALSO PRESENT

Alderman Olive	Treasurer Nation
Alderman Driskell	Superintendent Mann
Clerk Lilly	Steve Craggs
Dan McNeely	Nicole Brown
Owen Lasswell	Andrea Conrath
Patty Hornbuckle	Alderman Olive

Chairman Budd called the meeting to order at 6:00 P.M.

Health Insurance Update

Mr. Dan McNeely and Mrs. Nicole Brown, representing Dimond Bros. Insurance, was present to discuss proposed rates and options for the upcoming health insurance renewal. Quotes have been received from various providers, with the most competitive option coming from Health Alliance. Health Alliance will match benefits and will offer \$111,907.00 in savings to the City for health care coverage and a slight reduction in costs for dependents. Total reduction in premiums is -7.49%. Dental and vision will still be carried through Blue Cross Blue Shield, with a 2.4% increase in dental premium and no change in vision coverage due to a three year lockede in premium cost. Health Alliance will over a rate cap at 9.9% maximum regardless of usage. All benefits will transfer through BPC with no loss of benefits or coverage, although the referral process can take longer due to the review process. It was noted that the three unions were on board with this switch in a recent pre-meeting.

Motion by Alderman Bryant and seconded by Alderman Burtle to recommend to the City Council to accept the proposed health insurance plan from Health Alliance. The motion carried (4-0).

\$100,000.00 Allocation for Downtown from BDD Fund

Chairman Budd informed the Committee that he would like to increase the amount allocated for the Downtown area for businesses located in the Business Development District who make improvements to their buildings. Previously, \$50,000.00 had been allocated. Several businesses took advantage of this in FY2019/2020 and applications have already been submitted for the current Fiscal Year, including a large one for John Mollet, owner of the Lock-up Gym, to re-do the outside facade. A building owned by Aaron Camatti, located at 207 West Main Cross, is in the process of being condemned by the Fire Department. The back portion of the building has caved in and will need to be demolished. This may be another use of the funds.

Motion by Alderman Bryant and seconded by Alderman Burtle to recommend to the City Council to approve an Ordinance Approving and Adopting Taylorville Business Development District No. 1 FY 2021 Allocation of Funds for Downtown Redevelopment Projects. The motion carried (4-0).

Budgets

Mrs. Patty Hornbuckle, President and CEO of the Greater Taylorville Chamber of Commerce, was present to request \$10,000.00 be placed in the budget for the Hotel/Motel Tax as an allocation to the 35th Annual Chillifest. She stated that the Chamber of Commerce is not eligible for State of Federal grants. The revenues are down as there was no banquet and dues are down 60% at this time due to COVID-19. Chairman Budd discussed the recent \$25,000.00 spent on Lake Taylorville cabin updates plus the \$7,500.00 to be paid on the commitment to the Optimist Club Fireworks and the \$10,000.00 pledged to the Veteran's Memorial Park. Alderman Bryant stated that \$16,000.00 is remaining in the budget and feels the amount should be increased from the previously requested amount of \$8,000.00 to \$10,000.00.

Motion by Alderman Bryant and seconded by Alderman Burtle to recommend to the City Council to allocate \$10,000.00 to the Chillifest in the FY2020/2021 Budget. The motion failed (1-2, with one vote to abstain).

Motion by Alderman Burtle and seconded by Alderman Lanzotti to recommend to the City Council to allocate \$8,000.00 as in the previous year to the Greater Taylorville Chamber of Commerce for the 35th Annual Chillifest. The motion carried (3-1).

BDD Applications

The BDD Committee has reviewed and forwarded applications for BDD reimbursement to the Finance Committee. The first application was from Ron Wiltsie d/b/a Southern Ledge, for the remodel of his store/building located at 306 E. Main Cross. Total improvement cost of the exterior of the building is \$44,816.00, with 35% being reimbursable for a total of \$15,685.00 eligible reimbursement amount. Pictures of the improvements were presented, as well as the complete list of upgrades performed. The second application received was from Raj Patel d/b/a Fly High Game Room. His application included an estimate from Walker Construction in the amount of \$9,680.00. As he was provided with a \$2,500.00 insurance payment, this amount will be deducted from the total, reducing his eligible amount to \$7180.00, paid at 50%, for a total eligible reimbursement amount of \$3,590.00. Both applicants will be required to submit documentation of all receipts for purchases and insurance reimbursements.

Motion by Alderman Burtle and seconded by Alderman Lanzotti to approve BDD reimbursement and pay Raj Patel in the amount of \$3,590.00 from the BDD Fund pending approval from Jacob and Klein that the appropriate documentation has been submitted and approved. The motion carried (4-0).

Motion by Alderman Lanzotti and seconded by Alderman Burtle to recommend to the City Council to approve BDD reimbursement to Ron Wiltsie in the amount of \$15,685.00 from the BDD Fund pending approval from Jacob and Klein that the appropriate documentation has been submitted and approved. The motion carried (4-0).

Request for Funds – Quarter Midgets

This has been cancelled at this time due to COVID-19.

Stipend for Business in BDD

The City Council voted on Monday, May 18, 2020 to allow an expenditure of up to \$150,000.00 from the BDD Fund for businesses located in the Business Development District who apply, and are approved, for a one-time stipend of up to \$1,500.00 per business to be used for rent, mortgage or lease payment only. Steve Kline with The Economic Development Group, Ltd. supplied an Ordinance for our review. The program will be set up as a COVID-19 Emergency Mortgage Subsidy Grant Program. Applicants must submit proof of payment of rent, mortgage or lease payment in order to be reimbursed. There will be one ordinance for reimbursement of mortgage and another for lease reimbursement, each for up to \$75,000.00 each.

Motion by Alderman Bryant and seconded by Alderman Burtle to recommend to the City Council to approve the Ordinances for Reimbursement of Mortgage and/or Lease Payments. The motion carried (4-0).

Azavar Agreement

Azavar submitted a report detailing Online Travel Company & Short-Term Rental – Hotel Tax Audit Findings. It was determined that Short-Term Online Rental Marketplace i.e. Air BNB, VRBO, etc and Online Travel Companies i.e. Expedia, Orbitz, etc. do not currently pay any tax to the City. Although the findings of this audit were not a large amount, the City was eligible to have received revenue if an Ordinance had been in place.

Azavar provided four options for proceeding, as well as transparency of future activities. As part of the agreement, should the City decide to proceed, an Ordinance will be prepared for City Council vote. It was noted that Azavar would receive 40% of any tax received for a period of three years, per the agreement.

Motion by Alderman Bryant and seconded by Alderman Lanzotti to recommend to the City Council to approve the Azavar Agreement as presented. The motion carried (4-0).

IEMA/DCEO Grant Updates

Chairman Budd advised the Committee that the City is proceeding with the IEMA Grant for up to \$500,000.00 reimbursable based on documentation provided. The City has also applied for a DCEO Grant, also for up to \$500,00.00. Not all expenses will be reimbursed, as some are not eligible under the guidelines of the specific grants, such as demolition of houses. Chairman Budd was informed that the IEMA Grant will most likely be audited and the City must have full documentation for requested funds.

East Main Grant Consideration

Benton & Associates has applied for a DCEO Fast Track Grant Application on behalf of the City of Taylorville, created to be used for the project on East Main Cross. Letters of support were received from businesses located along the project area. This is a program created by the Governor as a result of the pandemic to assist communities with project needs due to the reduction in income local municipalities are receiving. The City hopes to receive a total of \$1.2 million for this project. This will be used for storm sewer and water main in this area. The project is shovel-ready.

Budgets

City Treasurer Nation and Chairman Budd have reviewed Budgets, along with input from many of the superintendents. Treasurer Nation has given all budgets to the Alderman and requested they review all budgets and forward any questions to her. All are complete with the exception of Water and Administration.

Proposed Revenues

Chairman Budd discussed the need to find ways to increase revenues. He estimates that there will be a 25% reduction in taxes and revenues. The City must control spending. The Committee will not entertain increasing the Utility Tax at this time, as our Community has been hit hard by COVID-19 losses.

Treasurer's Report

The February 2020 Sales Tax (received in May 2020) was \$179,433.03 compare to \$184,642.20 in February 2019 and year-to-date is \$4,931.58 more than 2019.

The February 2020 Non-Home Rule Sales tax (received in May 2020) was \$71,240.45 compared to \$73,906.84 in February 2019. Year to date is \$3,576.87 more than 2019.

The January 2020 BDD Tax was \$96,288.09. February 2020 BDD Tax received was 87,048.04. The total received to date is \$1,349,995.00 since January 2019 .

Motion by Alderman Bryant and seconded by Alderman Lanzotti to recommend to the City Council to accept the Treasurer's Report as presented. The motion carried (4-0).

Any Other Matters

Mayor Barry discussed the building owned by Aaron Camatti located next to Rene's. The one-story back portion needs to be torn down. The Fire Department is in the process of condemning the building; electricity and gas have been shut off. The City has attempted to contact the owner and he has not returned calls or responded to certified letters. Without a structural engineer or the legal process, the building can be demolished for approximately \$10,000-12,000.00. This could be another use of BDD Funds with a repayment plan, similar to the 204 E Main Cross demolition.

Several bars have contacted either Mayor Barry or Alderman Bryant requesting a reimbursement for liquor license fees due to closure during the COVID-19 pandemic. Mayor Barry stated that they have been requested to pay 1/3 of the fee by June 1 and the remaining 2/3 by July 1. This coincides with the State license fees due by July 30. City Clerk Lilly commented that many bars and/or restaurants have paid in full. She also stated that establishments must have a current City license in order to obtain a State license.

Mayor Barry has been informed that several businesses located in the Business Development District are not paying the correct tax. Please check receipts when visiting establishments and inform Mayor Barry if any discrepancy is noticed.

Volunteers are needed at the Cemetery to place flags and at the Food Pantry on Saturday.

Alderman Burtle discussed the wooden structure located near the Railroad at the Park. The land/property is owned by the Railroad but apparently the structure is owned by Trevis Parker. The Railroad has committed to tear down the structure.

Motion by Alderman Bryant and seconded by Alderman Burtle to adjourn. The motion carried (4-0).

Meeting adjourned at 7:41 P.M.



Larry Budd, Chairman
Finance Committee