

FINANCE COMMITTEE

June 20, 2019

MEMBERS

Chairman Budd
Alderman Lanzotti
Alderman Burtle
Alderman Bryant
Mayor Barry

ALSO PRESENT

Treasurer Nation
Alderman Olive
Alderman Skultety
Alderman Driskell
Clerk Lilly
Alderman Dorchinecz
Steve Kline
Ed Downs
Gary McNeely
Martin Vota
Steve Craggs
Owen Lasswell
Jared Blaudow

Chairman Budd called the meeting to order at 5:00 P.M.

Expanding Business Development District Boundaries

Chairman Budd discussed his intent to expand the Business Development District Boundaries to include more area both East and West of the current boundaries to ensure that all like businesses are treated fairly by inclusion of this tax. Mr. Steve Klein addressed the timeframe for updates to the Business Development District registered businesses as April 1 for July 1 and October 1 for January 1 tax to take effect. He noted that the areas must qualify and there must be distinct corridors to promote development. The City Council has the authority on any BDD money spent. This money can be used for City improvements such as roads, infrastructure, sidewalks, etc., and also for Redevelopment projects by individual business owners. The owners would present a project plan and application and they would be handled on a case by case basis. The downtown area will have funds set aside just for that area, to help with the “eye candy” exterior projects. Mr. Kline noted that there should be a Capital Plan developed with projects in order of priority. He also noted that BDD money must be spent in the BDD area and is for the businesses to request as well as the City.

Motion by Alderman Burtle and seconded by Alderman Bryant to recommend to the City Council to allow for the expansion of the Business Development District Boundaries as presented. The motion carried (4-0).

Funding for BDD Improvements in Downtown Area

Chairman Budd, along with Mayor Barry and the new Business Development District Committee, have met and determined that \$50,000.00 should be set aside for use for the Downtown Taylorville.org businesses. This area includes the 9 block downtown area bound by Webster, Vine, Walnut and Franklin Streets. He would like this amount to be utilized in Fiscal Year 2019/2020. All other projects outside this area would need to submit a separate request and would enter into a Redevelopment Agreement tailored to their project.

Motion by Alderman Lanzotti and seconded by Alderman Burtle to recommend to the City Council to earmark \$50,000.00 of Business Development District Funds for the 9 block Downtown Taylorville area in the FY 2019/2020 Budget. The motion carried (4-0)

Ordinance Approving and Adopting Taylorville Business Development District No. 1 FY 2020 Allocation of Funds

Discussion was held regarding the Ordinance pertaining to the Allocation of Funds for the Downtown Taylorville area projects. The Ordinance provides guidelines for project costs verses reimbursement percentages. Several Alderman questioned the language in the Ordinance and the percentages stated therein.

Motion by Alderman Bryant and seconded by Alderman Lanzotti recommend to the City Council to approve An Ordinance Approving and Adopting Taylorville Business Development District No. 1 FY 2020 Allocation of Funds for Downtown Redevelopment Projects. The motion carried (4-0).

Ordinance Regarding Amendment to Taylorville Business Development District No. 1

This Ordinance will allow for the expansion of the Business Development District to include areas further East and West of the current boundaries of the District. Many more businesses would be included such as Casey's, Whit's End, Jenner Ag and Sloan's Implement.

Motion by Alderman Burtle and seconded by Alderman Bryant to recommend to the City Council to approve an Ordinance Approving and Authorizing the Execution of a Professional Services Agreement for the First Amendment to the Taylorville Business Development District No. 1 by and between the City of Taylorville, Illinois and Jacob & Klein, Ltd. and the Economic Development Group, Ltd. The motion carried (4-0).

TIF No. 2

Discussion was held regarding suspension of the development of TIF No. 2, as there are no projects pending in that area. No properties located in this project area expressed an interest in annexation into the City, nor did projects being discussed move forward. There would be a \$5,000.00 credit issued to the City for money paid upfront; this money could then be directed for use for the expansion of the Business Development District.

Motion by Alderman Lanzotti and seconded by Alderman Bryant to recommend to the City Council to suspend TIF District No. 2 and utilize the \$5,000.00 credit balance for the fees associated with expansion of the Business Development District No. 1. The motion carried (4-0).

Ordinance Approving Letter of Engagement

Mr. Steve Kline discussed the need to provide full disclosure and fiduciary responsibility. Jacob & Klein, Ltd. is an Independent Registered Municipal Advisor and the City must have an Ordinance in place for them to provide services to the City. In this capacity, the firm and its employees are able provide advice and recommendations to the City. The Letter of Engagement stating this may be posted on the City's website.

Motion by Alderman Lanzotti and seconded by Alderman Burtle to recommend to the City Council to approve an Ordinance Approving a Letter of Engagement for Engaging an Independent Registered Municipal Advisor by and between the City of Taylorville, Illinois and The Economic Development Group, Ltd. The motion carried (4-0).

Health Insurance

Mr. Jared Blaudow discussed the renewal of the HRA health insurance plan through Blue Cross Blue Shield. An increase of only 1.82% has been negotiated for renewal. The four year average is 1.03%, with a four year loss incurred by Blue Cross Blue Shield of \$2,181,874.00. Utilization within the City is high. In an effort to mitigate utilization and create healthier employees, they will be offering an optional Proactive Health Management Plan through Key Benefit Administrators. This plan is a hospital indemnity plan for employees, offering Aflac-type payouts based on usage and participation in a qualified activity. The cost per employee is \$755.00 per month **Pre-tax**. The payout, provided an activity is done, is \$625.00 per month paid **Post-tax**. This results in a net positive increase in the employee's paycheck. The increase is based on filing status and number of deductions and could vary from employee to employee based on this. A minimum of 15 employees must enroll to proceed, and the employee does not need to be on the City's insurance to participate.

Motion by Alderman Bryant and seconded by Alderman Burtle to recommend to the City Council to offer the Proactive Health Management Plan(PHMP) to employees at a Pre-tax rate of \$755.00 per month and a Post-tax payout of \$625.00 per month based on meeting the qualifications of the plan. The motion carried (4-0).

General Liability & Property Insurance Rates

Mr. Gary McNeely with Dimond Bros., LLC presented the recap of the General Liability/Auto & Property Insurance rates, along with Sales Tax Interruption, Cyber and Pollution coverages. It was noted that the City sustained a loss ratio of 74% in 2019/2019 while paying the lowest premium in the last 5 years. The total payout in claims was \$165,756.00, with 3 claims still open. The majority of these claims were automobile accidents and subsequent payouts. Despite this, along with adding additional coverage for the new Water Treatment Plant, our overall increase in premium was \$34,678.00.

Motion by Alderman Burtle and seconded by Alderman Bryant to recommend to the City Council to approve the renewal of General Liability/Auto, Property/Equipment, Sales Tax Interruption, Cyber, and Pollution insurance coverage at a total cost of \$260,875.00. The motion carried (4-0).

4th of July Fireworks Donation

The Annual 4th of July Celebration and Fireworks, sponsored by the Taylorville Optimist Club, will be held at Lake Taylorville Marina on Thursday, July 4, 2018. Last year the City donated \$4,500.00 to the event with \$2,000.00 coming out of the Administration/Community Relations line item, and \$2,500.00 coming from the Hotel/Motel Tax, Agency Contributions line item. There is a three-year agreement, with 2019 being the third and final year.

Motion by Alderman Burtle and seconded by Alderman Bryant to recommend to the City Council make a \$4,500.00 donation to the Taylorville Optimist Club for the Annual 4th of July Celebration. The motion carried (4-0).

Treasurer's Report

The March 2019 Sales Tax (received in June) was \$233,136.24 compared to \$223,144.81 in March 2018 and year-to-date is \$3,321.96 less than 2018.

The March 2019 Non-Home Rule Sales Tax (received in June) was \$91,850.38 compared to \$87,575.66 in March 2018 and year-to-date is \$4,729.56 more than 2018.

March 2019 BDD tax (received in June) was \$99,020.59. Total year-to-date is \$180,056.93.

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

Treasurer Nation noted that the City had received a total of \$29,502.00 for totaled police vehicles earlier in 2019. This money was placed into a separate bank account, not in the General Fund, to ensure the funds would be available when the Police Department was able to purchase a new replacement vehicle. Following a discussion with Auditor Noblet-Crites, a suggestion was made to pay off the loan balance on the 2018 Police Interceptors and apply the remaining funds to the 2019 Police vehicle loan to incur less interest.

Chairman Budd held a discussion with Auditor Noblet-Crites regarding us of the Contingency Fund. He was advised that all money to be used out of the Contingency Fund should be brought to the full City Council for approval.

Alderman Burtle stated the need to prepare a list of projects for the Business Development District, as well as Street projects, along with the priority order and where the funding will come from for the project. He questioned how a project becomes available for FAU funding and which roads in the City would qualify.

Mayor Barry was approached by an auctioneer to hold an online auction for City property that could be sold.

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

Meeting adjourned at 8:14 P.M.

Larry Budd, Chairman
Finance Committee