

FINANCE COMMITTEE

June 21, 2018

<u>MEMBERS</u>	<u>ABSENT</u>	<u>ALSO PRESENT</u>		
Chairman Budd	Alderman Jones	Treasurer Nation	Alderman Burtle	Steve Kline
Alderman Lanzotti		Alderman Vota	Kellie Hamell	Brad Davis
Alderman Walters		Alderman Olive	Gary McNeely	J.I. McDowell
Mayor Barry		Alderman Dorchinecz	Steve Craggs	Iris Noblet-Crites
		Clerk Lilly	Jim Taulbee	Diane Taulbee
		City Attorney Romano	Marty Davis	Donna Davis
			Ed Downs	Bob Steiner
			Rich Payne	Marylee Rasar
			Owen Lasswell	

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

Audit Discrepancy

Iris Noblet-Crites, CPA with Lively, Mathias, Hooper and Crites, was present to discuss the annual Audit being conducted for the City of Taylorville. There is a concern regarding a discrepancy in the amount of \$4,817.22. The balance in the Pooled Cash account does not match the balance in the books. She informed the Committee that this had been discovered in December of 2017, when former Treasurer France was assisting in balancing the bank accounts following the server crash. She reported this to Treasurer Nation, who was responsible for rectifying this discrepancy. It was not corrected, along with an incorrect balance in the IMRF balance. Mrs. Noble-Crites stated that she had determined the problem, after many hours of searching, hours spent above and beyond the cost of the Audit. \$2,559.41 is attributed to IMRF as a credit to the City posted as a journal entry, posted to the Water Fund in error. \$2,237.00 is a journal entry item posted to the books as cleared, but was not actually cleared. There is still \$20.02 that is unaccounted for at this time. It was also noted that the ending bank balance in December did not match the beginning bank balance in January and that it had been manually changed; this should never take place.

Recommendations were made as follows: Bank balance should never be changed. It is to be reported as it is stated. The General Ledger must agree with what is uploaded in IMRF. There should be a system in place to reconcile this monthly between the Treasurer and the Human Resource Manager.

The Audit is expected to be delayed due to the extra time spent in assisting Treasurer Nation with this discrepancy, but Mrs. Noblet-Crites hopes to have it completed in September. It is due to the State by the end of October.

General Liability & Property Insurance Rates

Mr. Gary McNeely with Dimond Bros., LLC presented the recap of the General Liability & Property Insurance rates. He stated that they received quotes from a larger variety of carriers this year including Bliss McKnight, One Beacon, Britt, Houston Casualty, Liberty Mutual, ICRMT, Acquity, United Fire, Travelers, Chubb, Cincinnati, and Crum Forster.

Coverage options were reviewed. Travelers offered the best coverage and price for Liability insurance. Cincinnati offered competitive rates for Property and Equipment, but Chubb was the most competitive rate with more extensive coverage options including full blanket coverage.

Dan McNeely is working with CTI to complete the Cyber Security application to receive the final quote from Travelers for this coverage. It is imperative to have adequate coverage as we are now accepting online payments.

Motion by Alderman Walters and seconded by Alderman Lanzotti to recommend to the City Council to select Option #3 (Chubb/Travelers/Crum & Forster) with additional details to follow regarding Flood, Sales Tax Interruption and Cyber Quote Options. Motion carried (3-0).

Business Development District

Chairman Budd informed the Committee that Downtown Taylorville is seeking to be included in the Business Development District to be eligible for the additional 1% sales tax to be used for infrastructure. Mr. Steve Craggs and Mr. Ed Downs with Downtown Taylorville presented facts regarding the 23 block historic district: 45 business fronts with 11 inactive, 9 new product retailers, 3 used product retailers, 2 restaurants and 20 offices.

The organization is looking for 25% of any additional revenue generated from a Business Development District tax to be returned to Downtown Taylorville. This money would be kept in a fund and utilized to assist owners/developers to build, renovate, repair and rejuvenate the area.

Mr. Steve Kline discussed the proposed Business Development District in TIF 1, initially discussed as an incentive for Steak N Shake and other developers in that area. He suggested that the City concentrate on that area at this time, and consider additional areas in the next 2-3 years. He stated that there must be a specific project to develop a Business Development District. It may be more viable to look at the downtown area as TIF 2 is developed, and incorporate it at that time.

Chairman Budd suggested that the Mayor form a Committee comprised of members of Downtown Taylorville and various Aldermen and other appointees who could work together to prioritize the needs and develop a plan to move towards this goal.

TIF No. 1 Incentives

Mr. Steve Kline updated the Committee on the two potential projects in TIF 1. He has been in contact with David Bruno regarding Steak N Shake. They have not provided final details or specifications to date. Tony Romano, with Golden Real Estate of Illinois, LLC has provided plans for a proposed two phase development on the Burnett property near Aldi. Phase 1 would be a medical office building, with additional development in Phase 2. The developer has agreed to install the sewer line, and will be reimbursed through TIF dollars as they funds become available. Developer will be paid first with TIF funds. The developer has requested that the City waive tapping fees and vacate the roadway that has appeared on the title search.

Motion by Alderman Walters and seconded by Alderman Lanzotti to direct Jacob and Klein to prepare a Redevelopment Agreement consistent with the Preliminary/Estimated Projection with Golden State Real Estate of Illinois, LLC. Motion carried (3-0)

Mr. Brad Davis, Mr. J.I. McDowell and Mr. Jim Taulbee addressed the concerns of local restaurant owners. They would like to see the same type of incentives offered to them as those proposed for Steak N Shake. All of them have invested in their properties through expansion and renovation with no reimbursement from the City, and feel the same opportunity should be provided to them. The group is proposing that the Business Development District be expanded to include the WalMart area to Cheney to Spresser, around the Square to Webster and back to Springfield Road. This would enable all businesses in that area to receive a portion of the additional tax generated to be utilized for improvements to their businesses.

They would like to see this expansion of the Business Development District now, as it would provide additional income to the City in the tax generated, and would also provide an opportunity for the business owners to receive a portion of that tax for their building projects.

Mayor Barry will form a Committee to include these business owners to discuss their concerns as the City moves forward with development plans.

Solar Energy

Chairman Budd stated that companies are starting to approach the City to be considered as solar energy providers at the new Water Treatment Plant.

Utility Tax Procedures

Alderman Dorchinecz discussed the procedure for the Utility Tax dollars. Chairman Budd stated that the fund currently has over \$400,000.00, and it is his hope that this remains in the fund for emergency projects in the City. Alderman Dorchinecz feels that the proper procedure is to divide this between the four wards for their individual projects. This discussion will continue at the July Finance Committee Meeting.

FY 2018/2019 Budgets

The Library Budget was presented following their recent Board Meeting.

Motion by Alderman Walters and seconded by Alderman Lanzotti to recommend to the City Council to accept the FY 2018/2019 Library Budget and forward to the Treasurer for further refinement. Motion carried (3-0).

Treasurer's Report

The March 2018 Sales Tax (received in June) was \$223,144.84 compared to \$212,871.42 in March 2017 and year-to-date is \$1,252.00 less than 2017.

The March 2018 Non-Home Rule Sales Tax (received in June) was \$87,575.66 compared to \$85,876.62 in March 2017 and year-to-date is \$1,664.15 less than 2017.

Motion by Alderman Lanzotti and seconded by Alderman Walters to recommend to the City Council to accept the Treasurer's Report as presented. Motion carried (3-0).

Motion by Alderman Walters and seconded by Alderman Lanzotti to adjourn. Motion carried (3-0).

Meeting adjourned at 9:13 P.M.

Larry Budd, Chairman
Finance Committee