

FINANCE COMMITTEE

October 17, 2019

Members

Chairman Budd
Alderman Bryant
Alderman Burtle
Alderman Lanzotti
Mayor Barry

Also Present

Treasurer Nation
Alderman Olive
Alderman Skultety
Clerk Lilly
Owen Lasswell
See Attached List

Chairman Budd called the meeting to order 8:31 P.M.

Rural Electric Franchise Agreement

Mr. David Stuva with Rural Electric was present to discuss the renewal of the Rural Electric Franchise Agreement, which allows RECC to use the streets and alleys in the City of Taylorville to operate their system. The previous contract was enacted on February 2, 2009. The proposed contract mirrors the Ameren Franchise Agreement. Mr. Stuva and the Board of Directors of RECC expressed concern that their per customer breakdown is double the amount Ameren pays for their franchise fee per customer. Chairman Budd feels the franchise fee should remain at \$5,000.00 due in part to the upcoming negotiations with Shelby Electric. Mr. Stuva will convey this to the Board of Directors.

Motion by Alderman Burtle and seconded by Alderman Bryant to recommend to the City Council to approve the Rural Electric Franchise Agreement with the \$5,000.00 per year franchise fee and proposed language changes as approved by the City Attorney. The motion carried (4-0).

American Tower Lease

The Lyle Company, lease consultant for American Tower, has made an offer for a Perpetual Easement for the wireless tower currently rented by American Tower. They are offering a lump sum payment of \$185,276.00. Currently they pay the City an annual rent of \$12,360.00 with a 3% annual escalation. The lease is set to expire on 2/28/2053; with a 35-year, 3% escalation rate, the total received over the life of the lease would be \$747,311.33. The proposed agreement allows the City to maintain ownership of the land. City Attorney Romano has advised that the City could consider a 99-year lease. A new offer has been made for \$310,445.00 lump sum payment for the 99-year lease. Concerns were raised regarding the amount offered in contrast to the total amount received with the current 35-year lease.

Motion by Alderman Lanzotti and seconded by Alderman Bryant to recommend to the City Council to accept the 99-year lease agreement from American Tower for a lump sum payment of \$310,445.00, with all funds received to be placed in the Lake Restoration Fund. The motion carried (3-1).

Azavar Agreement

The Mayor, Chairman Budd and City Attorney Romano have concluded negotiations with Azavar Audit Solutions regarding the Municipal Audit Program in regards to revenues, fees, taxes and refunds due to the City. Azavar will be reimbursed in the amount of 45% of any new revenues, prospective funds, or retroactive funds actually recovered and received by the City based on the findings made by Azavar for a period of thirty-six months following remission.

Motion by Alderman Bryant and seconded by Alderman Lanzotti to recommend to the City Council to approve the Resolution and direct the Mayor to sign the Avazar Audit Solutions, Incorporated Contingent Professional Services Agreement. The motion carried (4-0).

BDD Applications

The BDD Committee has received three new applications that were forwarded to Steve Kline for comment and approval. Applicants are Randy Mitchelson at 205 East Main Cross, Tina Coash at 112 South Main, and Cliff Mansfield at 119 West Main Cross. 112 South Main and 119 West Main Cross are within the Downtown area as identified in the FY 2020 Ordinance. They have completed repairs. 205 East Main Cross is not classified within the Downtown area but is within the BDD No. 1 Redevelopment Project Area.

Mr. Mitchelson was present to discuss his project, stating that he has remodeled the entire building. Proof of receipts and completion of the project were presented. The BDD Committee recommended reimbursement of only half of the 25% of the \$50,000.00 due to his plans to divide and sell half of the building/property to another business. It was noted by the Mayor and Chairman Budd that the City Council has the final decision on amounts to be distributed; they felt Mr. Mitchelson should receive the full 25% reimbursement for the overall building repairs and renovation.

Motion by Alderman Bryant and seconded by Alderman Lanzotti to recommend to the City Council to reimburse Randy Mitchelson, owner of Mitchelson Properties, located at 205 East Main Cross, \$12,250.00 from the BDD Fund. The motion carried (4-0).

Mr. William Coash, co-owner of Talia's Cookies, located at 112 South Main, discussed the renovations he and his wife have made to their place of business. They have extended their lease with the owner of the building, Bernie Curvey, to cover the \$12,000.00 spent on bathrooms installed to bring the establishment up to code. He does not have all the receipts for his projects.

Motion by Alderman Bryant and seconded by Alderman Burtle to recommend to the City Council to reimburse Tina Coash, owner of Talia's Cookies, located at 112 South Main, \$4,401.00 from the BDD Fund, subject to completion of project and proof of receipts. The motion carried (4-0).

Chairman Budd stated that the updates to 119 West Main Cross, owned by Cliff Mansfield, have been completed including tuckpointing and parapet repairs. Receipts have been submitted along with pictures.

Motion by Alderman Bryant and seconded by Alderman Burtle to recommend to the City Council to reimburse Cliff Mansfield, owner of 119 West Main Cross, \$3,955.00 from the BDD Fund. The motion carried (4-0).

Newcom Property

The Mayor was approached by Helen Kennedy with Kennedy Real Estate who represents land owned by Duane Newcom in the Timber Lake Estate Addition. This property is not in City limits. She inquired as to whether the City would accept a donation of the property. Should we accept the donation, an appraisal would be done. In order to sell the property, the City would be required to receive 80% of the value. The property has a very low assessed value. If not sold, the City would maintain and pay taxes on this property. The Committee was not interested in proceeding with discussion.

Watchman Property

There are two buildings located at 204 and 208 East Main Cross, just off the Square, that are currently owned by Kenneth Watchman and listed for sale by Curvey Real Estate. The properties are in disrepair, and loaded with asbestos. The repair/renovation budget could be in excess of \$1,000,000.00 to \$2,000,000.00. The Committee was not in favor of accepting these buildings as a donation due to the expense to be incurred.

Motor Fuel Tax 2019 Update

Chairman Budd informed the Committee that the BIC Audit has been completed and approved for years 2014, 2015, 2016, 2017. The City was required to reimburse the Motor Fuel Tax Fund in the amount of \$7,931.34 for one invoice that was not accepted. All other areas of concern were answered and accepted with no penalties. Mr. Mike McEvers with Benton and Associates will be responsible for handling MFT reporting moving forward. A Resolution will be brought to the City Council on Monday, October 21, 2019 regarding the revised Estimate of Maintenance Costs and the Maintenance Engineering to be Performed by a Consulting Engineer to cover the remainder of 2019 purchases for salt and miscellaneous patch materials.

Future projects include East Main Cross for the use of Motor Fuel Tax and West Main Cross for the use of FAU Funds. These projects will be planned, bid and executed by Benton and Associates.

Motion by Alderman Bryant and seconded by Alderman Lanzotti to recommend to the City Council to approve the Revised Maintenance Agreement and Engineering Agreement for the year ending 12/31/2019. The motion carried (4-0).

Treasurer's Report

The July 2019 Sales Tax (received in October) was \$232,595.71 compared to \$228,597.11 in July 2019 and year-to-date is \$45,998.25 more than 2018.

The July 2019 Non-Home Rule Sales Tax (received in October) was \$92,828.63 compared to \$91,204.95 in July 2018 and year-to-date is \$16,668.62 more than 2018.

The July 2019 BDD Tax (received in October) was \$104,815.90. The total received for the year is \$663,290.51.

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

Chairman Budd mentioned that the City should consider moving forward with bids for the generator for the Municipal Building.

Any Other Matters

Treasurer Nation has transferred \$37,935.39 from the BDD Fund to the General Fund to reimburse eligible expenses incurred in 2019 to date.

There will be a retirement reception held at the Firehouse on Sunday, October 20, 2019 between 1:00P.M. – 4:00 P.M. to honor Fire Chief Crews.

Motion by Alderman Bryant and seconded by Alderman Lanzotti to adjourn. The motion carried (4-0). Meeting adjourned at 10:06 P.M.

Larry Budd, Chairman
Finance Committee