

FINANCE COMMITTEE

April 21, 2022

MEMBERS

Chairman Dorchinecz  
Alderman Budd  
Alderman Bryant

ALSO PRESENT

Mayor Barry  
Alderman Olive  
Alderman Brown  
Clerk Lilly  
Treasurer Miles

Chief Adermann  
HBO Goodall  
Superintendent Mann  
Superintendent Brune  
Rich Payne  
Jerry Cocagne

Linda Allen  
Sarah Van Huss  
Jennifer Franklin  
Randy Miller  
Mike Specha

ABSENT

Alderman Skultety

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

CHILLFEST CONTRIBUTION

Motion by Alderman Bryant and seconded by Alderman Dorchinecz to recommend to the City Council to approve the contribution of \$8,000.00 for the Greater Taylorville Chamber of Commerce Chillfest to be paid out of the Hotel/Motel Tax Fund. The motion carried (3-0).

FIREWORKS CONTRIBUTION

It was noted that the City of Taylorville currently has a three-year agreement with the Optimist Club to contribute to the 4<sup>th</sup> of July Fireworks, beginning with July 2020. This would be the third year of the agreement.

CHAPMAN and CUTLER LLP ENGAGEMENT LETTER

In regards to continuing disclosure services for bonds, First Midstate is no longer able to provide this service. Their former employee who performed this task for the City has relocated to Chapman and Cutler, LLC as Disclosure Administrator. She has reached out to the City with an offer to continue this service. For the first year, the service would be free of charge, but beginning with the Fiscal Year 2023 filings, the customary fee is \$2,000.00 per year. This disclosure is a requirement for bonds.

Motion by Alderman Bryant and seconded by Alderman Dorchinecz to recommend to the City Council to authorize and direct the City Treasurer to sign the Engagement Letter from Chapman and Cutler LLP. The motion carried (3-0).

BDD APPLICATIONS

Two Business Development District applications were presented to the Committee, after receiving approval from the BDD Committee.

Pat Kretzer, owner of Urban Rental Company, erected a large storage facility on his property and requested reimbursement of \$50,000.00. Lengthy discussion was held regarding this building. It was built prior to any application for reimbursement; it will not generate BDD tax revenue, as it is a storage facility. Due to these factors, Steve Klein, the BDD Administrator, recommended the City reimburse less than the \$50,000.00 maximum. Although an application may be for new construction, the Committee consensus was that the primary intent of the reimbursement is to be used for rehabilitation of existing buildings located in, and generating revenue for, the Business Development District.

Motion by Alderman Dorchinecz and seconded by Alderman Bryant to **table** the Business Development District No. 1 Redevelopment Agreement for Urban Rental Company in the amount of \$50,000.00. The motion carried (3-0).

The second application was brought to the Committee for a second time. Seth Molen is seeking reimbursement up to \$50,000.0 for the rehabilitation of the building located at 111 North Walnut. He plans to utilize two floors for apartment rental and the lower level for retail space. The Finance Committee previously denied this. After calling for a motion three times, the Business District No. 1 Redevelopment Agreement for Seth Molen dba Brick City LLC for the property located at 111 North Walnut in the amount of up to \$50,000.00 failed for lack of motion.

Finance Chairman requested that both Agreements and Ordinances be brought to the City Council on May 2, 2022 for a full vote. He also requested that Steve Klein attend the next Finance Committee Meeting to provide direction to the members.

Chairman Budd also discussed a project beginning at the property located at 100, 102, and 104 East Market, owned by David Durham. His initial application will be revised to three separate applications due to the separate parcel numbers. One parcel will potentially be utilized for a coffee shop, while the others may become a microbrewery/restaurant/cigar bar/banquet space. This will be addressed at a future BDD Committee Meeting.

#### **BDD FUNDS – GAGNE BUILDING**

Chairman Budd stated that he would like to see BDD Funds set aside for the former Gagne Building, located at 1617 West Spresser for building upgrades and improvements. New HVAC units are necessary, and the total project may be approximately \$50,000.00. The City plans to move the Street and Sewer offices to this location, as well as potentially the HBO office. He stated that this property is within the BDD District, and is eligible for use for City infrastructure and property. Alderman Dorchinecz stated that the Municipal Building Budget should include this project. Alderman Bryant suggested that if BDD Funds are utilized, they should follow the same percentage guidelines for reimbursement as for all other projects. The City should not receive 100 percent of the cost reimbursement. After discussion, Chairman Budd determined that this item would be included in the Municipal Building budget as a separate project line item.

#### **BDD FUNDS – EAST MAIN CROSS SIDEWALKS**

Chairman Budd noted that the East Main Cross Project will include sidewalks, curbs and gutters for all areas within the project area. He would like to see this continue to the next block to include L&M Gardner Glass on the 300 block and Wareham's Security in the 400 block. As this is in the BDD area, he requested to utilize BDD Funds for this additional area. The estimate for the sidewalks, curbs, and gutters is \$17,505.96. Alderman Bryant suggested this should be paid with Ward 1 Funds. Mayor Barry stated the possibility of utilizing Ward 5, although this is not an emergency use. No action was taken.

#### **FY 2022/2023 BUDGETS – CEMETERY, ESDA, FIRE, WATER, LAKE**

Chairman Budd reviewed FY 2022/2023 Budgets for the Cemetery, ESDA, Fire, Water, and Lake.

Motion by Alderman Bryant and seconded by Aldermen Dorchinecz to forward the Cemetery, ESDA, Fire, Water, and Lake Department budgets to the Treasurer for further refinement. The motion carried (3-0).

#### **TREASURER'S REPORT**

Treasurer Miles presented a synopsis of the bank balances and informed the Committee of progress being made on balancing of the General Fund. The Deputy Treasurer's office space will be completed this week; computer has been ordered.

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

### ANY OTHER MATTERS

Chairman Budd noted that the State of Illinois is suspending the 1% grocery sales tax, as well as providing a ten day back to school tax relief sale period. There will be a property tax rebate for all Illinois property owners of 5% or a maximum \$300.00. \$25 million in LGDF funds will be distributed to communities. Dates for all items are not yet determined.

Fire Chief Adermann updated the Committee on the ever-evolving rules for ARP Fund expenditure. It has been suggested that the municipalities not earmark the funds for purchases of equipment, but rather use to reimburse police or fire salaries. Due to this modification, the Ordinance to purchase a loader for the Street Department with ARP Funds will need to be repealed and payment of ARP Funds removed from the Ordinance. The loader for the Lake Department will be paid in the same way. Both Ordinances should reflect this change.

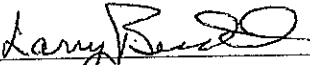
Mayor Barry informed the Committee that the City was awarded a Safe Routes to School Grant in the amount of \$250,000.00 for the area near Memorial School and St. Mary's.

### AMERICAN TOWER PROPOSAL

The City currently leases a cell tower located near the Lake to American Tower for their use. The 10-year lease agreement is for the term of 3/1/2017-2/28/2027. A one-time fee of \$20,000.00 was paid at the onset of the lease, along with a one-time payment of \$5,000.00 and attorney fees of \$5,000.00. The initial base rent was \$12,000.00 with a 3% escalation each year. Total rent paid over the term of the lease will be \$137,566.50. American Tower reached out to City Attorney Romano with an offer of a Perpetual Easement, along with a lump sum payment of \$250,000.00. The City would retain ownership of the land, with American tower retaining the right to use the land until they provide notice of termination or abandon the site. The City has been asked to consider this offer. City Attorney presented the options available: American Tower can renew every five years beginning in 2027, for a total of 5 times, at the current escalation rate of 3% per year. Approximate total collected over the full 25 year term would be \$747,000.00. The offer they are currently making, if accepted, would be paid in full in the fall of 2022. It could be classified as a lifetime perpetual easement or a long term lease, or the City could elect to sell the parcel as a fee simple purchase by American Tower. A previous offer of \$190,000.00 was made in 2019, but was rejected by the City. The Committee generally agreed the offer was not high enough, and a new Present/Future Value calculation should be prepared to assist in the decision making. The present cash value is approximately \$414,000.00. Bret Mason, advisor with Raymond James, will be contacted to prepare an updated calculation.

Motion by Alderman Bryant and seconded by Alderman Dorchinecz to adjourn. The motion carried (3-0).

Meeting adjourned at 7:17 P.M.

  
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Larry Budd, Chairman  
Finance Committee