

**City of Belleville
Special Finance Committee Meeting
January 21, 2021
City Hall 101 South Illinois Street
Held Via Remote Telephonic Access**

In Attendance:

(A) Finance Committee Members

**Ken Kinsella, Alderman
Dave Pusa, Alderman
Scott Ferguson, Alderman
Raffi Ovian, Alderman
Shelly Schaefer, Alderman
Chris Rothweiler, Alderman
Dennis Weygandt, Alderman
Roger Barfield, Alderman**

(B) Guests

**Mary Stiehl, Alderman
Phil Elmore, Alderman
Michael Hagberg**

(C) Staff

**Mayor Mark Eckert
Jamie Maitret, Finance Director
Dean Hardt, Treasurer
Eric Schauster, Asst Director Economic Development**

Chairman Kinsella called the meeting to order at 5:30 pm.

Chairman Kinsella opened public participation.

Michael Hagberg read a statement to the Committee in disagreement with extending TIF #3. He asked if the City ever planned on letting TIF #3 expire, and that he believed that taxes would decrease by \$300 on a \$150,000 home if TIF #3 expired.

Public participation was closed.

Discussion and consideration of possible extension of TIF #3

Mayor Eckert stated that TIF #3 has been in existence since 1986. He said the administration has been working on getting facts together to present to the Council and the various taxing districts for quite a while, but there were some items we were waiting on, and

then everything happening with COVID-19 over the last year has really slowed things down. He introduced Jamie Maitret to give a presentation on the possible TIF #3 extension.

Jamie Maitret sent out a presentation to all of the alderman earlier in the day. The first page shows a map of the various TIF districts within the City, including TIF #3. TIF #3 is by far the largest, and covers half of the City. It was created in 1986 for the initial 23 year term, and then was extended to a 35 year life in 2004. We are currently seeking a possible 12 year extension. Some other cities that have achieved this 2nd extension recently have been Springfield and Cahokia. Jamie also discussed went over a list of all of the taxing districts that are included in TIF #3. The extension process would have to include every one of these taxing districts approving a resolution, and attaching a letter of consent/support. If that was achieved, then the City Council would have to pass an ordinance in approval of the extension. If all taxing bodies and the City Council were in approval, then we would submit to the State General Assembly for final approval. This extension would only be possible if every taxing body is in approval. Jamie also went over the TIF #3 major expenditures of the last couple of years. Each year the City spends approximately \$12 million from TIF #3, with about \$4.5 million of that going back to the schools. The 2nd highest category of spending is for bond debt payments, mainly for the City Hall and Police Department renovations. Over the past 8-9 years, the City has done development agreements with 26 companies through TIF #3, which included private investment of almost \$55 million, and helped retain/create 692 jobs. If the extension is approved, there would be a new reimbursement process for the taxing districts. The City would declare a 50% surplus in TIF #3 revenues, and return that 50% surplus back to St. Clair County. St. Clair County would then distribute those funds back to each taxing district in TIF #3 on a pro-rata basis, based on their share of the EAV and taxes generated in the TIF district. There would be no individual development agreements required. This is the fairest way to distribute the taxes back to each district.

Jamie mentioned that she sent an email to all aldermen this afternoon, after she received some questions. She stated that there is approximately \$124,000,000 of EAV in TIF #3 right now. If it expires, this means the City could levy an additional approximately \$3.2 million, and still keep our City tax rate about the same. Unfortunately, with the \$1.5 million that would be needed to pay the bond debt payments, the \$1.3 million that would be needed in the General Fund, and the at least \$600,000 annually that is put in the Sewer fund to help with the mandated improvements, there is nothing left for infrastructure, streets, equipment, vehicles, or demolitions that we now pay for out of TIF #3. The City would have to find a new funding source for these items, or levy for them. If we levy more than the \$3.2 million, then tax rates would increase. From what we are hearing from the school district we have talked to, they would likely need to maximize their levies on this released EAV as well, in order to replace the revenue they were receiving from TIF #3. Jamie mentioned that it is highly unlikely that tax rates would decrease for our residents after TIF #3 expires. The best case scenario is that they may stay close to the same, but it is more likely that they would increase.

The Mayor stated that in the past, we did not have development agreements with each taxing district, so not all of them received funds from TIF #3. Now, each district is wanting a share of the funds, including St. Clair County, SWIC, and East St. Louis District 189. This is the main way TIFs and TIF extensions are getting approved in other towns lately as well.

Chairman Kinsella opened it up for questions from the committee.

Alderman Ferguson asked on what date TIF #3 actually expired. Mayor Eckert said 12/30/21.

Alderman Ovian wanted to know how certain areas of Ward 4 benefit from TIF #3, since they are not in it, and wanted to know how we would fund projects in his ward.

Alderman Elmore asked why some school districts that Belleville residents can be in are not listed in the presentation. Jamie said that the presentation only lists the school districts that are in TIF #3. Alderman Elmore also asked if the State could deny the extension request. The Mayor commented that they have been approving them for other cities, as long as all of the taxing districts are in agreement.

Alderman Stiehl asked about how road projects would be funded if TIF #3 expires.

Discussion followed.

The Mayor mentioned that there would be no vote required at this time. He said they would keep the Council updated on how discussions go with each district.

Motion to Adjourn

Alderman Rothweiler made a motion to adjourn at 6:13 pm. Alderman Schaefer seconded. Roll call vote was taken. Alderman Pusa, Ferguson, Ovian, Schaefer, Rothweiler, Weygandt, Barfield and Kinsella all voted yes. Mayor Eckert also voted yes. The motion passed.