

City of Belleville
Finance Committee Meeting
March 8, 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

Kent Randle, Alderman
Brian Tyrrell, Alliant Insurance
Sean Flynn, Gilmore & Bell
John Klaus, Stifel

(C) Staff

Mayor Mark Eckert
Jamie Maitret, Finance Director
Dean Hardt, Treasurer
Eric Schauster, Assistant Director Economic Development
Jason Poole, Director Public Works

Chairman Kinsella called the meeting to order at 7:00 pm.

Chairman Kinsella opened public participation.

Michael Hagberg – Agrees that refinancing the Carlyle/Green Mount bonds could provide savings to taxpayers, but wants to know if the refinancing extends the maturity dates. He is worried that there is some ulterior motive for doing the refinancing.

Public participation was closed.

Alderman Kinsella asked for a motion to approve the minutes from the January 11, 2021 meeting and the January 21, 2021 special meeting.

Motion

Alderman Schaefer made a motion to approve the minutes from January 11, 2021 and January 21, 2021. Alderman Ferguson 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.

Amendment to Development Agreement with Dahm & Schell, Inc.

Eric Schauster explained that he received an email from the owners of The EDGE asking for assistance with property taxes, due to hardships caused by COVID-19. Their current tax bill is over \$67,000. We have an existing development agreement with them from 2016 for their renovation and expansion, which was amended in 2017 to extend the completion date of the project. They are meeting/exceeding all requirements. Because we have an existing development agreement with them, we have the ability to amend it and offer additional assistance. The current agreement is for a 50% tax rebate for 5 years, or until the end of TIF 3, whichever comes first. The Economic Development & Annexation Committee agreed to amend the rebate to 50% for 2019 taxes and 100% for 2020 taxes. What is really needed currently is relief from the 2019 taxes (which were due in 2020). Eric is stating that after clarification of the owners' request, they are asking for 100% rebate for 2019 taxes, 100% rebate for 2020 taxes, and 50% rebate for 2021 taxes. Discussion followed.

Motion

Alderman Schaefer made a motion to approve amendment to development agreement with Dahm & Schell, Inc, with 100% rebate for 2019 tax year, 100% rebate for 2020 tax year, and 50% rebate for 2021 tax year. Alderman Ferguson 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.

Carlyle/Green Mount Refunding Bonds

Jamie Maitret explained that there is a draft ordinance in the packets tonight that approved moving forward with the bond refinancing that was discussed at the January 2021 meeting. Jamie addressed the public participation comments regarding this refinancing. The bonds will have the same maturity dates, but with the significant savings from the refinancing, they are projected to be paid off a lot sooner than they would be if not refinanced. The current projections with current interest rates and pledged revenues show they should be paid off by 2034. If we refinance, the lower interest rates and savings would have them projected to be paid off by January 2028. As soon as they are paid off, the City keeps all pledged sales tax, and the business district 1% sales tax could go away. Under the current agreement, the City keeps the first \$54,000 of sales tax generated at the development each month, as this was the estimated amount of sales tax from the old Walmart site. Through discussions with bond counsel, we are going to slightly adjust that up to \$66,000 per month. This adjustment is already taken into consideration for the payoff projections. Representatives from Stifel and Gilmore & Bell are on the call if there are any questions. Discussion followed.

Motion

Alderman Schaefer made a motion to approve ordinance to proceed with Carlyle/Green Mount bond refunding. Alderman Pusa 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.

Medical, Dental, and Life Insurance Renewals

Jamie Maitret stated that updated insurance financials are included in the packets. The medical insurance renewal with BCBS is a 4% decrease this year. Dental insurance was shopped around by the broker, and the best option is switching to BCBS for dental as well. If we do that, we save an additional 1% on the medical premiums for bundling. BCBS will also give us a one-time \$31,000 credit on the dental premiums. The dental rates would be locked for 2 years. Life insurance is also due to be renewed, and our current carrier (Standard Life) is offering a 0% rate increase, also locked for 2 years. Discussion followed.

Motion

Alderman Rothweiler made a motion to approve medical, dental, and life insurance carriers effective 5/1/2021, as recommended by staff and our insurance broker. Alderman Ferguson seconded. Roll call vote was taken. Alderman Pusa, Ferguson, Ovia, Schaefer, Rothweiler, Weygandt, and Kinsella all voted yes. Alderman Barfield abstained. Mayor Eckert also voted yes. The motion passed.

Purchase of Skid-Steer Loader for Sanitation Department

Jason Poole is requesting the purchase of this piece of equipment to replace an existing 2011 piece of equipment at the Sanitation Department. This equipment is used to push the recycling product into the Republic trailer that gets hauled away. It is used daily. Discussion followed.

Motion

Alderman Rothweiler made a motion to approve waiving formal bidding procedure and utilizing the Sourcewell Cooperative Purchasing Alliance for the purchase of a Bobcat S450 T4 V2 Skid-Steer Loader in the amount of \$25,080.06, to include the trade in of a 2011 Bobcat S130 Skid-Steer Loader for the Sanitation Department. Alderman Schaefer seconded. Roll call vote was taken. Alderman Pusa, Ferguson, Ovia, Schaefer, Rothweiler, Weygandt, Barfield and Kinsella all voted yes. Mayor Eckert also voted yes. The motion passed.

Budget Amendments

There were no questions on the proposed budget amendments.

Motion

Alderman Schaefer made a motion to approve the budget amendments as recommended by the Finance Director. Alderman Weygandt seconded. Roll call vote was taken. Alderman Pusa, Ferguson, Ovia, Schaefer, Rothweiler, Weygandt, Barfield and Kinsella all voted yes. Mayor Eckert also voted yes. The motion passed.

FY2021-2022 Budget Review & Discussion

Jamie Maitret gave an overview of the budget process and then started to go through the budget explanations. Jamie stated that the total proposed budget for all fund for the fiscal year 21/22 is \$108,031,967. This is down from the current fiscal year budget of \$110,074,908.

Jamie thanked the Mayor, City Clerk, City Treasurer, and all City Department Heads for their time and effort to help bring forward a balanced General Fund budget.

Jamie discussed the general fund budget and made the following comments:

- **This is the first draft you are seeing but cuts and adjustments have been made to bring this budget forward balanced.**
- **Getting a large portion of our operating revenue from the State makes monitoring a necessity. Some State revenues have been up for the current year, and some down. Sales tax has held up better than expected with the pandemic, but has not grown as much as was anticipated 1 year ago before the pandemic started. Also, in the Governor's State budget proposal he is proposing to cut some of the income tax that cities receive.**
- **Due to some of the revenues performing better than expected, along with the major cuts that the City implemented during the first few months of the pandemic, we are expected to end the year in the black and put some money into reserves to get them to a more appropriate level for a City of our size.**
- **For the new fiscal year, the budget is balanced, but not by very much. We are projecting about 1.4% (or approximately \$400,000) less operating revenues than we projected one year ago for the current year's budget.**
- **We are anticipating modest growth in sales tax, along with the increase in monthly sales taxes from the Carlyle/Green Mount development that were discussed earlier in this meeting.**
- **Some revenues are anticipated to be down significantly, including utility tax and telecommunications tax.**
- **In conjunction with the anticipated reduction in operating revenues, next year's budgeted expenditures are also down 1.4% from the current year budget.**
- **No General Fund revenue or fee increases proposed with this draft.**
- **Personnel expenses (salaries and benefits) make up 78% of the total General Fund budget.**

Jamie also noted the following highlights of the Sewer funds:

- **Total sewer budget is approximately \$31.2 million.**
- **This is a balanced budget, and we are trying to catch up with all of the new IEPA loan payments that have started over the last couple of years.**
- **We have another \$6.5 million in mandated project spending budgeted in the coming year.**

- No other significant changes from the current year.

Jamie noted the following highlights of the Motor Fuel Tax (MFT) Fund:

- State has increased the MFT revenues over the past year, and we have received 2 Rebuild Illinois funding allotments to date.
- MFT spending for next year is budgeted at \$3,825,700.
- Some of the projects planned include a section of Forest Avenue, Belleville Crossing, and a block of North Virginia, as well as engineering for West Main 12th – 17th St, West Belleville Bike Trail, West Washington Phase I, and Lebanon Avenue.

There is a breakdown of each TIF's budget included in the supporting documentation for the budget. Some of the major projects budgeted include:

- \$1 million to Sewer Construction
- Mainly infrastructure improvements in the smaller TIFs, including helping with mandated sewer improvements for East Creek from TIF 18
- Upgrade of Alum Feed facility for WWTP
- Finishing paying many grant match projects, including 6th – 12th Street Streetscape, Centreville Ave, East A St, and N. Illinois.
- West Main 17th to 28th overlay project
- Freeburg Ave roundabout
- Improvements to the Nichols Center
- Demolitions
- Remediation of underground storage tanks at Royal Height complex
- Asphalt & concrete patch work
- Sidewalks
- Transfers to other funds for debt service payments for debt associated with road projects and building renovations in those TIF areas.

Jamie stated that she knows this was a quick overview, especially having to do it by a phone call meeting. She told the elected officials that she is always available to discuss any of the budgets in further detail with them.

No motion was needed at this time. The budget will be voted on in April.

Revenue Sources

Motion to receive and file.

Motion

Alderman Ferguson made a motion to receive and file the revenue sources. 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.

The Mayor made some statements about the current budget draft, including being concerned about the possible State income tax cuts that the Governor is proposing, and the possibility that TIF 3 will expire. He also thanked Eric and Annissa for all of their hard work on economic development.

Alderman Ovian asked about the funds that the City may receive from President Biden's new stimulus bill. Discussion followed.

Motion to Adjourn

Alderman Ferguson made a motion to adjourn at 7:56 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.