

CITY OF WASHINGTON WASHINGTON, ILLINOIS

TO: Mayor Manier and City Council
FROM: Finance & Personnel Committee
DATE: May 18, 2018
SUBJECT: Report of Proceedings of Special Finance & Personnel Committee Meeting Held on Monday, April 9, 2018

The meeting was called to order by Chairman Brucks at 4:35 p.m.

Present: Chairman Brucks, Mayor Manier, Alderman Cobb

Also Present: City Administrator Culotta, Controller Baxter, City Treasurer Dingleline

AGENDA

1. Non-member Alderman wishing to be heard on a non-agenda item - None.
2. Citizens wishing to be heard on a non-agenda item – John and Sharon Amdall distributed the attached comments on the proposed Chamber of Commerce Agreement.
3. Business Items

A. Washington Chamber of Commerce Contract

Eric Obalil, President of the Washington Chamber of Commerce reviewed the Annual Work Agreement. He proposes that the contract amount be increased from \$25,400 to \$30,000. An increase has not been requested for over 8 years. A comment was made to add a bullet point under “Retail Sales Campaigns” to indicate coordination with the PACVB and the Chamber agreed to do so.

Following discussion, Mayor Manier made a motion, seconded by Alderman Cobb to recommend approval of the agreement, which will be taken to Committee of the Whole for further review and discussion. A Chamber representative will be in attendance at that meeting. Motion carried.

4. Other Business – None.
5. Executive Session – At 5:09 p.m. the Committee convened in Executive Session for the purpose of setting of a price for sale or lease of property owned by the public body per 5 ILCS 120/2 (c)(6) of the Illinois Open Meetings Act.
6. At 5:22 p.m. the Committee reconvened in regular session and there being no further business the meeting was adjourned at 5:22 p.m.

Finance Committee Comments

Washington Chamber of Commerce Agreement

April 9, 2018

We are thrilled that there is a focus on the sales tax issue in the proposed agreement with the Washington Chamber of Commerce. Thank you for being proactive on this issue. We continue to be very pleased with the fiscal responsibility demonstrated by the Washington City Council.

The outlook on sales tax revenue is very grim:

- Our opinion is that the sales tax revenue will continue to decline due to online sales.
- We are sharing a couple of charts that show the data. We can realistically expect the online sales to grow 2 to 3 times larger in the next few years – with a direct impact on sales tax revenue to the city.
- The “shop local” campaign may slow the decline of sales tax revenue, slightly, but will not solve the declining sales tax revenue issue.

It is probably too late to include in this year’s agreement, but we would like to offer a suggestion:

- We would recommend asking the Washington Chamber of Commerce to network with other chambers of commerce to explore ideas to develop a robust solution to the sales tax revenue decline – assuming that online sales grow to more than half of all sales in the region.
- Our opinion is that there are solutions to this issue, but we must start now to solve this issue. The longer we delay the larger the financial crisis that the City of Washington will be facing.

Thank you

Sharon & John Amdall