

**CITY OF WASHINGTON
WASHINGTON, ILLINOIS**

TO: Mayor Manier and City Council
FROM: Finance & Personnel Committee
DATE: April 17, 2020
SUBJECT: Report of Proceedings of Finance & Personnel Committee Meeting Held on Monday, March 16, 2020

The meeting was called to order by Mayor Manier at 4:30 p.m.

Present: Mayor Manier, Alderman Cobb, Alderman Yoder

Also Present: City Administrator Forsythe, Controller Baxter, Treasurer Dingledine, Planning & Development Director Oliphant

AGENDA

1. Non-member Aldermen wishing to be heard on a non-agenda item – Alderman Stevens asked why it was being requested to waive the 2nd Reading for the Gas Franchise Agreement and not the Electric Agreement and Finance Director Baxter indicated that Ameren needed to be notified about the changes in compensation and Good Energy recommended this one be approved as early as possible as an amendment to the contract whereas the Gas Agreement is an extension to the original agreement.
2. Citizens wishing to be heard on a non-agenda item:
 - A. Kurt Reynolds – owner of Brunk’s Sporting Goods spoke in support of the Historical Society TIF application for refacing the N. side of his building with a mural.
 - B. Toni Minton spoke of her disappointment in the TIF application process.
 - C. John Amdall spoke in favor of the mural project indicating the Council should focus on the beautification aspect and not the other issues.
 - D. Melissa Heil – Executive Director of the Historical Society indicated this was a perfect TIF project based on her past City management experience.
 - E. Sharon Amdall said that Washington values historical buildings and thus the City should keep the historical value intact with this project.

3. Approval of minutes

Alderman Cobb made a motion and Alderman Yoder seconded to approve the January 21, 2020 regular session minutes. Motion carried.

4. Business Items

A. Chamber of Commerce Work Agreement

Chevie Kriete and Kristy Howell spoke regarding the proposed contract with the Chamber of Commerce indicating it was very similar to the existing one with the exception of removing the stipulation that the Chamber would provide plants for the

perimeter of the Square. Alderman Cobb asked about goals and City Administrator Forsythe indicated that Staff and some elected officials are working with the Chamber on providing more information to the Council and on formulating goals.

Following discussion, Cobb made a motion, seconded by Yoder to recommend consideration by the City Council of the Chamber of Commerce Work Agreement.

B. Amending Electric Franchise Agreement – Ameren Illinois

Baxter explained that the current electric franchise agreement with Ameren, which expires on August 19, 2033 includes a growth clause that indicates the annual franchise payment per the contract may increase if the customer account increases by more than 3%. Our energy consultant, Good Energy, requested a review by Ameren of our account status and it was found that our electric customer account had increased from 7,025 in 2013 to 7,768 in August of 2018 or more than 10%. By amending the contract, the City would receive an additional \$20,352.50 in revenue for FY19-20 and an additional \$156,520.42 through the remainder of the contract. Good Energy also recommends waiving 2nd Reading so Ameren can be notified and the change in compensation take effect right away.

Following discussion, Cobb made a motion, seconded by Yoder to recommend approval by the City Council. Motion carried.

C. Extension of Gas Franchise Agreement – Ameren Illinois

Baxter explained that the current gas franchise agreement with Ameren has 20 years remaining on its 50-year term. The franchise fee is based on a formula that is dependent on usage and thus fluctuates on an annual basis. The prior year fee received was just under \$36,000. Our energy consultant, Good Energy negotiated an amendment to the agreement to provide for a flat franchise fee of \$47,110 per year with a 3% growth clause that could result in increased fees should our customer count increase more than 3% in future years. Ameren requests that the agreement also be extended for an additional 10 years, leaving a 30-year remaining term. A 3% growth clause is provided in the amended contract which could result in increased fees if our customer count increases more than 3% in any future years. By extending the contract, the City would receive an additional \$363,300 for the remainder of the contract.

Following discussion, Cobb made a motion, seconded by Yoder to recommend approval by the City Council. Motion carried.

D. TIF Funding Request – Washington Historical Society, 122 N. Main St.

Planning and Development Director Oliphant indicated that a request for TIF funding assistance has been received from the Washington Historical Society in regard to restoring the north-facing wall on the Brunk's Sporting Goods building located at 122 N. Main St. The work includes tuckpointing of the exterior wall to make a façade suitable for painting, but does not include any of the expenses for the actual planned mural. Treasurer Dingleline asked if the application could be made by someone other than the building owner and Forsythe indicated that he had participated in many projects on behalf of a third party. The total cost estimate is \$6,100 and a 30% subsidy is recommended in the amount of \$1,830.

Following discussion, Cobb made a motion, seconded by Yoder in support of the project and to recommend approval by the City Council of a \$1,830 subsidy. Motion carried.

E. TIF Funding Request – Alexander Financial Services, 117 Peoria Street

Oliphant reviewed a request for TIF funding assistance from Alexander Financial Services in regard to complete interior and exterior building and lot improvements to 117 Peoria Street. The work will include outside surface and painting, new signage, and parking lot improvements as well as the addition of a new entryway and separation of the upstairs and downstairs suites, the removal and addition of walls for new office space, electrical and plumbing upgrades, installation of new HVAC system, installation of custom cabinetry, floor replacement, painting and installation of new windows. The total cost estimate is \$59,570.56 and a 30% subsidy is recommended in the amount of \$17,871.17.

Following discussion, Cobb made a motion, seconded by Yoder in support of the project and to recommend approval by the City Council of a \$17,871.17 subsidy. Motion carried.

F. N. Cummings Lane Property Development

Oliphant reviewed a request for consideration of assistance as related to property development in a portion of Lot 3 in Heilman's Commercial Park. The estimated cost to bore under N. Cummings for this project and set a manhole is \$40,000 to \$50,000. In addition, the N. Cumming Lane Water and Sewer Extension Assessment would apply. In the original 1994 agreement, the fees that are required to be paid for connection are subject to an 8% per annum interest on any unpaid fees dating back to 1994. The water fees without interest approximate \$15,000 and the sewer subdivision development fee is another \$16,432.80.

Following discussion, Cobb made a motion, seconded by Yoder to recommend the City Council approve removing the 8% interest accrual from the Water and Sewer Main Extension fees as well as agree that the City pay for the cost of the boring and manhole and a recapture agreement be drafted so that future developers for the property would be charged a share of the cost. Motion carried.

G. Freedom Parkway Property Development Assistance Consideration

Oliphant reviewed a request for consideration by a Washington business who is pursuing relocation of their business to a site at the southwest corner of Freedom Parkway and N. Cummings Lane. Financial assistance could be provided in the way of a home rule sales tax sharing agreement in which a portion of the tax generated by the business could be returned. Staff recommendation would be a cap of \$20,000 per year for three years following completion of the project with a maximum of \$60,000 as long as the business generated \$50,000 in home rule sales tax each year. Enterprise Zone benefits would also apply.

Following discussion, Cobb made a motion, seconded by Yoder to recommend the City Council approve such a sharing agreement as indicated above. Motion carried.

5. Other Business – None.
6. There being no further business, Cobb made a motion, seconded by Yoder to adjourn. Meeting adjourned at 5:18 p.m.