



AGENDA
FINANCE AND ADMINISTRATION COMMITTEE
Monday, March 28, 2016
5:00 PM *Special Time*
Public Safety Building

I) Roll Call

Mike Bennett, Chairman, Jerry Albrecht, Vice-Chair, Gene McCoskey, Herb Roach, Ned Drolet, Bob Kueker, Matt Smallheer)

II) Approval of Minutes from Previous Meeting February 22, 2016

Note: All recently approved committee minutes posted on official City website: <http://www.ofallon.org>

III) Items Requiring Council Action

- A. Motion to approve Resolution to Declare a Surplus of Funds in the Special Tax Allocation Fund for the City's Tax Increment Financing Redevelopment Project Area- TIF District #3-Central Park

IV) Other Business:

- A. Tax Levy- Final Rate Setting EAV
 - a. 4% Loss in collections
- B. FY 2017 Budget Summary
 - a. Overall budget summary
 - b. Aldermen Questions submitted
 - i. Video Gambling Revenue
 - ii. Vector Truck Purchase
 - iii. Water Model under Engineering Services
 - iv. Transfers to Other Funds
 - v. Savings associated with new 911 Software
 - vi. Was federal money used for Mine Remediation project?
 - vii. Space needs for Public Work's equipment
 - viii. Old Vincennes/Scott-Troy Road intersection

V) Informational Purposes Only- No Action/Discussion Required

- A. Treasurer's Report as of 2/29/16

VI) Adjournment

NEXT MEETING: April 25, 2016

General Citizen Comments: The City of O'Fallon welcomes comments from our citizens. The Illinois Open Meetings Act provides an opportunity for citizens to speak at all committee and Board meetings. However, 5 ILCS 120/1 mandates that NO action shall be taken on matters not listed on the agenda. Please submit your name to the chairman and limit your comments so that anyone present has the opportunity to speak.



CITY COUNCIL AGENDA ITEMS

To: Mayor and City Council
From: Sandy Evans, Director of Finance
Walter Denton, City Administrator
Date: April 4, 2016
Subject: Resolution to Declare a Surplus of Funds in the Special Tax Allocation Fund for the City's Tax Increment Financing Redevelopment Project Area- TIF District #3- Central Park

List of committees that have reviewed: Finance and Administration

Background: This resolution is required by the Illinois Tax Increment Allocation Redevelopment Act when declaring a surplus (pass through). The pass-through amount of \$118,379.63 is sent to the County Collector who distributes this amount to the respective taxing districts in the same manner and proportion as the most recent distribution by the county collector to the affected districts of real property taxes from real property in the redevelopment project area. This amount represents the pass through amounts from the Menards and Central Park Retail redevelopment agreements.

Legal Considerations, if any: None

Budget Impact: None, Tax increment amount received through property tax paid, merely redistributing to appropriate taxing bodies.

Staff recommendation: Recommend approval

Table 1
TIF No. 3 FY15 Surplus Distribution Supporting Calculations
 City of O'Fallon, Illinois

3/23/2016

Total Surplus to be distributed for FY16: **\$118,379.63**

Most Recent Tax Increment by Tax Code:

2014 EAV Increment (Tax Code 08075)	\$ 118,379.63	100.00000%
Total TIF 3 2014 EAV Increment	\$ 118,379.63	100.00%

Tax Code 08075

% of Total 2014 TIF 3 Increment EAV	100.00000%
Applicable Surplus	\$118,379.63

District	2014 Tax Rate	%	Surplus
C001-St Clair County	0.9388	11.6%	\$13,757.54
EC522-SWIC Dist #522	0.4285	5.3%	\$6,279.41
EE104-Central Dist #104	3.25	40.2%	\$47,626.77
EH203-OFallon HS Dist #203	2.2271	27.6%	\$32,636.79
LYOF-Library of OFallon	0.1502	1.9%	\$2,201.09
TTCSR-Caseyville Rd	0.1177	1.5%	\$1,724.82
TTCSY-Caseyville Twp	0.1215	1.5%	\$1,780.51
VSOE-City of OFallon	0.8443	10.5%	\$12,372.70
TOTAL	8.07810	100.0%	\$118,379.63

**CITY OF O'FALLON, ILLINOIS
RESOLUTION 2016-**

**A RESOLUTION TO DECLARE A SURPLUS OF FUNDS IN THE SPECIAL
TAX ALLOCATION FUND FOR THE CITY'S
TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA
(TIF DISTRICT #3 CENTRAL PARK)**

WHEREAS, the City of O'Fallon declares that One Hundred Eighteen Thousand Three Hundred Seventy Nine Dollars and 63 Cents (\$118,379.63) is not required, pledged, earmarked, or otherwise designated for payment and securing of obligations and anticipated redevelopment project costs for TIF District No. 3; and

WHEREAS, that as soon as practical after the passage of this Resolution, the City Finance Director shall issue a check from the Special Tax Allocation Fund for TIF District No. 3- Central Park, payable to the St. Clair County Collector, with instructions to said Collector to distribute the surplus funds to the affected taxing districts pursuant to Section 11-74.4-7 of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq).

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL, OF
THE CITY OF O'FALLON, ST. CLAIR COUNTY, ILLINOIS;**

That the City of O'Fallon has authorized the Director of Finance to issue a check in the amount of \$118,379.63 to the St. Clair County Collector's office for payment of the surplus.

This Resolution shall become effective immediately upon its adoption by City Council.

Passed by the City Council this 4th of April, 2016.

ATTEST:

(seal)

Approved by the Mayor this 4th day
of April , 2016.

Philip A. Goodwin, City Clerk

Gary Graham, Mayor

2016/2017

Fund	Description	Budget Summary	Revenue	Expense
01	General	\$	17,802,275	\$ 17,802,275
02	Park	\$	3,641,655	\$ 3,641,655
04	Library	\$	1,283,400	\$ 1,283,400
05	Capital Improvement	\$	-	\$ -
06/07	Cemetery Trust & Agency	\$	35,000	\$ 35,000
08	Fire	\$	1,953,220	\$ 1,953,220
13	IMRF	\$	600,000	\$ 600,000
14	Prop S	\$	2,610,865	\$ 2,610,865
16	Motor Fuel	\$	1,865,000	\$ 1,865,000
17	EMS	\$	2,545,645	\$ 2,545,645
25	Social Security	\$	856,100	\$ 856,100
31	Water	\$	11,167,865	\$ 11,167,865
34	Sewer	\$	8,514,100	\$ 8,514,100
39	Special Svc Areas	\$	15,200	\$ 15,200
44	Police Pension	\$	1,919,945	\$ 1,919,945
48	Sewer Debt	\$	540,425	\$ 540,425
50	TIF	\$	1,773,500	\$ 1,773,500
51	Hotel/Motel	\$	921,610	\$ 921,610
53	97 Bond Debt(2010 Issue)	\$	598,455	\$ 598,455
55	2002 Bond Debt(2010)	\$	956,030	\$ 956,030
61	SSA #1 Debt Svc Fund	\$	169,125	\$ 169,125
62	SSA #2 Debt Svc Fund	\$	36,725	\$ 36,725
63	SSA #4 Debt Svc Fund	\$	113,125	\$ 113,125
67	Newbold Debt Svc Fund	\$	164,000	\$ 164,000
68	Convention Center	\$	522,980	\$ 522,980
69	Park Sports Complex	\$	1,143,160	\$ 1,143,160
71	Harley Davidson Debt Svc	\$	134,000	\$ 134,000
72	Park Dedication	\$	25,025	\$ 25,025
73	Annex Fees	\$	150,000	\$ 150,000
74	Ohlendorf Bequest	\$	50,000	\$ 50,000
77	\$2M BAB (Prev. #46)	\$	180,075	\$ 180,075
78	Strategic Plan Project	\$	425,000	\$ 425,000
80	St Elizabeth Roadwork	\$	4,500,000	\$ 4,500,000
81	Fire Pension Fund	\$	70,000	\$ 70,000
82-85	Police Seized Funds	\$	166,760	\$ 166,760
86	Greenmount Debt Svc Fund	\$	262,445	\$ 262,445
TOTALS		\$	67,712,710	\$ 67,712,710

Budget Questions

When we receive budget questions, we will post the answers here so everyone will have the same information. I will post the questions verbatim as they were received along with our answers.

Question: Can we earmark video gambling revenue for specific purposes such as Streets and Police?

Answer: Currently, all video gambling revenue (approximately \$50,000 per year) is going into the General Fund. Since Police and Streets are in the General Fund, those departments are already receiving video gambling revenue (although not in a specific allocation). Moreover, we don't receive enough video gambling revenue for it to be a significant contributor to the General Fund. If the City Council wants a specific amount of money in the Streets and/or Police budgets, it may be better to identify specific projects you want to accomplish in Streets and Police, and then General Fund revenue can be allocated for those purposes.

Question: When you spoke about the new \$300,000 Vac Truck, you explained that you had a backup with other communities but we're concerned with the two hospitals. I believe St. Elizabeth does not come on line during the coming budget. Between the Vac Truck and the Shed which is going to serve the overall operation and future of the Department for the coming FY?

Answer: While St. Elizabeth's Hospital is not scheduled to open until fall 2107, they are already asking for sewer service for their construction activities. In addition, Memorial Hospital is scheduled to open in April 2016 and we are responsible for maintaining their sewer service. In addition to providing valuable back-up to the existing Vactor Truck, we have increasing demands to use the Vactor Truck for storm sewer cleaning and maintenance and to pothole water mains.

Question: Can you also explain the following: Under Eng. Services the item listed as Water Model (4370)?

Answer: In 2006, Burns & McDonnell prepared a Water Master Plan for the City. This plan included the creation of a water model and the construction of two water towers and miles of new water mains. This budget item would update the 2006 water model for the next ten years.

Question: Under transfers to other funds to what areas: \$453,275 (4795) and \$509,135 (4904)?

Answer: Line item 4795 is the Transfer for IT Allocation and represents the Water Fund's portion of the IT costs that are City-wide expenses associated with the IT needs of the organization.

Line item 4904 is for Fee in lieu of taxes. In 2012, we reorganized the budget and began charging the Water and Sewer Funds for their portion of General Fund administrative salaries and benefits that were originally reflected in the Enterprise Funds budget. Upon City Council recommendation, these expenses were moved to more closely reflect actual personnel costs in Administration.

Question: Can you do a breakdown of where the savings comes from on the new 911 software over the next 4 years? Not each little item but such things as annual cost for license of software, training, upgrades, modifications, hardware?

Answer: 911 consolidation costs are still uncertain for several reasons, including state and county mandates, consolidation costs, software transition costs, and consolidation cost sharing with Fairview Heights and Shiloh. The line item in the budget is a placeholder until our cost analysis is complete.

That being said, consideration of a new 911 dispatch system became feasible with consolidation discussions with the Fairview Heights. Consolidation will require one software platform and Fairview's is substantially less expensive. Fairview Heights and Shiloh will contribute to paying conversion and consolidation costs so potential savings are just estimates until we negotiate Inter-governmental Agreements.

- Software Licensing: ITI is a web-based service so their license costs are less than our New World software. We estimate approximately \$400,000 in software savings by switching to ITI.
- Hardware Costs: As a hosted solution, there are no local server requirements for ITI. This would save approximately \$23,000 in depreciation and OS costs related to existing servers and an additional \$18,000 related to new server and OS purchases.
- Upgrades & Implementation: ITI covers upgrades as part of the hosting subscription but will include initial implementation, training and data conversion costs. We expect a net savings of approximately \$140,000 in upgrade and implementation costs.
- Training Component of Upgrade & Implementation: Any training savings are included in the \$140,000 mentioned above. ITI has indicated that the training component of implementation will cost approximately \$12,000. There are additional long term savings opportunities related to training since ITI is a local company rather than paying for New World employees to travel to O'Fallon for upgrades and training.

Question: Was there any federal grant money used for the St. Elizabeth's Hospital mine remediation project or Green Mount Road?

Answer: We did not receive any federal grants for the project. There were no grants for the mine remediation. As you know, the City of O'Fallon guaranteed up to \$10 million for mine remediation. Fortunately, the total cost was \$5.1 million, which reduced the amount we had to borrow through bonds. We received a \$2 million state DCEO Economic Development grant for Green Mount Road. In addition, \$2 million from the bond and \$200,000 from Motor Fuel Tax are budgeted for Green Mount Road improvements.

Question: At the Public Works Committee meeting, there were questions regarding space needs for equipment sitting outside and the proposed use of the storage building containing parade float wagons.

Answer: Here are rough numbers on square footage needed to get all vehicles and equipment under roof.

- Old building that burned down: 50' x 75' = 3,750 square feet.
- Parade float building: 40' x 120' = 4,800 square feet.
- Additional square footage needed for all vehicles and equipment that are outside: 7,500 square feet.
 - Needed to house all vehicles: 5,300 square feet.
 - Needed to house all equipment: 2,200 square feet (light towers, air compressor, durapatcher, message boards, wood chipper, boom mower, backhoe, tool carrier, motor grader).

Question: Why isn't the Old Vincennes Trail/Scott-Troy Road intersection in the budget?

Answer: A traffic study on the intersection will be on the April 11 Public Works Committee meeting agenda for consideration. However, since we do not have the results of the traffic study, we do not know what (if any) improvements are necessary at the intersection and what it would cost. In addition, partnerships with O'Fallon Township and St. Clair County would be required to make any improvements and we have not negotiated any agreements or cost-sharing arrangements. If/when we get to those steps in the project, the City Council can consider a budget adjustment to move the project forward.

Treasurer's Report
Cash Reserve Balance of Major Funds

General Fund

Cash on Hand as of 2/29/2016	\$ 11,876,282.36
3 mos. operating reserve	\$ (3,940,916.25)
10% emergency reserve	\$ (1,187,628.24)
Obligated Transfers Budget 2016	\$ (1,893,400.00)
Obligated Transfers HSHS TIF Bonds(2016-2018)	\$ (839,942.00)
	<u>\$ 4,014,395.87</u>

Ambulance

Cash on Hand as of 2/29/2016	\$ 3,779,564.04
3 mos. operating reserve	\$ (624,338.75)
10% emergency reserve	\$ (377,956.40)
	<u>\$ 3,605,869.39</u>

Fire

Cash on Hand as of 2/29/2016	\$ 2,465,821.87
3 mos. operating reserve	\$ (480,190.00)
10% emergency reserve	\$ (246,582.19)
Obligated Transfers Budget 2016	\$ (177,295.00)
	<u>\$ 1,561,754.68</u>

Parks

Cash on Hand as of 2/29/2016	\$ 2,011,349.49
3 mos. operating reserve	\$ (955,886.25)
10% emergency reserve	\$ (201,134.95)
Obligated Transfers Budget 2016	\$ (272,235.00)
	<u>\$ 582,093.29</u>

Prop S

Cash on Hand as of 2/29/2016	\$ 3,057,766.26
3 mos. operating reserve	\$ (457,250.00)
10% emergency reserve	\$ (305,776.63)
Obligated Transfers Budget 2016	\$ (991,360.00)
	<u>\$ 1,303,379.63</u>

MFT

Cash on Hand as of 2/29/2016	\$ 3,398,700.89
3 mos. operating reserve	\$ (473,750.00)
10% emergency reserve	\$ (339,870.09)
Obligated Transfers Budget 2016	\$ (1,094,000.00)
	<u>\$ 1,491,080.80</u>

Water

Cash on Hand as of 2/29/2016	\$ 8,715,885.20
3 mos. operating reserve	\$ (2,486,265.00) *
10% emergency reserve	\$ (871,588.52)
Obligated Transfers Budget 2016	\$ (1,220,065.00)
	<u>\$ 4,137,966.68</u>

Sewer

Cash on Hand as of 2/29/2016	\$ 4,083,607.19
3 mos. operating reserve	\$ (1,425,037.50) *
10% emergency reserve	\$ (408,360.72)
Obligated Transfers Budget 2016	\$ (1,678,150.00)
	<u>\$ 572,058.97</u>

Library

Cash on Hand as of 2/29/2016	\$ 964,600.52
3 mos. operating reserve	\$ (285,767.50) *
10% emergency reserve	\$ (96,460.05)
Obligated Transfers Budget 2016	\$ (443,317.08)
	<u>\$ 139,055.89</u>

Hotel/Motel

Cash on Hand as of 2/29/2016	\$ 923,069.65
3 mos. operating reserve	\$ (234,057.50)
10% emergency reserve	\$ (92,306.97)
Obligated Transfers Budget 2016	\$ (195,930.00)
	<u>\$ 400,775.19</u>

Park Land Fund Subdivision

Cash on Hand as of 2/29/2016	\$ 296,355.75
3 mos. operating reserve	\$ (7,512.50)
10% emergency reserve	\$ (29,635.58)
	<u>\$ 259,207.68</u>

Annex Fees

Cash on Hand as of 2/29/2016	\$ 922,975.75
3 mos. operating reserve	\$ (37,500.00)
10% emergency reserve	\$ (92,297.58)
	<u>\$ 793,178.18</u>

Strategic Plan Fund***

Cash on Hand as of 2/29/2016	\$ 765,033.49
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***Includes proceeds from Ameren's settlement, sale of cell tower, Kyle Road property & \$200K Menards

Note: 3 mos operating reserve calculated by using FY 2016 budget

*(Some 3 mos reserve amounts adjusted to reflect "normal" expenses, not extraordinary- reduced by transfer from reserve amount)