MINUTES OF A SPECIAL MEETING OF THE ZION CITY COUNCIL HELD ON MONDAY, JUNE 9, 2003, AT 6:33 P.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, ZION, ILLINOIS

Mayor Harrison called the meeting to order.

On call of the roll the following answered present: Commissioners Bennett, DeTienne, Flammini, Taylor and Mayor Harrison.

2003/04 BUDGET

Commissioner Bennett stated the 2003/04 budget has four major areas needing discussion and direction:
1. TIF District #1
2. TIF District #3
3. Industrial Development/Calpine project
4. MFT Funds

Greg Schneider stated the City is starting this fiscal year with beginning cash and investments of $1,884,921. If the budget is approved with all requests, the General Fund would have a deficit of $3,326,161. A large portion of this deficit is due to economic development projects and expenditures. Decisions are needed for the following:
- What projects paid out of Economic Development should be funded by TIFs
- Should bonds be sold for TIF
- What is the budget status of the Streetscape Project
- Should Industrial Development and MFT funds be transferred to the General Fund to offset the budget shortfall

Delaine Rogers stated there are several façade grant requests, which are not expected to be completed. March 31 was the deadline, and there are 14 outstanding requests without permits totaling $613,500. Ms. Rogers stated four of these businesses have replied that they are no longer interested in participating in the Façade Grant Program. Mayor Harrison stated these businesses shouldn’t be allowed to hold up the City’s budget process. Commissioner Bennett stated the City could limit expenditures from TIF #1 and #3 by a given percentage with the remaining portion utilized to help repay bonds and Economic Development. Commissioner Taylor recommended eliminating the four businesses that are no longer interested, totaling $234,000, and giving the remaining businesses a deadline to obtain permits. Commissioner DeTienne recommended decreasing the grant amounts for the remaining businesses, since they are already past the deadline date. Mayor Harrison questioned whether or not the City wants to pay itself back with TIF District funds. Commissioner Bennett stated he is aware that Public Works is looking for TIF District #1 to help fund Phase 2 of the Streetscape Project. Commissioner Taylor noted that the cost of utility relocations is still unknown. Commissioner Bennett noted the projected over-budget for this TIF #1 Capital Project is $578,515. Commissioner Bennett stated the first step should be to charge Economic Development funds back to the TIF, and to compile a project list with funds needed.

It was moved by Commissioner Bennett, seconded by Commissioner Taylor to direct Greg Schneider to prepare a list of projects and costs with charge backs to TIF from the General Fund or Economic Development Fund with action to be taken at the June 16 Special Council Meeting. The vote on roll call was: Commissioners Bennett, aye; DeTienne, aye; Flammini, aye; Taylor, aye; and Mayor Harrison, aye. Motion carried.

It was moved by Commissioner DeTienne, seconded by Commissioner Taylor to establish June 17, 2003 at 5:00 p.m. as the deadline for recipients to obtain permits for the Façade Grant Program. The vote on roll call was: Commissioners Bennett, aye; DeTienne, aye; Flammini, aye; Taylor, aye; and Mayor Harrison, aye. Motion carried.
Mayor Harrison questioned the amount of revenue received from the Calpine project. Mr. Schneider stated $776,000 was collected in the past fiscal year, and the City anticipates an additional $750,000 to be collected by April 2004. Mr. Schneider recommended transferring $23,069 from Industrial Development to road bonds. Commissioner Bennett questioned whether or not to transfer all money in the Motor Fuel Tax (MFT) fund to the General Fund. Commissioner Taylor noted MFT is restricted money, and can only be used for related purposes. Commissioner Bennett noted there is a need for a new revenue stream for street and road projects.

It was moved by Commissioner Bennett, seconded by Commissioner Flammini to transfer $1,300,000 from the Industrial Development Fund to the General Fund. The vote on roll call was: Commissioners Bennett, aye; DeTienne, aye; Flammini, aye; Taylor, aye; and Mayor Harrison, aye. Motion carried.

It was moved by Commissioner Taylor, seconded by Commissioner Bennett to authorize Greg Schneider to transfer MFT Funds, as needed, to the General Fund. The vote on roll call was: Commissioners Bennett, aye; DeTienne, aye; Flammini, aye; Taylor, aye; and Mayor Harrison, aye. Motion carried.

Mr. Schneider noted, in the proposed budget, he has transferred $23,140 from the General Fund to Festival of Lights to balance this fund. Mayor Harrison questioned expenditures from last year. Mr. Schneider stated this fund indicated $44,309 in expenditures and $18,766.22 in revenue. Mayor Harrison stated, as years go by, expenditures should just involve maintenance costs, and stated he will talk to the committee regarding anticipated expenses for this year. Commissioner Bennett questioned whether or not the committee can spend additional donations or should this money be returned to the budget. Mayor Harrison stated the committee should be able to utilize any extra donations. Commissioner Bennett stated the overall budget should not contain a line item for $3,000 for drive-thru donations, making the total $33,400. Commissioner Bennett stated this budget should be self-supporting. Commissioner Taylor noted in future years, the City’s contribution should be cut as expenses decrease.

**ADJOURN**

There being no further business to come before the Council at this time, it was moved by Commissioner Bennett, seconded by Commissioner Taylor and unanimously approved the meeting be adjourned at 8:30 p.m. Motion carried.

City Clerk

Approved June 17, 2003