

**CITY OF TROY**  
**FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE**  
**MEETING MINUTES**

Monday, January 17, 2023, 5:45pm

MEMBERS PRESENT: Nathan Henderson (Chair), Elizabeth Hellrung, Debbie Knoll, Tony Manley.

MEMBERS ABSENT: None.

OTHER OFFICIALS PRESENT: Mayor David Nonn, Aldermen Tim Flint, Alderman Dan Dawson, and Troy Turner, City Administrator Jay Keeven, City Treasurer Kelly Huelsmann, City Clerk Kim Thomas, Public Works Director Rob Hancock

Chairman Henderson called the meeting to order at 5:45pm and roll call was taken.

He asked if there were any additions, deletions, or revisions to the minutes of the previous meeting, held on November 21, 2022. There being none, the minutes were approved as presented.

There was no public comment.

(Alderman Italiano entered the chambers at 6:00pm.)

Resolution 2023-02, Resolution to Approve Property Tax Abatement for Creative Blow Mold Tooling

Mr. Keeven briefed the committee on this resolution. Mayor Nonn and he met with Dominic Schaefer (present at the committee meeting) a few months ago. Mr. Schaefer would like to build a new site for Creative Blow Mold Tooling. This will bring a precision machining shop to the area. He intends to purchase property at Commercial Drive and Formosa Road. The property is owned by Plumber Investments LLC. The new facility will bring twenty machinist jobs to the area. It will not, however, bring much sales tax. Most of the work done will be for government entities, which do not pay sales tax. Mr. Schaefer met with the school district, who is willing to offer a 10-year 90% property tax abatement. He is asking for the same arrangement with the city. The estimated tax on the new facility, according to Mr. Schaefer, will be approximately \$5000. The abatement would be \$4500 per year (for the first ten years only), with the city collecting \$500. The layout/design of the building was shown to the committee members. The facility will be a 24,000 square feet steel construction building with a brick front. Hours of operation will be 8 hours per day, Monday through Saturday.

The committee members agreed with the proposed resolution.

Budget Discussion

Mr. Keeven briefed the committee on budget status. General revenue for the fiscal year was estimated at \$8.64M. The upcoming year is estimated at \$8.645M. Sales tax has been coming in strong, about 10% higher than estimated, but there will be no ARPA (American Rescue Plan Act) funds coming in next year. There will also be increased revenue from the new cannabis dispensary, which should be opening in late March or early April.

He suggested the Bouse Road note, owed to Glen Carbon at 3.5% interest, be paid in full next fiscal year and the Spring Valley Road loan, at 3%, be paid the following fiscal year – to save the cost of interest.

*Street expenditures* are increasing significantly because there are many ongoing projects.

Mr. Keeven informed the committee that the numbers in the budget will reflect the entire cost of each project. Grant monies received will be included in the cost and will also be shown as revenue. The final bill for Spring Valley Road (\$250K) has not been received yet, so funds will be carried forward if the bill is not received by the end of April. He listed projects budgeted for next fiscal year (engineering and/or construction): CA Henning Trail, left turn lane on Troy-O'Fallon Road, Riggin Road; Formosa Road, Wickliffe Trail, Bargraves Detention Pond, Hwy 162/Old Troy Road roundabout, and Clay Street.

*Projected capital spending:*

- Vac truck for water/sewer (\$480K). The current truck is almost 20 years old and the maintenance is getting expensive and time-consuming. Mayor Nonn asked if the current truck could be used for trade-in. Mr. Hancock replied that this could be done, however, the City of Maryville may be interested in purchasing the old truck. The value of the truck is unknown until he does some research, but he estimates anywhere from \$50K to \$150K.
- Water main replacement under Market Street (\$300K) - only if the city receives the grant monies for the Market Street sidewalk improvements.
- F-550 truck for water/sewer. This was approved by the city council in the FY2021-2022 budget and the funds had to be carried forward to FY2022-2023 because of delays in getting a chassis. It will likely need to be carried forward again.
- Dump truck (\$120K) - budgeted in the current fiscal year. The city may receive the truck by April. If not, the funds will be carried forward.
- Sewer Replacement from Wickliffe to Collinsville Road (\$400K) – Mr. Hancock is working on getting the necessary easements.

*Water/Sewer Funds:* Mr. Keeven briefly discussed the sewer/water budgets which include at least \$1M for engineering of the new water/sewer plant. Unused funds budgeted this fiscal year will be carried forward. The water O&M budget will include \$1M for the meter project. Again, unused funds budgeted this year will be carried forwarded.

*Tourism Funds:* Mr. Keeven informed the committee that the tourism fund request document is now on line in fillable PDF format. This form was set up by Heather Klueter in the administrative offices. The form update works well. The letters will be going out from the clerk's office before the end of the month. The city's requirement that use of previous year's funds must be documented was not previously enforced, but will be beginning this year. Funds granted must be spent on the items identified by the requestor and must be spent in the City of Troy.

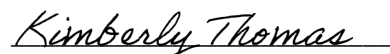
*Troy Business Improvement District:* The General Revenue Fund has reserves, about \$5.5M. \$400K of this money is part of the Business Improvement District funds. The city should bring in almost \$800K this year for the TBID. The \$400K will transferred from the General Fund into its own line item in the budget to make the funds easier to track. This, combined with the \$800K, will put TBID funds at \$1.2M. As the city spends on projects, funds will be drawn from this account. Surplus funds will be carried forward to the next year. He is currently projecting \$50K for professional services, \$10K for general capital outlays, \$40K for redevelopment of 100 McDonald Drive, and the Market/Main Street project for power lines and rebuilding of sidewalks, if needed (a grant was applied for).

*Proposed Formosa Road TIF district:* This will cost the city \$35-40K to contract Moran for development. Downtown TIF funds can be used for this. He will need the committee's recommendation on this effort.

*Money Market Fund:* He is talking to Edward Jones about investing in a money market fund, which is currently paying 4.1%; much better than the 1.25% the city is receiving through current accounts. If the rate falls, the city can withdraw funds without penalty.

The committee also discussed the problem of "surprise" bills from IDOT. Per Mr. Keeven, this will be an ongoing issue because there is no statute of limitations on billing for required payments.

There being no further business, the meeting adjourned at 6:22pm.

  
Kimberly Thomas, City Clerk

Minutes approved by committee: 3/6/2023