

LIVINGSTON COUNTY BOARD
MINUTES OF January 14, 2016 MEETING OF THE COUNTY BOARD
(Revised)

OPENING

Chairman Fannin called the meeting to order at 6:00p.m., in the County Board Room of the Historic Courthouse, 112 W. Madison, Pontiac, Illinois.

James Carley presented the invocation, with Mark Runyon leading the Pledge of Allegiance.

The clerk called roll with the following **present:** Kathy Arbogast, Jason Bunting, Justin Goembel, James A. Carley, Mark Runyon, William Mays, John “Jack” Vietti, Kelly Cochran Cohlman (left at 7:44 p.m.) Joseph D. Steichen, Tim Shafer, Bob Young, Carolyn Gerwin, William G. Flott, Vicki Allen, Marty Fannin, Ronald L. Kestner and William H. Peterson **Absent:** Robert F. Weller (arrived at 6:10 p.m.), Daryl N. Holt, Stanley R. Weber (arrived at 6:05 p.m.), David W. Heath, John L. Yoder, G. Michael Ingles and Paul A. Ritter (arrived at 6:05 p.m.)

Also Present: County Clerk- Kristy Masching, Administrative Resource Specialist-Alina Hartley, County Highway Engineer-Clay Metcalf, Treasurer-Barb Sear, GLCEDC CEO-Adam Dontz and State’s Attorney-Seth Uphoff

AGENDA

Chairman Fannin asked that Executive Session pursuant to to5ILCS 120/2 (c) (1) Personnel Matters be added to the agenda. *Motion by Steichen, second by Arbogast to approve the agenda as revised.* **MOTION CARRIED ON UNANIMOUS VOICE VOTE.**

APPROVAL OF MINUTES

Chair Fannin called for approval of the December 17, 2015 minutes. *Motion by Cohlman, second by Goembel to approve the December 17, 2015 minutes.* **MOTION CARRIED ON UNANIMOUS VOICE VOTE.**

PRESENTATION

Pontiac 66ers Basketball Team – Representatives from the Pontiac 66ers basketball team were on hand to introduce themselves and present background information on this newest expansion team of the Midwest Professional Basketball Association (MPBA). Buzz Zoeller, the Chief of Staff for the Midwest Professional Basketball Association cited the following facts: the team members are paid on contract; league comprised of seven teams, with hopes to grow the league to 24 teams; games televised live every week, streamed live across the internet; partnership with schools to use gymnasium; and their first game in Pontiac was attended by 806 people. He noted that Commissioner Ed Schumer of the MPBA stated that Pontiac is the best venue the MPBA is in. Durrell Robinson, the coach of the Pontiac 66ers introduced his players and gave a brief history of his background and how he came to coach the 66ers. Durrell explained that the purpose of the league is to help players develop their game in order to further their careers to a higher playing level. His focus is on the type of players he will recruit and looks for high character men to represent the league and who can reach out and work with the communities. Giving back to the community and working with kids is a high priority of his. He holds free clinics for children in Kindergarten through 8th grade, two hours prior to each home game. He expressed his and the team’s gratitude for the welcome they’ve received from the community upon their arrival and feels that this is the best place to be too.

APPEARANCES

None

CONSENT AGENDA

A. Approval of Bills

Chairman Fannin called for approval of the consent agenda. *Motion to approve the consent agenda by Flott, second by Ritter.* **MOTION CARRIED ON ROLL CALL VOTE. Ayes:** Arbogast, Bunting, Goembel, Carley,

Weller, Runyon, Mays, Weber, Vietti, Cohlman, Steichen, Shafer, Young, Ritter, Gerwin, Flott, Allen, Fannin, Kestner and Peterson **Nays:** None **Absent:** Holt, Heath, Yoder and Ingles

HIGHWAY

Committee Vice-Chair Runyon introduced Clay Metcalf- County Highway Engineer, who reviewed the **Action Agenda** items as follows:

- a) **Agreement:** Farnsworth Group, Pontiac, IL – Preliminary Engineering Services Agreement for replacement of S.N. 053-3100 over Gooseberry Creek, (3100N, 2610E) Dwight Road District, Section 14-07102-03-BR. Cost for basic services not to exceed \$53,300.00 except that ROW, environmental coordination, and any necessary land surveying at schedule of chargeable rates. TBP Program FY 17.
- b) **Bridge Petition:** Broughton Road District – Install Scour Countermeasures under Structure Number 053-3171, 2600N, 3450E, Section 16-04000-00-AB. Estimated Cost = \$2,500.
- c) **Resolution (#2016-01-01):** Supplemental Resolution appropriating an additional sum of \$165,000.00 from County Matching Tax for the County's share of Resurfacing CH 3 from CH 1 (Campus) south approximately 10 miles to IL Rt. 116 (1700N), Section 08-00144-04-RS.

Motion to approve Highway Action items #a-#c with one roll call vote by Weller, second by Ritter. **MOTION CARRIED ON ROLL CALL VOTE.** **Ayes:** Arbogast, Bunting, Goembel, Carley, Weller, Runyon, Mays, Weber, Vietti, Cohlman, Steichen, Shafer, Young, Ritter, Gerwin, Flott, Allen, Fannin, Kestner and Peterson
Nays: None **Absent:** Holt, Heath, Yoder and Ingles

AG & ZONING

Agreement: Illinois Emergency Management Mutual Aid System - Committee Chairman Flott reported that this is an annual mutual aid agreement with IEMMAS. *Motion to approve the agreement with Illinois Emergency Management Mutual Aid System by Flott, second by Young.* **MOTION CARRIED ON UNANIMOUS VOICE VOTE.**

Flott presented updates on the following items of interest. **Invenergy Windfarm Complaint** - State's Attorney Uphoff has filed the Board's response to the complaint and has requested a substitution of judge and is awaiting a response. **9-1-1** – Streator will be coming on board in May rather than in April, due to training needed by their staff on our new software system. Our 911 has hired additional staff that needs training also. Flott also noted that on December 28, during the ice/snow storm which produced massive power outages, the 911 center fielded 876 calls. He stated that on a normal day they field between 200-300 calls. He recognized the following dispatchers and commended them for doing such a great job; Sandra Guth Atkinson, Donna Higgins, Renae Snow, Tanya Kennetz and Joan Garrity-Barriga.

FINANCE

Resolution (#2016-01-03): Economic Incentive Agreement and Resolution (#2016-01-04): Tax Abatement Agreement – Committee Chairman Shafer stated that the Economic Incentive Agreement and Tax Abatement Agreement with Caterpillar Inc. were being brought forward for the Board's consideration. *Motion by Shafer, second by Allen to approve Resolution #2016-01-03: Economic Incentive Agreement and Resolution #2016-01-04: Tax Abatement Agreement with one roll call vote.* Adam Dontz noted that the Finance Committee had approved both agreements last week for full board approval. Dontz then presented a synopsis of how we reached this point. Caterpillar had issued a press release last September announcing their plans for restructuring which would include a permanent workforce reduction of up to 10,000 people, with additional savings gleaned from consolidations and closures of 20 manufacturing facilities. Dontz contacted them to see how this might affect the fate of our facility and if there was anything we could do to guarantee that it would remain open. He was told that all facilities, including Pontiac were under review. They noted that the facility in 2008 had a high employment of over 1,000 jobs and currently is at 550. It was also noted that they have already closed smaller facilities, and with the reorganization there would be some opportunity for repositioning of jobs at locations that were competitive. Discussions then ensued on how to put a plan in place for the Pontiac facility ensuring that it's competitive in a global market, to put us in a position to retain the jobs we have, and to work with Caterpillar in the creation of new jobs.

Dontz reviewed some of the terms of the Economic Incentive Agreement. It provides a retention incentive of \$2,973.00 per job for retention of the 550 jobs currently in place (420 Cat employees and 130 contract or agency employees). The base employment payroll shall result in a minimum of no less than \$25,000,000.00 and a minimum average wage and benefits for Company employees of \$58,402.00. Downside protection provides for a scaled payback to the county in the event of closure anytime within five years and in the event of a layoff, the county has entitlement to recover the pro rata per job incentive amount of \$2,973.00.

Dontz explained that the incentive for new job creation is defined as a structure plan starting out at \$2,500.00 (per incremental employee per year) if the wage is \$29,201.00 (125% of a per capita income as defined by the Census) and works up to \$7,500.00 if the wage is 150% of the \$29,201.00 or \$43,802.00. This incentive will not start unless new employees (based on increments of ten) were hired in addition to the 550 base employees. The incentive is paid based on the salary and will be done in installments of up to \$2,500.00 per job, up to 230 jobs over the course of three years. Dontz stated that this plan is supported by the City of Pontiac, Pontiac Township High School, Pontiac Grade School District #429 and Heartland Community College.

Discussion followed with Dontz fielding questions from the Board. Dontz noted that the county had earmarked \$2.1 million for economic development whereas the other entities didn't have the funds available for economic development so they would be contributing by abating their portion of real estate taxes (based on a percentage schedule) over the life of the abatement. He also noted that the terms of this agreement have been shared with officers of the company and if the county and the other entities approve these agreements he is confident that they will sign off on as it meets their objectives. It was stated that there are claw back provisions incorporated in the agreements so we can get some of our investment back in the event of layoffs or closure. Dontz stated that in looking at the policies we have in place for property tax abatement, eighteen other taxing jurisdictions have come on board because they have seen the need to compete for jobs and capital investment. He explained that the \$29,201.00 is the number with respect to wages and there's a corresponding benefit (\$5,000) if you are paying people that wage. The current proposal is about half of where the conversations with Caterpillar started, as they originally were asking for a little over \$7 million, a ten year tax abatement at 100%, and \$5,000.00 per job for retention. We shifted the focus to job creation with incentives to reward performance over time, in order to keep the facility here. Dontz reiterated that he approached Caterpillar after seeing the article regarding layoffs and facility closures to discuss what their agenda was for the Pontiac facility. He was asked whether he had discussed this action with his EDC Board prior to taking action since this was a change from abating taxes on new jobs, (which is giving up future revenue) to giving out cash (taxpayer's money) that we do have to a private company. He responded that he doesn't make it a regular practice to consult his board on every retention or business phone call that he makes in connection with economic development. He did alert the GLCEDC Board Chairman to let him know he was contacting Caterpillar and would keep the board informed as things unfolded. Their Executive Committee is fully apprised and supportive of this plan. Some discussion took place on their annual payroll in comparison to the offer on the table with a comment made that we were trying to entice them to stay for roughly 1% of their estimated labor costs over a five year period. Dontz stated that we are offering them a \$1.635 million retention package payable up front with claw back provisions securing us over a five year window. It was noted that we would basically be paying Caterpillar \$1.635 million to stay around for five years, with Dontz stating that the positive spin on this was \$2,973.00 for 550 jobs that have an aggregate payroll approaching \$30 million in the community. The money for this proposal was budgeted in this fiscal year and would be coming from the Enterprise Zone. It was pointed out that there were other factors that could influence Cat's decision other than labor costs when comparing other facility sites such as worker comp programs, higher energy and tax costs here, qualifications of the work force and environmental standards. Dontz explained that some of the factors influencing their decision to use the five year period were: the amount of funding the county appropriated for economic development; what the other supporting taxing districts can provide; and with potential leadership changes in Illinois to stimulate a favorable business climate as well as macro-economic condition in the state. The agreements were written by Steven D. Mahrt who was the in-house counsel for the City of Normal for thirty years and currently works for the law firm of Ancel & Glink which is a firm specializing in municipal and government law. Dontz commented that all 550 employees shop in this area. Dwight is experiencing the negative consequence due to the loss of a significant number of jobs. There has been a 10% reduction or \$40,000.00 loss in sales tax and an erosion of about \$8 million to their tax base. They will be voting on a referendum to increase their sales tax in March to help recoup some of the loss. Dontz reported that the Grundy-Livingston-Kankakee Workforce Board has an economic model which indicates that with the ripple effect is through the community. With respect to this analysis, it says there are 70-75 ancillary jobs connected to Cat.

He acknowledged that the reason the school boards are in favor of this is that they have done their calculation about student loss and the corresponding loss of fees and state aid (\$2,750.00 per student).

Some comments **in favor of the agreements** follow. Some members thanked Dontz for his proactive approach and felt that the county needed to be proactive in the current economic times and believes it's a win-win for the county. One member reminded the board that this county and the citizens in it spent considerable resources of time and money to try and save the Dwight Correctional Center. Its closing had a significant impact on the economy of their community. Another member commented that through the years, members of the board have espoused that they wanted to create jobs and increase economic development within the county. He felt this action would be of tremendous value and shows that we want to create jobs in this county and is an opportunity being presented now and may not come again. Another member was originally against this idea, but has since changed his mind and feels that this is the prudent thing to do, to keep these people in town.

Some comments **not in favor of the agreements** follow. One member didn't think it was a very good idea for the Livingston County Board to be telling a company who has an annual income profits of \$5 billion how to handle their business when we can't balance our budget. There is no guarantee that the Pontiac site was on the chopping block, not a good idea for government to be interfering with private business. We don't have any assurance that it will or will not close and there are no penalties other than they will give us our money back according to the pro rata scale set in place. Another comment voiced was that Cat hadn't told anybody they would be closing the Pontiac plant for sure, this is all fear mongering. If Cat decides to close the plant, what is being proposed won't make a difference. With regard to the prison closing, the difference is that it was announced that the prison would be closing. The battle was won without any monetary incentives.

Public Comment

Bob Limberg, a Livingston County resident, expressed his opinion against it citing it was an extremely bad idea for the taxpayers and wondered if small businesses that create most of the jobs would be given the same incentives. Taxes go up every year; the taxpayers of the county would like some relief.

Tom Bailey, a Livingston County resident, voiced his concern that tax payer's money was being used to pay a ransom to keep a global business here for five years. Invest in a company that will stay here.

Mike McCoy (McCoy Construction), a small business owner in Pontiac, hoped the group would take into consideration that Cat had been a community player a lot of years, contributing time, services, volunteers and donations to local charities and groups throughout the communities of Livingston County. He doesn't feel it's a bluff, believes we should be proactive and is behind it.

John Slagel (Fairbury) stated it was a tough decision and would love to pay Cat the money but doesn't feel that we can afford it. The issue is that cuts are being made to other county departments and \$2 million is being transferred from the landfill money to stay afloat.

John Kilgore, Superintendent of Pontiac Township High School District #90, explained that the bulk of their state aid is based on a large portion of student enrollment (average daily attendance), so maintaining their student population, which has decreased by 200 students over the last ten years, is critical to their district. He also commented that largest bulk of their revenues is received from their local tax base, so maintaining their tax base and property value is a critical component too. He took into consideration other school districts that missed opportunities to do something on the front end when faced with closings such as Mitsubishi (Bloomington), International Harvester (Indiana) and Chanute Air Force Base (Rantoul) when recommending this to his board. Their board had tough discussions and made the difficult decision to move forward by approving this proposal earlier this week. They feel that through this action and abatement of taxes they are able to grow jobs.

Paula Corrigan, Pontiac resident and CFO for OSF St. James and Executive Committee member of the GLCEDC – She spoke in support of the proposal primarily from the perspective of investment and good financial stewardship. OSF has always been a strong supporter of economic development in the community and was a foundation member of GLCEDC. They are invested in Livingston County and the members of our community. It's with that, that they give consideration to what they need to look to for economic development in the future, to make sure that we are a viable community for the residents of Livingston County. After many executive sessions

with the GLCEDC, believe that this is a wise and prudent investment in the future for Livingston County and its residents.

Carolyn Gerwin – She commented that she had hoped the GLCEDC would be an agent for helping to improve our economic environment for new and established businesses in the county. She doesn't feel that they are moving in the right direction and hopes that will change. She feels that Caterpillar is a wonderful corporate citizen and hopes they will continue to have a presence here. She believes they will make their decision to stay or go based on many factors and doesn't believe the \$1.6 million is one of those factors because it is too small an amount to be significant to Cat's decision.

Motion by Shafer, second by Allen to approve Resolution #2016-01-03: Economic Incentive Agreement and Resolution #2016-01-04: Tax Abatement Agreement with one roll call vote. MOTION CARRIED ON ROLL CALL VOTE. Ayes: Arbogast, Bunting, Goembel, Carley, Weller, Mays, Weber, Vietti, Cohlman, Shafer, Young, Ritter, Flott, Allen, Fannin and Peterson *Nays:* Runyon, Steichen, Gerwin and Kestner *Absent:* Holt, Heath, Yoder and Ingles

Treasurer's Annual Report – Treasurer Sear reported that this report is a brief summary of all the funds her office reconciles every month. It's a cash expense and revenue type report. She pointed out the following items: the general fund ending balance was down about \$600,000 from last year's balance, due in part to transferring about \$700,000.00 less from the Pontiac Host Agreement Fund; decreases in some of the special fees for service funds (circuit clerk's fees for criminal offenses, Treasurer's collection for penalties and costs); and overall our budget deficit was about \$500,000 less than what was projected. *Motion by Shafer, second by Ritter to approve the Treasurer's Annual Report. MOTION CARRIED ON ROLL CALL VOTE. Ayes:* Arbogast, Bunting, Goembel, Carley, Weller, Runyon, Mays, Weber, Vietti, Steichen, Shafer, Young, Ritter, Gerwin, Flott, Allen, Fannin, Kestner and Peterson *Nays:* None *Absent:* Holt, Heath, Yoder, Cohlman (left at 7:44 p.m.) and Ingles

County Clerk's Semi-Annual Report – Clerk Masching presented information on the receipts and disbursements recorded in her office for the time period of June 1 – November 30, 2015. She noted that the General Account is for transactions involving fees for recording documents, marriage licenses, certified copies of vital records and all other miscellaneous transactions other than fees collected for delinquent taxes. Receipts recorded in this account amounted to \$251,985.09 with \$31,173., being sent on to the state for fees collected on their behalf. The Redemption Account is for unpaid taxes on property that has gone to the annual tax sale. Payments including costs and penalties are collected from the delinquent home owners and distributed to the tax buyers and the treasurer. Receipts recorded in this account amounted to \$420,456.82 which was up \$27,019.27 from the prior six months. *Motion by Shafer, second by Vietti to approve the County Clerk's Semi-Annual Report. MOTION CARRIED ON ROLL CALL VOTE. Ayes:* Arbogast, Bunting, Goembel, Carley, Weller, Runyon, Mays, Weber, Vietti, Steichen, Shafer, Young, Ritter, Gerwin, Flott, Allen, Fannin, Kestner and Peterson *Nays:* None *Absent:* Holt, Heath, Yoder, Cohlman (left at 7:44 p.m.) and Ingles

SHERIFF, JAIL & LICENSE

Liquor License Amendment: Pontiac Sportsman's Club – The amendment is for a change in officers effective January 7, 2016. They have also applied for the fingerprint background check since this change also resulted in a new manager. *Motion by Young, second by Steichen to approve the liquor license amendment for the Pontiac Sportsman's Club. MOTION CARRIED ON UNANIMOUS VOICE VOTE.*

ELECTION, RULES & LEGISLATION

No report, did not meet in January.

PERSONNEL

No report

PUBLIC PROPERTY

Vice-Chair Weber reported that they are resolving problems within the county heating and cooling system which needed to be addressed and done in a logical and methodical manner, which would result in long term savings for the county.

INFORMATION & TECHNOLOGY

No report

VETERANS

No report

ADMINISTRATION

No report, they did not meet this month.

LIVINGSTON COUNTY HOUSING AUTHORITY

Chairman Fannin reported that the Housing Authority hadn't met since the last report to the board. Their next meeting would be held on Wednesday, January 20th at 1:00 p.m. at the Housing Authority office at 903 W. North Street in Pontiac.

RECREATION

Joe Steichen reported that attendance at their meetings has increased at each meeting. A tentative open house is being planned in Dwight sometime in February. They are looking into several projects at this time.

PUBLIC COMMENT

Clerk Masching announced that Statements of Economic Interest had been placed on the members desks. She asked that they fill them out and return them to her office as soon possible.

Paul Ritter thanked the members of the Veterans Assistance Committee who met with his group last month. They helped move the Tombstone Project forward and even helped in placing the tombstones.

Bill Flott thanked the GLCEDC members for attending and participating in tonight's meeting in support of the economic incentive for Caterpillar.

Megan Dassow thanked all of the board members who took the time to explain their position on the issues as it helps the audience to understand what's going on and to make their decision when they vote.

Chairman Fannin made the following statement: "As many of you know, over the last few months, the County Board has been at odds with the Sheriff over a number of items that I'm not going to go into here today. What is unfortunate is that there are a number of positive things that have been done and are being done within the Sheriff's Department that we haven't been able to address. I would like to personally commend our Sheriff's Department for some of their recent positive initiatives such as the Trick or Treating event held at the Sheriff's Department which was hosted by the Deputies and their wives, the Shop with a Cop program and especially the Livingston County Animal Control program, which has seen vast improvement since the Sheriff's Department took it over. These are just a few examples of how the Livingston County Sheriff's Department has gone above and beyond the call of duty to make a positive impact on the lives of Livingston County residents. I would thereby ask that everyone join me and the next time you happen to see a Livingston County officer, please thank them for their service".

Break was held from 7:57-8:05p.m. Executive Session commenced at 8:05 p.m.

EXECUTIVE SESSION

*Motion to go into Executive Session pursuant to 5ILCS 120/2 (c)(1) Personnel Matters was made by Arbogast, second by Steichen. **MOTION CARRIED ON ROLL CALL VOTE. Ayes:** Arbogast, Bunting, Goembel, Carley, Weller, Runyon, Mays, Weber, Vietti, Steichen, Shafer, Young, Ritter, Gerwin, Flott, Allen, Fannin, Kestner and Peterson **Nays:** None **Absent:** Holt, Heath, Yoder, Cohlman (left at 7:44 p.m.) and Ingles*

Regular Session resumed at 8:25 p.m.

ACTION RESULTING FROM EXECUTIVE SESSION

No action taken.

COMMUNICATIONS/ANNOUNCEMENTS

State's Attorney Uphoff provided information on an upcoming series of prescription pill and heroin awareness forums which he initiated after hearing the keynote speaker at a conference. He is partnering together with the Dwight, Fairbury and Pontiac Police Departments in order to reach more people throughout the county. The forums are scheduled as follow: in Dwight on January 27, in Pontiac on February 3 and in Fairbury on February 24th. He encouraged everyone to attend.

ADJOURNMENT

The meeting adjourned at 8:27 p.m., on motion by Steichen, second by Runyon. **MOTION CARRIED WITH ALL AYES ON VOICE VOTE.**

The next meeting is scheduled for Thursday, February 11, 2016 at 6:00 p.m., in the county board room of the Livingston County Historic Courthouse

Marty Fannin, Chairman

Attest:

Kristy A. Masching
County Clerk

February 11, 2016
Approved

Minutes Bd 01-14-16.A