

MINUTES OF THE WORK SESSION SPECIAL MEETING OF THE NORMAL TOWN COUNCIL HELD IN THE COUNCIL CHAMBERS, NORMAL CITY HALL, FOURTH FLOOR UPTOWN STATION, 11 UPTOWN CIRCLE, NORMAL, MCLEAN COUNTY, ILLINOIS – TUESDAY, SEPTEMBER 8, 2020.

1. START:

The Work Session started at 6:00 p.m., Tuesday, September 8, 2020. Mayor Koos called the meeting to order at 6:00 p.m.

2. ATTENDANCE:

The following participants were present virtually via Zoom meeting:

PRESENT: Mayor Chris Koos and Councilmembers Karyn Smith, Chamberly Cummings, Stan Nord, Kathleen Lorenz, and Kevin McCarthy.

ABSENT: Scott Preston arrived at 6:08.

OTHERS: City Manager Pamela Reece, Town Deputy Clerk Theresa Denham

Before the Work Session Discussion began Public Comment was provided by Normal Resident Ron Ulmer. Mr. Ulmer spoke in opposition of using LMFT funds for Connect Transit.

3. DISCUSSION OF THE LOCAL MOTORFUEL TAX:

Mayor Chris Koos introduced the reason for the meeting and asked City Manager Pamela Reece for more background.

City Manager Reece provided a comparison of the current rates between Normal and Bloomington. Normal has a current .04 rate while Bloomington has a .08 rate. She welcomed discussion over the possibility of increasing the Local Motor Fuel Tax (LMFT) rate in Normal. She introduced Finance Manager Andrew Huhn.

Mr. Huhn provided an overview of the current components of Gas prices per gallon, including the Town of Normal's .04 tax. He noted that it raises about \$1 million a year for the Town. He provided an analysis of gas rates between Normal and Bloomington including comparisons of price per gallon, and gas tax revenue. There would be a projected \$1 Million increase if the LMFT tax increase is approved. These funds could be applied to transportation.

The Council followed the presentation with Discussion.

City Manager Pamela Reece mentioned that the increase of .04 would not affect consumer behavior, according to the compiled data. She asked Council to consider the increase in discussion.

Councilmember Karyn Smith asked if there has been a historical requirement to use motor fuel tax proceeds on transportation. She further asked for staff to comment on local versus staff funds as well as the priority for roads to repair.

City Manager Pamela Reece responded.

Mr. Huhn responded that the State funds are restricted, but Local Motor Fuel Tax can be spent to the discretion of the City Council. He also mentioned that traditionally these funds have been allocated or earmarked for transportation.

Ms. Smith went on to clarify that transportation refers to more than just road repairs.

Manager of the Engineering Department Ryan Otto further explained the restrictions between using State and Local fuel tax funds. Typically, state funds require more study, inspection and testing. Local funds can be more flexibly spent.

City Manager Reece asked Mr. Otto to mention some projects with which we used LMFT funds.

Mr. Otto mentioned general resurfacing near Walmart, also on Cottage Avenue from Sanderson to Gregory and this year the Karin Drive and Kingswood area.

Councilmember Karyn Smith clarified that the Town carries the cost of the additional requirements mandated by the State to use State funds. Mr. Otto confirmed that is correct.

Councilmember Scott Preston noted that even after the tax increase in Bloomington, it seems that Bloomington's prices are often able to stay lower than Normal's. He asked for some clarification on why this happens.

City Manager Reece responded saying that it is largely market driven.

The Mayor noted that upon raising the gas tax to .04 in Normal, prices were also lower in Normal.

Councilmember Scott Preston asked if we have comparative data for the time where both municipalities were at .04. He also asked what happened to prices when the State increased by .19.

Mr. Huhn responded that the Town didn't compile data at that time and we did see a spike in price after the .19 increase from the State.

Councilmember Chamberly Cummings thanked staff for the presentation and asked if there are other multi-modal avenues to use the funds for. She also asked if an increase could result in IDOT funding. She also asked if Bloomington saw and businesses leave after the tax increase.

City Manager Reece responded that Council can explore other avenues. She also mentioned that Connect Transit could benefit from IDOT funding with enhanced contribution from both Bloomington and Normal.

Mr. Huhn clarified that in his conversation with Bloomington counterparts, he was unaware of businesses leaving Bloomington as a result of the tax increase.

Councilmember Kevin McCarthy asked how an increase would move forward.

City Manager Pamela Reece explained that an Ordinance would come before Council and, with approval, the increase would be active about 90 days later.

Mr. McCarthy encouraged taxpayers to buy fuel in the Town to reap the benefits of the gas tax. He also clarified that maintenance, signaling and sidewalks could also benefit. Mr. McCarthy expressed his support for an ordinance.

Councilmember Kathleen Lorenz asked what amount is typically needed in a year.

Engineering Manager Ryan Otto said it is hard to assess a need in monetary funds.

Mr. Huhn mentioned that we spend on average \$3.7 million a year in roadwork based on the totals for the last three years.

Councilmember Stan Nord asked if sales tax goes to the Roadway Fund or the General Fund.

Mr. Huhn mentioned that sales tax goes to the General Fund.

Mr. Nord further asked if savings in the General Fund existed, could they be diverted to the Roadway Fund.

Mrs. Reece responded.

Mr. Nord also asked if the State increase provided additional funds.

Mr. Huhn responded it resulted in about \$500,000.

Mr. Nord noted that given the pandemic and some of the economic challenges related to it, he would prefer to not raise taxes for residents.

Mayor Chris Koos took an informal vote for support of an increase to give staff direction on whether they would pursue an ordinance. There was support from four councilmembers and refusal from three.

4. END OF MEETING:

There being no further items of business the meeting was adjourned.

The Work Session ended at 6:55 p.m., Tuesday, September 8, 2020.