1. Call to Order

2. Approval of Minutes
   • May 29, 2019

3. Presentation by Illinois Finance Authority on PACE (Property Assessed Clean Energy)

4. Informational Items / Reports / Other Minutes / Updates
   • Auditor
   • County Clerk's Office
     ➢ Collections and Transactions Report
   • County Election Commission
   • Finance
   • Regional Office of Education
   • Supervisor of Assessments/Board of Review
     ➢ Tax Cycle Update
   • Treasurer
   • Veteran's Assistance Commission

5. Resolution
   • Monthly Delinquent Taxes

6. Committee Action
   • Review of Executive Session Minutes

7. Miscellaneous

8. Adjournment
DRAFT
MINUTES
Ways and Means Committee
May 29, 2019
@ 2:00 P.M.

| MEMBERS PRESENT: | Steven Rieker – Vice Chairman; Jennifer Groves Allison, James Fennell, Rachel Reliford, Phillip Salzer, William Watkins, Jr., Sharon Williams |
| MEMBERS ABSENT: | |
| STAFF PRESENT: | Scott Sorrel - County Administrator; Shauna Musselman – Assistant County Administrator; Larry Evans - State’s Attorney’s Office; Randy Brunner – Chief Financial Officer; Julie Ciesla, Kimberly Hudson, Paul Letcher, Shelby Walentn – Finance; Angela Loftus – Asst. Director of Human Resources; Gretchen Pearsall – Director of Strategic Communications; Jessica Thomas – County Auditor; Nicole Bjerke – Treasurer; Elizabeth Crider – Regional Office of Education; Mike Deluhery – County Clerk; Dave Ryan – Supervisor of Assessments; Karen Raithel – Sustainability & Resource Conservation; Leslie McKnight – Health Department; Mark Little – Chief Information Officer; Kathi Urban – Planning & Zoning; Doug Gaa – Sheriff’s Office |
| OTHERS PRESENT: | Kiersten Sheets – Ruyle Mechanical |

Call to Order
The meeting was called to order by Vice-Chairman Rieker at 2:00 p.m.

Approval of Minutes
A motion to approve the minutes of April 24, 2019 was made by Mr. Watkins and seconded by Mr. Salzer. The motion carried unanimously.

Presentation by Illinois Finance Authority on PACE (Property Assessed Clean Energy)
Mr. Rieker advised that the presentation will be deferred as the presenter has a conflict and is unable to attend. He commented that the program allows commercial property owners to utilize government bonding to finance clean energy improvements, with repayment of qualified improvements via a voluntary property tax assessment. He asked Ms. Raithel to provide information on the program to all county board members. Mr. Sorrel advised that he has been receiving increasing inquiries regarding the program, indicating a demand for the program.

Ms. Raithel distributed an overview of the PACE program to committee members.

Informational Items/Reports/Other Minutes/Updates
County Auditor
Ms. Thomas distributed an audit report for the month of May 2019. She advised that 973 checks totaling $5,146,245.48 were audited in the past month. She advised that the report includes a breakdown of check issued by fund and commented that a breakdown by vendor will be included in the report submitted in June. She also advised that the report will include departmental audit discrepancies and resolutions to those issues.

County Clerk
Mr. Deluhery advised that Statement of Economic Interest filings are nearly complete, and he stated that approximately 2/3 of the filings were completed via the new online system.
Mr. Deluhery advised that County Board minutes dating back to 1825 have been uploaded and imaged into the document repository system, and staff have begun uploading genealogical indexes into the repository system.

**Peoria County Election Commission**
No report. No questions or comments from committee.

**Finance**
Mr. Brunner advised that FY 2018 financial statements have been sent to the external auditors on May 17, 2019. He advised that staff has begun work on the FY 2020 budget roll-out.

**Regional Office of Education (ROE)**
Ms. Crider provided an update on the activities of the Regional Office of Education:
- Ms. Crider thanked those who supported and those who acted as sponsor to the schools who participated in the Gerald M. Brookhart Arts in Education Spring Celebration.
- The Peoria Regional Learning Center held graduation for 12 students, and the Options Program at Peoria High and Manual High Schools graduated 40 students.
- Align Peoria is hosting the kick-off to the Slide Into Summer reading program on June 1, 2019 at Lakeview.
- Sessions for Greater Pathway programming will be held on June 7, 2019 and August 1, 2019 at Illinois Central College.

**Supervisor of Assessments/Board of Review**
- **Tax Cycle**
  Mr. Ryan advised that quadrennial reassessments are continuing, and he anticipates all notices mailed by the end of August. He commented that there are areas that will take significant drops, particularly high-end areas due to the Caterpillar move.
- **Board of Review**
  Mr. Ryan advised that a new Board of Review member has been appointed and will begin June 3, 2019.

**Treasurer**
Ms. Bjerke advised that the first installment of property tax is due June 4, 2019. She stated that the combined tax bills were an overall success, although the related cost savings will not be known until receipt of a final invoice. She commented that first distribution will be June 20, 2019.

**Veteran's Assistance Commission**
No report. No questions or comments from committee.

**Legislative Update**
Mr. Sorrel advised that no budget implementation bill has been introduced as yet. He stated that he met with Senator Koehler and representatives of the Illinois Retail Merchants Association to discuss legislation related to implementation of the Wayfair decision at the Supreme Court level. He also met with Representatives Gordon-Booth and Spain for a wide-ranging conversation on multiple issues.

Mr. Sorrel advised that legislators in both Chambers met collectively several weeks ago to draft a comprehensive working list of jointly supported projects for a Capital bill, in the event a Capital Bill moves forward. In relation to the Capital Bill, he commented that one of the funding mechanisms is the increase in the Motor Fuel Tax. He stated that staff has reviewed the language in the Bill and its impact operationally, and given current revenue levels and current formulas, Peoria County could potentially expect an additional $300,000.00 per year in Motor Fuel Tax allocations. He remarked that language allowing the ability to create a county level local gas tax was not included in the Bill.
Mr. Sorrel advised that discussions have taken place with Senator Koehler regarding the Medicaid reimbursement rate for county owned nursing homes.

**Resolutions**

- **Monthly Delinquent Taxes**
  A motion to approve was made by Mr. Fennell and seconded by Ms. Williams. The motion carried unanimously.

- **Increase Minimum Pricing for Trustee Auction Sales**
  A motion to approve was made by Mr. Salzer and seconded by Mr. Watkins. Ms. Bjerke advised that the Peoria County Trustee acts as a tax buyer for taxing districts within Peoria County, with the majority of properties purchased at the tax sale being owned in a trust for the taxing districts. She stated that a surplus sale is held annually to auction the properties. She advised that the minimum sale bid of $600.00 has not been increased since 2006, and the Trustee has requested to increase the minimum sale bid to $750.00. The motion to approve carried unanimously.

**Adjournment**

The meeting was adjourned by Vice-Chairman Rieker at 2:30 p.m.

*Recorded and Transcribed by Jan Kleffman*
Make Way for C-PACE Funding in Illinois:

Strategic State Support Provided by

*Illinois Finance Authority*

[Updated June 4, 2019]
What is C-PACE?

In Illinois, counties and municipalities establish Commercial Property Assessed Clean Energy ("C-PACE") programs so commercial property owners in their communities can avail themselves to the municipal bond market to economically finance or refinance up to 100% of their alternative energy improvement, energy efficiency improvement, renewable energy improvement, resiliency improvement, or water use improvement projects on a long-term basis with a Capital Provider (i.e., Bond Purchaser).

Note: In Illinois, residential PACE is not enabled by law.

Brad R. Fletcher
www.il-fa.com
Special Assessment

- Record owner of commercial property in a “PACE area” voluntarily enters into an assessment contract with a county or municipality, and a bond issue funds the project. PACE bonds are repaid through an assessment imposed on the commercial property pursuant to the assessment contract, and are never general or moral obligations of taxpayers.

- The special assessment is recorded and attached to the record owner’s property tax bill. Like any other property tax, the PACE lien is senior to the commercial mortgage.
  - Mortgage holder consent is required
  - Repayment obligation transfers to any new property owner upon the sale of the improved commercial property (along with the ongoing savings)
  - Capital Provider entitled to delegable powers and rights county or municipality has regarding delinquent property taxes

- Allows PACE financing to exceed standard commercial lending terms.
  - PACE financing term = useful life of project
Statutory Qualifications

- Term of an assessment cannot exceed the useful life of the project financed or refinanced under an assessment contract; provided that an assessment contract financing or refinancing multiple projects with varying lengths of useful life may have a term that is calculated in accordance with the principles established by the program report.

- Aggregate amount financed or refinanced under one or more assessment contracts cannot exceed 25% of the greater of (i) the value of the property as determined by the office of the county assessor or (ii) the value of the property as determined by an appraisal conducted by a licensed appraiser.

- Evaluation of the existing water or energy use and a modeling of expected monetary savings must be conducted for any proposed energy efficiency improvement, renewable energy improvement, or water use improvement (unless the water use improvement is undertaken to improve water quality, e.g. lead pipe removal).
Implementation

- **August 11, 2017**: Illinois Property Assessed Clean Energy Act (50 ILCS 50/) enacted.
  - Public Act 100-0077 (HB2831)
  - Contemplated a limited or no state support model - state involvement limited to enabling legislation; programs locally or privately driven (the least inherently standardized model)
  - Deemed cost-prohibitive at the local level by Program Administrators and Capital Providers; counties and municipalities lacked subject-matter expertise and resources

- As recommended by the U.S. Department of Energy’s “Lessons in Commercial PACE Leadership: The Path from Legislation to Launch” dated February 2018, a strategic state support model is beneficial as the state develops standard materials, protocols and offerings; localities use these as they see fit.
Experience Needed

- Historically, IFA as a statewide body politic and corporate has served as the primary conduit bond issuer for the public financing of projects voluntarily undertaken by private borrowers such as healthcare systems, educational institutions, small manufacturers, etc.

- As of December 31, 2018, IFA’s bonds issued on behalf of for-profit, not-for-profit, and local government borrowers totaled more than $24.50 billion in outstanding principal.
  - In Fiscal Year 2018 alone, IFA successfully closed and funded over 42 bond transactions totaling more than $3.17 billion
  - IFA state statutory general bond debt limit = $28.15 billion

- February 15, 2018: In response to 6 months of failed PACE implementation, IFA Board of Directors adopts a Resolution conveying its desire to develop PACE financing options for governmental units based on its market experience.
April 17, 2018: IFA introduces PACE Act trailer bill (SB2773).
  - Passes Senate May 2, 2018
  - Passes House May 30, 2018

August 19, 2018: Governor signs Public Act 100-0980 (SB2773).
  - Effective January 1, 2019

SB2773 provides that counties and municipalities may permissively assign assessment contracts to IFA for purposes of PACE bond financing, and makes new construction financeable under property assessed clean energy programs.

SB2773 also permits interim financing secured by assessment contracts in anticipation of PACE bond financing for construction financing, aggregation of small projects, etc.
  - Capital provider warehouse account = 36-month maximum dwell time
  - IFA or governmental unit warehouse fund = unlimited dwell time
State Support Model

February 14, 2019: Six weeks after the effective date of the PACE Act trailer bill, IFA unveils its strategic state support model based on three foundational principles:

- **STANDARDIZATION**
  - Standardized PACE bond documents *(provided by IFA)* to significantly reduce Program Administrator legal costs and improve flow of capital by making secondary bond market more accessible for Capital Providers
  - Issuance of PACE bonds by IFA as an experienced, statewide conduit bond issuer to diminish Capital Provider operating costs vs. disorderly issuance of PACE bonds by a variety of counties and municipalities

- **EFFICIENCY**
  - Each PACE Bond Resolution adopted by IFA Board of Directors will authorize applicable Capital Provider to purchase PACE bonds to fund projects in all PACE areas throughout the state for incremental periods of 36 months
  - Approval of specific projects originated by Capital Provider and delivery of related Issuance Certificate and PACE bonds delegated to IFA staff

- **AFFORDABILITY**
  - Open market model to allow transaction participants to engage their own financing team; no IFA application fees
County or municipality adopts local ordinance selecting a Program Administrator to administer a PACE program on its behalf at no cost to taxpayers.

- Program Administrator fees are transaction-based
- Competitive procurement process and contractual relationship with county or municipality not necessary (e.g. Lean & Green Michigan™ model)
- Capital Providers originating a shovel-ready project in a rural county or municipality have affiliates or partners willing to be Program Administrators

County or municipality adopts local PACE ordinance (*provided by IFA*) approving the program report provided by the Program Administrator to establish the PACE program.

- Describes the territory within the PACE area
  - Jurisdictional boundaries or project-based parcel
- Includes form of assessment contract (*provided by IFA*)
- Meets basic statutory requirements

On a parallel track, IFA Board of Directors adopts PACE Bond Resolutions for Capital Providers.
Once a PACE program is launched and operating, counties and municipalities permissively assign assessment contracts originated by Capital Providers to IFA in order to utilize IFA’s standardized, efficient, and affordable conduit PACE bond financing services.

- IFA state statutory PACE bond limit = $2.0 billion

Upon receipt of each project’s executed assessment contract and related assignment agreement (*provided by IFA*), IFA issues PACE bonds under a direct-purchase structure to the project’s originating Capital Provider.

- Each Capital Provider funds an unlimited number of projects it originates under its own separate, distinct trust
- Capital Providers retain PACE bonds as an investment (i.e. portfolio lenders) or sell PACE bonds into the secondary bond market (i.e. securitization)
C-PACE Launch!

- Based on the strategic state support model developed by IFA, the following counties and municipalities have taken steps necessary to launch and operate PACE program in their communities:

  - **LAUNCHED PACE PROGRAM**
    - City of Chicago
    - DuPage County

  - **PROGRAM IN-DEVELOPMENT**
    - Kane County
    - Cook County
May 17, 2019: IFA introduces PACE Act technical rewrite (HB3501).
- Passes Senate May 24, 2019
- Passes House June 1, 2019

Governor’s signature pending.
- Immediate effective date

HB3501 is a technical rewrite of the PACE Act necessary to bring the statute up to standard with comparable Illinois special assessment laws in anticipation of closing the first Illinois PACE bond transactions.

By conforming provisions of the Property Assessed Clean Energy Act to provisions found in existing Illinois special assessment laws and eliminating ambiguity throughout the Act, HB3501 provides crucial assurance to the market that C-PACE transactions can be capably executed, attracting hundreds of millions of dollars of private capital throughout the state as a result.
HB3501 broadens the scope of the Property Assessed Clean Energy Act to include the financing of “resiliency improvements” in order to safeguard commercial properties against natural disasters.

- “Resiliency improvement” means any fixture, product, system, equipment, device, material, or interacting group thereof intended to increase resilience or improve the durability of infrastructure, including but not limited to, seismic retrofits, flood mitigation, fire suppression, wind resistance, energy storage, microgrids, and backup power generation.

Additionally, in response to ongoing public health considerations, HB3501 expands the definition of “water use improvement” to include the financing of lead pipe replacement in the supply of water to commercial properties due to health concerns for tenants and employees at such locations.
Finally, pursuant to the foundational principles of IFA’s strategic state support model, IFA is developing a complementary product whereby its unrestricted assets can be dedicated to interim funding small projects that are otherwise uneconomical for purposes of long-term PACE bond financing.

The contemplated Warehouse Fund and related standardized documents will provide borrowers on-demand funding and offer Capital Providers an affordable cost of capital so small projects do not experience delay during an aggregation period in anticipation of pooled PACE bond issuance.

- Request for Comments published on IFA website
  - Due: June 30, 2019

Upon a critical mass of assessment contracts in a Program Administrator’s market reaching economies of scale in the Warehouse Fund for PACE bond financing, IFA issues a pooled PACE bond.

- Borrowers with small projects pay only a reduced, pro-rated costs of issuance
- Assessment contracts are never cross-collateralized or cross-defaulted
Questions?

Brad R. Fletcher

bfletcher@il-fa.com  🐦@IFAPACE

(312) 651-1329

Illinois Finance Authority

160 N. LaSalle Street, Suite S-1000
Chicago, IL 60601
### County Clerk Collections and Transactions Report - May 2019

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>May</th>
<th>YTD (May.)</th>
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<tbody>
<tr>
<td><strong>County Clerk Revenues:</strong></td>
<td></td>
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<tr>
<td>Recording Related Fees - General Fund:</td>
<td>795,400</td>
<td>56,187</td>
<td>272,453</td>
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<tr>
<td>Recording Related Fees - Automation Fund:</td>
<td>305,300</td>
<td>13,632</td>
<td>82,970</td>
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<td>Real Estate Transfer Tax - County:</td>
<td>340,000</td>
<td>28,209</td>
<td>116,185</td>
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<td>Vital Records Certifications:</td>
<td>340,800</td>
<td>30,162</td>
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<td>Property Tax Redemption Fees:</td>
<td>259,200</td>
<td>22,143</td>
<td>116,941</td>
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<td>Marriage/Civil Union Licenses:</td>
<td>59,000</td>
<td>7,770</td>
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<td>Raffle Licenses:</td>
<td>13,200</td>
<td>1,416</td>
<td>5,676</td>
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<td>Liquor Licenses:</td>
<td>51,000</td>
<td>20,228</td>
<td>22,715</td>
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<tr>
<td>Assumed Name Filings:</td>
<td>1,280</td>
<td>97</td>
<td>469</td>
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<td>Notary Filings:</td>
<td>3,820</td>
<td>295</td>
<td>1,585</td>
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<td>Miscellaneous:</td>
<td>600</td>
<td>1,240</td>
<td>2,109</td>
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<td><strong>Total</strong></td>
<td>2,169,600</td>
<td>181,377</td>
<td>772,492</td>
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<td><strong>County Clerk's Collections to Benefit Other County Departments:</strong></td>
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<tr>
<td>GIS Recording Fee (IT):</td>
<td>34,761</td>
<td>169,517</td>
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<td>Postage Reimb. - Redemption Notices (IT):</td>
<td>-</td>
<td>8,984</td>
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<tr>
<td>Plat Certification Fees (Treasurer):</td>
<td>90</td>
<td>345</td>
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<td><strong>Total</strong></td>
<td>34,851</td>
<td>178,846</td>
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<td><strong>County Clerk's Collections to Benefit Other Entities:</strong></td>
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<td>Property Tax Redemption:</td>
<td>602,484</td>
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<td>Real Estate Transfer Tax - City of Peoria:</td>
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<td>Real Estate Transfer Tax - State of Illinois:</td>
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<td>Illinois Rental Housing Fee:</td>
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<td>Illinois Marriage/Civil Union Fee:</td>
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<td>Illinois Death Certificate Fee:</td>
<td>552</td>
<td>2,000</td>
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<td>County Trustee (property tax related):</td>
<td>204</td>
<td>1,890</td>
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<td><strong>Total</strong></td>
<td>763,059</td>
<td>3,507,395</td>
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**TOTAL COLLECTIONS**

|        | 979,287 | 4,458,733 |
## Transactions

<table>
<thead>
<tr>
<th>Recordings</th>
<th>May</th>
<th>YTD (May.)</th>
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<tbody>
<tr>
<td>Vital Records Certifications</td>
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<tr>
<td>Property Tax Redemptions</td>
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<tr>
<td>Marriage/Civil Union Licenses</td>
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<tr>
<td>Raffle Licenses</td>
<td>20</td>
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<tr>
<td>Liquor Licenses</td>
<td>22</td>
<td>34</td>
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<tr>
<td>Assumed Name Filings</td>
<td>16</td>
<td>51</td>
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<tr>
<td>Notary Filings</td>
<td>43</td>
<td>218</td>
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<tr>
<td>Statement of Economic Interest Filings</td>
<td>58</td>
<td>1,606</td>
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</table>

### County Clerk Functions Without Revenue

Property Tax Extension, Clerking County Board (minutes, records, County Code & certifying), Statement of Economic Interests, Contracts, Addressing, Service Directory, Military Discharge Recording/Certifying & Various Filings (bonds, oaths, reports, etc.)
<table>
<thead>
<tr>
<th>RES#</th>
<th>Account</th>
<th>Type</th>
<th>Account Name</th>
<th>Parcel#</th>
<th>Township</th>
<th>Total Collected</th>
<th>County Clerk</th>
<th>Auctioneer</th>
<th>Recorder/ Sec of State</th>
<th>Agent</th>
<th>Treasurer</th>
</tr>
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<tbody>
<tr>
<td>06-19-001</td>
<td>0818385</td>
<td>SAL</td>
<td>MICHELLE D DANAGE-SANDERS</td>
<td>18-08-401-010</td>
<td>CITY OF PEORIA</td>
<td>673.00</td>
<td>132.27</td>
<td>6.00</td>
<td>96.00</td>
<td>350.00</td>
<td>88.73</td>
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<td>06-19-002</td>
<td>201401346</td>
<td>REC</td>
<td>RONALD HENDERSON</td>
<td>18-08-186-009</td>
<td>City of Peoria</td>
<td>1,963.50</td>
<td>194.81</td>
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<td>128.00</td>
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<td>06-19-003</td>
<td>201401627</td>
<td>REC</td>
<td>TIM HARRIS</td>
<td>18-18-178-009</td>
<td>City of Peoria</td>
<td>4,907.33</td>
<td>168.13</td>
<td>0.00</td>
<td>134.00</td>
<td>1,544.76</td>
<td>3,060.44</td>
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**Totals**

$7,543.83  $495.21  $6.00  $358.00  $2,659.57  $4,025.05

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Clerk Fees  $495.21
Recorder/Sec of State Fees  $358.00
Total to County  $4,878.26

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Committee Members