

CITY OF TUSCOLA
COUNTY OF DOUGLAS
STATE OF ILLINOIS
TUSCOLA CITY HALL
March 27, 2017

Council held a study session before the regular meeting in order to go over the proposed budget for FY 2018. Treasurer Long pointed out the major expenses to the Capital Replacement Budget is south sewer plant improvements, final baseball diamond backstop, police car replacement, and a vehicle for the Building Inspector.

Water and Sewer Rate Planning

In the water fund planning, the original bonds will be paid off later this year. This leaves only the IEPA loans to pay. The water fund will go from \$300,000 to \$60,000 or \$70,000 in debt service. The sewer fund original bonds will be fully funded this year, so the debt service on these will go down from \$300,000 to \$10,000. Taking into consideration the 15% increase in water fees put into place by IAWC on January 1, the QIP, and IAWC's request for another rate increase, Long recommends increasing the water rates by 5% for FY 2018. No increase will be made to the sewer rates. This will make the overall bill increase 3%. Long went on to say we should have a good reserve built up in the sewer fund in another year or two. We should then be able to reduce fees, save funds to pay for upgrades and future improvements, and allow us to begin funding a water savings account for capital repairs and improvements.

General Fund - Administrative

The revenues show property taxes based on the levy approved by council December 2016, IML estimates for state income and state replacement taxes, state sales and home rule taxes, plus the usual restricted funds. Long reported overall revenues are projected to be down about \$50,000 next year – almost all of this due to a decline in sales tax. The administrative expenses show a 2.5% increase over last year in salaries and an increase in insurance premiums. The building department budget shows funds for a full time inspector and a part time salary for training crossover, plus a small amount for travel, training, and education for the new inspector. The budget for municipal buildings and grounds is essentially the same as last year. The insurance and utilities are down. Long pointed out we do not have a full year on the new system at the Community Building, but think the utilities will go down. Repairs and maintenance are up because of the glycol in the heating /cooling system, and funds were added for a locksmith and communications.

The street department is essentially the same as last year. The \$50,000 expenditure for storm sewer and drainage has been reduced to \$5000, because the Niles street sleeving project is no longer needed.

The park department shows an increase in the temporary salaries in order to keep someone later in the season for mowing. Repair and maintenance are down quite a bit because specific fix up items have been completed.

The pool department shows a 50% decline in projected chemical and utilities expenses to a new normal (without leak). Admission revenues have been adjusted down to be more in line with actual revenues.

The police department expense shows some minor adjustments downward. The department has completed most of their small equipment purchases over the past few years, so no capital outlay has been budgeted for 2018. Also, fuel was adjusted down because the department has not ever come close to spending the budgeted amount, Long stated. Alderman Shoemaker asked how many police officers make up the salary portion of the police department. Administrator Hoel answered we have seven full time officers; Long added there are also four part-time that work some hours each year.

The proposed budget for the fire department shows the same as last year, with a few line item adjustments for tornado sirens and internet for weather watching.

Long stated the bottom line for the general budget shows \$40,484.00, revenue over expenditures, with everything discussed and potential for 2.5% salary increase. The water fund, assuming we do the 5% increase and begin reserving for capital replacement @ \$90,000.00 per year, shows an increase over expenditures of \$238,536.00. The sewer fund has an extra \$5000 for engineering for a NPDES permit application; repairs and maintenance is up to cover repairs to lift station pumps and wind turbine. The sewer fund proposed budget shows an increase over expenditures in the amount of \$188,544.00.

The TIF budget shows the projects we know of, with nothing budgeted for extras, Long stated. The negative interest is a result of TIF borrowing from the general fund. TIF pays back the interest the money would have earned. The total TIF revenues over expenditures are projected at \$288,678.00.

The motor fuel tax fund shows bond payments from 2010 and 2012 for the resurfacing projects; the chip and tar will continue to be paid from the general fund. Long added this is the way of the future for streets, as motor fuel taxes continue to dwindle.

The tourism fund budget includes everything that could possibly be done and shows a deficit each year. The tourism fund usually comes out even because we can never seem to get everything done each year, Long added, and we don't know what businesses will come with a proposal for a marketing project. For 2018, extra funds have been budgeted in tourism for logo development and website updates.

The library board has not approved their budget, but has submitted their draft for council consideration. Long added she would not expect the draft to change much at all.

The only equipment replacement planned for 2018 is a possible squad car and building inspector vehicle. Long added they will plan to ask for approval of the water/sewer rate recommendation and budget at the April 24 meeting.

The regular meeting of the City Council was called to order with Cleland, Day, Henderson, Hoey, Shoemaker, Slaughter, Truitt, Waldrop, and Mayor Kleiss in attendance. Mayor Kleiss led the Pledge of Allegiance.

Public Comment - None

Consent Agenda

Mayor Kleiss went over the items on the consent agenda:

- Minutes of the March 13, 2017 meeting
- Financial Report for February 2017

- Payment of bills totaling \$35,545.14

Hoey moved to approve the items on the consent agenda. Henderson seconded. VOTE YEA* Cleland, Day, Henderson, Hoey, Shoemaker, Slaughter, Truitt, Waldrop. Slaughter moved to approve the consent agenda for March 27, 2017. Truitt seconded. VOTE YEA* Cleland, Day, Henderson, Hoey, Shoemaker, Slaughter, Truitt, Waldrop.

Requested Time on the Agenda - None

Mayor

Mayor Kleiss thanked council for their condolences on the loss of his brother, Marc.

City Clerk – Absent / no report

City Treasurer

Treasurer Long reported the TIF delinquencies are Eddie Boutilier, Red Barn Vet Services, and Racheal Puckett.

City Attorney – Nothing

City Administrator

Administrator Hoel reported to council there has been some pretty significant vandalism to the south pavilion at the park. One whole side of soffit has been torn down and needs to be replaced. If we hire this done, it will probably cost \$2,000. Hoel went on to say the covers of electrical outlets are torn off regularly; we can't keep up with the replacement. Hoel wondered if council would consider offering an award to help catch the culprits. Shoemaker asked about the possibility of installing security cameras at the park. Hoel answered he has been keeping an eye on camera prices. Mayor Kleiss added this would be something to look into.

Administrator Hoel discussed a quote for a new light pole at the little league diamond. The \$6500 quote was submitted by a company from Decatur. Hoel added he has not requested bids for this, but Ameren has looked at the pole and indicated it needs to be changed. Hoel would like to get this done as soon as possible. Shoemaker offered to contact his contractor to see if he could work this into his schedule. Hoel answered he would appreciate being able to get another quote for this.

Contracts and Agreements

- Day moved to approve the commercial real estate lease with Josh and Paylee Ochs for the swimming pool concession stand @ \$250 per month. Waldrop seconded. VOTE YEA* Cleland, Day, Henderson, Hoey, Shoemaker, Slaughter, Truitt, Waldrop.
- Mayor Kleiss gave some background regarding the City's annual audit. For many years, we used Bray, Drake, Liles, and Richardson. Last year, this firm was purchased by Kemper and our audit was completed by Kemper. This year, the city put the audit services out for bids for the next three years and received three proposals from qualified firms. The lowest price was submitted by Larsson, Woodyard & Henson, of Tuscola. LWH will conduct the FY 2017 audit for \$13,000. Kleiss added Curtis Root is the manager of the Tuscola office. Shoemaker moved to accept the audit proposal from Larsson, Woodyard & Henson for the 2017 annual audit in the amount of \$13,000.00. Cleland seconded. Administrator Hoel clarified the proposals solicited were for three years; our intention is to stay with the same firm for three years. This approval is for one year only. Long added we received three

competitive quotes. LWH was the lowest bidder and a local firm. VOTE YEA* Cleland, Day Henderson, Hoey, Shoemaker, Slaughter, Truitt, Waldrop.

- Henderson moved to approve the annual agreement for the Employee Assistance Program between Carle Foundation Hospital and the City, at a cost of \$800. Day seconded. VOTE YEA* Cleland, Day, Henderson, Hoey, Shoemaker, Slaughter, Truitt, Waldrop.

Requests for TIF Assistance

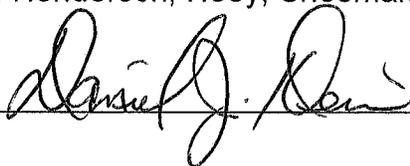
Administrator Hoel spoke to council about a TIF grant for Tony and Sarah Vitale, dba Joe's Pizza. The committee has been working with the Vitale's for several months to get plans and costs for the development of the restaurant. In the interest of time, the committee recommends bringing the matter to the full council at this time, rather than wait for another TIF committee meeting. The Vitale's plan to purchase the property and 102-104 West Sale, make repairs to the roof and purchase equipment, at an estimated cost of \$300,000.00. This expense will be financed commercially by the Vitale's. The estimated remodeling costs of \$247,288.00.00, would be covered by a TIF grant of \$250,000.00. Henderson asked if this project is all three buildings. Hoel answered this is for 102-104 West Sale (most recently Rachael Puckett building). The former *The Store* location on the corner will be purchased by the Vitale's, but not remodeled at this time. Truitt moved to approve a TIF grant in the amount of \$250,000.00, to Tony and Sarah Vitale for the properties at 100 – 104 West Sale. Henderson seconded. Hoey commented he and his wife and the Shoemakers went to eat @ Joe's in Paris and really enjoyed it. VOTE YEA* Cleland, Day, Henderson, Hoey, Shoemaker, Slaughter, Truitt, Waldrop.

Other

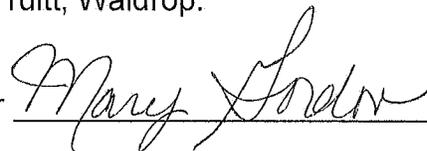
Truitt moved to approve a 2.5% across the board salary increase for city employees beginning FY 2018. Slaughter seconded. VOTE YEA* Cleland, Day, Henderson, Hoey, Shoemaker, Slaughter, Truitt, Waldrop.

Slaughter asked if we were going to do anything regarding a reward for reporting vandalism at the park. Mayor Kleiss would like to look into posting to crime stoppers. Chief Hastings stated crime stoppers goes out on Facebook and gets published in the newspaper. An amount can be posted, or we can advertise cash award, Hastings added. Day suggests putting trail cameras in the trees; if there is any activity, you will be able to see it clearly.

The motion to adjourn was made by Hoey and seconded by Shoemaker. VOTE YEA* Cleland, Day, Henderson, Hoey, Shoemaker, Slaughter, Truitt, Waldrop.



Mayor



Deputy
City Clerk