

November 28, 2016

CITY OF TUSCOLA  
COUNTY OF DOUGLAS  
STATE OF ILLINOIS  
TUSCOLA CITY HALL  
November 28, 2016

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 November 14, 2016 meeting
- Financial report for October 2016
- Payment of bills totaling \$147,187.94
- Pay request from Hunt Excavating in the amount of \$15,440, for renovations to the Little League Ball Diamond
- Request for a Community Building lease with alcohol from Jim Higgins for a Christmas party January 7, 2017
- Approval of the Christmas town parade route and 5K run route

Henderson moved to approve the items on the consent agenda. Truitt seconded. VOTE YEA\* Cleland, Day, Henderson, Hoey, Shoemaker, Slaughter, Truitt, Waldrop. Shoemaker moved to approve the consent agenda for November 28, 2016. Day seconded. VOTE YEA\* Cleland, Day, Henderson, Hoey, Shoemaker, Slaughter, Truitt, Waldrop.

Mayor

Mayor Kleiss reported the city received a thank you note, sent by Kim Higgins, on behalf of the Kiwanis Club. The club appreciates city allowing them to conduct their annual 'Peanut Days' on the city streets. This year, the Kiwanis raised over \$2800, which will go back into the community in the form of scholarships, and children's programs.

Mayor Kleiss offered the city's condolences to Terra Waldrop and family on the death of her husband's grandmother.

City Clerk – No Report

City Treasurer

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

City Attorney – No Report

City Administrator – No Report

Contracts and Agreements

Mayor Kleiss announced Ford of Tuscola has been working with Chief Hastings to find a replacement for the 2007 Ford Explorer that was totaled a few weeks ago. Chief Hastings recommends the purchase of a 2017 Police Interceptor Utility AWD. With this purchase, the city will have a total of six police vehicles, Hastings stated; however, he plans to ask council to declare an Impala in the police fleet as surplus and advertise it for sale. This will take the fleet back to five, which is sufficient.

Hastings added the city should receive funds from the totaled Explorer and the sale of the Impala to help offset the cost of the new vehicle. Slaughter moved to approve the purchase of a 2017 Ford Police Interceptor Utility AWD from Ford of Tuscola, in the amount of \$29,970. Henderson seconded. VOTE YEA\* Cleland, Day, Henderson, Hoey, Shoemaker, Slaughter, Truitt, Waldrop.

#### Requests for TIF Assistance

Administrator Hoel discussed the TIF request for reimbursement submitted by ADCO, as part of the mall re-development agreement. This is the first year of reimbursement to ADCO after their purchase from Tanger, Hoel stated. ADCO has requested reimbursement for any number of things, some of which are not eligible under the redevelopment agreement. Hoel went on to say ADCO requested \$301,305.67, representing 50% reimbursement of eligible costs. Hoel stated his analysis is \$263,011.72. He believes this should be the actual amount for reimbursement. Hoel added the terms of the agreement allow for up to \$400,000 in reimbursements per year. In order to receive this, ADCO would need to spend \$800,000 in eligible costs. Hoel recommends council approval of the payment to ADCO using his analysis. Truitt moved to approve a redevelopment agreement reimbursement of \$263,011.72, to ADCO Tuscola, LLC. Day seconded. Hoey asked if this is the redevelopment agreement that was negotiated to be tied to various programs. Hoel answered it is. In the first stage of the mall, there was a large payment for recruiting Old Navy, Nike, and Gap, Hoel stated. Now there are two ongoing programs to claim reimbursements under – capital improvements and new business recruitment. Also, in order to be eligible for full reimbursement, above 85% occupancy must be maintained. VOTE YEA\* Cleland, Day, Henderson, Hoey, Shoemaker, Slaughter, Truitt, Waldrop.

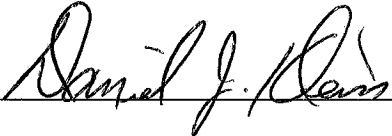
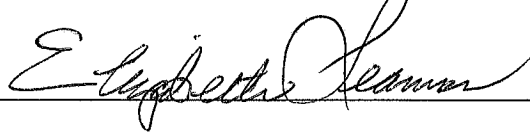
#### Other

- Administrator Hoel reported no additional comments have been received on the proposed property tax levy increase of 4%. An ordinance will be prepared and approved at the next council meeting.
- Mayor Kleiss reported two proposals were received on the old North Ward School site. Administrator Hoel noted the TIF committee will meet next week to discuss the proposals. One proposal was for an extensive residential development on the land, which would be donated by the city. The other was an offer to purchase the land for \$265,000. This offer was submitted by the Champaign County Housing Authority.
- The Tuscola Kiwanis Club has requested the city's assistance with an electronic recycling event planned for next May. The club would like the city to fund the cost of one trailer (\$350); the Kiwanis will fund another trailer and provide the labor to load the trailers. Council felt this would be a great event for the community.
- Treasurer Long spoke to council about the city's healthcare needs and rate increases. Long stated in the last six years, after leaving the state plan and going on our own, the city and employees have realized significant savings; however, the market has changed drastically in the past six years. Administrator Hoel added our current plan is a high deductible plan with a health reimbursement account on the front. The HRA covers 90% of the deductible. Long stated this year costs are skyrocketing and the city has had heavy usage the past three years. Because of the heavy usage, we will not be able to switch carriers because we would be re-rated. Renewing with the same Health Alliance plan would increase the city's cost \$70,000 for sure; likely another \$17,000 (based on past experience); and a potential for another \$19,000 because we are self-funded. The employee with a family would pay an additional \$1380 per year in premiums. Long went on to say this is completely unacceptable for the city and employees. Another option is go to an HMO plan, doing away with HRA's and paying

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premiums only. The city's cost would be an additional \$37,000, over this year's premium, with no additional increases. The employees could have no premium increase, but would have a higher out of pocket expense of \$2400 maximum. Long went on to say there is a possibility of a HSA plan in which the city would fund individual accounts for the employees to cover the higher deductibles. Long does not think now is a good time to implement something like this, but may visit it again in the future. Hoel pointed out the HRA enabled us to save a lot of money over the years but is no longer worth the hassle. Henderson moved to approve the Health Alliance 80/20 HMO plan as the health insurance plan for the city, effective January 1, 2017. Truitt seconded. VOTE YEA\* Cleland, Day, Henderson, Hoey, Shoemaker, Slaughter, Truitt, Waldrop.

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

 \_\_\_\_\_ Mayor  \_\_\_\_\_ City Clerk