

CITY OF TUSCOLA
COUNTY OF DOUGLAS
STATE OF ILLINOIS
Tuscola City Hall
February 22, 2016

The regular meeting of the City Council was called to order with Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, and Mayor Kleiss in attendance. Alderwoman Truitt was absent. Matt Bennett, Tuscola Boy Scout, led the Pledge of Allegiance.

Public Comment - None

Consent Agenda

Mayor Kleiss went over the items on the consent agenda:

- Minutes of the February 8, 2016 meeting
- January 2016 financial reports
- Payment of bills totaling \$128,412.26
- Two pay requests from Adkisson Construction for roofing repairs, both included in the bill total:
 - 1) Roofing bid package A - \$13,640.50
 - 2) Roofing bid package B - \$13,155.25
- Pay request from Owen Tucker in the amount of \$11,438.25 for Doris Subdivision infrastructure
- Cystic Fibrosis 5K/10K run route on June 3, 2016
- Kiwanis Club Easter Egg Hunt at Ervin Park March 19, 2016

Hoey moved to approve the items on the consent agenda. Henderson seconded. Administrator Hoel pointed out the date for the Cystic Fibrosis run is 2017, not 2016 as indicated on the agenda. VOTE YEA* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter. Day moved to approve the consent agenda for February 22, 2016. Shoemaker seconded. VOTE YEA* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter.

Requested Time on the Agenda - None

Mayor

Mayor Kleiss congratulated the *Lady Warriors* on their fine season. The ladies won the regional and competed well in the sectional, before losing to a very good Teutopolis team. Kleiss added our high school students received some favorable press he would like to pass on to council. The owner of the Pizza Man in Pana wrote a complimentary letter to TCHS about our student's conduct during their visit to his establishment last week. The letter noted the students were respectful to the other diners and were very well behaved. Kleiss thanked the students for their fine representation of Tuscola and the owner of the Pizza Man for taking the time to write the letter.

City Clerk

Clerk Leamon asked for approval of the annual ordinance adopting a supplement to our code for ordinances approved during 2015. Henderson moved to approve ordinance 2016-O-1, an ordinance enacting and adopting a supplement to the code of ordinances for the City of Tuscola. Cleland seconded. VOTE YEA* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter.

City Treasurer

Treasurer Long reported Eddie Boutilier and the Red Barn Vet Service are delinquent on their TIF loans.

City Attorney – No Report

City Administrator - No Report

Ordinances

Mayor Kleiss presented an ordinance that will allow stop intersections on Justice Street at intersection with North Line Road and Barker Street. These stops are for the road in the new subdivision, Kleiss added. Administrator Hoel reported the pavement is complete and has been inspected. The road will be open after the sidewalks are poured this spring. Maxey moved to approve ordinance 2016-O-2, an ordinance amending chapter 75: traffic schedules of the City of Tuscola code of ordinances to create stop intersections on Justice Street at intersection with North Line Road and Barker Street. Cleland seconded. VOTE YEA* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter.

Other

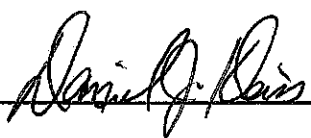
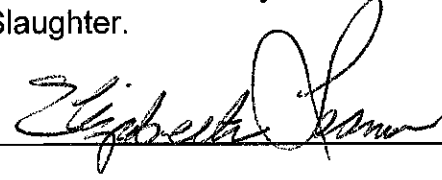
Administrator Hoel announced he will travel to Charleston on Wednesday for the opening of the electric aggregation bids. Hoel added our broker forecasts rates higher than we have been paying – probably in the six cent per KWH range, which is still less than the market rate. The broker recommends a three year term based on the forecast that electric rates will continue to rise. Hoel went on to say our two previous municipal aggregation bids had a price match guarantee which meant if the tariff rate went below our bid rate, our supplier would match the tariff rate. This provision is being removed for the current bids because the suppliers have indicated they would not bid if the provision was left in. Hoel ended by saying there is still the individual opt-out provision.

Hoel then discussed the Illinois American Water Company (IAWC) Quality Infrastructure Program (QIP) charges that IAWC has not been charging the city. According to Hoel, the Illinois Commerce Commission approves the rates set by IAWC, including the QIP rate charges for investments in their system infrastructure. The QIP rate can be passed on to IAWC's customers, but IAWC has not been billing Tuscola for this charge since 2011. The water company can only go back 24 months to collect the QIP fee, which has been running close to 5%, Hoel added, and we can take up to 24 months to pay back this fee to IAWC. Hoel went on to say this will definitely have an impact on our bills. We will see the current QIP fee plus a portion of the \$24,000 charges for the prior fees on our bills next month. Treasurer Long is working on a rate study now, Hoel stated, and we will definitely have to raise rates. IAWC recently proposed an 18% system wide increase in rates, in addition to the QIP fee, so the rate increase could be 20%. Treasurer Long pointed out brochures on the council table that provide more information about QIP. Long added our overall percentage going for water purchase is about 50% now. Just a few years ago, this was 30%. Long went on to say we are still not quite caught up in fund balance after our last large project. At the end of 2016, the original bonds

will be fully funded, and we will not have to put aside these funds each month. This should provide some relief and help with the rate increase.

Henderson moved council go into executive session to discuss possible land acquisition. Shoemaker seconded. The time was 7:45 PM. VOTE YEA* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter. The meeting was called back to order at 8:09 PM with Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, and Mayor Kleiss in attendance. Alderwoman Truitt was absent.

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

 _____ Mayor  _____ City Clerk