

CITY OF TUSCOLA
COUNTY OF DOUGLAS
STATE OF ILLINOIS
TUSCOLA CITY HALL
March 26, 2018

Council held a FY2019 budget study session, beginning at 6:45 pm, before the regularly scheduled council meeting. Treasurer Long pointed out the draft budget was in the council packet. Overall comments – income tax down; sales tax down slightly; home rule down a bit more due to the 2% tax that went into effect at the midway point of this budget year. Only minor adjustments have been made to operating line items. The reserve funds are the same as previous years. There is a slight increase in the ambulance contribution; we are earning interest on our cash deposits; and the budget includes a 3% salary increase to the scale, Long added. The capital replacement plan was discussed, with Long pointing out equipment scheduled to be replaced this year, as well as other planned capital expenditures and maintenance items. The largest planned expense is street maintenance, Long stated. Several years ago, our former funding method for maintenance was bonds; however, we do not get enough funding from MFT to do this anymore. Four to five years ago the city started the reserve fund for street maintenance. Almost five years later, we project we will have \$400,000 saved for street maintenance, Long added. Administrator Hoel pointed out when we were able to issue bonds we used the funds for new streets. Now we need to spend time and effort maintaining the streets, rather than building them. Long pointed out we can do a good sized maintenance project on our streets this year and if things hold as they are now, we should be able to do another sizeable project in three years. Treasurer Long discussed life expectancy of roads with and without maintenance, as well as types of overlays that are used. Administrator Hoel stated we should be able to extend the life expectancy of a good number of our roads by many years. Hoel went over the roads being considered for this year and discussed cape seal and micro seal methods for overlays. Long then went over budgets for general fund, discussing a few minor changes/increases. The general fund budget shows a positive balance of ~\$45,000. Water and sewer rates will not increase Long stated, and we will continue funding the reserves at the same level. The water fund has an increase in repair and maintenance for water leak detection. The old sewer bonds will be paid off in 2018, leaving the only debt the EPA water sewer bonds. The TIF fund continues to have a deficit. The 2018 taxes will take TIF One back to the positive side, but pending projects could take it back in the red. We have 3.5 years left for TIF and it will be this way until the end, Long added. The projects have to be completed before the funds start coming back in. The TIF fund is going exactly as planned; we are on projection for all three TIF's, Hoel stated. The MFT budget is just a matter of collecting the funds and paying down the 2010 and 2012 bonds. Tourism is similar to TIF, Long stated. It does show a deficit budget for FY19, but it is highly unlikely tourism will complete all the projects listed. Any questions on the FY 2019 budget should be directed to Treasurer Long or Administrator Hoel.

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

Consent Agenda

Mayor Kleiss went over the items on the consent agenda:

- Minutes of the March 12, 2018, meeting
- Financial reports for February 2018
- Payment of bills totaling \$90,726.04
- Pay request from Jim Crane in the amount of \$2625 for the pavement maintenance study
- TK Martin VFW Post 10009 poppy sale on May 26, 2018

Waldrop moved to approve the items on the consent agenda. Rund seconded. VOTE YEA* Cleland, Day, Hoey, Rund, Shoemaker, Slaughter, Truitt, Waldrop. Day moved to approve the consent agenda for March 26, 2018. Shoemaker seconded. VOTE YEA* Cleland, Day, Hoey, Rund, Shoemaker, Slaughter, Truitt, Waldrop.

Mayor – No Report

City Clerk – No Report

City Treasurer

Treasurer Long reported Eddie Boutilier and Red Barn Veterinary Services are delinquent on their TIF loans.

City Attorney – No Report

City Administrator

Mayor Kleiss asked if things were going ok at the park. Hoel answered they are; the ball diamonds look great.

Contracts and Agreements

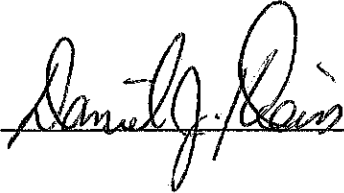
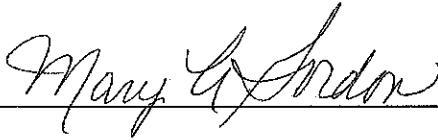
1. Administrator Hoel discussed the farm lease agreement and farm management agreement on the sewer spray field. Dan Meyer has been the tenant farmer on this field for several years but has outsourced the mowing and baling the last two years to Kuhn Bros. Farm. In order to better reflect this arrangement the farm management and farm lease will be split into two separate agreements, Hoel stated. The 60/40 crop share in the original agreement remains unchanged. Hoey moved to approve the farm lease agreement on the sewer spray field with Kuhn Bros. Farm for a period of five years. Cleland seconded. VOTE YEA* Cleland, Day, Hoey, Rund, Shoemaker, Slaughter, Truitt, Waldrop.
2. Shoemaker moved to approve the farm management agreement with Dan Meyer on the sewer spray field. Rund seconded. VOTE YEA* Cleland, Day, Hoey, Rund, Shoemaker, Slaughter, Truitt, Waldrop.
3. Administrator Hoel reported a group of artists from The Vault have made arrangements to buy all shares of Bend in the River, Inc., and have requested a one year extension of their lease with the city. Truitt moved to approve the one year lease extension with Bend in the River, Inc., on the property at 100 North Main. Waldrop seconded. VOTE YEA* Cleland, Day, Hoey, Rund, Shoemaker, Slaughter, Truitt, Waldrop.
4. The city is proceeding with the route 36/ I57 interchange study, Mayor Kleiss reported. Administrator Hoel added the city has enough developer interest in the area to coordinate public improvements into the study. An additional \$3000 should cover these costs, and will be added to the original agreement for preliminary design and environmental studies.

Cleland moved to authorize an additional \$3000 in funds for the PSA with Francis and Associates for the route 36/ I57 interchange study. Day seconded. VOTE YEA* Cleland, Day, Hoey, Rund, Shoemaker, Slaughter, Truitt, Waldrop.

Other

Administrator Hoel reported the Odd Market Festival organizers are interested in holding a festival on August 18, 2018. They have been approved for a \$3000 grant from the Tourism Board. The organizers would like to use the Community Building parking lot, and possibly the empty space east of the Community Building for vendor booths and outdoor music/entertainment. The festival organizers also plan to have craft beer vendors from the Champaign area at this event. Hoel added the details are not finalized, but the festival organizers wanted to be sure the city was on board with their plans thus far. Truitt moved to approve the request and allow the Odd Market Festival to take place on August 18, 2018. Waldrop seconded. VOTE YEA* Cleland, Day, Hoey, Rund, Shoemaker, Slaughter, Truitt, Waldrop.

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

 _____ Mayor  _____ Deputy
City Clerk