

CITY OF TUSCOLA
COUNTY OF DOUGLAS
STATE OF ILLINOIS
Tuscola City Hall
October 26, 2015

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

Mayor Kleiss went over the items on the consent agenda:

- Minutes of the October 13, 2015 meeting
- Financial reports for September 2015
- Payment of bills totaling \$340,831.62
- Pay request from Owen Tucker in the amount of \$71,998.05, for Doris Subdivision infrastructure

Hoey moved to approve the items on the consent agenda. Henderson seconded. VOTE YEA* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, Truitt. Shoemaker moved to approve the consent agenda for October 26, 2015. Maxey seconded. VOTE YEA* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, Truitt.

Requested Time on the Agenda

Paul Wisovaty addressed council on behalf of two local organizations. The Salvation Army is asking council permission to conduct their annual Kettle Drive during December 2015. Wisovaty reported Tuscola ranked 10th out of 75 regional municipalities last year, raising \$11,000 for the Salvation Army. On behalf of the TK Martin Post 10009, Wisovaty asked council's permission to collect funds on city property November 21, 2015. Wisovaty pointed out the purpose of this collection is to replenish the funds in the general account.

Mayor

Mayor Kleiss discussed a recent essay contest promoted by the Illinois Municipal League. IML sponsored the contest for high school students, asking them to submit an essay about 'What I Like About my Hometown'. The city and TCHS encouraged students to enter the contest, letting them know the winning essay would receive a cash prize from the city and a chance to compete in the IML contest. The top 12 essays statewide will be published in the Illinois Municipal League Review – one per month during 2016, and the winning essay will receive a cash prize from the IML. Mayor Kleiss read excerpts from Tuscola's essay winner, before asking Alexis Nau to step forward and receive her award. Alexis, a Junior at TCHS, wrote about what makes Tuscola special to her; opportunities provided; the supportive community members; and the fact that Tuscolians are accepting, respectful people. Photos were taken of Alexis and her family. Kleiss thanked Alexis for her essay contribution and encouraged her to continue writing and thinking her positive thoughts.

City Clerk – No Report

City Treasurer

- Treasurer Long reported Eddie Boutilier and the Red Barn Vet Service are delinquent on their TIF loans.
- The annual Treasurer's report is in council's packet and has been published in the Tuscola Journal, as required. Any questions about the report should be directed to Treasurer Long.
- Long introduced Curt Liles, CPA with Bray, Drake, Liles & Richardson LLP. According to state statute, Curt is required to attend the council meeting and discuss the audit findings. Long went on to say, there have been a lot of changes this year for her and the auditors. The main change council will note is the library is now a component unit and no longer a city department. Liles addressed council, calling their attention to the two page auditor's report near the front of the audit. Liles stated the city received a clean opinion this year, adding the board and staff have done a great job. The ten page management's discussion and analysis gives a synopsis of the city's activities for the last fiscal year and is in an easy to read format. The final item was the IMRF analysis of funding progress. Liles stated the last few years many new standards have been implemented. Beginning next year, the unfunded liability in IMRF will show on the balance sheet. Long pointed out that before 2008, we were over funded in IMRF; currently we are funded at 87%. Long added municipalities can make additional cash contributions to pay the unfunded liability, but IMRF does not encourage this because of the market uncertainty. Long went on to say the 87% is still a very good funded percentage for a government pension. Council discussed the unfunded liability and how it is computed. Administrator Hoel pointed out this is a theoretical number; the unfunded liability will be made up over time, just as it was lost over time. To further clarify, Mayor Kleiss asked if he was correct in thinking it is not that the IMRF was not funded appropriately, it is based on earnings or losses of the current funds. Treasurer Long and Administrator Hoel agreed, with Hoel adding IMRF does not want to make drastic changes to the contribution based on market returns going back to 2008. They have blended the catch up over about 20 years, according to Hoel. Long added we are not in any trouble with IMRF and they are not asking for any money. Hoey asked what the reason was for putting the unfunded liability in the front of the audit. Liles answered this is for full disclosure. Hoel added it has become a priority to try and have consistent standards because of the poor condition of pension funds nationwide, and Illinois in particular. Treasurer Long sated government accounting was more of a cash basis fifteen years ago when she started working for the city. The Government Accounting Standards Board continues to put out more pronouncements to get government financials closer to what a private business would have. Shoemaker asked if there were any upcoming regulations or possible changes that could be a burden to employers at either the state or federal level. Liles answered this is the only major change that has been passed. Long feels there will be a lot of pension reform issues discussed. Liles thanked Treasurer Long for making things go smoothly this year. All the records are tip top, Liles added, and Long is doing a good job.

City Attorney – No Report

City Administrator - No Report.

Ordinances

Treasurer Long discussed the property tax levy estimate for FY 2016. If council plans to increase the levy more than 5% over last year's levy, it will be necessary to hold a public hearing. Administrator Hoel stated he recommends council consider a small increase to try and keep the tax rate relatively flat. As the property values increase in town, we raise the levy a similar amount in hopes of keeping the rate about the same. Hoel went on to say with the decrease in the EAV and no levy increase last year the city took a hit. The 7% drop in the EAV was because of several successful appeals and the assessor's office attempting to reconcile their multiplier across the taxing districts. Mayor Kleiss would like to keep the levy as small as possible; somewhere in the 2.5-3% area. Hoel asked Treasurer Long to report on the numbers she ran. Long stated if there is no change in the EAV, a 2% increase in our levy would be a \$5.72 increase on the average homeowner. A 4.95% increase would mean a \$14.06 increase on the average homeowner. Long pointed out this is the city and library rate combined because the city levies for the library. Hoel stated it is unlikely the EAV estimate will be passed along to us before we are required to file the levy. Long added we should do the estimate and have it available for public viewing for 20 days. As more information becomes available, the estimate can be changed. Long will prepare a levy estimate at 3% for council consideration.

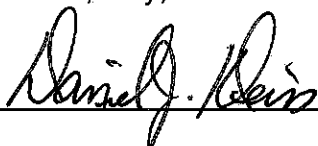
Contracts and Agreement

Administrator Hoel reported on the joint committee meeting held to discuss potential cost savings on the Community Building renovation. The recommendation from the committee is to eliminate the colored acoustical tile and knife edge trim for a total savings of \$27,690. Cleland moved to issue a notice of award to Building Systems of Illinois for the Community Building renovation in the amount of \$961,310. Henderson seconded. Hoey commented this was a tough decision. Everyone who called him was in favor of the expenditure. VOTE YEA* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, Truitt. Mayor Kleiss stated he appreciates everyone's work on this and he is looking forward to the end product. Kleiss added he knows this was a tough decision.

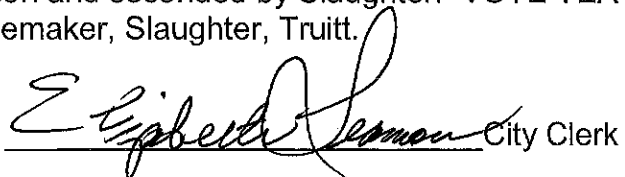
Other

Mayor Kleiss opened discussion on the State of Illinois' overdue water account by stating at some point it will be high time for them to do their job in Springfield. Not being able to pay the water bill at the IDOT shed could end up causing us to shut off the water and 10-12 people losing their jobs. Administrator Hoel reported the ordinance requires shut off when customers do not pay their bills. He is not in favor of shutting off the state for several reasons, but does not feel it is within his authority to make this decision. Mayor Kleiss feels we will most likely collect this debt at some point, adding this is not the case with many customers we shut off. After discussion about the state's financial woes and inability to pay their bills, Truitt moved to authorize the city staff to continue supplying the State of Illinois' with water service at the IDOT shed and continue to add late charges and penalties. Shoemaker seconded. VOTE YEA* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, Truitt.

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



Mayor


City Clerk