

CITY OF TUSCOLA  
COUNTY OF DOUGLAS  
STATE OF ILLINOIS  
TUSCOLA CITY HALL  
April 8, 2019

Council held a FY2020 budget study session, beginning at 6:45 pm, before the regularly scheduled council meeting. Treasurer Long pointed out the revised draft budget was in the council packet. Administrator Hoel began the discussion by explaining that sales and home rule tax receipts are projected to decrease significantly in the FY 20 budget year due to a recently received notification from the Illinois Department of Revenue. The notification indicated the department had made a large refund of sales and home rule taxes due to taxes being paid on exempt items in error. Hoel and Long have both researched the issue and reached out to the Department of Revenue in an effort to gather more information, however, since tax payer information is confidential, they were unable to provide any more details. The total amount of tax that will be withheld from the city's future receipts is approximately \$212,000, \$170,000 in FY 20 and the remainder in FY 21. While the City has no control over this, Hoel and Long will continue to try to find more answers on the issue. Mayor Kleiss stated that this is another reason why we should continue to forge ahead with development projects like the new development out at the interstate so that we can work to replace those sales taxes.

Long continued with the budget discussion by stating the revised budgeted sales and home rule tax lines have been reduced to reflect this reduction. Reserve funds for rainy day fund, capital replacement fund and street maintenance fund will all stay the same as the current fiscal year. Interest earned on deposits is increasing, which helps general fund revenues. The overall budget includes a recommended 3% increase to the salary scale, increase to fuel lines as market prices increase and increase to computer support lines as technology needs change in several departments. The largest item in the budget this year is a \$328,100 OSLAD grant for improvements at Ervin Park, and the corresponding \$656,200 expense for the project. Other capital items in the FY 20 budget include a police vehicle, fire command vehicle, fire rescue tools, Welcome sign & city hall sign and an inspection of the inside of the water tower.

Expenses are generally the same as the prior year, with a few noted exceptions being professional services for a personnel policy and salary scale update, building officials salary line increased slightly, additional tree planting, lifeguard training, police uniforms and small equipment. Administrator Hoel discussed the need to take a comprehensive look at our salary scale, especially in light of the State's large increase to the minimum wage and the impact that will have on our operations.

The overall bottom line for the general fund is a large deficit of \$643,193. That number includes the \$328,100 of the city's 50% match for the OSLAD grant and \$170,000 for the sales and home rule tax reduction. The city's current operating cash balance can sustain the deficit for this budget year as we watch sales taxes carefully to determine if longer term trends will require significant reduction in operating costs.

Both the water and sewer funds are rebuilding their operating and capital funds since paying off large bonds in the past year. No change in rates is recommended this year and the only change in operating expense is for water purchase costs due to QIP and passthrough tax rebate changes.

No major changes in the TIF, Motor Fuel, Tourism or Library budgets. The budget will be presented for Council's consideration at the April 22<sup>nd</sup> meeting.

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

### Consent Agenda

Mayor Kleiss went over the items on the consent agenda:

- Minutes of the March 25, 2019, meeting
- Payment of bills totaling \$122,822.77
- Pay request from French Construction for spray field roof in the amount of \$11,700
- Community Building lease with alcohol for:
  - Angela Wingstrom for wedding reception on June 7-8, 2019
  - Steve and Sandy Bates for graduation party on May 17, 2019.
- Becky's Buddies fundraising for Relay for Life on June 8, 2019
- Wheels Car Club change of date to June 8, 2019

Cleland moved to approve the items on the consent agenda. Rund seconded. VOTE YEA\* Cleland, Day, Rund, Slaughter, Truitt, Waldrop. Waldrop moved to approve the consent agenda for April 8, 2019. Day seconded. VOTE YEA\* Cleland, Day, Rund, Slaughter, Truitt, Waldrop.

Mayor – Mayor Kleiss read a thank you note from the newly crowned Miss Tuscola, Claire Ring and offered his congratulations. Mayor Kleiss also wished a happy birthday to Alderman Dave Slaughter.

City Clerk – No Report

City Treasurer – Treasurer Long reported Eddie Boutilier and Red Barn Veterinary Services are delinquent on their TIF loans although Red Barn Veterinary Services continue to make progress.

City Attorney – No Report

City Administrator – No Report

### Contracts and Agreements

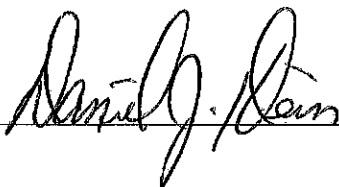
Administrator Hoel discussed a request from Tuscola Kiwanis regarding funding assistance in the amount of \$450 for an extra trailer in addition to the two already funded by Kiwanis, for their electronics recycling event and permission for it to be held at Ervin Park on May 4, 2019. Truitt moved to approve financial assistance in the amount of \$450 to Tuscola Kiwanis for their

recycling event and to grant permission for the event to be held at Ervin Park the morning of May 4, 2019 Seconded by Rund VOTE YEA\* Cleland, Day, Rund, Slaughter, Truitt, Waldrop.

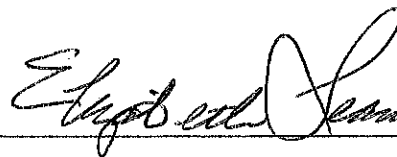
Other

Administrator Hoel asked Council to consider approving the Planning Commission's recommendation to approve the preliminary and final subdivision plat for Tuscola Commons Subdivision. Chris Davis, representing 3D Development was present. Two waivers are included in the recommendation. One is to allow a ten year waiver on the requirement that a cul-de-sac be included on a dead end road. Future development is anticipated which would require extension of those roads. The second is to waive the requirement of sidewalks on both sides of a new street, in this case Moore Avenue. Love's Travel Store will take up most of the east side of the road. Due to truck traffic, pedestrian safety is better served by requiring a sidewalk on the west side of the street only. It is contingent upon ownership. 3D has not closed on the property but expects to be closing in the next couple of weeks. At that time, the plat will be signed and recorded if council approves. It also includes the "borrow pit", or pond, on the north end. Council previously approved the redevelopment agreement with the provision that the developers would deed that property back to the City. The City currently uses the pond for drainage and it will be available for future drainage potential. Typically, the City requires a construction bond guaranteeing the installation of public facilities in a new subdivision. In this case, the bond is the redevelopment agreement. The City is funding part of the project through TIF. We also have a contract with the developer and Love's to build the required public facilities. The final plat is for Lot 1, the Love's parcel. The rest of the property is subject to preliminary plat which may change down the road as developments occur. Slaughter moved to approve the recommendation of the Planning Commission to approve the preliminary and final subdivision plat for Tuscola Commons Subdivision including two waivers requested by the developer. Truitt seconded. VOTE YEA\* Cleland, Day, Rund, Slaughter, Truitt, Waldrop.

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



Mayor



City Clerk