

May 11, 2015

CITY OF TUSCOLA  
COUNTY OF DOUGLAS  
STATE OF ILLINOIS  
Tuscola City Hall  
May 11, 2015

Mayor Kleiss opened the council study session at 6:45 pm, and asked Treasurer Long to discuss the TIF cash flow and procedures for end of life. Long began by stating the Downtown TIF and Amishland TIF will both expire the end of 2021. The goal of the TIF plans was to eliminate blight, encourage private redevelopment, and increase EAV. These have all been accomplished, Long stated. The EAV in 1986 was \$18,096,167 and the EAV for 2014 was \$72,571,501. Long pointed out the 2014 numbers do not include Lambo's, Jimmy John's, Taco Bell, or O'Reilly. The total tax rate in 1986 for Tuscola was 7.493. The total tax rate for 2014 is 7.9002, only a 5.43% increase. The property tax income in 1986 was \$451,982 compared to \$1,911,098 for 2014. All taxing bodies in Douglas County are receiving 322.83% more property tax income for 2014 than they received in 1986. The sales tax income has gone from \$373,816 in 1986 to \$1,334,378 in 2015. Since 1999, private development within the TIF districts has been estimated at over \$30 million. Long pointed out many of the public improvements made with TIF funds. The original estimated annual revenues for TIF were \$70,000 - \$95,000, Long added, but the actual revenues are \$1.4 million.

Long then outlined the current condition of our three TIF districts. Amishland is -\$250,000 and borrowing from TIF 1. The funds will be paid back by property tax increment within two years. The end of life projected balance for the Amishland TIF is \$450,000. The Barker/Prairie TIF is a single project district and has a negative balance because the development is under contract. This TIF is borrowing from the general fund and will until its' life is done. No debt was issued for this TIF. The original TIF district – Main, Sale, South Main, Route 36, the mall – is at -\$500,000 right now. If we were able to complete all the projects that have been discussed for this TIF area, we would end the FY at -\$2+ million. After a few years the cash flow improves, Long added. Treasurer Long discussed issuing debt vs borrowing internally to cover expenses should all the TIF projects get done. Issuing debt would cost \$150,000 - \$225,000, compared to \$5,000 - \$10,000, to borrow internally. Long suggests we continue to borrow from ourselves unless we see that we need to issue debt. Typically the city uses only 80% of our budgeted income and the TIF projects go longer than planned. There are ways we can control this as long as we stay on top of projections, Administrator Hoel added. Long pointed out we currently fund projects up front. The fund gets replenished when the owner pays their increased property taxes. Now we will need to pay at completion, requiring the owners to get personal financing.

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.

### **Consent Agenda**

Mayor Kleiss went over the items on the consent agenda:

1. Minutes of the April 27, 2015 meeting
2. Payment of bills totaling \$80,897.73
3. Community Building lease request for a graduation party with alcohol on May 30, 2015

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Henderson moved to approve the items on the consent agenda. Hoey seconded. VOTE YEA\* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, Truitt. Maxey moved to approve the consent agenda for May 11, 2015. Shoemaker seconded. VOTE YEA\* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, Truitt.

### **Mayor**

Mayor Kleiss announced the city received a note from Heath Thurston thanking the city for their donation on behalf of his mother. Kleiss offered the city's condolences to Thurston on the recent passing of his mother.

At the request of Chief Hettinger, Mayor Kleiss presented the names of Frank Pfeiffer, Cory Roberts, Ahren Cody, Ian Harp, and Brent Wilson as firefighter recruits. Day moved to approve these new recruits as volunteer firefighters for the City of Tuscola. Henderson seconded. Brian Moody added the recruits will be great additions to our department and introduced Ahren Cody, a new recruit in attendance at the meeting. Mayor Kleiss thanked Ahren for his willingness to serve. VOTE YEA\* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, Truitt.

### **City Clerk – Nothing**

### **City Treasurer**

Treasurer Long called council's attention to their bound budget books for the budget approved at the last meeting. Long reported Eddie Boutilier is the only TIF delinquency. Hoey asked if this issue was moving in any direction. Mayor Kleiss and Administrator Hoel feel we should move to the next step with Boutilier.

### **City Attorney – Nothing**

### **City Administrator**

Administrator Hoel pointed out he failed to put the swearing in of new council on the agenda. Mayor Kleiss took this time to issue the oath of office to Aldermen Cleland, Day, Maxey, Slaughter, and Truitt.

Hoel announced volunteers are needed for the Rotary playground installation this Friday and Saturday from 7 am to 7 pm.

### **Contracts and Agreements**

Hoel followed up with council's request at the last meeting to ask for a one year contract extension with our current trash hauler, Advanced Disposal. The extension would give us more time to check prices and address some service issues. Bob Fistur and Ken Miller, representatives of Advanced, addressed council about their request. Kleiss asked where Tuscola's waste goes. Bob answered it goes from the Charleston transfer to the landfill in Decatur. The landfill just received an expansion and will be in use for several years. Advanced had asked for a five-year contract extension with the city. Mayor Kleiss added historically it has worked well for the city to sole source the waste disposal. This keeps the costs down; saves wear and tear on the streets; and the entire town is picked up in one day. Miller added Tuscola is a unique situation and this works very well. Advanced uses 4.5 trucks to pick up the entire town in one day and this will not change if Advanced continues with our contract. Truitt asked how the recycling program works for Advanced. Do people use the bins for only recyclable items? Fistur

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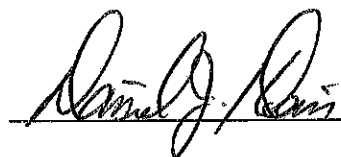
answered recycling is unique; especially right now when the markets are down. Fistur added a lot of people in and out of Tuscola use the drop off recycling here. As an industry, they have educated citizens to put items in recycling if they are in doubt, so contamination is half the industry's fault. Charleston and Mattoon are currently using curbside recycling pickup offered by Advanced, but Tuscola only has nine houses signed up for the curbside recycling. All items picked up for recycling are actually recycled, according to Fistur. Advanced uses a firm in Bloomington for the recyclables they collect. Shoemaker asked if there was any legislation or regulations in the works that will affect recycling or landfills. Fistur answered there is none right now that he knows of. Henderson asked if Advanced would be willing to extend our contract for one year. Fistur answered they would like a longer term contract; they want to keep the city as a customer. If Advanced did a one year contract they would ask for the ability to negotiate a contract before it goes to a RFP. Service levels can easily be changed within the contract. Hoey stated he is not in favor of changing; the program is working well. Henderson's only complaint is he never knows what time his trash will be picked up. Miller explained this by saying sometimes one section will be running behind and another driver will help out in that section after he finishes his own. Miller pointed out Advanced can always be reached either through their number or Administrator Hoel. He feels this is valuable since many of the larger haulers are going to call centers. Hoel thinks there are two issues – asking for RFP's for pricing sake; and change in service level. Hoel feels these are independent things. If we are happy with pricing and level of service an extension is OK. We can then talk about different service levels. Fistur and Miller will return for the May 26 council meeting and address any more questions or concerns that arise. Maxey reported he and Alderman Day have received no complaints from their constituents in Ward II.

Treasurer Long recommends entering into an agreement with Bray, Drake, Liles, and Richardson for the city's annual audit. Long stated BDLR has been doing our audits for several years; they always do a great job; and are cheaper than most firms. The audit will also include an audit of the city's health insurance. Maxey moved to approve the audit engagement letter with Bray, Drake, Liles, and Richardson for the financial audit for the year ending April 30, 2015, at a cost of \$11,900. Cleland seconded. VOTE YEA\* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, Truitt.

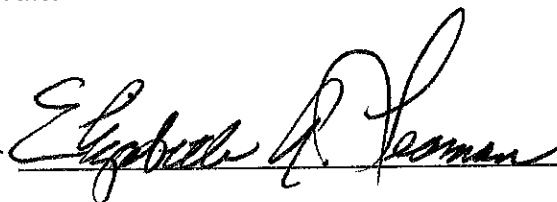
#### Other

Maxey reported several of his constituents have complained about homes with tall grass. Hoel reported our ordinance states if a lawn is higher than 8", the city can mow the lawn and bill the homeowner. Discussion was held on a better system to handle the tall grass problems. Maxey suggests Foreman Cruzan check lawns and report those that are over the maximum. Hoel answered this is not one person's job. Maxey suggests it should be the responsibility of all city employees to report lawns that need to be mowed. After more discussion about ordinance violations (grass and junk), citations, and property owner pride, Treasurer Long suggested concerned citizens should contact city hall with the address of the offender. The staff will pass the message on to the police department.

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



Mayor



City Clerk