

April 13, 2015

CITY OF TUSCOLA  
COUNTY OF DOUGLAS  
STATE OF ILLINOIS  
Tuscola City Hall  
April 13, 2015

Council met at 6:45 pm for the FY 16 budget study session.

Treasurer Long began the session by making some overall comments. The budget was put together using IML estimates from last year for the revenue the city will receive in state taxes. These numbers can be adjusted mid-year once the Governor decides the amount of cuts he plans to pass on to municipalities. Administrator Hoel reported he and Mayor Kleiss attended a conference last week and learned the state tax cuts to municipalities will not be nearly as high as originally announced.

Long reported the city had approximately \$500,000 in revenue from hail claims showing up in FY 15. These funds will not be spent until the FY 16 budget cycle. Also, because of the hail claims, we will have a max loss payment coming out of FY 16. This will amount to approximately \$40,000.

Long briefly discussed the capital plan and equipment plans for the budget. The proposed general fund budget for administrative, municipal buildings, streets and alleys, park, and emergency services are essentially the same as last year's. The building and electrical budget expenditures were increased to allow for junk property enforcement and clean up. The pool budget utility expenditures were increased because of the new contracted electricity rates. The police budget has several increases (projector, cameras, single prisoner transport, pepperball guns, tazers, and portable radios). There has been some discussion about hiring an eighth police officer, Long added. This is in the appropriations, but an officer will only be hired if needed. Some police line items were increased because of cost increases. The proposed FY 16 general fund budget shows a surplus of \$49,020, Long reported.

Long next discussed the water and sewer fund stating the sewer fund is doing better than the water fund. By adjusting the water fees by + 3% and adjusting the sewer fees by -3%, we should be able to get the water fund in better shape without any noticeable increase to the customer. After 2017 (water) and 2018 (sewer), the debt service will drop off considerably and Long hopes the city will be able to reduce the water/sewer rates. The staff is in the process of moving the rate structure from cubic feet to gallons. Assuming the rate structure recommendation is approved, there will not be much change to the water fund budget, according to Long. The sewer fund budget shows an increase in the computer support and wind turbine. After a question from Shoemaker, Long stated the new meters have been a benefit on the customer service side. We are finding water leaks much faster and doing smaller leak adjustments. Long added we haven't had normal history since all the meters have been replaced to track the savings to the city.

The TIF budget reflects only the projects in the pipeline and there will likely be some changes to the TIF program. Administrator Hoel added unlike most communities we frontload the TIF projects (fund in advance). The Community Building rehab, Court Street project, Flesor expansion, and current operating expenses will take up the majority of the TIF revenues for the next seven years, Hoel added. This means new TIF projects will not receive money up front. The project will have to generate funds before they get some back.

The motor fuel tax budget will have a balance of \$78,002.29, after paying debt service, Long reported. IDOT does not want municipalities to spend all of their MFT funds, Hoel added, because they want us to have sufficient reserve. Hoel went on to add IDOT governs how we spend MFT funds and if we don't have enough money in the fund, we won't be able to make necessary street improvements.

The Tourism budget includes increases for websites (2) rebuilding, and a computer purchase. There will also be a reallocation of salaries in this budget.

The Library budget is not subsidized by the city. The library spends only what it gets in property taxes.

Long ended by saying council will vote on the water/sewer rate structure and FY 16 budget at the next council meeting.

In the absence of Mayor Kleiss, Truitt moved and Hoey seconded Alderman Henderson act as Mayor Pro-Tem. VOTE YEA\* Cleland, Day, Hoey, Maxey, Shoemaker, Slaughter, Truitt. Henderson abstained. Motion carried. Henderson offered the City's condolences to the Kleiss family on the passing of their mother. The regular meeting was called to order with Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, and Truitt in attendance. Mayor Kleiss was absent. Paul Wisovaty of the American Legion led the Pledge of Allegiance.

### **Consent Agenda**

Administrator Hoel went over the items on the consent agenda:

1. Minutes of the March 23, 2015 meeting
2. Payment of bills totaling \$110,623.43

Hoey moved to approve the items on the consent agenda. Truitt seconded. VOTE YEA\* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, Truitt. Day moved to approve the consent agenda for April 13, 2015. Cleland seconded. VOTE YEA\* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, Truitt.

### **Time on the Agenda**

Truitt moved to approve the request for street closures for the 4<sup>th</sup> annual Marilyn Davidson High Heel Dash, Saturday, June 13, 2015. Maxey seconded. VOTE YEA\* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, Truitt.

**Mayor** - Nothing

**City Clerk** – Nothing

**City Treasurer**

Treasurer Long reported Eddie Boutilier is the only TIF delinquency.

**City Attorney** – Absent

**City Administrator** - Nothing

### **Ordinances**

Administrator Hoel opened discussion on telecommunications reform and a possible ordinance creating a service provider fee to replace the franchise fees we no longer receive from Mediacom. In the past, the city received approximately \$20,000 per year in franchise fees from Mediacom. Now that the state has changed the telecommunications agreement and made providers part of a statewide franchise, this would be a way for the city to recoup the lost funds. Hoel added Mediacom suggested we pass a service provider ordinance and require Mediacom to collect the fees for the city. Council discussed the possible ordinance at length. Alderman Hoey asked Hoel his opinion of this type of ordinance and Hoel stated he is not a huge fan of this. He hates to lose the revenue but worries about enforcing this fairly among all users of our right of ways. After more discussion, Administrator Hoel asked council to let him know if they had strong feelings one way or the other about this. Council will discuss the matter again at a future meeting.

**Contracts and Agreements**

- The Central Illinois Public Transportation Program (CIPT) has submitted a request for approval of a non-financial coordination agreement. The agreement requires the city to make referrals to the program, share marketing information, and help with planning efforts. CIPT will offer public transportation to our citizens. Day moved to enter into a coordination agreement with Central Illinois Public Transportation Program. Truitt seconded. VOTE YEA\* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, Truitt.
- Administrator Hoel presented a lease with Josh and Paylee Ochs for the concession area (Tropical Sno) at the pool. The lease amount of \$250/month is the same as it has been for the past several years, Hoel stated. Truitt moved to approve the commercial real estate lease with Josh and Paylee Ochs for the Tropical Sno concession. Cleland seconded. VOTE YEA\* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, Truitt.

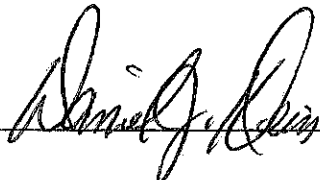
**Requests for TIF Assistance**

1. Hoel discussed the TIF request submitted by Kelsey Furniture for roofing upgrades, masonry repairs, and awning replacement. Insurance proceeds and personal funding are also going into the Kelsey project, Hoel added. Truitt moved to approve a TIF grant of \$40,000 to Kelsey Furniture for masonry repairs and awning replacement. Henderson seconded. VOTE YEA\* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, Truitt.
2. Hoel opened discussion on the TIF request submitted by Flesor's Candy Kitchen for expansion to the west into the 1871 Luncheonette space. Hoel went over drawings showing the plans to date and discussed where the kitchen, candy making, viewing area, and dining would take place. The current Candy Kitchen, 1871, and Dean Mulligan's storefront will be made into one storefront. The Mulligan office space plus a little more would be used for city restrooms. The project budget is \$125,000 for public restrooms funded by the city, and \$400,000 for the renovation of the Candy Kitchen and 1871. Flesor's are requesting a \$300,000 TIF grant and \$100,000 loan. Upon completion of the project, the 1871 property will be deeded over to the Flesor family. Anyone with questions or concerns about this project should contact Administrator Hoel. The TIF grant/loan to the Flesor's will be on the next council agenda.

**Other**

Maxey moved council go into executive session to discuss personnel. The time was 8:02 PM. Shoemaker seconded. VOTE YEA\* Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, Truitt. The meeting was called back to order at 8:17 PM with Cleland, Day, Henderson, Hoey, Maxey, Shoemaker, Slaughter, and Truitt in attendance. The final draft budget will be prepared for the next meeting.

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

 4/27/15 Mayor

 City Clerk