

CITY OF TUSCOLA

COUNTY OF DOUGLAS
STATE OF ILLINOIS
TUSCOLA CITY HALL
October 28, 2019

Mayor Kleiss opened a Public Hearing at 7:00 pm. Those present* Cleland, Day, Hoey, Rund, Shoemaker, Slaughter, Truitt, Waldrop, Mayor Kleiss. Also present were more than 50 residents of the Ironhorse Subdivision. The purpose of the hearing was to listen to comments and concerns from the Ironhorse residents regarding the proposed Special Services Area (SSA) for storm drainage system which would increase property taxes for the Ironhorse residents for 10 years.

Mayor Kleiss asked Administrator Hoel to explain the SSA process. Hoel pointed out all should have copies of the boundary maps. On this map, there are 17 lots with direct pond frontage. These lots are excluded from the proposed SSA. The reason for the proposed SSA is the drainage tile is failing. The developer installed tile was never dedicated to the right of way or turned over to the homeowner association and is not owned by anyone. Each resident owns what is in their yard, Hoel stated. Over the years, Hoel has been contacted by many homeowners in the subdivision about flooded basements and crawlspaces and ponding in yards. The tile used by the developer is varying in size, perforated, and beginning to collapse in some areas. Hoel went on to say there is no real way to get into the tile and examine it because it is not on a public right of way. After the informational meeting several months ago, council approved funds to hire an engineer to examine the situation and develop a solution. The engineer's recommendation is to install a new storm sewer quality pipe with clean outs, manholes, etc. for maintenance. This would be installed on the golf course side of the property on the rear property lines of the homes affected and connected to various other drainage facilities, but mostly into the existing ponds on the golf course. The overall project estimate is \$325,000, and includes design engineering expense, construction, financing costs of closing on the financing, and a hook up for each lot. Initially we thought each property owner would be responsible for their own hook up expense, but this turned out to be too problematic, Hoel stated. It will be much more efficient for the city to provide the hook ups. Hoel went on to say there is also a contingency in the cost estimate. The nature of the process is we cannot exceed the project budget. If the bids come in over the project budget, we will not be able to proceed with the project. This is the solution recommended by our consulting engineers, Hoel added. Once complete, the pipe will belong to the city and be maintained by the city in perpetuity. Regarding financing, Hoel read the following:

As specified in the notice of this public hearing, the proposed amount of the tax levy for the special services for the initial year for which taxes shall be levied in the SSA is \$43,117.00, amounting to \$345.34, on each of the 121 lot owners in the SSA. This is the amount proposed to be levied for the 2019 tax year, payable 2020, to pay for the special services. In connection with the possible issue of proposed SSA bonds to pay for the special services, as described in ordinance 2019-0-5, the ordinance proposing the establishment

of the Ironhorse SSA. This public hearing insofar as it may relate to the issue of any SSA bonds, is being postponed pending further notice as required by the SSA tax law.

In other words, we will have another public hearing related specifically to the bond debt issue, hopefully when we have more solid information regarding costs. Hoel then addressed the objection petition by stating this hearing kicks off the 60 day object period. Each and all of the property owners and electors residing in the proposed SSA can file a written objection with the City Clerk within 60 days. If a petition signed by at least 51% of the electors residing in the proposed SSA and by at least 51% of the owners of record of land within the proposed SSA, is filed with the City Clerk within at least 60 days of the adjournment of this public hearing, objecting to the creation of the SSA, the district shall not be created. The first SSA tax payment is proposed to be the 2019 year payable in 2020. If approved, this will be a new line on the property tax statement. Mayor Kleiss opened the floor to the public for comment. Attorney Bequette pointed out this is not intended to be a Q&A, but more of a comment period. Council and staff are not required to answer questions.

1. Robert Stewart question – *Did the City have inspection when the golf course was built?* Administrator Hoel answered: Yes, we did. The problem with this specific tile is it was not included in the developer's plan. It was not submitted as part of the subdivision plans or public utilities; it was an afterthought installed by the developer as a good idea. This made ownership a big issue. Everything included in the developer's plans are inspected by the city engineers because we will take control of them. This piece was not included but the roads, water mains, sewer mains and storm sewers were.
2. Jim Dyer question – *Is he liable to re-do his drain from his home out to the city connection?* Administrator Hoel answered: Only if there is something wrong with his existing line. If he has a functional existing line that ties into the current non-functional line, the city proposes to take the extension and extend it a few feet to tie into the new pipe, at no cost. This is barring any exceptional circumstances – i.e. trees, fence. If trees are over the lines it is likely he may need to remove the trees at his expense.
3. Jerry Neal question – *Will this fix the problem of drainage not going to the pond during heavy rain? Would it be better to drain to the creek?* Administrator Hoel answered this has been looked into and he would be happy to sit down and talk with Neal and others about the findings. The engineers found a specific issue related to the storm sewers. They believe the new pipe, at a new elevation, will correct this issue.
4. Fran Waldrop question- *Will homeowners be required to run a pipe out to the connections if they do not have a pipe now?* Hoel answered connection is not required. There will be a tap installed in case future homeowners would like to connect.
5. John Kennedy commented it seems strange the duplex lots are being taxed at the same rate as someone with a double lot. Hoel stated he has had this from others. Under the SSA law, there are two ways to assess the charges. Either by value or flat fee. The determination was made that because we are providing a service (1 tap) and independent of value, this should be handled on the flat fee basis.
6. Tricia Scott commented that at the initial meeting with the homeowners they were told the cost would be \$200 year for 10 years. She understands we are working with some unknown costs and the need to estimate high. Scott asked for confirmation that the possible \$345 tax levy would still be for 10 years. Hoel answered it would. We have to project an interest rate several years out and have used a conservative interest rate, budget estimate, and a large consistency. Hoel hopes we will beat all of these adding

these numbers are worst case scenario. If the estimate comes in over the projected \$325,000, we cannot proceed with the project.

7. Robert Stewart question – *Will homeowners receive details about materials to be used before or after the objection period?* Hoel answered the SSA process establishes the authority to impose a tax levy. The construction process would follow. We would finalize the details and bid the project once the SSA is established. We can't finish the design and bid until we know there is a funding mechanism. All information regarding the project will be available to the public as it's developed.
8. John Kennedy commented the homeowner's association changed their actual percentage to more than 51% for approval. *Is 51% state law?* Hoel answered yes, this is the requirement for a SSA.
9. Fran Waldrop question – *When will homeowners be allowed to vote yes or no?* Hoel answered beginning tomorrow. There is not actually a vote, but homeowners objecting can state in writing they object and send to the City Clerk. Homeowners in agreement with the formation of the SSA do not need to do anything.
10. Robert Stewart question – *Start date and completion date, if approved?* Hoel answered we would like to design in early winter/spring and hope for construction early summer. This should be a one year project.
11. One resident asked about a duplex property with service tapped into a storm sewer quality tile. Will this have to be ripped up and re-laid? Hoel answered this is a mystery. When other houses in this area are redone, they hope to know more. The city does not plan to tear anything out. We are just putting in something more serviceable.
12. Robert Stewart question – *Will existing pipe be torn out and replaced?* Hoel answered we generally do not remove drainage pipes unless they are in direct conflict with the new one. Frequently you do not know what is connected to them. The new pipe will bypass all that is currently in place and will be laid to the proper elevation. The public is welcome to review the final details once developed. If approved, it will be early winter/spring once we give the engineers the go ahead. The engineering firm of Francis & Associates, Paris, IL, have been retained for this project.
13. One resident stated he does not see why the town of Tuscola is not taking on some of this expense since they (Ironhorse residents) pay all of their taxes – *why are they singled out?* Several residents agree with this comment and feel the Ironhorse homeowners should not have to pay the entire cost. Hoel answered this is a facility that is not available to anyone else in town. No one else in town has a dedicated line specifically for their sump pumps. If this were something the city rightly owned, all residents would be paying for it. SSA's are used for special amenities not provided anywhere else in town and are a mechanism for paying for these special services. If passed and once completed, the city will be responsible for maintenance and the costs will be spread across all taxpayers.
14. The 60 day objection period is 60 calendar days. Tomorrow (10/29) is day one.

Mayor Kleiss declared the hearing closed at 7:33 pm.

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 October 15, 2019 meeting
- Financial report for September, 2019
- Payment of bills totaling \$155,994.61

Waldrop moved to approve the items on the consent agenda. Shoemaker seconded. VOTE YEA* Cleland, Day, Hoey, Rund, Shoemaker, Slaughter, Truitt, Waldrop. Day moved to approve the consent agenda for October 28, 2019. Rund seconded. VOTE YEA* Cleland, Day, Hoey, Rund, Shoemaker, Slaughter, Truitt, Waldrop.

Requested Time on the Agenda

Paul Wisovaty, representing the Salvation Army, addressed council about their Annual Bell Ringing Campaign. The Salvation Army will collect funds on Saturdays beginning November 30 and ending December 14, at Main and Sale and the mall exits. The Salvation Army welcomes any and all volunteers.

Mayor

Mayor Kleiss thanked everyone involved in the Trunk-or-Treat event held earlier this evening. He said it was a great event and most all businesses on Sale Street took part. Treasurer Long added Devin Black and the library staff put in a lot of time and effort on this event.

The leaf pick-up for the city began today and will continue through the fall leaf season.

City Clerk – No Report

City Treasurer

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

City Attorney – Absent

City Administrator

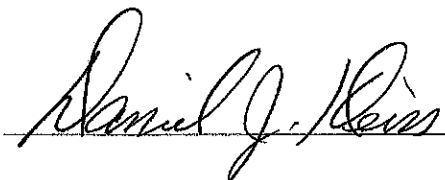
Administrator Hoel thanked everyone for his warm welcome back from vacation.

Other

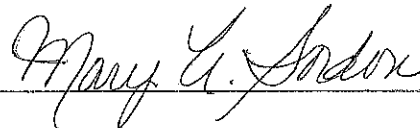
- Mayor Kleiss announced Dwayne Van Cleave would be retiring on November 1, 2019. Hoey moved to approve the resignation of Dwayne Van Cleave, city water/sewer operator, effective November 1, 2019. Cleland seconded. VOTE YEA* Cleland, Day, Hoey, Rund, Shoemaker, Slaughter, Truitt, Waldrop. Congratulations and happy retirement!

- Day moved to approve the appointment of Mike Elsberry as part time Sewer/Water Operator III, effective October 21, 2019. Shoemaker seconded. VOTE YEA* Cleland, Day, Hoey, Rund, Shoemaker, Slaughter, Truitt, Waldrop.
- On the recommendation of Chief Hastings, Slaughter moved and Rund seconded to increase the pay of part time patrol officers to \$20 per hour. VOTE YEA* Cleland, Day, Hoey, Rund, Shoemaker, Slaughter, Truitt.
- Truitt moved to approve a Holiday Bonus in the amount of \$125 for all city employees and fire fighters. Hoey seconded. VOTE YEA* Cleland, Day, Hoey, Rund, Shoemaker, Slaughter, Truitt, Waldrop.
- Mayor Kleiss opened discussion on the proposed tax levy, also discussed at the last meeting. Treasurer Long prepared a spreadsheet showing increases from 2% to 4.5%, based on an estimated EAV of 1.5%. Long discussed our levy history from before the mall and during the years the mall was bringing in a large amount of sales tax. Administrator Hoel pointed out the most important part of the levy process is the need to hold a public hearing if we plan to increase the levy by more than 5%. Alderman Hoey asked for guidance from Treasurer Long and Administrator Hoel. Hoel felt it might be time to have a shallow increase given the economic picture we have now. An increase from 2.5% to 4.5% would increase revenues by only \$10,000 city wide. Hoel feels it is more about what trend we want to set and our long term philosophy about taxation. Treasurer Long pointed out 20 years ago our philosophy was to decrease because we had a good income stream. That stream has fallen off sharply now and we are on the cusp of a different kind of financial world. Fortunately, we have a good reserve now but may find ourselves in a position of needing to watch everyday spending. Long feels keeping the tax rate where it is now or bumping up the levy slightly might be a good idea, at least until we have a better idea of what is going to happen over the next few years. Mayor Kleiss agrees, adding we either need to do this or make cuts. At Mayor Kleiss' suggestion, Truitt moved to go with a 4% tax levy. Motion died for lack of a second. Hoey moved for a 2.5% levy for the coming year. Truitt seconded. VOTE YEA* Cleland, Day, Hoey, Rund, Shoemaker, Slaughter, Truitt, Waldrop. Staff will prepare a 2.5% levy ordinance. Hoey added he hopes we do not have to make cuts. Mayor Kleiss answered we will. The area that has really sky rocketed since he's been Mayor is public safety – police and fire. Reasons for this include training, changes in the law, and wants.

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