

CITY OF TUSCOLA

COUNTY OF DOUGLAS
STATE OF ILLINOIS
TUSCOLA CITY HALL
October 25, 2021

The regular meeting of the City Council was called to order with Brace, Day (virtual), Hoey, Morris, Rund, Shoemaker, Slaughter, Waldrop, and Mayor Kleiss in attendance. Mayor Kleiss led the Pledge of Allegiance.

Public Comment - None

Consent Agenda

Mayor Kleiss went over the items on the consent agenda:

- Minutes of the October 12, 2021 meeting
- Financial reports for September 2021
- Payment of bills totaling \$146,366.00
- Community Building lease with alcohol for Toni Jones wedding reception November 5-7, 2021
- Request from Tuscola Ministerial Alliance to hold drive-thru nativity December 4, 2021

Hoey moved to approve the items on the consent agenda for October 25, 2021. Waldrop seconded. VOTE YEA* Brace, Day, Hoey, Morris, Rund, Shoemaker, Slaughter, Waldrop. Rund moved to approve the consent agenda for October 25, 2021. Shoemaker seconded. VOTE YEA* Brace, Day, Hoey, Morris, Rund, Shoemaker, Slaughter, Waldrop.

Requested Time on the Agenda

Paul Wisovaty, Tuscola Salvation Army, addressed council about plans for the upcoming Holiday bell ringing. The Salvation Army will set up several locations around town Saturday mornings beginning November 20 and running through December 18. Local organizations, including city employees, are encouraged to sign up and help out with this campaign. Tuscola employees have been assigned the November 27 date. Wisovaty added all funds collected stay with the Tuscola Salvation Army.

Mayor – No Report

City Clerk – No Report

City Treasurer

- Treasurer Long reported Eddie Boutilier and Red Barn Veterinary Services are delinquent on their TIF loans.
 - The annual Treasurer's report is in council's packet. This report has been published in the newspaper.
 - The results of the 2020 census show Tuscola has 4636 residents. This is up 156 from the 2010 census.
- Long reported the 2021 audit has been completed by Larsson Woodyard & Henson, LLP, and Curtis Root will attend the next council meeting to go over the details. Long pointed out some high points of this audit: 1) the financial position has increased by \$2.5 million over last year (much of this is due to

grants we received). 2) operating cash position is adequate 3) total debt is down – the only debt the city has now is IEPA loans for water/sewer.

City Attorney – No Report

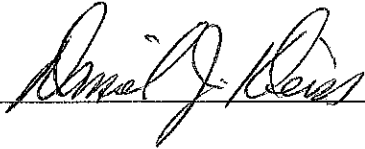
City Administrator – Absent

Other

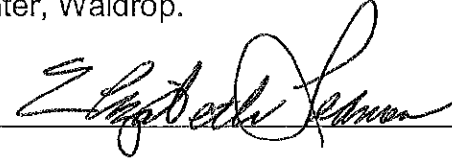
Mayor Kleiss opened discussion on a proposal from Eddie Boutilier/Red Barn Veterinary Services regarding the sale of their properties at 132 and 134 West Sale. Attorney Bequette and Administrator Hoel have been working with the parties involved including the bank that also holds a mortgage on these properties. Attorney Bequette stated the city has had TIF delinquencies on these properties for quite some time. The city received notice last Friday that Boutilier would like to sell these properties by Friday, October 29. Bequette added the current pay off at 132 West Sale (Red Barn) is \$13,773.29 (approx. \$700 of this is late fees). On 134 West Sale (Boutilier), the payoff is \$42,737.87. The principal remaining on this loan is ~ \$36,000+, with \$6,000+ in late fees. Bequette went on to say Longview Bank also has an interest in these properties. Boutilier and Longview Bank would like to come up with a solution to get the properties sold even if not a perfect situation. Bequette pointed out this would put a new property owner downtown. Boutilier's attorney proposes a \$12,000 payment on 132 West Sale, leaving \$1000 in principal and \$773.29 interest fees unpaid. On 134 West Sale, the proposal is a \$19,017.94 payment, leaving \$17,624.68 in principal and \$6095.21 interest fees unpaid. Bequette stated Longview Bank will be taking a haircut on this as well, as they will be letting go of some of the money they are owed on these properties. The bank's attorney is proposing a \$20,000 note to be put in place after the properties are sold. In theory, we get money in hand at the closing plus this note. Bequette offered his thoughts: Boutilier not had a great payment history; they are coming to us with this proposal at the last minute; and a note from them might not be the most valuable thing they could offer, given their payment history. The value in taking the deal now is money in hand and perhaps having a better owner of prime downtown real estate. Since we are not the only lien holders on the properties, Bequette feels we should ask for collateral on the note amount. Additionally, Boutilier is suggesting we write off part of what we are owed in order to get the deal completed. Bequette feels since there is a fair amount that will still be owed us, we should at least ask for the amount owed on the new note. Our options are either refuse the deal, agree to the deal proposed or have Attorney Bequette try to negotiate a better deal. Mayor Kleiss stated he is not thrilled with the offer and would like to instruct Attorney Bequette to negotiate and try to get as much as we are owed. Council discussed the short time limit, the wisdom of accepting a note without collateral, and the total of write off we would not be getting (\$25,493.18). Of this amount \$6,800 is late fees. Day asked what the properties are worth and who is in first position on the lien. Bequette did not know the worth of the property and believes there is an argument to be made that the city is in the first position, adding there is an argument about this. Longview State Bank believes otherwise. Day feels we have our collateral and should take back the properties and either sell them or hold onto them. Bequette agrees with Day but thinks this is messier and would likely be tied up in court with Longview Bank over who is actually in first position. Hoey moved to reject the offer proposed by Eddie Boutilier/Red Barn Veterinary Services regarding the properties at 132 and 134 West Sale, direct Attorney Bequette to negotiate a better deal on the city's behalf, and if successful, authorize the Mayor to execute the necessary documents. Rund seconded. VOTE YEA* Brace, Day, Hoey, Morris, Rund, Shoemaker, Slaughter, Waldrop.

Upcoming events for Halloween: movie at library on Friday, drive-thru at park on Saturday, Trick-or-Treat on Sunday. Everyone be safe!

The motion to adjourn was made by Waldrop and seconded by Morris. VOTE YEA* Brace, Day, Hoey, Morris, Rund, Shoemaker, Slaughter, Waldrop.



Mayor



City Clerk