

CITY OF TUSCOLA
COUNTY OF DOUGLAS
STATE OF ILLINOIS
May 9, 2011
Tuscola City Hall

The regular meeting of the City Council was called to order with Cleland, Henderson, Hoey, Maxey, Seip, Shoemaker, Slaughter, Truitt and Mayor Kleiss present. Alderman Henderson led the Pledge of Allegiance.

Consent Agenda

Administrator Hoel went over the items on the consent agenda for May 9, 2011.

- Minutes of the April 25, 2011 meeting
- Payment of bills totaling \$137,253.08
- Financial report for March 2011
- Mayor Kleiss added Jim Voyles, interim Supt. of Schools to the agenda.

Seip moved to approve the items on the consent agenda. Shoemaker seconded. VOTE YEA* Cleland, Henderson, Hoey, Maxey, Seip, Shoemaker, Slaughter, Truitt. Cleland moved to approve the consent agenda for May 9, 2011. Hoey seconded. VOTE YEA* Cleland, Henderson, Hoey, Maxey, Seip, Shoemaker, Slaughter, Truitt.

Requested Time on the Agenda

Supt. Voyles thanked council for letting him speak and addressed his recent comments in the paper concerning the sales tax issue. Voyles first spoke about negativity in regard to the schools over the past two years. He stated the high school students' performance has taken the biggest hit. The grade school is a 'Blue Ribbon' school and the middle school regularly performs in the 90% percentile, but there is concern about the high school. Voyles went on to say the board was not happy with last year's test scores at the high school level. TCHS was rated 11th out of 41 in the yearly Decatur Herald report of schools in their circulation area. Voyles took the Decatur Herald standards and applied it to all the schools in the Okaw Conference. When using this method, Tuscola was 3rd. Voyles stated he wanted the community to be aware of this; he believes the negativity is due to other reasons and not necessarily the students. Voyles then spoke to council about the school's financial situation in the education fund as well as the condition of the facilities and debt service. Sales tax revenue to the Unity School District in Champaign County amounts to close to one million dollars a year, Voyles stated, and this is in addition to their tax rate for facilities. In order for Tuscola to be competitive in development, and the school other communities want to come to, the high school will need major updates. Voyles would like to see our schools in a good situation when reorganization talks begin. Voyles went on to say he is not looking for anything in the education fund; that will take care of itself. The needs of the facilities cannot be supported on the 50¢ rate and Voyles does not want to add more debt to the local taxpayers. We have the scores to make our school attractive, but facilities are also key, according to Voyles. He is not asking the council to do anything in regard to sales tax for the education fund, but facilities and technology are going to be lacking for a few years. Mayor Kleiss spoke about the possibility of making additional payments to the school district out of the TIF fund. Voyles stated he is looking ahead; the facilities fund is in decent shape but

cannot support any major work. Seip asked if the Champaign County sales tax that was put in place for the schools debt service or special projects has a 'sunset'. Voyles replied as far as he knows it is a permanent sales tax and the revenues are strictly guarded as to what their purpose will be. This is a state law. Voyles spoke some more about our facilities and what could and/or should be done to update them. Shoemaker asked for comparisons with other districts our size. Voyles answered Atwood is struggling right now; Lovington will be going to Arthur and that will fill Arthur's school; Arcola passed a referendum a few years back and are holding their own; and Tuscola has 300 high school students, which is about what we had when Voyles first came in the mid 80's. With the exception of Tuscola, these schools get plenty of state and federal aid. Tuscola gets corporate replacement tax and a smaller amount of state aid. Monticello is doing well, Voyles stated; they get four times the corporate income tax. Hoey asked what a ½ % sales tax increase would generate. Administrator Hoel answered \$400,000 - \$475,000, based on last year's numbers. Treasure Long asked if the education fund gets healthy, can it be used in other areas? Voyles answered it is a restricted fund; it can loan to other funds, but has to be repaid.

Mayor

Mayor Kleiss administered the Oath of Office to the recently elected council members: Cleland, Maxey, Shoemaker, Slaughter, and Truitt. The Mayor announced Alderman Henderson is completing 30 years serving the City. Henderson stated Tuscola has been good to him and his family.

City Clerk – Nothing

City Treasurer

Treasurer Long reported the only TIF delinquency is PMG Tuscola LLC.

City Attorney –

Attorney Bequette announced the suit against the contractor on the Community Building roof has been closed and the \$5000 received.

City Administrator

Administrator Hoel called council's attention to a 'Legislative Alert' fact sheet he passed out before the meeting. Hoel stated there are various proposals being put together by Governor Quinn, Attorney General Madigan, and some members of the legislature, for the state to retain additional amounts of local government distributed funds. Hoel went on to say that part of these funds are state income taxes and the Governor is proposing taking 30% to help solve the state's financial problems. Hoel stated this shifts the burden to the municipalities and we have already cut spending, reduced staff, and made other sacrifices. Hoel asked council to contact members of the legislature about this proposal. In Tuscola, the 30% proposal would amount to \$104,000/year in lost revenue, which would be a 22.6% increase in the property tax levy. Hoel stated the city is nearly \$100,000 less in expenditures for FY11 than we were in FY 08.

Mayor Kleiss discussed the city's sales tax rate (6.75) and the rates of communities in the area. Arthur and Monticello are 6.25; Mattoon and Forsyth are 7.75; Decatur and Savoy are at 8; Champaign, Urbana, and Danville are 8.75; Charleston is 6.75; Mahomet is 6.5. Kleiss would like to see Tuscola keep the sales tax rate low and market it, especially the savings that could be realized by someone building a home and purchasing from Do-It Best.

Ordinances

Administrator Hoel presented two ordinances for council consideration. The first ordinance is a revised floodplain ordinance adopting the new floodplain maps, now that FEMA has formally adopted them. Truitt moved to approve ordinance 2011-0-9, an ordinance amending chapter 160 of the City's Code of Ordinances. Henderson seconded. VOTE YEA* Cleland, Henderson, Hoey, Maxey, Seip, Shoemaker, Slaughter, Truitt.

The second ordinance will enact the increase in the water tap fee from \$600 to \$725, as discussed at the last meeting. Hoey moved to approve ordinance 2011-0-10, an ordinance amending water system connection fees. Cleland seconded. VOTE YEA* Cleland, Henderson, Hoey, Maxey, Seip, Shoemaker, Slaughter, Truitt.

Contracts and Agreements

- An amendment to the Professional Services Agreement with Clark Dietz for the water main design contract was presented to council by Administrator Hoel. This amendment is necessary to include IEPA contract clauses for the State revolving loan fund program for the water project. Cleland moved to approve the PSA with Clark Dietz to include this amendment. Shoemaker seconded. VOTE YEA* Cleland, Henderson, Hoey, Maxey, Seip, Shoemaker, Slaughter, Truitt.
- Hoel stated now that the city has been included in the Embarras River Watershed Management Plan; we are eligible to apply for the IEPA 319 grant program. If awarded, funds from this grant could be used as match funding for channel improvements to the Scattering Forks. The PSA fees for this project will be paid out of TIF, Hoel stated, and will cover the cost of engineering services. Truitt moved to approve the PSA with Clark Dietz for design engineering services for the Illinois EPA 319 grant at a cost not to exceed \$9000. Hoey seconded. VOTE YEA* Cleland, Henderson, Hoey, Maxey, Seip, Shoemaker, Slaughter, Truitt.

Requests for TIF Assistance

Hoel reported there are two prospects for restaurants in the 1871 Luncheonette building. There is some architectural work necessary to identify the scope of work for a project, and this will give us a good idea of costs so we can negotiate a re-development agreement on the property. Truitt moved to approve a feasibility study on the property at 103-105 West Sale to be completed by Blank, Wesselink, Cook & Associates at a cost not to exceed \$3800. Henderson seconded. VOTE YEA* Cleland, Henderson, Hoey, Maxey, Seip, Shoemaker, Slaughter, Truitt.

Other

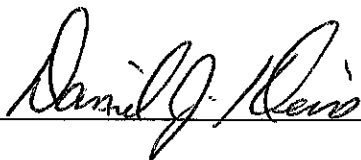
CEFS job training has offered the city two part time employees for short term employment, at no cost. Hoel reported the employees will assist with installation of the auto-read water meters. Maxey moved to enter into a non-financial agreement with CEFS under the Workforce investment Act Program and aid in the selection of two short term employees for the City of Tuscola. Seip seconded. VOTE YEA* Cleland, Henderson, Hoey, Maxey, Seip, Shoemaker, Slaughter, Truitt.

Administrator Hoel discussed the recent water main bids and concerns with the big spread in the bids. Hoel stated the bids were thoroughly investigated and he did uncover some concerns. Hoel went on to say, there is such a large difference between the low bidder and second low bidder (\$316,000), he cannot recommend spending the extra money and going to the second low bidder. Hoel stated he personally is not 100% comfortable and thinks there are a few risks; however, we can mitigate that. We would work with our engineer on

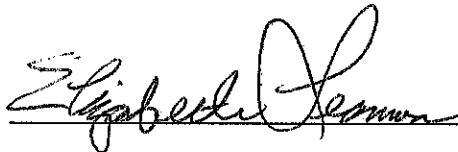
oversight and make extra certain we are getting what we paid for. Hoel then stated, in fairness to the contractor, the older references were more troubling; the newer ones are more solid and some of the very recent ones are pretty good. With this knowledge, Hoel recommends going with the low bid; however, he wants council to be aware of the concerns. Mayor Kleiss pointed out this is also the engineer's recommendation. Hoel added the key thing is to be sure when payment is made the work has been done satisfactorily. As long as we don't get more money in a project than what has been earned, we can recover it. This is why we have engineers on the project to watch every step and make sure the partial pay requests are accurate. Seip moved to accept the low bid with Central Sub-Surface Contracting for water main improvements using directional boring, at a cost of \$678,872. Cleland seconded. VOTE YEA* Cleland, Henderson, Hoey, Maxey, Seip, Shoemaker, Slaughter, Truitt.

Carly McCrory, TEDI employee, announced Tanger will be celebrating their 30th anniversary this Thursday. All Tanger Outlets will be hosting a simultaneous cake eating party. Anyone willing to participate as an 'eater' or judge should contact Carly. Also, the Abundant Market will be held on Saturday mornings beginning June 4. Mayor Kleiss called council's attention to the TEDI activity report that was passed out before the meeting.

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



Mayor



City Clerk