

**CITY OF MASCOUTAH
CITY COUNCIL MINUTES
#3 WEST MAIN STREET
MASCOUTAH, IL 62258-2030**

FEBRUARY 1, 2016

The minutes of the regular meeting of the City Council of the City of Mascoutah.

PRAYER AND PLEDGE OF ALLEGIANCE

City prayer was delivered by City Clerk Kari Haas. The Council remained standing and recited the Pledge of Allegiance.

CALL TO ORDER

Mayor Gerald Daugherty called the meeting to order at 7:00 p.m.

ROLL CALL

Present: Mayor Gerald Daugherty, Council members Ben Grodeon, Paul Schorr, John Weyant and Pat McMahan.

Absent: None.

Other Staff Present: City Manager Cody Hawkins, City Clerk Kari Haas, City Attorney Al Paulson, City Engineer Ron Yeager and Assistant City Manager Lisa Koerkenmeier.

Establishment of a Quorum: A quorum of City Council members was present.

Mayor asked for a moment of silence in honor of retired Police Chief Kevin Gordon who passed away last week.

AMEND AGENDA

None.

MINUTES

The minutes of the January 19, 2016 regular City Council meeting were presented and approved as presented. The minutes of the January 19, 2016 Executive Session meeting were presented and approved as presented.

Motion passed. Passed by unanimous yes voice vote.

PUBLIC COMMENTS

Dean Juenger – commended the City for putting the Council agendas on the website. Voiced concerns regarding the development agreement amendment on the Council agenda regarding the proposed sales tax rebate and asked the Council to not give them the sales tax rebate.

REPORTS AND COMMUNICATIONS

Mayor

Attended the following meetings and functions: SLM Water Commission meeting, Finance Committee meeting, SWIL Council of Mayors meeting, Homebuilders Association meeting, Fire Department retirement dinner.

City Council

Grodeon – Attended the following meetings and functions: Employee appreciation dinner, Chamber annual meeting, Phase II Electric workshop, Fire Department retirement dinner.

Schorr – Attended the following meetings and functions: Planning Commission meeting, Fire Department retirement dinner, West Poplar Street reconstruction project public meeting.

Weyant – Attended the following meetings and functions: Fire Department retirement dinner.

McMahan – Attended the following meetings and functions: Fire Department retirement dinner.

City Manager – Nothing to report.

City Attorney – Nothing to report.

City Clerk – Nothing to report.

COUNCIL BUSINESS

SWIDA BOND CAP REALLOCATION RESOLUTION

City Manager presented report for Council consideration of approval of Resolution allowing the transfer of Private Activity Industrial Revenue Bond Volume Cap to SWIDA.

Schorr moved, seconded by Weyant, to approve and adopt Resolution No. 15-16-14, thereby relinquishing the City of Mascoutah's Private Activity Industrial Revenue bond Volume Cap to SWIDA.

Motion passed. AYE's – Grodeon, Schorr, Weyant, McMahan, Daugherty. NAY's – none.

CONSTRUCTION AGREEMENT BETWEEN AMEREN ILLINOIS COMPANY, IMEA & CITY OF MASCOUTAH

City Manager presented report for Council consideration of approval and authorization of Construction Agreement between Ameren Illinois Company and Illinois Municipal Electric Agency and City of Mascoutah.

City Manager provided additional information regarding the estimated lump sum payment and the additional costs that could be incurred at time and material for overages incurred during the project. City Manager stated that he spoke with Troy Fodor (attorney

for IMEA) who stated that there is language in the contract (Section 5.2) that protects the City and IMEA with the wording “reasonably incurred” wherein the City and IMEA would be able to negotiate any overages to ensure that the costs are reasonable. Council had discussion regarding any overages and the language within the agreement. Council voiced concerns over the project costs increasing over the next three years and the total cost to the City ballooning. City Attorney stated that in his opinion, the statement regarding reasonably incurred gives the City protection needed for any overages and not having to pay unreasonable costs and overages. City Attorney explained that anytime the word “reasonable” is used in a contract, it provides leverage for negotiation. City Manager explained that IMEA would assist the City in evaluating any cost overages.

Mayor asked about Section 3.2 regarding transmission arrangements and who handles that. City Manager explained that IMEA is responsible for the transmission service.

Councilman Schorr asked about the ongoing costs of maintenance and the reasonable costs in Section 5.3. City Manager stated that the metering part would be covered by IMEA and they would handle the cost negotiation.

Councilman Grodeon asked about Section 2.0 in Exhibit A and asked about the costs and maintenance for the pulse data. City Manager stated that this would be included in the metering costs which is covered by IMEA.

Mayor asked about tax gross up. City Manager explained that in this case with the lump sum cost of the upgrade being paid up front, Ameren will pay taxes on that amount and doesn’t make any profit so the tax is added in up front so they don’t incur a loss.

McMahan moved, seconded by Weyant, to approve the construction agreement substantially in the form of Construction Agreement By and Between Ameren Services Company on Behalf of and as Designated Agent for Ameren Illinois Company and Illinois Municipal Electric Agency and City of Mascoutah, Illinois and authorize the appropriate officials to execute said document.

Motion passed. AYE’s – Grodeon, Schorr, Weyant, McMahan, Daugherty. NAY’s – none.

SECOND AMENDMENT TO THE FINAL DEVELOPMENT AGREEMENT – DSS PROPERTIES, LLC AND SDS STORES, INC. D/B/A EDDIES, INC. (FIRST READING)

City Manager presented report for Council consideration of approval of the second amendment to the Final Development Agreement for Eddies Fuel Cell/Convenience Store and Huddle House Restaurant Project with DSS Properties, LLC and SDS Stores, Inc. d/b/a Eddies, Inc. by adoption of Ordinance.

Mayor asked if the fuel center and Huddle House are separate. City Manager stated that it is his understanding they are separate and one could close with the other still operating.

Councilman Schorr voiced concerns over it seeming the business is asking the City to bail them out and voiced concerns over helping this business and then another business asking for a sales tax rebate to help bail them out. City Manager explained that yes they did decide to sell bio-diesel after the City had put in the development agreement to not sell it which hurt their revenues to where the bonds could not be issued. City Manager explained that the bonds were an incentive to bring this project here and get the business operating; they were going to incur a large amount of debt to put the business here which has been done. City Manager stated that they are asking for a sales tax rebate incentive to pay back that debt obligation since the bonds could not be issued.

Councilman Schorr stated he would not agree to give them any part of the business district sales tax because that should be saved to help future development. Council was in agreement to not provide a sales tax incentive from the business district sales tax.

Mayor stated that he would consider giving them the 1% of the regular sales tax because that 1% of the regular sales tax was agreed to help paid back the bonds in the original agreement.

Councilman Grodeon asked about the City being stuck with the debt from Perrin Road if this business was to close. City Manager stated that there are funds being generated by the other businesses in the district that could help pay off the debt along with any future businesses in the district. City Manager stated that being home-rule, the City can have a fund in debt so the fund could sit in debt until the business district expires which would then have to be paid by another fund.

Councilman Grodeon asked if this incentive is needed to keep the business open. City Manager stated that he did request financial information from the business to help answer that question but hasn't received it yet. Councilman Grodeon commented on helping this business stay solvent and it setting a precedence for another business who is having solvency issues wanting help from the City. Council requested the City Manager to obtain the financial information from the business before the next meeting and also provide information on their sales tax revenues.

Councilman Weyant asked what would happen if they were to build another business. City Manager stated that if these same developers were to build another business, it would be a completely different arrangement with a new development agreement for just that business.

First reading. No action required.

COUNCIL – MISCELLANEOUS ITEMS

Councilman Grodeon stated that he had received a phone call from a resident and had talked to the City Manager regarding it and stated that a formal policy needed to be put in place regarding how payment arrangements are handled for past due balances. City Manager stated that they will be developing a policy to be formally adopted by the Council so that there is no question in the future.

CITY MANAGER – MISCELLANEOUS ITEMS

City Manager provided information to Council regarding the options included in the waste collection bid specifications. City Manager stated that he was contacted by Waste Management to see if the City would entertain the idea of extending the current contract for another year at the same price and negotiate a new contract during the coming year and if a contract could not be agreed upon, then the City would do bids. Council was in agreement to go out for bid now for waste collection.

City Manager provided information to Council regarding a possible fiber partner with Wisper Communications to provide data services to the home. City Manager stated that Wisper Communications is wanting some type of commitment from the City that we would consider partnering with Wisper Communications as the provider. Council was in agreement to continue discussions with the business.

City Manager wanted Council's guidance on how to handle the engineering for the waste water treatment plant expansion project with the new bidding procedures adopted by Council for engineer services. City Manager stated that QBS standards have to be used in order to be eligible for federal funds through IEPA. City Manager stated that if the City was to bid the engineering services, the City would not be eligible for federal funding and would only be eligible for funding from the state. Council discussed the options. Council was in agreement to use the QBS standards for the engineering services in order for the City to be eligible for the best funding options.

City Manager provided information to Council about the possibility of pursuing a special census. Council was in agreement to pursue the special census with the next budget year.

PUBLIC COMMENTS

Matt Stukenberg – commented on the bio-diesel costs and the amended development agreement.

ADJOURNMENT TO EXECUTIVE SESSION

Grodeon moved, seconded by Schorr, to adjourn to Executive Session to discuss Personnel – Possible Disciplinary Action – Section 2(c)(1) and Litigation – Section 2(c)(11) at 8:35 p.m.

Motion passed. AYE's – Grodeon, Schorr, Weyant, McMahan, Daugherty. NAY's – none.

RETURN TO REGULAR SESSION

Schorr moved, seconded by McMahan, to return to Regular Session at 9:01 p.m.

Motion passed. Motion passed by unanimous yes voice vote.

MISCELLANEOUS OR FINAL ACTIONS

None.

ADJOURNMENT

McMahan moved, seconded by Schorr, to **adjourn at 9:02 p.m.**

Motion passed. Motion passed by unanimous yes voice vote.

Kari D. Haas, City Clerk