

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

FEBRUARY 16, 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 and 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, Assistant City Manager Lisa Koerkenmeier, Police Chief Bruce Fleshren, Fire Chief Joe Zinck, City Engineer Ron Yeager, and Finance Coordinator Lynn Weidenbenner.

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

AMEND AGENDA

McMahan moved, seconded by Schorr, to amend the agenda to add Purchase / Lease of Property – Section 2(c)(5) under Executive Session.

Motion passed. Passed by unanimous yes voice vote.

MINUTES

The minutes of the February 1, 2016 regular City Council meeting were presented and approved as presented. The minutes of the February 1, 2016 Executive Session meeting were presented and approved as presented.

Motion passed. Passed by unanimous yes voice vote.

PUBLIC COMMENTS

Tim Armstrong, co-owner of Eddie's Fuel Center and Huddle House – spoke regarding the development agreement between them and the City. Stated that we fulfilled all our commitments to the City and opened the business. Spoke regarding the selling of bio-diesel. Spoke regarding the need for the 1% of the sales tax rebate as agreed to in the original

development agreement. Stated that in the event they do not get the sales tax rebate, would like to get rid of the business district because they are at a competitive disadvantage in the business market.

DEPARTMENT REPORTS

Fire Chief Joe Zinck – January 2016 report was provided.

Police Chief Bruce Fleshren – January 2016 report was provided. Councilman Grodeon asked about the fraudulent activity last tax season and if there has been the same fraudulent activity this year. Police Chief stated that they haven't had any as of yet but it is early in the tax season. Police Chief stated that they will be putting out a notice to the community about the possible fraudulent activity and advise individuals to contact the police department to acquire the needed reports to provide to the IRS.

Finance Coordinator Lynn Weidenbenner – Monthly financials provided. Councilman Grodeon asked about the negative ROE on the Water/Sewer Fund balance sheet. Finance Coordinator stated that amount includes projects.

City Engineer/Director of Public Works Ron Yeager – Status report on public projects and monthly building permits report provided. Councilman Schorr stated that he was contacted by a business owner expressing concerns over the Main Street and Jefferson Street intersection improvements and construction occurring over the holiday season which is when they are the busiest. City Engineer stated that they are hoping to start in July/August and will keep an eye on the timeline. Councilman Schorr asked when the bids are going to be out for the Poplar Street improvements if we are supposed to be starting in May. City Engineer stated that the consulting firm is finishing the plans and they will be starting the easement acquisitions for the sidewalks that are needed in the next month.

REPORTS AND COMMUNICATIONS

Mayor

Mayor presented a proclamation to the Girl Scouts proclaiming March 6th thru 12th, 2016 as Girl Scouts Week.

Mayor presented a plaque to Police Chief Bruce Fleshren recognizing him for 20 years of service with the City of Mascoutah Police Department.

Attended the following meetings and functions: Chamber meeting, volunteered at the Visitors Center, Sweetie Pie Day, change of command ceremony at Scott AFB for the 932nd reserve squadron, volunteered at the Middle School for the Scott Credit Union's financial education fair, Leadership Council reception for General McDew, volunteer breakfast at the Senior Center, meeting with St. Clair County.

City Council

Grodeon – Nothing to report.

Schorr – Attended the following meetings and functions: Chamber meeting, participated in the columbarium sub-committee meeting, volunteered at the Middle School for the Scott Credit Union financial education fair.

Weyant – Nothing to report.

McMahan – Attended the following meetings and functions: Volunteered at the Middle School for the Scott Credit Union financial education fair

City Manager – Nothing to report.

City Attorney – Nothing to report.

City Clerk – Nothing to report.

COUNCIL BUSINESS

CONSENT CALENDAR (OMNIBUS)

The January 2016 Fund Balance Report and Claims & Salaries Report were provided under the omnibus consideration.

Mayor asked about the road saver sealant bricks purchase. City Manager stated that those are for the crack sealer.

Mayor asked about the tools purchased at Lowes. City Manager stated that he would have to look into why those were purchased there instead of locally.

Grodeon moved, seconded by Schorr, to accept all items under Omnibus consideration.

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. (SECOND 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 commented on the sales tax request and how originally the City was going to use the 1% to pay off the bonds but on the flip side wonders if the 1% sales tax rebate is going to help them stay afloat.

Councilman Grodeon asked if the original agreement is void because they sold bio-diesel. City Manager stated that no it is not, the first amendment to the agreement stated that they could not sell bio-diesel if the bonds were sold and issued. City Manager stated that a taxable bond was going to be issued to pay back the Perrin Road project with the 1%

business district sales tax revenue but since the revenues projections were lower, Stiefel stated that with the costs to issue a bond, the revenues were not high enough to support the bonds. City Manager stated that a tax exempt bond was going to be issued for the construction loan and the 1% of the regular sales tax generated was going to help offset the cost of that bond and the construction loan. City Manager stated that the revenues that the sales tax is generating will not support the original amount of the bonds which was going to be around \$1.8 million. City Manager stated that a third party review of the revenues was done during the process of issuing the bonds and their recommendation was that the revenues projections were not enough to support the bond issue. Councilman Grodeon stated that in his opinion he does not have confidence that this sales tax rebate will be enough to keep the business viable.

Council discussed the bonds not being able to be issued and voiced concerns over making an agreement modification for these reasons.

Councilman Weyant commented on the 1% originally being an offset for the bonds to relieve the expenses for construction and personally has no problem with the 1% going to the developer since it was supposed to go to the bonds originally.

City Manager stated that one thing to consider is that the bio-diesel sales tax exemption is set to expire in 2018 and if that happens the revenues and sales tax generated would increase substantially.

Councilman Grodeon asked if the bonds could be issued in 2018 if the bio-diesel exemption was lifted and the revenues and sales taxes increased. City Manager stated that he would have to research to see if a bond could be issued on something already built.

Council discussed the parameters if they were going to agree to a sales tax rebate. Council discussed pledging 1% of its regular sales tax until such time as bio-diesel sales tax exemption is lifted and revisiting the sales tax rebate if and when the bio-diesel sales tax exemption is lifted and how that will affect future revenues and sales taxes generated for both regular sales tax and the business district sales tax.

Councilman Schorr stated that he can see both sides of this but sort of feel that the City had an agreement and now the developer is changing the parameters.

City Attorney stated that this is consistent with the original agreement that this sales tax rebate was going to be given to the developer for the construction, the only difference is the bonds were not issued so now it will be paid directly to the developer. City Attorney stated the City is not giving them more than we were already obligated to do.

Councilman Grodeon asked if the City is obligated to the 1% sales tax rebate based on the original agreement. City Attorney stated that it is not clear cut but there is a possibility the City could be found obligated to the sales tax rebate if it was litigated.

McMahan moved, seconded by Weyant, to approve and adopt Ordinance No. 16-03, approving a Second Amendment to the Final Development Agreement among the City of Mascoutah, DDS Properties, LLC and SDS Stores, Inc. d/b/a Eddies to pledge 1% of its regular sales tax toward allowable development costs for a term of 18 years.

Motion passed. AYE's – Weyant, McMahan, Daugherty. NAY's – Grodeon, Schorr.

ST. CLAIR COUNTY CONTRACTS FOR DISPATCH SERVICE

City Manager presented report for Council consideration of approval of three contracts with St. Clair County, Illinois for Coordinated Communications Services (dispatching services) provided for the year of 2016 for the Police, EMS and Fire Departments.

Weyant moved, seconded by Grodeon, to approve the three contracts with St. Clair County for dispatching services and authorize the appropriate City officials to execute the required documents.

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

CODE CHANGE – FIRE DEPARTMENT (FIRST READING)

City Manager presented report for Council consideration of approval of revisions to Chapter 30 – Public Safety, Article II – Fire Department of the City Code to increase the retirement age for members of the fire department.

Councilman Schorr asked what the retirement age is for the police department. City Manager stated that the retirement age for the police department is set at 65 in their union contract.

First reading. No action required.

CODE CHANGE – CEMETERY (FIRST READING)

City Manager presented report for Council consideration of an Ordinance to amend Chapter 9 – Cemeteries, Article II – Regulations and add Article III – Cemetery Columbarium of the City Code of Ordinances.

Councilman Schorr asked about Sec. 9-3-3 and the discussion at the meeting regarding no floral memorials or other ornamentation being placed around the columbarium and the section only stating cannot be attached to the columbarium. City Clerk stated that language will be added to include no floral memorials or other ornamentation can be placed around the columbarium.

Councilman Schorr asked about the committee meeting discussing the Cemetery Sexton placing flags around the columbarium during holidays recognizing the armed forces. City Manager stated that they will discuss that internally but it doesn't need to be incorporated into the code.

First reading. No action required.

POLICY RESOLUTION – NET METERING POLICY AND INTERCONNECTION POLICY

City Manager presented report for Council consideration of approval of a resolution approving standards for net metering and interconnection of certain customer-owned generation.

City Manager explained that the maximum amount of generation that can be put back into our system is 2% of our peak which is about 320 kW which is why we are limiting how much we will net meter so that more customers can take advantage.

City Manager stated that there is some equipment involved (new meter, meter reading, billing) that will regulate how the electricity is inter-connected and the meters will have to be read monthly for the credit which is why this also establishes a monthly fee to be paid for the additional service. City Manager stated that the policy also states the customer will bear the cost of the additional equipment.

Councilman Grodeon asked about the wind turbines and concerns that they produce a disrupting noise and could affect neighboring residents. City Attorney stated that is a nuisance issue that would have to be dealt with in the future if one was to be installed.

Schorr moved, seconded by Weyant, to approve and adopt Resolution No. 15-16-15, a Resolution Regarding the City of Mascoutah Approval of Standards for Net Metering and Interconnection of Certain Customer-Owned Generation.

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

Mayor left the meeting at 8:02 p.m. Councilman Grodeon took over as Mayor pro-tem.

COUNCIL – MISCELLANEOUS ITEMS

Councilman Schorr asked about 215 E Main and understands that it has been sold and asked about the progress being made on improvements. City Manager stated that the new owners have brought in architectural plans and the plans are being modified per staff comments.

CITY MANAGER – MISCELLANEOUS ITEMS

Keith Moran from Moran Economic Development presented the information on the pre-eligibility study for a potential new TIF district. City Manager explained that the next step if Council wishes to proceed would be to talk to the affected taxing districts. Council discussed the pre-eligibility study. Keith Moran explained that TIF development could take up to 6 months from start to finish. Keith Moran explained that this TIF is going to be designed to minimize the effect on the other taxing districts. Council was in agreement to move forward with the next step of talking with the affected taxing districts.

City Manager asked Council if they would be available for a budget work to be held on February 29th. Council will let the City Manager know if that date will work.

PUBLIC COMMENTS

None.

ADJOURNMENT TO EXECUTIVE SESSION

Schorr moved, seconded by Weyant, to adjourn to Executive Session to discuss Litigation – Section 2(c)(11) and Purchase / Lease of Property – Section 2(c)(5) at 8:47 p.m.

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

RETURN TO REGULAR SESSION

McMahan moved, seconded by Schorr, to return to Regular Session at 8:58 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 8:59 p.m.**

Motion passed. Motion passed by unanimous yes voice vote.

Kari D. Haas, City Clerk