

REGULAR MEETING OF THE LEXINGTON CITY COUNCIL**April 11, 2022****7:00 P. M.**

The regular meeting of the Lexington City Council was called to order at 7:00 P. M. by Mayor Spencer Johansen in the City Council Chambers at City Hall.

Mayor Johansen led the council in the Pledge of Allegiance.

Roll call was taken to find the following physically present: Mayor Johansen, Alderman Franklin, Alderman Richard, Alderman Stover, Alderwoman Wilson, Alderman Little and Alderman Mattingly.

It was moved by Alderman Mattingly and seconded by Alderman Franklin to approve the minutes of the March 28, 2022 regular and closed session city council meetings. Motion carried unanimously.

It was moved by Alderwoman Wilson and seconded by Alderman Stover to approve the minutes of the TIF Joint Review Board meeting. Motion carried unanimously.

It was moved by Alderman Stover and seconded by Alderman Franklin to approve the Treasurer's Report and paying of the bills in the amount of \$377,054.29. Motion carried unanimously.

Public Input: None

Old Business:

Discussion 2022-2023 Budget

Everyone has had time to think about what they would like to see happen with the budget. Alderman Stover had sent out a spreadsheet he had prepared for everyone to look over. Salaries were not going to be discussed tonight.

There was discussion around creating a salary spreadsheet with a range. Starting and advancing it where they would like to see it go. For example, a starting salary of \$42,500 and then a 1.5% annual growth each year for experience. All these things are optional. We can start wherever we want. We can take the growth per year and account for experience at whatever level. We might be better off having a higher starting and slower growth to flatten that out to get better results starting off. Then we could offer an incentive for getting a water and sewer certification.

With this plan, if it comes up in a couple of years we are not randomly trying to determine each person's worth, we are putting them on a scale. You have this certification, you have been here a number of years, this is where you are at. Alderman Stover has penciled some numbers in and the majority of employees are looking at a significant increase. We are looking at

eliminating the call portion of the compensation all together and putting the compensation in their normal salary and letting the overtime be the actual worked overtime. When we penciled in their numbers, everyone came out ahead.

Mayor Johansen thought the numbers under this formula were fair to everyone and it gives us and future councils some guidance down the road. There has never been anything before. The last full time employee that we hired was the chief. We struggled then where do you start and how do you retain someone. That was the last time we talked about salaries. He felt a starting salary of \$42,500 was a good starting point. They need to look at where they can go and get more for the first year. It is a hefty raise and we will not need to look at it every year.

We need to raise the bottom end of the salaries but we have someone who is going to retire and it will be pretty tough to retain someone without significant income. We need to be conscious when we set the scale.

We have Mike Beard leaving at a high salary so we could replace him at \$42,500. And we try to eliminate 8 hours of on-call pay each weekend.

As everyone gets over the initial increase and sees the numbers across the board and we hire that new position, it is not that bad.

We had a full time officer penciled in the budget last year.

Non-home rule municipalities can increase sales tax rate at .25% increments not to exceed 1%. It can be done by ordinance however in order for the city to raise its sales tax rate it would need to hold a referendum seeking voter authorization to raise the sales tax prior to passing such an ordinance. It is too late to get it on the primary ballot in June. The question was asked if we need to get a maximum amount of signatures to get the referendum on the ballot? We would have time to get it on the fall ballot. If we are going to go with a referendum before the voters, we should move forward with a home rule vote. If we move to home rule we would be able to add a tax on food and beverage. It would be more beneficial to us to add a tax to food and beverage rather than raise sales tax a quarter percent.

Discussion was around whether to raise $\frac{1}{4}$ % each time or better to raise to 1% at once. Impact could be \$100,000. Our current $\frac{1}{2}$ % sales tax is dedicated to the sewer loan.

The governor's new package is to help with a six month suspension from July 1-December 31st on Motor Fuel Tax. IML says it will not affect the money that we have coming in. The one year suspension on the state sales tax on groceries but not pharmaceuticals. We will be reimbursed from the state on the sales tax. The one time property tax rebate up to \$300 will not have an impact on us.

We need to start our guys a little higher. It may need to be suspended if things start to go bad but if they are coming in well qualified they may need a higher rate. We are talking about

today's dollars and that will adjust as time goes on. We have two employees at 27 years, one at 15 years, one at 8 years and one at 12 years.

New Business:

Discussion/Vote to Approve Opening A Checking Account at Heartland Bank

The auditors would like for us to open an account with Heartland Bank. This would be for automatic deposit of paychecks and cash deposits. We talked about this when Commerce left. We will open a checking account and start with payroll. We do not have a lot of cash deposits but someone has been taking them down to Commerce. It will be good to have a local bank that is right across the street.

Motion was made by Alderman Franklin and seconded by Alderman Mattingly to open a checking account at Heartland Bank. Motion carried unanimously.

Discussion Only Municipal Retail Occupation Tax

Mayor Johansen did have some handouts to discuss this tax. We started collecting this tax in 2007 or 2008 and it was earmarked to go right into the sewer fund to supplement that and infrastructure. He believes we could move it to the General Fund if we wanted to do that. Voting to raise it would be by referendum and would give residents property tax relief. The sewer will be paid for in 8-9 years then it can go towards expenses for infrastructure.

The question was asked if we changed to home rule if we would need to have some sort of public meeting? That may warrant some sort of a public hearing to let people know. It was also asked what the procedure was to get it on the ballot? It was felt that if we explained why we were looking at this, we do not want to raise property taxes, that the majority of the retail businesses draw people from out of town and we want to raise revenue. It was felt perhaps we want to steer clear of mentioning raising property taxes. Home rule gives us the flexibility to do things we can't do now.

COMMITTEE REPORTS:

Mayor's Report:

Mayor Johansen reported on the following items:

Carl and Rex are getting together soon and are still working things out but it is looking good.

The Coffee Hound was up this week and will be putting up a sign. She would like to have something going by August. This is their 20th year in business.

The downstairs of Commerce Bank is completely gutted. Personal Touch Sewing is moving in there and there will be two apartments up stairs. The drywall is in and they are waiting on the paint. Terry is still working with the Post Office. He could put up a new structure between the bank and the grocery store to accommodate the Post Office.

He met with someone over the weekend who may be interested in buying the Cheney property and developing a subdivision.

Police: Alderman Richard reported the Police Committee had gone through all 13 resumes for full time and part time officers. There were six really good applicants . They will start interviewing April 26-27th.

Building/Insurance Alderman Franklin commented that the employee manual had not been updated since 1996. Mayor Johansen stated that we have worked on one but nothing has ever been approved. Star could send out a copy of the handbook for the council to look over. The new one that they are reviewing comes from the old insurance company and contains more detail mostly in the state mandates area.

Finance /TIF None

Water/Sewer/Sanitation Alderwoman Wilson has contacted the Town of Normal regarding the renter/landlord situation. They were very helpful and had a list of International Property Maintenance Codes that they went by which might be more than what we need. She will make a recommendation to the council of what we should include in an ordinance. It was noted that for multifamily dwellings they do require a once a year inspection and the landlords are required to register. It was also noted that we do not have anyone at this time to enforce the ordinance, do the inspections or write the code violations.

The question was asked about how we went about declaring a structure unsafe? When the old City Hall was declared unsafe Farnsworth was the one who did an inspection and declared it unsafe. Will we need to bring someone in?

Once it gets out that we are doing this they will start to do it. We are getting more rental property and it lets us know who owns what property.

It was thought that maybe this would be part of the new person's job description.

Street/Alley: None

More golf carts were registered today. We have around 30 out of 150 registered so far. Some owners have said they are not going to register till the weather warms up. They have had a few that have not had all the equipment they need to pass inspection.

They will open bids for the Water Tower on the 21st.

If we happen to get one of the police officers that can step in right away, Alderman Richard feels we should go ahead and hire him. The biggest cost is the training and the uniforms.

There being no further business, a motion was made by Alderman Franklin to adjourn at 7:50 P.M. Motion carried by unanimous voice vote.

Respectfully submitted,

Pati Pease

City Clerk

Approved: April 25, 2022