**REGULAR MEETING OF THE LEXINGTON CITY COUNCIL**

**December 11, 2017**

**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 Schreiber, Alderman Stover, Alderman Fosen, Alderman Colclasure and Alderwoman Wilson. Alderman Richard joined the meeting at 7:12 p.m. Members of the staff and public present were: Don Cavallini, David Belvery, Laurie Sleeter, Walker Adams, Katie Adams, Jonathan Callaway, Andy Byers, Connor Epstein, Bryce Riberdy, Riley Poppell, Anthony Dowell, Nicholas Wilson, Hanna Richter, Jack Whitsitt, Weston Stoddard, Maxwell Guthierrez-Calderon II, Kevin Parzyck, Ariana Martino, Andrew Downey, Jim Griffin, William Davidson, Sue Noland, Gary Leake, Tom Leake, John Franklin, Tom Shields, Kevin Poppe and Bill Dubois. Also present were: Jim Alexander, Jeff Alexander, Earl Vandegraft, Charles Koch, Eric Penn, Mike Matejka, Scott Murphy, Don Knapp, John Cheever, Linda Cheever, Brad Fraher, John Mohr, Greg Watt, Chuck Wright, Mary Beth Wright, Mark Hardman, Jason Thomas, Chris Olson, Dwight Strichlin and Mike Kelley.

It was moved by Alderman Colclasure and seconded by Alderwoman Wilson to approve the minutes of the November 27, 2017 regular City Council meeting. Motion carried unanimously.

It was moved by Alderman Fosen and seconded by Alderman Stover to approve the Treasurer’s Report and pay bills in the amount of $81,219.57. This includes a payment on the General Obligation Bonds. Motion carried unanimously.

**Public Input:** James Alexander lives on 2500 N Road, a ½ mile from the City limits and his son Jeff lives about a mile from the city limits. Fritz Vandegraft lives in the horse barn in between the two. We are here tonight to ask the City Council to leave the variance stand as it is and leave the set back at the mile and ½. The Invenergy Co has talked to the school board and sold them a bill of goods that is all about money. The down side of this is your future development of the City and real estate values. I feel if the City of Lexington was given the chance to vote, they would vote to keep them out as far as you can. We realize they are coming but we want to keep them out as far as we can. I have been told that no other city in McLean County has voted to shorten their variances. If you leave the variance as it is now, you are not shorting any landowner from getting a wind mill you are simply upholding the law as it stands right now. I went to school here, my kids went to school here, Fritz went to school here, and we support the school district. I do not want to appear anti-school. I was told the school board is not going to make any recommendation to you one way or another on this variance. Another point I would like to make is, we have the best farm land in the country right thru here, $12,000-$14,000 an acre, why in the world would anyone want to clutter it up with windmills? The school is going to get a good share of money if they leave the variances as is. When you get the windmills in here they are going to be here for generations, and good luck when you try to get rid of them.

Chris Olson lives on Orange Street, I am also on the school board and it is not quite accurate that the school board has been sold a bill of goods. I personally am not in favor of removing the variance. I think it is there for a purpose. I know as I look out my front window out across where they would be it is one thing to have them outside the variance, which I have no objection to the windmills in general. Nothing positive financially will come from my property values by having them closer, so for that reason I am also against them. As to future growth of the City, I know that former Mayor Mohr put a lot of work into this and this council has put so much work into it, I would hate to see you risk that growth from happening and I don’t see anything positive coming from changing the setback closer to the city, other than money for the school. But as was stated, I think the school is going to get a good chunk of money even if we keep the setback as is. Personally I’m good with that

Gary Leake Invenergy will bring good paying jobs and these workers will come from McLean County. I have worked construction all of my life and know we need jobs in McLean County

Walker Adams I know that most of the windmills when they first get started they hire a large crew and then they pare them down to a small crew. I believe you will not see any jobs out of it. As far as the school system situation is concerned, the school superintendent and the school board have really turned the school situation around from what it was a few years ago. I’m fully opposed to the windmills, there are a lot of issues, there is only a 15 year life span, and most companies putting them up do not have the means to remove them in 15 years. What they say is they have a bond to remove it in 15 years, but the bond is only as good as the paper it is written on. I ask that you take all that into consideration as to whether or not they are going to encroach on our system. One of the reasons I moved to Lexington was to get away from windmills.

Dwight Stricklin, superintendent of schools. I was brought here to help turn the finances around and think we have done a lot in the last 3 ½ years. Looking at financial aspects we are going to continue and we have a tax resolution on our agenda for next week. Finance, that’s what my job is. We are looking at $225,000 the first year, so financially that’s what I have to look at for the school district, we are to get 4% for the next 25 years. So financially, that’s where I am coming from, I’m thinking of everything academically we are going to be able to do for our students. I just want to make you aware that next Tuesday we do have our board meeting and a resolution will be going on our agenda next week.

John Mohr In my years of experience as alderman and mayor of the City has taught me that it is very very difficult to encourage any kind of development and I think reducing the zoning variance on the East side of town would compromise the growth of the City. I would like to encourage the council to maintain the mile and ½ setback.

Greg Watt lives on Concord Street For the financial aspect for the school, it might be true that you might be getting a little more money by cutting out that boundary but, you will be cutting out the long term growth that will financially benefit the school.

Katie Adams I am against any change. I want you to leave the mile and ½ setback. I am a business owner who brings a lot of money into town and I want to see the City continue to grow. I don’t know that I will want to continue to put money in a business knowing that the property values will continue to go down. It really makes it hard to look forward and put money into growing a business when you know the City will not be growing and the property values will be going down and may not be able to support your business. I want it noted that I am against the windmills.

Jeff Alexander If property values go down, will property taxes go down too? Since I do not vote for the city council, you are deciding for me, I have no representation.

Laurie Sleeter Does everyone know how tall these turbines are? Compared to the other ones around us in other areas? They are as tall as two Watterson Towers and are far larger than the turbines in our area. I want you to realize how long the contract is. The contracts are for 50 years, thirty years with two extensions, so 50 years.

**Old Business: Discussion Invenergy Resolution:** Kevin Paryck, Vice President of Development for Invenergy: He presented a proposal to the City of Lexington City Council. Invenergy is requesting approval to erect 18 turbines within the mile and ½ set back around the City of Lexington.

This afternoon Invenergy submitted to Mclean County a request for a special use permit for up to 117 turbines in Mclean County. That process that we submitted today, we are scheduled to have our first scheduled meeting with the Zoning Board of Appeals with McLean County on January 2, 2018 at 7:10 p.m. with subsequent meetings with the Zoning Board of Approval throughout January. So the process has begun. Now, there were 117 turbine locations identified in this special use permit application, of those 117, 18 of those turbines are located within the mile and ½ set back around the City of Lexington. Many people have mentioned that this is about a variance or maintaining some sort of variance, the land that these turbines are situated on is unincorporated County land, we have signed easement agreements with these landowners. The reason we are speaking with the City Council is because of a section in the County Wind Zoning Code that states that a municipality must approve the placement of any wind turbine within a mile and ½ of an incorporated village or municipality. We are asking for your approval of the siting of these turbines, we are not asking for some sort of variance of the zoning requirements. So, we are showing 18 turbines located within the mile and ½ of the City limits. We are asking for your approval to place these turbines. I’m not asking for all 18. It is not about a yes or no. We are asking for approval. So if you say to us, turbines there but not here. I want to clarify that it is not a variance issue.

There is no doubt that this is about finances. If even one goes in and changes the landscape of the community, there is a financial benefit to the community. That financial benefit is in the means of property taxes paid to local bodies as well as payments made to local land owners.

 But the process of going thru all of these issues, it was mentioned before the decommissioning, property values, those issues will be arbitrated at the County level at the EDA hearings. I don’t want to get into all the specifics and a lot of the information presented this evening actually was incorrect. The life of a turbine was incorrect. We have turbines that run 30 years, and subsequent 10 year options, that is correct, however the comment that their life is only 15 years is incorrect. Their life is actually well beyond that to 30 years and with upgrades and replacement of turbine components can go very long. It is a financial benefit for the community, whether it is the county, the city or others but that revenue stream will be there for the long term. But all of those issue, noise issues, impact issues, issues to the environment, etc. will be addressed with expert witnesses during the County Zoning hearing. There are a number of these landowners within the setback area that do not live in Lexington, but have been farming this land for generations, they have agreed to put turbines on their land. These turbines have very minimal impact on their farming operation. Each turbine takes less than an acre out of production. On the flip side there is a lot more revenue coming in than that acre of land can produce and it is a solid and long term revenue for the landowner. It is comparable to an annuity and can function as an annuity for the landowner as well as for the local community.

When you look at the tax benefits over the 30 year life of the turbine, Lexington School District, Fire District, roads, township, library, park districts, over a 30 year period it would be about $8 ½M. That is an important number to look at. How does one fund one’s way of life? But it does impact the landscape. In Ellsworth, the turbines are placed and the way of life continues with a very stable income. I am proposing in addition to the $8 1/2 M to offer to the City of Lexington an annual payment from one of these turbines of $1.8M over the 30 year life of the turbines. These payments would be made directly to the City of Lexington.

These turbines are 499 feet tall which is taller than the ones around. We have found that as technology improves that by putting a larger rotor on them we are able to put up fewer turbines. So these turbines have a capacity of 2 ½ megawatts, what that means is that in one hour if that turbine spins at its maximum rate at the highest wind speed it generates 2 ½ megawatts of wind. Others in this area are producing 1.5-1.7 megawatts. What that means is you can put up fewer turbines. They are taller but fewer of them. They are more cost effective and more efficient. We are looking to put 45 turbines with in the school district beside the 18 in the setback around the City of Lexington

Were the 18 within the mile ½ setback sited with the same rules as the ones in the County? Yes, all 117 turbines in the County were sited to county rules and guidelines and will be approved at the County level.

How many local jobs do you think this will create? Two types of jobs associated with this. There are your home front jobs, probably on the order of 150 in the construction phase, so that is erecting the turbines, concrete, stonework, electrical, underground trenching and substation. And the project will last probably about a year. Then when we establish our operation and maintenance facility here in the area, and we are still looking for where that would be located from a building perspective, we would have on the order of 13-15 permanent jobs. And those are local jobs. Local people that are trained locally.

All of our projects are financed privately by banks and financial institutions. What we do, we put together a project, we get all our financial funding, and a project along this order would be $300M. Where the tax component comes in, for the first 10 years of the project for every mega-watt hour that’s generated there is a production tax credit that we are able to take advantage of. It is a federal tax credit that is good for 10 years that is only based on power that we generate. It is not like that are writing us a check to go do this or an up-front subsidy. It is a tax credit similar to tax credit in other energy, oil, coal, nuclear they all get tax credits.

Are there dollars set aside to decommission these windmills? Yes there is a process for decommission that is twofold. One, we have to sign, per state law, an agricultural agreement with the State of Illinois, and as part of that agreement we need to have an account set up to decommission. So we have put together a plan to decommission for the State and the County requires an agreement as well. As part of our application that we put in today, we included a decommission clause that includes what the cost of taking the turbines down, we however, will net out the values of the copper, we add that analysis in this report. It comes out to be about $20,000 a turbine to decommission. We then need to have a financial instrument in place that is modified on a regular basis to upgrade those costs, which is maintained with the County for taking these down. That is a constant requirement by the Zoning Board. You said it is just a piece of paper that is going to go away, no it is not a piece of paper that is going to go away. It is a financial instrument that is reviewed on a regular basis if we are not in compliance with Zoning they immediately have to be taken down because we are not in compliance with our special use permit. So it is the County that monitors whether or not there is an insurance bond to take the turbines down? Yes that is correct. The States involvement is up front and the County that monitors the agreement? All zoning is done at the County level. The County requires the decommissioning in writing and a bond in place before they grant the permit. We also have road agreements with the townships and McLean County. We plan to be here for the long run.

When financial institutions put that kind of money into a project they are looking to get a return on their money.When a financial institution put $350M dollars into a project they plan on being her a while. They are looking for a return on their money. What does that mean? We are planning on selling the power on the grid to Amazon or somebody. The more the turbines spin the more power they generate. So it is our best interests to maintain these turbines and keep them going. If it is Invenergy or another financial institution who owns it that’s the back end money, but whoever owns it has to maintain all agreements. Whoever owns them it is to every ones advantage to maintain them. Every time it spins its money.

Maps have been passed out and the public hearing is January 22, 2018 7:00 p.m. at the school. In the meantime feel free to come to City Hall and speak with the mayor or contact any city council member.

Where is the substation going to be located at? Out of the mile and ½ setback. It is going to be beyond section 26. The operations and maintenance building has not been finalized yet. We would like to see what would make the most for the community before we decide where that facility will be. A 6000 square foot facility that we would like to locate in the most appropriate location.

Alderman Fosen would like to get together with school board president and school superintendent to get a better, deeper understanding of financial implications of the submission. With Lexington having a very high thresh hold of property taxes, and we are close or very near the top of the our cap of our tax rate, he feels he would like to understand the process better and bring back to the Council what he learns. Alderwoman Wilson would also like to do that.

Mayor Johansen stated that what the Council needs to look at is the growth of Lexington, we certainly want to support the school, and look at what is good for the school, but our goal is to bring more business to town and more families to town. Looking at the map I see some problems as I think everybody else does. We are doing our homework and we are doing the best we can. I urge anyone who wants to come in, I’m in the office most of the time, or contact a council member and we will listen.

Alderman Colclasure Let me add that I am of the opinion that everything is not necessarily gold and they may be dangling that brass ring but I’m still willing to listen.

**New Business: Discussion Ordinance 2018-1 AN ORDINANCE ADOPTING A POLICY PROHIBITING SEXUAL HARASSMENT FOR THE CITY OF LEXINGTON, MCLEAN COUNTY, ILLINOIS:** This ordinance must be passed by January 15, 2018. We must decide on the process as to how it is reported and who the hearing officer is. The Statute does not state who the hearing officer should be or the level of employee or superintendent, but will eventually get up to the Mayor and be taken to the Council. Administratively the Mayor is the one in charge, what if the Mayor is the problem? Administratively is it clear who the alternative is? The City Council should appoint an administrative officer or hearing officer thru an ordinance. There is a pamphlet that has a greater explanation as to proper procedures. The Mayor will see that everyone has a copy of the pamphlet

There will be more discussion and a vote at the next meeting on December 26, 2017.

**Discussion/Vote on cancellation of December 26, 2017 City Council Meeting:** This vote was cancelled as it was decided to go ahead and have the meeting as scheduled.

**Committee Reports:**

**Mayor’s Report:** The dump truck has been sold. Since we had no bids on it from our ad, I listed it on the selling wall for $14,000 and sold it with in a ½ hour.

Christmas on the Prairie went well, it was a huge success. We had huge crowds and good weather.

Casey’s has called back and needs to follow thru with the engineers the talks are back on again.

**Police:** The squad car is back in operation but not right. Still waiting for Ford Motor Co to come up with a solution.

The cameras are partially up (5 of the 8) and will finish the installation this coming weekend December 16-17, 2017.

 **Building/Insurance:**  Hope to have a presentation on new health insurance program for the employees by January.

**Finance/TIF:** Meeting December 13, 2017 at 2:00 p.m. to discuss new guidelines for TIF improvement grants in the coming 2018-2019 FY.

**Water/Sewer/Sanitation:** Water plant is working at 100% and should be in homes by now and working great.

**Street/Alley:** None

There being no further business motion was made by Alderwoman Wilson to adjourn at 8:03 P.M. Motion carried by unanimous voice vote.

Respectfully submitted,

Pati Pease

City Clerk

Approved: