

REGULAR MEETING OF THE LEXINGTON CITY COUNCIL

June 26, 2017

The regular meeting of the Lexington City Council was called to order at 7:30 p.m. by Mayor Spencer Johansen in the City Council Chambers at Lexington City Hall.

Mayor Johansen let the council in the pledge of allegiance.

Roll call was taken to find the following physically present: Mayor Johansen, Alderman Schreiber, Alderman Cole, Alderman Colclasure, Alderman Stover, Alderman Fosen, and Alderman Richard. Members of the staff and public present were: Dee Ann Cole, Sue Noland, Mike Beard, Kelly Tobin, Lisa Wilson, Heather Morissette, Fred Morissette, Joe Roberts, Jon Kemp, Tom Sheilds, David Belvery, Don Cavallini, Billy Dubois, and Bill Elias.

It was moved by Alderman Fosen and seconded by Alderman Colclasure to approve the minutes from the June 12, 2017 council meeting. Motion carried unanimously.

It was moved by Alderman Fosen and seconded by Alderman Cole to approve the treasurer's report and pay bills in the amount of \$16,909.77. Motion carried unanimously.

Public Input: Joe Roberts with Republic Services, Manager Municipal Services and the contact person with the City since September 2016, just wanted to introduce himself. He is the one to call with any problems with the trash. The city recently had a problem with the recycle dumpster at the school and Joe was quick to respond and able to take care of it satisfactorily.

Old Business: The repairs to the old squad car were \$2046. Since this was below our insurance deductible we went ahead and paid in with cash.

Prevailing Wage Ordinance 2017-3 documents were given to all aldermen and mayor at the June 12, 2017 council meeting. The prevailing wage information was late last year. Alderman Richard moved and Alderman Cole seconded to approve the prevailing wage Ordinance. Motion carried unanimously.

Change of Meeting Time Ordinance 2017-4--As was discussed at the June 12, 2017 council meeting it was decided to change the meeting time from 7:30 p.m. to 7:00 p.m. Motion was made by Alderman Colclasure and seconded by Cole to approve the change in meeting time. Motion carried unanimously.

New Business: Consideration Appropriation Ordinance---Notice to Publish Public Hearing Agenda was published in the Lexingtonian June 29, 2017 and the public meeting will be held at 6:30 p.m. before the regular council meeting on July 10, 2017. This is a standard format and is an annual meeting. This item will be on the agenda for a vote during the July 10, 2017 council meeting.

There was discussion on closing Main Street on July 8, 2017 for Jon Kemp. He wants to close the streets at 3:00 p.m., but not the sidewalks, they will be closed at 6:00 p. m., and gates open at 7:00 p.m. This should have no effect on the Main Street businesses and Jon has checked with Main Street businesses to see if they will be effected by the street time closing and there will be a fence around the Legion monument. They are moving the gates closer to Kemp's so not to effect Christo's s customers. They may go in and out of his business. The Lexington Chamber of Commerce event is the next week. It was

moved by Alderman Fosen and seconded by Alderman Schreiber to approve the street closing for Jon Kemp. Motion carried unanimously.

Fred Morissette from the brewery gave an update to his redevelopment agreement. He has put in a 50% to a 96% high efficiency furnace. He is trying to retain as much of the original building as possible. There was some damage to the tin ceiling and he is planning to replace the damaged tin. There was mold under the tile floor and they took that up and replaced the tile. He redid the original elevator doors and is planning to spray foam in the garage walls. Hopes to be brewing test batches by late August/September and to have the tasting room open mid to late November. Hours will be Thursday, Friday, and Saturday and will not serve food. Fred feels that about 25% of profit comes from a tasting room rather than selling wholesale. He is hoping to draw patrons from the Chicago area and craft beer enthusiasts. Will be selling craft beers and special bottled beers. Fred feels his name is out there and people will come to his business. He is doing small low volume output and is not competitive with larger brewers.

Kelly Tobin was present to talk about his business plan and his need for TIF funds. He described his business concept and why we are looking at a TIF loan. The building he has purchased is unique but currently an eye sore. He wants to bring history back and wants to bring homemade back into the picture; pizza, chicken, bread, pies, desserts, and scoop ice cream. He believes this concept will bring people into the town. The building is on Route 66 and it is amazing the traffic that goes by. He is looking for a different crowd than goes to Kemps although he will serve beer and wine. He is looking to serve breakfast, lunch and dinner and will be closed one day a week but has not decided which day that will be. The building was a disaster when he purchased it and it is taking much more to fix it up than anticipated. Putting in all new plumbing, electric, and heating. There was a four bedroom apartment that is now going to be the dining room. He appreciates the consideration of the TIF funds. He wants to be open in August. Kelly is committed to opening regardless of the City's help. If funds are not forthcoming he will need to scale back. With the City's help he will be able to put in the equipment he feels he needs.

The Finance Committee has put together a \$50,000 financial package, little difference between a small grant and a larger loan, so structured as a \$50,000 commercial loan structured as 2 year interest only loan allowing for cash flow, 10 year pay back. It does not relate to the budget very well, looking at going into cash balance of the TIF budget. Kelly is very committed to this and has purchased a house in Lexington and will be living here for the long term. The mayor has been trying to get something in there for a long time and this will be a good business move for Lexington. Mayor Johansen is behind the loan 100%. Finance chairman is 100% behind this business. Alderman Colclasure fully supports their application. Tom Sheilds needs time to form the resolution and it needs some tweaking. This item was tabled and will be on the agenda for the July 10, 2017 council meeting.

Someone thru a brick thru the front window and Police Department door. Part of the glass is still there. Bids for new windows are pretty high. It was decided to let the insurance take care of it for now and put it in the budget for a steel door next year.

Committee Reports:

Mayor: Mayor Johansen and Alderman Fosen met with Amanda Klein on a municipal lease for the dump truck of \$130,000. A structured municipal lease is the same as an amortized loan, you make a

set number of payments and the loan is paid off and the lien is released. The reason the banks offer this loan is because the banks pay no income tax on the interest received from a municipality. You take the sum total of the loan with 20% down the loan would be for \$104,000. Interest would be \$11,500 over seven years. The annual payment would be \$16,441.92. There is some flexibility with this as well, to be able to adjust the payment, term, and percentage down to suit our needs. And we can wait about 45 days before we need to apply. We have waited 15 years to replace the dump truck, do we want to stretch the payments out over more than seven years when the one we have now is two years old? It is a floating interest rate and interest rates are on the way up. Do we have other plans for our money in the next 18 months? All things that we need to think about and discuss before any discussion on a loan or lease is made.

Alderman Richard and I met with Don Vitec, Sr. Vice President of Wertz Realty and are moving forward to get it resolved. Never will we allow any more after the 18 year life of that TIF loan and not excited about Wertz, no jobs, hotel or community involvement. Part of the problem is no one is here who was here at the time except Chuck so no one really knows what is right. They did not know that they had a payment due or that we were holding and not going to give to them.

On Thursday I met with someone wanting to open a business on Main Street. I took him around and showed him some vacant buildings and some places for new construction.

I spoke with Casey's and they have been up to look at the property and everything is under review.

Update on the Rec Center Study—have spoken with Roger Burbock. The park board did agree to step back and review step one but step two has been agreed to and some people who may be good on the committee are on the list. There is to be a committee meeting this week between Roger, the school and the park board. They are still gathering information.

I have spoken with the rep from Invenergy and he would like to be on the July 24th agenda.

Project Red proposal—the State of Illinois people are still in contact and they are still planning on coming.

Tonight we say good-bye to Alderman Cole who has attended 700 City council meetings since August 1985 when he replaced Bob Wahls. Mayor Johansen presented Alderman Cole with a clock thanking him for his many years of service.

Police: None

Building/Insurance: None

Finance/TIF: Pending TIF application for Thrift Avenue. Alderman Fosen will not be here for the July 24, 2017 council meeting.

Water: Sewer: Sanitation: Plant should be making water by the end of August or the first of September.

Streets/Alleys: North Pine should have the curb pored June 26, 2017 and the sidewalk will be poured June 27th. The stop sign should go up later this week.

There being no further business it was moved by Alderman Cole and Seconded by Alderman Richard to adjourn at 8:29 p.m. Motion carried by unanimous voice vote.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Pati Pease".

Pati Pease, City Clerk

Approved: 7/10/2017