City of Mt. Sterling

General Council Meeting

Police Training Center - #5 Jefferson Road

December 19, 2016 at 6:30 p.m.

 Mayor Flesner calls the general City of Mt. Sterling Council Meeting to order at 6:32 p.m. with roll call. ROLL CALL – Jim Jennings here, Schenk here, Myers here, Scranton here, Buss here, Lauren Jennings here.

 Fire Chief Brian Gallaher, Public Works Director Dusty Buss, Police Chief Brandon Norris, City Attorney Lonnie Dunn, City Treasurer Cheryl Flynn, and City Administrator Vada Yingling are present.

 Mayor Dane Flesner- I would like to entertain a motion to approve November minutes.

 Alderman Scranton makes a motion to approve the November minutes, seconded by Buss. Schenk yes, Myers yes, Scranton yes, Buss yes, Lauren Jennings yes, Jim Jennings yes.

Mayor Flesner- motion to pass the November minutes passes unanimously.

Mayor Flesner- I would to entertain a motion to approve the November expenses with the only addition of $1356.25 to Dunn Law Office.

Alderman Myers, I have a question on administration, that US Treasury? Stacy, yes. Myers, what is the deal with that? Stacy, I have the paper right here because I assumed you would bring that up. Myers, it is a pretty large expense. What is it for? Stacy, it is for the 2013 taxes, I have been fighting with them over the penalties that happened when I first started. Myers, what do you mean fighting with them? Stacy, over the amount due. Myers, is this a penalty then? Stacy, from the 2013 yes. Mayor, Mick do you want to see this or no? Myers, I didn’t know it was being offered to me. Jim, this is one that was levied some time back this is not a new one? Stacy, yes that is correct. Myers, I guess my question is, is this one of the grand scheme of the previous amounts is this just a settlement or what is this? Stacy, no it is part of the previous amounts. Myers, how much where they do you recall? Stacy, no, I would have to go back to look. Myers, have the checks already been cut? Stacy, yes.

Alderman Jim Jennings makes a motion to approve the November expenses with the only addition of $1356.25 to Dunn Law Office, seconded by Schenk. Myers no, Scranton yes, Buss yes, Lauren Jennings yes, Jim Jennings yes, Schenk yes.

 Mayor Flesner- motion to approve the November expenses with the addition of $136.25 to Dunn Law Office passes with 5 yes, and 1 no.

 Jim Jennings, while we are here on the expenses, Lonnie what did you find out with my question from last month as whether or not an alderman has? Lonnie, your code is basically silent on it. It basically as I read your code it is pretty broad. I don’t know that theoretically every bill even if it is for a dollar I guess technically as it is written would have to be approved by the council. You can do away with certain bidding requirements, you can do away with certain contract bidding requirements for professional services. But as far as the ability for a bill to be incurred technically it would have to be approved beforehand. Again, there is no purchasing code it doesn’t appear to me unless it is not in the code. So theoretically you would need to establish a purchasing code so that people know, even for department heads, theoretically what they can spend prior to council approval. Jim, the only thing that concerns me is that I don’t want to set a presentence where alderman can just accuse somebody of something then go spend $5000.00 needlessly. Because in small towns there is always issues between people. Lonnie, and I don’t think that was what the case here I think it was case that as a department head I wanted to get a good answer, so as a department head and the provision in my contract that allows me to get, if I don’t know and answer and I feel like there is a situation that may involve me as a conflict I can get outside legal opinion. And that is essentially what we did. Jim, ok.

 Mayor Flesner- Guest/Citizens opportunity to address the council- Action Brown County update. Not here tonight.

 Old Business- nothing

 New Business- Richard Grafton, present audit report. Richard, thank you Mr. Mayor. I would like to introduce Jim Legg, he is a partner with the firm. He has been a partner since January 1, 2015. Since I am a retired partner but work part time for them he is the partner in charge of the City of Mt. Sterling audit. Mayor Flesner, welcome Jim. Richard, you have the audit report in the blue folder I have a couple of letters that we can discuss after the report. I am going to go fairly quickly through the report there a lot of pages in it. If anybody has any questions feel free to stop me. Pages 1 and 2 the income auditors report basically stating we have audited financial statements and it is our responsibility to give an opinion. On page 2 we give an unmodified opinion that you represent fairly the activities of each fund as the City of Mt. Sterling ending the 30th of April 2016. Pages 3 and 4 on the internal control compliance basically a lot of wording on these pages basic 2 points there no material weaknesses no instances of non-compliance that need to be reported under the federal auditing standards. On page 5 you have the statement of net position for the City of Mt. Sterling governmental activities general fund, motor fuel, business type activities of course your water and sewer. Airport would be in there. A lot of cash and cash equivalents and of course a lot of investments there. About a 7% increase in assets from the previous year and total assets of $7,605,200.00 some liabilities there of the business type activities and then our net assets $7,532,831.00. Page 6 is kind of a hard page to read it is a sideways page Statement of activities. This is the expenses by function and the business type activities where we mention water, sewer, and airport. And we have some pages in here that will give each one of these funds in a little more detail. That changes the net position to $507,138.00. On 7 the governmental funds that I mentioned General fund, Motor Fuel, Cemetery, Social Security, TIF, and Insurance. General fund is always a major fund and this lists the assets and they fund balances of the funds listed here. Of course, the restricted ones Motor Fuel, Cemetery, and restricted tax levy’s there and some good information could be only used for certain expenditures. On 8, again a breakdown of the funds and we have these schedules in the back with comparison to budget also. So you can see the total revenues like take the General fund there $1,076,446.00 and the expenditures at $149,308.00, we had some insurance proceeds per capita there so the net change is $60,743.00 from the previous year. On 9, the business activities in water, sewer, and airport in comparison to previous year on that again assets $3,504,467.00 that is a 15% increase from the previous year. There is a lot of cash and cash equivalents almost 49% of the assets. So our total assets with fixed assets in there $6,083.876.00, $73,269.00 in liabilities,

$6, 011,567.00 in net position. On 10, the operating revenue and expenses you can see the water fund there, and an operating income of $301,826.00, sewer utility almost broke even a small operating loss, $36,656.00 with the airport. I thought those funds really did pretty well over the year. Comparing them to last year, I know you don’t have last years in the report, but all the funds did better this year than what was last years. Skip 11, 12 starts the notes I am not going to cover all of these there is an awful lot of information in here. Go to page 22, the disclosure we have on the deposits and the investments there at the Farmers State Bank, the Brown County State Bank, the main thing to note is there were none that were no amounts that were uninsured and uncollateralized at the end of the audit year. All the cash and investments were covered by insurance or collateral, note on the fixed assets. Then on page 23, note on the debt, the $500,000.00 loan the City has made one payment $50,000.00 you can see principal interest payments for the remaining term of the loan. Page 25, got the General fund, as we mentioned considered a major fund by the governing audit standards so it shows the original and final budget and also the actual amounts for the year. And we entered $1,485,025.00 that were revenues and then our expenditures broken down for the general government, we start here at the bottom and the next page. Page 27 has the police department on it there again the actual compared to budget. Page 28 has the fire department, street and alley is on 29, and we finish up on 30 with as we mentioned earlier the change has come down $60,742.00. Same information on 31 for Motor Fuel Tax which is not as much activity. Which none have as much activity as obviously the General fund does. That is what these smaller funds are showing in here. I would go to page 39, the scheduled assessed evaluation rate collection for the last three tax levy years. I can actually see there we had an increase a little over $1,149,000.00 in the assessed evaluation of a 7% increase. And as you can see the tax rates for 14-15 didn’t decline. Ok, that is a hurried run through the audit report, if anyone has any questions in regards to the report I would certainly try to answer them at this time. Jim Jennings, just a real quick one, on page 25 what is the insurance claims? Stacy, it is for the fire. Jim, the what? Dusty, the fire at the lab building. Jim, it was a million? Stacy, it could be more than just that, that is all of the insurance claims. Richard, I thought that was what is was but appreciate your help. Ok, a couple of letter, the first one says that we have audited the financial statements of governmental activity, this is the letter we are required to report to the board in regards to how the audit went. Basically a lot of information on here I will cover some of the most important things. The transactions here are being recognized in the proper period and we did not have any difficulty while preparing the audit with management and the adjustments that we proposed and made those and no disagreements with the management. And the other letter, charts out the planning and preforming our audit. A couple of items that we mentioned on disbursements being properly supported with the paid invoice the document. Also, included credit cards, I remember I talked to Stacy the Clerk I remember looking at Fleet One during the year where statements were generated and there weren’t any receipts on those. And she said you don’t use Fleet One anymore. Anytime you have credit cards you want to make sure obviously that you have a substantiation or receipt to substantiate the disbursements. Again, bringing up the invoices we still think that approvements of payments before payments made is the best procedure. I realize there will probably be some exceptions to that, I don’t who all can approve a so call emergency expenditure, I use that term loosely in the sense I don’t know what the legal description of an emergency expenditure is. I am certainly thinking that if you have to have a bill paid before a meeting you know the Mayor the chairman of the finance committee with email you could get approval from people or something like that. The credit cards again I mentioned those there just seems to be a lot of problems with credit cards. We have never ran into any problems with your City, but throughout some of the audits we have done and reading the paper those seem to be an issue. The gas bills and everything, of course the reason you need to make sure you always have the full statement there because you don’t know who has charged the gas on that invoice if you just get an invoice on it. It could very well be an innocent mistake so that is why I bring those up. Any questions or comments in regards to what we have said with audit anything? Jim, I just want to make sure I am understanding the problems with the credit cards we don’t have receipts that are matching charges from them? Richard, yes let me pull that sheet out there, Dollar General there were a couple of missing ones, and realize you think ok a couple of receipts you know you have a lot of receipts in here, but we do a test we don’t look at every single one. There was a couple of receipts missing from Country Inn and Suites, again like I said you think is sounds a little silly to mention only 2 or 3 receipts when you have a lot of them in a years’ time. But again we just go through and pick a sample of disbursements so anything we find in that sample we are required by professional standards to report that. So that is why we mention that. Myers, how many credit cards do we have? Stacy, we have Dollar General and the gas cards. Myers, and that is it?, How are the motel rooms paid for? Dusty, the way we do it is we call ahead and we take a check to them, we don’t even reserve them on a credit card. Dane, so with a receipt then bring back what they give them when they check out? Richard, yes that would be what you would use. Myers, you know what you proposed earlier, I think there has been from time to time there have been occasions that we would need a vote to approve something that was between council meetings and I think whoever, Brian is the last one I recall, he was able to purchase some items for the Fire Department and I think that that time the council members were polled and I have no problem with that. I would hope that that would continue. But I do have a problem as I did last year with what is going on in that what Richard’s recommendations are continued not to be followed. And you know we are paying their firm substantial money to give us recommendations and to do the audit and then we are continuing to ignore his recommendations. Schenk, maybe we can move our meeting date? , instead of the 3rd Tuesday we can go to the first Tuesday or the 5th of every month. Myers, well most businesses allows 30 days before you pay a bill and I just don’t like it that we are continuing to disregard his recommendation and I think I have made the motion this is probably going to make the 3rd year that I have made a motion that we adopt the recommendations of our auditor. But yet they continue to be ignored. I have a problem with an ongoing problem with something like that. Richard, do any vendors that you deal with give you a discount if you pay within a certain time frame? Like some may give you a discount if you pay within a certain time frame? Schenk, it would be the same thing as when we the City bill out our water bills, they are due by the 10th or there is a fee on top of it. Richard, so you give them a discount if they pay in time? No. Dane, so if that is the case with your recommendations and Mick’s problem we want to start up the chain of command even if it is a $5.47 bill, or whatever is that your recommendation to set up a chain of command to pay that before? I guess what I am asking did you find anything in our audit that would lead you because we been doing this for what 2 years now this way, do you find anything in our audit that shows that we are acting out of minds by paying bills the way that we are? Richard, no nothing came to attention that there were any problems. Dane, no I respect your opinion I just want for everybody that listening out there to understand that it is not like we are the wild wild West paying our bills in a crazy manner. We have a way and we are doing it and it is working good, but I am always open to change I am not arguing with Mick whatsoever. Richard, well as Alderman Myers said you know you do pay us a good fee and we certainly feel like we should give you the best services and give you the recommendation we think will work. You know the credit cards, again not with your organization, not with this city but we have had instances where we have had problems with some organizations that have personal charges on a credit card a business credit card. That is a no no. We have had situations where you know organizations use a credit card and not have any receipts so you don’t know if it legitimate or not, especially if you don’t have any proof. Dane, yeah if we set up a chain of command, I don’t have a problem with that or a person to approve it but I just hate to, what I don’t want to get into is whoever the next Mayor may be in the next few months or whoever we give that responsibility to I would just hate for them 3 or 4 times a month have to get on the phone and try to contact every alderman because we found a discount that if we pay now or we have to pay something before the meeting so we don’t get a fee. I guess that is my only concern, how do you see other communities deal with that? Is it like how you told us to assign the people or? Richard, we have some clients you know they approve the bills as I said before, as one alderman mentioned changing the meeting date, and we have some that department heads can approve up to a certain amount. I would think that would fit your position, I wouldn’t worry about a $5.00 bill, the situation is you know if you have a certain bill that the council would say ok up to a certain amount and then if some major expenditure needs to be approved you have always got that email. You can do that to approve that, and that is the main thing that it is protection for everybody. Police Chief Norris, Richard they way we do it now is Dusty and myself on Thursday each week take over the bills that we have received that week and we write ok on them and initialed them that we have looked at them and we are ok with them then we provide them to Stacy and they get paid. Does that kind of help what your recommendation is, because most of them are actually contractual services. Richard, I guess the issue there is that they are still being paid before the council looks at them. Again, like I said the issue seems to be with the credit cards seems to bother me more. Not to waste your time but there was an article in the paper a couple of weeks ago about down at East St. Louis a township down there where one trustee for four years had charged $280,000.00 in personal expenses on the credit card and nobody had noticed it, not even the auditors. Dane, I guess my big thing is later on here I think we have approval of the council meeting schedule so is if that is going to be something we think about. Jim, well let me ask this, number 1 I think it was incorrect for Mick to say it was ignored because I had a very long phone call with you back in May about this issue and I am sure you remember it? Richard, yes you did. Jim, now at the end of that conversation I felt like you were telling me that we didn’t have major problems that we weren’t that there wasn’t any official misconduct or anything like that you were comfortable with what we were doing. Richard, right. Jim, has anything changed since May? Richard, not that I know of no. Our audit this year one of the issues was the payroll taxes you know I wasn’t aware that Stacy was fighting with them on that. I don’t know if you called and talked to anybody at the IRS office trying to get it reduced or if you paid it yet? Stacy, yes and it is paid. Richard, the only thing you can do know is try to file for a refund but once you paid it I doubt that they will give it back. The problem with IRS penalties obviously they used to wave those pretty regularly but anymore now they want to know who is responsible. And it boils down to approval by the council. As Alderman Jennings said we did have a conversation in May no our audit didn’t find anything other than some of the statements that weren’t supported but we didn’t find anything other than that. And I know it is a tough situation as I say I use the emergency expenditures loosely, I know there is a legal definition as to what an emergency expenditure is but I don’t know what that is I am not an attorney. Dane, we can look at it see if there are ways to tighten it up it’s not gonna hurt you know. Myers, I will say this I never alleged any wrongdoing I think it just makes good checks and balances to do it properly upon the recommendation of our auditor. Richard, if not further questions, Mr. Mayor Members of the council thank you very much for your business and the opportunity to work with you. Dane, thank you Richard it has been a pleasure. Richard, thanks to everyone that helped during the audit I appreciate it very much.

 Alderman Myers makes a motion that we accept the Auditor’s Report prepared by our Auditor and we adopt his recommendations, seconded by Buss.

 Alderman Jim Jennings, before we vote I have got to ask are we talking about we are changing policy right here and right now? Myers, I am just asking that we adopt the recommendations of the auditor. Dane, that will have to be sent to a committee, I don’t think we can iron out a process right now. Jim, that was my concern I didn’t want to change everything right now. Dane, what committee to you want it to go to? Finance and budget? Yes. Alright I will get that one called.

 Continuation of motion….. Scranton no, Buss yes, Lauren Jennings no, Jim Jennings no, Schenk no, Myers yes.

 Mayor Flesner- Recommendation to accept the audit as presented with suggestions from the auditor did not pass with 4 no and 2 yes.

 Alderman Jim Jennings makes a motion to accept the audit as presented but we will take the recommendations to the finance committee and discuss possibilities of changes, Scranton seconded.

 Alderman Jim Jennings makes a motion to accept the audit as presented but will take the recommendations to the finance committee and discuss possibilities of changes, seconded by Scranton. Buss yes, Lauren Jennings yes, Jim Jennings yes, Schenk yes, Myers no, Scranton yes.

 Mayor Flesner, motion to accept the audit report and send the recommendations to the finance committee for further changes passes with 5 yes and 1 no.

 Mayor Flesner, Joe Cox- I need some things at the dog pound, some beds and some big round pans we feed them in. I am getting low on everything and the beds are shot and I just thought we could get some beds for them. Dane, can you just get the list to Brandon and then Brandon. Brandon, if you want to Joe we will take a day and run to Quincy to PetSmart of something? Do you know who carries that stuff where you got it before? Joe, I have no idea it was already there when I took over. Dane, Brandon if you too want to get together on the computer and look up what you want and how much it is going to cost and if it is a crazy amount let us know. Brandon, how many pails Joe? Joe, I was thinking about 10. Brandon, we have been busy with dog calls, we had 3 dog bites in a week and then the gentleman that passed away we had his 4 dogs out there. So we are keeping Joe busy. Joe, and they are biters too. Brandon, so how many beds? Joe, 5. Brandon, is that all you were needing? Joe, yes. Jim, if we could, could we see if we could order them locally out at the vet out here? Myers, what about Kassings? Jim, I am not sure if they have the big ones like he is wanting. But go ahead and check. Myers, also does Dearwester have anything like that? Dusty, the pans anyway. Myers, I would like to see it all purchased locally if it is possible. Joe, also that truck that sits at my house for months is it alright if I drive it to like the fire house and stuff like that because if it sits there the battery goes dead on it. Schenk, he needs to be driving it to keep it working. Dane, that’s ok if we see any discrepancies in it you will have to put gas in it obviously. So if we see our gas totals go way up or something. Joe, ok.

 Mayor Flesner, ok council meeting schedule approval.

 Alderman Schenk should we forward that to the finance committee? Jim, Lonnie we can change the scheduling at any time if we accept it now then we find out we want to change when we have meetings to try in fall in line with anything? Lonnie, you would just have to send it out to the media outlets so they know of your yearly meeting dates in advance. So, if you do approve it tonight and do change it you will just need to readvertise it or renotify. Dusty, because we will have to change that in code to right? Lonnie, yes. Jim, then is it the same as it has always been? Stacy, yes. Myers, then I have a question I am certainly not an Atheist or anything like that but I don’t think we can legally take the 14th off in April. Dane, what did you say? Myers, Good Friday, the State can’t do it and the feds can’t do it and I don’t think we can I know they can’t in Rushville. Stacy, we just went off what we did last year. Myers, I understand but I don’t know that we can do it. Stacy, well I am just saying we did exactly what we did last year. Myers, do you know Lonnie? Lonnie, I don’t know right off I would have to double check.

 Alderman Jim Jennings makes a motion to approve the council meeting schedule as presented, seconded by Lauren Jennings. Lauren Jennings yes, Jim Jennings yes, Schenk yes, Myers yes, Scranton yes, Buss yes.

 Mayor Flesner-ok the 2017 holiday schedule, the only day that Mick brought up was Good Friday, so I guess we need to decide if we want to keep that as a paid holiday or remove it. It is not on Federal you say Mick? Myers, it is not on Federal or State.

 Alderman Jim Jennings makes a motion to accept the holiday schedule as presented contingent on Mr. Dunn’s approval that April 14th can be a legally observed holiday, seconded by Buss. Jim Jennings yes, Schenk yes, Myers yes, Scranton yes, Buss yes, Lauren Jennings yes.

 Mayor Dane Flesner, 2017 holiday schedule with just Mr. Lonnie Dunn checking on Good Friday passes unanimously.

 Mayor Flesner-Approval of ordinance 12-01-2016, Travel, Meal and lodging expensed that are reimbursable.

 Vada, the State has imposed new guidelines for reimbursement of this type of expense so by January 1st we have to have new wording in there. This is the format that the IML suggests for municipalities. The only section that I put anything in was section 3 that says the City shall only reimburse the following types of travel, meal and lodging. It sets a maximum so that is basically it, actually wording out what can be reimbursed at how much the maximum. The mileage that is the State mandated mileage, 54 Cents per mile and our old policy it was $10.00 per meal and $30.00 maximum per day, I added that tips were reimbursable up to 20% of the bill, and we did not have a maximum on lodging, so I took an average of Quincy, Jacksonville, Springfield and Chicago and I got an average of $150.00 per day. So that is how I came up with those figures and the rest is basically word for word from what IML suggested. And then the 3rd page is what they suggested for a reimbursement request form. So I just went word for word off of that. So we are looking for an approval of that amendment to our travel expense reimbursement. Jim, I see there is an ordinance number already so Lonnie you have already looked it over? Lonnie, yes. Schenk, receipts will have to be shown? Vada, yes that is worded on the reimbursement form.

 Alderman Scranton makes a motion that we accept the ordinance #12/01/2016 as presented, seconded by Lauren Jennings. Lauren Jennings yes, Jim Jennings yes, Schenk yes, Myers yes, Scranton yes, Buss yes.

 Mayor Dane Flesner, approval of ordinance # 12-01-2016 for travel, meal and lodging expenses that are reimbursable passes unanimously.

 Mayor Dane Flesner, approval of ordinance #12/02/2016, letter of engagement for engaging a registered municipal advisor and by and between the City of Mt. Sterling and the Economic Development Group LTD. Vada, ok this engagement is different than the one we had last month. This is for a particular short term loan that we spoke about last month. In your packet you have a form, this is projected figures by using TIF funding to pay back a 3 year loan to finance the remainder of the engineering cost for the uptown plan, which is $120,000.00. You can see that we would start paying it off in 2017 and pay through 2019. On here the projections take in consideration all of our obligated money to redevelopment agreements already in both TIF districts. So those are taken into consideration, you can see the grey line is the remainder of the City’s share. Like say 2017 it is $97,367.00, our payments for 3 years would be $43,275.00 and the yellow line that would be the remaining dollars left in our TIF funds, and that is both TIF funds combined. So by the year 2019 it will already be completely paid off with that. This I believe is a good proposal that we don’t drain our TIF funding all at one time. But still keep us moving forward with the projection and the direction we want to go with our uptown plan. And this letter of agreement is for this specific proposal that we have on the table tonight. Dane, you said this comes out of the TIF? Vada, it does. Dane, and will it raise any taxes? Vada, it will not. Dane, and can it be used anywhere else in town? Vada, no only in the TIF district. Jim Jennings, were are we getting the financing at? Vada, I would also like to weave into the motion that we would send out RFP’s to all of our local banks and see who could come up with the best low interest loan. Jim, first tell me what RFP stands for. Vada, request for proposal. And I would say we would borrow $123,000.00 because there would be some cost incurred. We only pay the Economic Development Group when they do something for us, whether it is preparing this low interest loan for us or any bonding for our fees. Theirs will be maybe half of that, our second letter of engagement is for Ice Miller which is bond council. I know we are saying bond council but we are not bonding, it is a low interest loan, but it is something that you have to have bond council look this over. So, it is a technicality. Their fees will not go over $1200.00, which I think was listed in this letter of engagement. So that is where the extra $3000.00 comes from. Myers, $123,000.00 is that for the demolition of the building uptown? Vada, no this is for the remaining cost of engineering to complete a shelf written set of plans so that we are ready to go in 2018 when ITEP money is released again. And it is possible with new Administration at the Presidential level that there could be some stimulation money come out but we don’t know it is possible but we would be ready if some should come our way. Myers, so it has nothing to do with that building? Vada, it has nothing to do with it no.

 Alderman Jim Jennings makes a motion to approve ordinance #12-02-2016, the letter of engagement and as part of it we will send out RFP’s to the local institutions to make considerations for financing, seconded by Scranton. Myers no, Scranton yes, Buss yes, Lauren Jennings yes, Jim Jennings yes, Schenk yes.

 Mayor Dane Flesner, motion to approve ordinance # 12-02-2016 passes with 5 yes and 1 no.

 Myers, while we are that what have we spent in engineering so far? Vada, $135,000.00. Myers, and this finishes it up? Vada, yes and isn’t it about 2% of this project Anthony, isn’t that the general rule of thumb that we will spend on engineering? Anthony, it is usually about 8-10%. It just depends on what kind of projects but 8-10% is usually the rule of thumb but sometimes it would be 12%. Myers, if we would get a new business wanting to use
TIF areas are we going to be in a position to help some of these businesses? Vada, we will, if Farm and Home for instance if they come in next year and they break ground to begin the business and they get reassessed in 2018 their first tax bill will be paid in 2019 and that will be the soonest that we would ever pay them out any type of TIF funding if they would apply for it. So, by 2019 we will almost already have it all paid off. And even if we don’t have it paid off we still have $112,874.00 in 2019 allotted to be able to pay them. Dane, was the TIF board or committee privy to this? Vada, yes they do recommend that we do this they were behind it. Jim, right and if I could expound on that, a common misconception is if a business wants to come in the TIF district we give them money. We do not. They come in and they spend the money first then the investment they put into that real estate increases their real estate value and their assessed value. And when that happens that is when we get that implement that is where that money comes from. So if a business doesn’t come to town that is money appreciation that we won’t see, when we get them to town and they put money into it then we see that increment. We don’t say here is $50,000.00 just to get you to town. We look at it and say you are going to get $50,000.00 but you will get it after you build a building, your assessed value increases, and as we get those extra tax dollars then we will give it to you. That is what we have done with everybody so far. So we don’t have to have a big well of money to give to businesses they spend the money upfront and then as a result of their investment they get some of their tax dollars back. Myers, but didn’t Steve warn us about over extending? Vada, yes and he made these projections and he thinks it is a good idea too. Dane, he had it set up this way we are just doing it all in one shot. Vada, he thought this was a good avenue for us to take moving forward and not drain our TIF funds, if we paid it all in one lump sum then we wouldn’t be able to do it. Dusty, this is how a lot of other communities use this avenue too opposed to spending it in one lump sum. Vada, it is some do it between 3-5 years but he feels like this is not going to jeopardize it in any way. Anthony, also the engineering fees you are incurring right now are not just the uptown project but also on Capitol. That is why the first portion is higher than the 2nd portion. It is all the environmental and the phase 1 clearances that are being done. Schenk, but the 1st phase will be set up and ready to go? Anthony, the 1st phase will be set up ready to go and the environmental clearances for Capitol avenue improvements would be ready to go too as long as it wasn’t 10 years down the road before we did the work. And Main Street would be completely shelf ready.

 Vada, the 2nd one is the approval for Ice Miller to be our bond council to look at this proposal and give their blessing. This is the company that the Economic Group prefers to work with. So we just need to pass a letter of engagement to allow Ice Miller to be our bond council.

 Alderman Lauren Jennings makes a motion to approve ordinance # 12-03-2016 authorizing a letter of engagement to engage the services of Ice Miller, LLP, seconded by Buss. Scranton yes, Buss yes, Lauren Jennings yes, Jim Jennings yes, Schenk yes, Myers no.

 Mayor Dane Flesner, motion to approve ordinance #12-03-2016 passes with 5 yes and 1 no.

 Treasurer’s Report

 Public Works Report- Dusty, I have quite a few things on there tonight so I will try to get through them pretty quick. The first thing I have is the damn inspection for the lake. When we were doing our insurance this year Mike asked when the last time was that we had a damn inspection, and the newest one we could find was 12 years old. And he suggested that we go ahead and get one just to ease the mind of the insurance company. I talked with Anthony about it and that is something that they perform. I have a professional service agreement here and it states that it will not exceed $2000.00, the estimate is between $1500.00 and $2000.00 for that report. Schenk, just for the report? Dusty, well for them to go look at it. For what we need out of it yes. Myers, does that come out of the Lake fund? Dusty, yes. Scranton, did they say if that would have any effect on the insurance itself? Dusty, no he didn’t say but he did say they like to see that there has been a damn inspection especially on a public lake where there is camping and a lot of activity.

 Alderman Scranton makes a motion to approve Dusty to engage into Hutchison to do the damn inspection at the lake, seconded by Schenk. Buss yes, Lauren Jennings yes, Jim Jennings yes, Schenk yes, Myers yes, Scranton yes.

 Mayor Flesner, motion to allow Dusty to engage Hutchison Engineering in the damn inspection at the lake with 6 yes.

 Dane, Prison water payments. Dusty, the only reason I put this on there was to let everyone know what the balance was as of today. I talked to Dane about this a couple of weeks ago and I think he was kind of surprised as to what the balance was again already. The balance that they currently owe us is $314,315.53 our last payment was received on 11-22 but before that the last payment was received on 8-26. So, I just wanted to bring it to everybody’s attention that we are getting back up there and we are keeping an eye on it. Dane, I spoke with Jim Clark back when Dusty told me and then he called me again today after I left him a message Friday. And he talked with budget and they have released $78,000.00 check. Not that that is $300 and some thousand but he wanted me to pass that along to you. Vada, you can go to the comptroller’s website and you can look at payments for the City of Mt. Sterling and there has not been anything issued yet I check it every day. Jim, but there was a 90 day space in there that we didn’t receive anything right? Dusty, yes. Dane, do we need to look at other options, in your opinion do we need this? If we do we have other options as we have discussed with them at that last meeting. Dusty, the only reason I put this on there is I figured the council would like to know what the balance is. And I can and I will have that on the agenda from now on so everyone knows what the balance is. Dane, I am completely open to the option if we need to go get it but that is up to us. Jim, that option is still available as far as we know? Dane, yes. Myers, what is the option? Vada, it is called vendor payment program, I could probably send you something on it if you would like to see it. Myers, if we could get the majority of the parties to get the Governor to present a budget we probably wouldn’t have this problem.

 Dusty, the next thing I had on there was the Street sign bid. I know we have been talking for some time about upgrading the street signs and I have a paper here they sent us with the quote. I bid it 2 ways, the first way is the way you see it on there would have a Hornet emblem on the street sign. Basically between the two bids we are talking about 160 poles that we would have to replace, the hardware for all of them. With all the high prismatic signs which is what the state is requiring now and the logo on it the bid is $12,742.00 and then without the emblems on it, it is $10,572.94. The difference between the 2 is about $2000.00. There are several signs that aren’t even there and a lot of the poles are damaged. Jim, can this come out of MFT? Dusty, I don’t know that would be something to look into I don’t know. Jim, I bet we could. Dane, what is your feeling on that? Dusty, it would be something that we would have to budget for we don’t have the budgeted, but that could be something that we could look into. I am not sure if it could be a street sign or if it would have to be a regulatory sign. Do you know Anthony? Anthony, I think it has to be traffic signs. I wouldn’t bet on it but I am pretty sure it has to be traffic signs. Jim, are we not able Mr. Dunn in the appropriations ordinance in situations like this to transfer out of one line item we are not using as long as we don’t change the entire amount of the appropriations. Lonnie, I believe you can a line item. Dusty, I was just going to say if we do it out of street in capital outlay we have the money to do it. Jim, ok that is good to know. Dane, Dusty what is your timing on wanting to start? Dusty, well I don’t have a time on when I want to start, obviously now we aren’t going to be putting post in the ground. But the quicker we can get them ordered the better because it says 3-4 weeks lead time on the sings but she said that was give or take considering we are talking 368 signs. So, we could be looking at 2 months to get them here. They are 6 inch tall signs, 4 feet tall letters and then the smaller letters would be 2 inch letters with a 3 inch emblem.

 Alderman Jim Jennings makes a motion to accept the bid with the Hornet emblem for $12,742.00 for the street signs and I would like to if we can pay for it out of MFT if we can, seconded by Scranton. Lauren Jennings yes, Jim Jennings yes, Schenk yes, Myers yes, Scranton yes, Buss yes.

 Mayor Flesner motion to accept the $12,742.00 for new street signs passes unanimously.

 Dusty, the next thing I have is the airport drainage bids. This has been going on for a few years now some of the ground on the far South and West end of the airport is eroding really bad. It started about 3 years ago when the tenant brought it to our attention. And they had some site work done on it out here at the ASA office last year. So, I got 2 bids for that work basically Energy Efficient bid it two ways, and then Newton Tiling bid it. But for a fair comparison Energy Efficient’s bid is $14,989.38 and Newton Tiling’s bid is $13,255.00. I would like to see that work done, the fact of the matter is it is ours and we need to take the responsibility and fix it. If we don’t it is going to be to the point where we are not going to be able to recover it. Myers, what portion are you talking about? Dusty, this right here, that would be the end of the runway this would be South of the runway. Myers, is that a portion that Louis farms? Dusty, yes it is. Myers, did the committee vote on this? Dusty, no I actually called Paul to have a meeting and he said he didn’t think we needed to have a meeting to just bring it to the council. Myers, is this the one that we have hardly any income off of? Dusty, it is the one that we discussed this last year about. Dane, the one we got an extremely discounted rate as well? Myers, no we paid a fair market value rate for that land. Jim, I beg to differ sir, if you look at it there were attorney’s involved in the other 2 landowners and there wasn’t with Mr. Tracy he was cooperative and a much lower price than the other 2. Myers, well I have seen the agreement and I have felt, it was under John Moorman, I felt it was reasonable. But I would like to know what our income is off of this because I don’t believe it is very much money. Jim, could be but to me I went out and looked at it there are places that are cut really deep into the ground. Dusty, there are places where it is as deep as this ceiling. Jim, then I went and visited with Paul Walker and he asked, it was in CRP before, it was tillable acres and wanted to know why it couldn’t go back to CRP. The City cannot have a CRP plot of land we can’t get payments for CRP. So we either have it tilled and make money off of it or we and CRP won’t help what is going on out there anyway. But we own it I think we should be good stewards of the land is what it amounts to. And we saw there tonight there is $381,000.00 in the airport fund and we are only going to spend $14,000.00 and to me it is a no brainer. Myers, well let me say something, if that is the case then we had a guy that paid over $500 an acre and certainly tiling that other portion would have added to his profit. And we are not getting hardly anything for the rent of that piece of ground. And you know that John Murphy should have considered doing the portion that he farmed giving us a high dollar amount instead of this piece here. I would like to see it tabled until we find out how much money we are getting off of that a year. Because we are certainly not getting very much. Schenk, either way Mick if we don’t act on this now it is not going to be farmable or anything at all to us. Then it is going to cost us more because it is going to maintain more wildlife. Myers, I would like to see a committee meeting for this. Jim, there has been committee meetings for a year and a half. Myers, not for this. Jim, yes there has we have talked about this several times and for some reason it is not being taken care of. Are you comfortable with the Newton bid Dusty? Dusty, yes it is the low bid $13,255.00.

 Alderman Jim Jennings makes a motion to accept the bid for $13,255.00 from Newton for the work as proposed by the ASCS office, seconded by Schenk. Jim Jennings yes, Schenk yes, Myers no, Scranton yes, Buss yes, Lauren Jennings yes.

 Mayor Flesner the motion to accept the bid from Newton’s for $13,255.00 as proposed to do work by the ASCS office passes with 5 yes and 1 no.

 Dane, time roll over. Dusty, that is the last thing I have. I know last year we had rolled some time over I believe Brandon and myself. I am hoping to roll some time over for this year but it will probably be less than 40 hours, depending on if we have some big emergency going on in the next 2 weeks. But I was hoping you would approve that this evening. Myers, your time is all documented isn’t it? Dusty, yes. Scranton, do we have a policy on that? Dusty, yes the policy is to get council approval.

 Alderman Scranton makes a motion to accept the roll over requested from Dusty, seconded by Schenk. Schenk yes, Myers yes, Scranton yes, Buss Abstain, Lauren Jennings yes, Jim Jennings yes.

 Mayor Flesner, motion to allow Public Works Director Dusty Buss roll over some vacation time passes with 5 yes and 1 abstention.

 Committee Reports

 Ad Hoc

 Airport- Jim, I was the one that added that one on there. Also in discussion with Louis Hammer, we hasn’t brought in the agreement correct? Yes that is correct. This reason he hasn’t and this is going to be a question for you and I think you are already aware of this, the land had been mined out there. In the agreement it states that whoever leases that property from us, at the end of each year, I assume they get soil samples, and they have to replace any minerals that have been taken out of the soil to keep the soil viable each year to produce a crop. Did you have any soil samples done this year, I know Louis Hammer had Terry Behymer do some and there is some real issues with it. There is some that haven’t been getting replaced. So what we have to find out is of course there have been different farm tenants over the years. So we would have to try and pin point when and how we think it happened. Now, you did take soil samples about 3 years ago is that correct? Dusty, that is correct. Jim, and at the time they were about where they should be weren’t they? Dusty, yes it was 2 years ago I believe when we took those and I don’t have those but I believe Paul has those. But yes I think they were close I don’t remember exactly I haven’t seen them for a couple of years. Jim, well know it looks like there is an issue and the reason Louis is uncomfortable and understandably so in signing the agreement and turning it back in is he doesn’t want to sign the agreement and we say oh by the way. He every year all the land he farms put a certain amount of potash on it to make sure he keeps the minerals viable. Well that property out there right now, potash and everything there will have to be a lot more of it and the expenses will be a lot more. He doesn’t want to put his neck on the line to take care of the abuse that has happened in the past. So I would like us, this will take an airport meeting I am assuming, to find out how we move forward. My recommendation would be if we can prove… Dusty, because I think there a few other issues with that contract as well that we need to go over at that meeting. Jim, anyhow I would like us to look into figuring out how we are going to get the mineral level back to where it should be. Basically making it to where Louis Hammer is comfortable in entering into the agreement. So we take care of our property and we, hopefully we can figure out who the tenant was that did it, and we will try to go for reimbursement from them. Myers, well what is the terms of the contract, is it addressed there? Jim, yes they were supposed to replace and apply what is needed to keep the minerals stable. Basically replace anything that is taken out of the soil each year by each tenant. Dusty, basically it is the maintenance. Dane, so that just needs to be send to the airport committee? Jim, yep whenever Mick and Dusty want to. It is just something we have to do to get Louis onboard and like I said I have dealt with him before as a tenant and he is very conscientious and a good steward of the land.

 Cemetery-Dane, open Cemetery grave digging bids. So, for the City of Mt. Sterling Cemetery grave digging bids for 2017 from Steve Shaffer, a full size burial $500.00, infant burial $150.00, cremation burial $150.00, exhumation $1000.00. Proof of insurance provided upon acceptance of bid. Thank you for your consideration.

 Alderman Myers makes a motion that we approve the bid from Steve Shaffer for grave digging, seconded by Schenk. Myers yes, Scranton yes, Buss yes, Lauren Jennings yes, Jim Jennings yes, Schenk yes.

 Mayor Flesner, motion to accept Steve Shaffer’s bid passes unanimously.

 City Planning

 Finance/Budget-Dane, I will be calling a meeting on the fine practices of paying our bills.

 Fire-Brian, I have nothing tonight.

 Lake/Lake Development

 Personnel

 Plan Commission

 Police- Brandon, we had 203 contacts this month, 25 traffic stops, 9 citations, 16 warnings, 3 arrests, handled 1 accident, 4 ordinance contacts. All 3 cars are now done, the new striping has been completed on them. Schenk, they look good by the way I like them. Brandon, so they are all done they look really sharp. We got our shop with a cop applications all turned in. We are going to get with the person chosen this week and get them over there and get that taken care of. We are going to be coming to the council with another idea that Derek found and proposed. And that is a way to help our local food banks, by using ordinance violation, like parking tickets, getting can food donations in lieu of fine money. And that way we can use that to donate to the food banks, there are several communities that have been doing that as a way to stock the food banks since they have been struggling the last couple of years. Vada, Derek came out and donated part of his morning working at the food basket the ministerium had on Saturday.

 Street and Alley-Dane, tree planting issues. Jim, do we need to do anything on the sidewalk program or are you still good with where we are at, or is the ball still in your court? Dusty, yes we were going to do it before but that didn’t work out. Myers, I have received a number of complaints and concerns about the location of the trees. Of course now they are just becoming trees and not gotten any height or width. Where they are located is a concern of visibility issues around intersections. I know a number of them are planted in ditches. I am certainly not against the tree planting but do we have any authority? Who is going to take care of them next spring when they are needing water? Is that going to be the City’s responsibility? Dusty, yes. Myers, I don’t know if the rest of you heard any complaints but I have had several. Schenk, I have had several on it. Scranton, I have had a couple as well. Especially out there by The Station. Dusty, there are 12 trees there that the state has given them the ultimatum that they have to be moved by the end of the year. Schenk, there are several of them that were they are planted at and if we are under contract to water them that you nor your people can do that safely. Jim, the City is under contract to water them? I didn’t realize that. Dane, when did we go into that? Dusty, 2012, November of 2012 actually. Myers, well like I said I am certainly not against the tree planting and everyone knows that sat on this council with me there was some healthy trees over where the Church was several years ago that we were asked to remove and I fought that will my vigor to question why you are wanting to remove a healthy tree and they are still there. I am not against them but there are some that are planted beneath power lines. There is a majority of them that are planted in ditches, that help get the water away during storms. I just think that we should have some input as to where these trees are located. And we certainly don’t want to become a defendant in a law suit because of visibility issue in years to come. I just think there ought to be some contact from the Action committee or whoever is responsible for the locations of these trees. Dusty, there has been I have been working with Steve quite a bit, I know Dane spoke with him too trying to get a little better handle on it. Jim, I talked to Dusty about it because I too had several people asking why they are planted here and planted there. I think and Dusty can verify this but I think there are a lot of ducks in the kitchen on this thing. And don’t we still Lonnie reserve the right that any tree we think is an obstruction or hurting the infrastructure we can cut it down? Lonnie, yes. Jim, just my thoughts, I am glad it was brought up so they can be preparing for the action so we don’t look like the mean people that are going to cut down their trees, I think it would be best are they finished yet I don’t even know? No I don’t think they are. Dusty, to intervene before they get more in the ground is if we are going to do something about it. Jim, we can if you want but I just know in the next year or two before they do get big we are going to have to do something. Dusty, the City council has already approved this planting, they approved the plans and then approved the agreement to water them. To take complete ownership of them, so we are kind of handcuffed to them. Jim, I guess the plan then would be if we see issues we take down the ones that are an issue. Dusty, and the state is watching this issue very closely as well. So there is probably going to be some changes before that point. Myers, well I don’t want to see any of them cut, but if they can be transplanted maybe taken to the Lake or something like that or located where there won’t be a problem, I am all for that. Jim, Dusty you are the one that is dealing with them on all of that do you want us to get involved with the already abundance of people that are involved in this or do you want to just let me do this and then figure it out from there? Dusty, that is the stance the state took, and if there is an issue with them they are letting them move them or deal with it how they see fit. I think we should probably follow suit with that. Myers, I would like to see a copy of the agreement if you could bring it to the next meeting? Dusty, I have a copy of it I will bring it to the next meeting. Schenk, do you have a map of it too, it wouldn’t hurt to refresh everyone’s memory. Dusty, I do.

 TIF-Vada, all I want to say is that I passed out all the paperwork that Steve Klein’s office prepared there is the review of TIF 1 and TIF 2 for the last year that you can look at that looks really good. And you can also look at the proposed amendment to the TIF 2 district that we are working on now. They prepare them we pay for them so I wanted you all to have them in your hands.

 Water/Sewer

 Zoning

 Zoning Board of Appeals

 Other Business

 Executive Session- Mayor Flesner I would like to entertain a motion to enter into executive session per 5ILCS 12/2 C for Personnel

 Alderman Jim Jennings makes a motion to enter into executive session at 8:05 P.M., seconded by Schenk. Scranton yes, Buss yes, Lauren Jennings yes, Jim Jennings yes, Schenk yes, Myers yes.

 Mayor Flesner- I would like to have the general city of Mt. Sterling council meeting return to regular session at 8:33 P.M. on December 19, 2016 with roll call.

 Jim Jennings here, Schenk here, Myers here, Scranton here, Buss here, Lauren Jennings here. As well as City Attorney Lonnie Dunn, City Administrator Vada Yingling, Police Chief Brandon Norris, Fire Chief Brian Gallaher, Public Works Director Dusty Buss.

 Alderman Jim Jennings, now that we are back in open session I don’t think we need a motion for it, do you want to find out what we can do and what is common with other Police Departments. I have no problem with that. I didn’t know that if as a council to instruct our legal counsel to find out what we can and what we can’t do. Dane, I think Vada could probably do the research that way.. Jim, she could check with other municipalities. Then he will do the legal part of what we can and can’t do. Myers, I don’t think we need to be singling a police department out. Dane, no we will have to check everyone. Brandon, I know most of the places I know it is up to the chief or sheriff as far as part time employment. Adams county Sheriff office they have to get authorization from the sheriff, Hancock county the same way, Carthage P.D. same way, and they let them work any secondary jobs. If it came to something like bouncy at a bar then the chief or sheriff would say no. Just because of the liability factor but as far as the any other part time jobs it is usually up to department heads.

 Motion to Adjourn

 Alderman Myers makes a motion to adjourn at 8:36 P.M., seconded by Schenk. Schenk yes, Myers yes, Scranton yes, Buss yes, Lauren Jennings yes, Jim Jennings yes.

Respectfully submitted,

Stacy Dunlap, City Clerk / Collector