

MINUTES OF THE REGULAR MEETING OF THE NORMAL TOWN COUNCIL HELD IN THE COUNCIL CHAMBERS, NORMAL CITY HALL, FOURTH FLOOR UPTOWN STATION, 11 UPTOWN CIRCLE, NORMAL, MCLEAN COUNTY, ILLINOIS – MONDAY, DECEMBER 4, 2017.

1. CALL TO ORDER:

Mayor Chris Koos called the regular meeting of the Normal Town Council to order at 7:40 p.m., Monday, December 4, 2017.

2. ROLL CALL:

The Clerk called the roll with the following persons physically

PRESENT: Mayor Chris Koos and Councilmembers Jeff Fritzen, Chemberly Cummings, Kathleen Lorenz, Scott Preston, R.C. McBride, and Kevin McCarthy. Also present were City Manager Mark Peterson, Deputy City Manager Pamela Reece, Corporation Counsel Brian Day, and Town Clerk Angie Huonker.

ABSENT: None.

3. PLEDGE OF ALLEGIANCE:

Mayor Koos led the Pledge of Allegiance to the Flag.

4. PUBLIC COMMENT:

Mr. Joel Studebaker, 106 W. Shelbourne, addressed the council with concerns about the Property Tax Settlement Agreement.

Mr. Marc Tiritilli, 1212 Timber Ridge, thanked the council for their continued service. Mr. Tiritilli addressed the council with concerns on the 1404 Ft. Jesse Road project.

5. OMNIBUS VOTE AGENDA:

Mayor Koos read aloud the items to be considered by the Omnibus Vote Agenda.

A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF NOVEMBER 20, 2017:

B. APPROVAL OF TOWN OF NORMAL EXPENDITURES FOR PAYMENT AS OF NOVEMBER 29, 2017:

C. MOTION TO APPROVE THE YEAR 2018 TOWN MEETING CALENDAR:

D. MOTION EXTENDING THE DIABETES DISEASE MANAGEMENT PROGRAM FOR ONE YEAR:

E. RESOLUTION REQUESTING PERMISSION TO CLOSE A PORTION OF U.S. HIGHWAY 51 FOR THE ANNUAL JAYCEES CHRISTMAS PARADE: Resolution No. 5511:

- F. RESOLUTION AUTHORIZING THE RENEWAL OF A JOINT AGREEMENT WITH THE CITY OF BLOOMINGTON AND THE ECOLOGY ACTION CENTER FOR AN ENERGY EFFICIENCY PROGRAM: Resolution No. 5512:
- G. MOTION TO AUTHORIZE AN AMENDMENT TO THE FY 2017-18 ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) BUDGET FOR THE GENERAL FUND:
- H. RESOLUTION TO ACCEPT BIDS AND AWARD A CONTRACT TO STARK EXCAVATING, INC. IN THE AMOUNT OF \$59,799 FOR THE ADELAIDE STREET SANITARY SEWER EXTENSION PROJECT ALONG WEST COLLEGE AVENUE: Resolution No. 5513:
- I. RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT A BID IN THE AMOUNT OF \$904,063.06 FROM PRESIDIO NETWORKED SOLUTIONS GROUP, LLC FOR THE PURCHASE OF NETWORK INFRASTRUCTURE: Resolution No. 5514:
- J. RESOLUTION TO CONDITIONALLY APPROVE A FINAL PLAT FOR THE MILLER STORAGE SUBDIVISION (2717 N. MAIN): Resolution No. 5515:
- K. RESOLUTION APPROVING A PROPERTY TAX SETTLEMENT AGREEMENT:
- L. ORDINANCE APPROVING A REDEVELOPMENT AGREEMENT FOR THE PROPERTY LOCATED AT 1404 FT. JESSE ROAD:

Mayor Chris Koos excused himself from voting on any expenses he incurred while performing his duties as Mayor.

Councilmember R.C. McBride excused himself from voting on any expenses he incurred while performing his duties as councilmember.

Councilmember Kevin McCarthy excused himself from voting on any expenses he incurred while performing his duties as councilmember.

Councilmember Jeff Fritzen excused himself from voting on any expenses pertaining to BOPI.

Items K and L were removed from the Omnibus Vote Agenda.

MOTION:

Councilmember McCarthy moved, seconded by Councilmember Lorenz, the Council Approve the Omnibus Vote Agenda.

AYES: Fritzen, McBride, Cummings, Lorenz, Preston, McCarthy, Koos.

NAYS: None.

Motion declared carried.

Items A, B, C, D, E, F, G, H, I, and J were approved by the Omnibus Vote.

6. ITEMS REMOVED FROM THE OMNIBUS VOTE AGENDA:

K. RESOLUTION APPROVING A PROPERTY TAX SETTLEMENT AGREEMENT: Resolution No. 5516:

MOTION:

Councilmember Cummings moved, seconded by Councilmember McCarthy, the Council Adopt a Resolution Approving a Property Tax Settlement Agreement.

AYES: McBride, Cummings, Lorenz, Preston, McCarthy, Fritzen, Koos.

NAYS: None.

Motion declared carried.

Councilmember Chemberly Cummings shared information pertaining to property tax assessments and how it affects the local school district. Mrs. Cummings also discussed the appeal process for both the property owner and taxing bodies. Mrs. Cummings asked McLean County Unit 5 Representative, Mr. Kurt Richardson to share his experience with the dispute over assessment and settlement agreement that is before the council for approval.

Mr. Richardson discussed the dispute that arose from the property tax assessment on several properties. Mr. Richardson discussed how the school district intervened, obtained their own appraisals, and participated in Board of Review Hearings. Mr. Richardson talked about the challenges of the school district, the hearing process, and what impact a prolonged review period would have on the district. Mr. Richardson went on to talk about reaching a compromise with the property owner that outlines clear revenues for the district.

Councilmember R.C. McBride asked Mr. Richardson to discuss conditions that could void the agreement. Mr. Richard responded indicating changes in square footage of the buildings on the noted properties, decreased enrollment at local universities, and decreased employment from local, major employers are all factors that could change the agreement.

Councilmember Kevin McCarthy thanked Mr. Richardson for attending. Mr. McCarthy spoke about a recent statement made by Dr. Daniels, Unit 5 Superintendent, on the difficulty of the decision made by Unit 5 and how the administration felt it would be good for Unit 5 in the long run to enter into the agreement. Mr. McCarthy thanked Mr. Richardson for providing additional information on why that decision was made.

Councilmember Kathleen Lorenz asked for clarification on the six original properties involved in the dispute and the additional 20 properties that were added to the agreement. Mr. Richardson responded that the property owners agreed to a twenty percent increase on those twenty properties without an assessment. Mrs. Lorenz then asked if Unit 5 was concerned with setting a precedent by entering into the agreement, and how the property tax increase was determined to begin with. Mr. Richardson stated the district worked with the Assessor's Office to understand the process, indicating properties such as those being discussed are difficult to assess and appraise. Mr. Richardson also stated it is not unique to negotiate these types of agreements.

City Manager Mark Peterson stated he invited Mr. Richardson to attend and stated the information presented by Mr. Richardson was very helpful.

L. ORDINANCE APPROVING A REDEVELOPMENT AGREEMENT FOR THE PROPERTY LOCATED AT 1404 FT. JESSE ROAD: Ordinance No. 5710:

MOTION:

Councilmember Fritzen moved, seconded by Councilmember McBride, the Council Adopt an Ordinance Approving a Redevelopment Agreement for the property located at 1404 Ft. Jesse Road.

AYES: Cummings, Lorenz, Preston, McCarthy, Fritzen, McBride, Koos.

NAYS: None.

Motion declared carried.

Councilmember Jeff Fritzen asked what factors were involved in arriving at the sell price of the property.

City Manager Mark Peterson responded that after acquiring the property from the previous developers due to burdensome drainage issues, the Town tried to sell the property at a below market value rate for over a year. The Town received no offers on the property during that time. The current agreement was negotiated after several rounds of offers and counter offers. Mr. Peterson indicated this is a reasonable deal and is also a good use of the property.

Mayor Koos noted a new building on the site will generate increased property tax revenue.

GENERAL ORDERS:

7. ORDINANCE AUTHORIZING THE 2017 PROPERTY TAX LEVY: Ordinance No. 5711:

MOTION:

Councilmember McCarthy moved, seconded by Councilmember Lorenz, the Council Adopt an Ordinance Authorizing the 2017 Property Tax Levy.

AYES: Lorenz, Preston, McCarthy, Fritzen, McBride, Cummings, Koos.

NAYS: None.

Motion declared carried.

Councilmember Chemberly Cummings stated that it was greatly appreciated to hear from residents with concerns over the property tax levy. Mrs. Cummings went on to discuss her review of the Illinois Pension Code, citing some of the requirements set out for municipalities.

Councilmember R.C. McBride stated that he understands the concerns of the residents speaking out, as a Normal resident he pays these taxes too. Mr. McBride stated something to remember is that over time things cost more, and this is very easy to forget.

Mr. McBride indicated that as the Town wraps up its budget cycle there will be cuts and reallocations. Mr. McBride stated the Town will work to maintain a quality level of service and maintain a revenue stream. Mr. McBride indicated a diminishing local workforce is the biggest reason for the deficit facing our community.

Councilmember Jeff Fritzen stated there is an unsettled populous in the community. Mr. Fritzen stated that one factor is the uncertainty of employment within State Farm. Mr. Fritzen reminded people not to forget the good things that are going on in the community, such as Rivian Automotive and Brandt Industries. There is long term value of those investments that will benefit the community. Mr. Fritzen then indicated that cuts and adjustments are coming to the Town budget, discussing the review of programs to be maintained and the detailed level of discussion that goes into making those decisions. Mr. Fritzen discussed long term planning, revenue impacts and limitations of investments, noting this funding will not address the out-year funding facing the Town.

Councilmember Kevin McCarthy thanked those residents with feedback for sharing their concerns in a respectful manner. Mr. McCarthy stated great points were made regarding investments, rules passed down from the State of Illinois, and the reasons this deficit falls to the property owner. Mr. McCarthy noted the pension rules come from the state, issuing a call to action for residents to voice their concerns to the Illinois General Assembly who make the rules. Mr. McCarthy went on to discuss the math of the situation, discussing earning rates, interest rates, and not underfunding pension plans. Mr. McCarthy asked Finance Director Andrew Huhn to talk about investment funding mandates. Mr. Huhn responded the State Pension Code allows for sixty-five percent in equities and thirty-five percent in fixed income. City Manager Mark Peterson added, this is not a private portfolio but a pension fund that is a conservative, very risk averse, and with clear parameters about the level of risk. Mr. Peterson stated there is a push for a better rate of return, but it will take time. Mr. Huhn indicated there is work being done towards better performance.

Mayor Chris Koos noted the California Pension System took an incredible hit in 2000 due to an aggressive portfolio.

Mr. McCarthy highlighted statements made regarding a zero percent increase in general fund revenue from property tax in twelve years.

Councilmember Kathleen Lorenz spoke about funding structures available then asked questions about available alternatives to property owners, what's being done to fix the problem, and whether there is money in other funds to be reapplied to the pension fund.

Mr. Peterson responded stating that not funding pensions is not an alternative. Mr. Peterson then discussed funds that are within the Town control, and what funds we are bound to accept. Mr. Peterson stated options for reducing pension obligation are reducing police officers and reducing compensation for police officers, neither of which the Town is doing at this time. Mr. Peterson stated he does give the Illinois General Assembly credit for being more judicious and careful in analyzing pensions, which also helps obligations.

Mr. Peterson reviewed why property tax funds are the most stable, predictable revenue source for most municipalities, saying it is true that money could be moved from other funds, but that causes problems elsewhere within the budget.

Councilmember Scott Preston thanked the residents who spoke. Mr. Preston went on to discuss points made such as; property taxes are increasing, state population is decreasing, and the local economy is declining. Mr. Preston then stated the Town does not have the ability to manage the entirety of the situation and solutions are difficult to come by.

Mayor Koos stated that we are not alone in Illinois, the Midwest, or the country. Mayor Koos also stated there is a large amount of information and deliberation people don't see that is used in making decisions. Mayor Koos discussed comments on spending, bond ratings, and incentives indicating a long-term approach is needed to secure long-term gains.

8. ORDINANCES AUTHORIZING THE ABATEMENT OF 2017 PROPERTY TAXES FOR DEBT SERVICES: Ordinance No. 5712:

Councilmember Preston moved, seconded by Councilmember Lorenz, the Council Adopt Ordinances Authorizing the Abatement of 2017 Property Taxes for Debt Services.

AYES: Preston, McCarthy, Fritzen, McBride, Cummings, Lorenz, Koos.

NAYS: None.

Motion declared carried.

NEW BUSINESS:

9. MOTION TO APPROVE THE FY 2017-18 TO FY 2022-23 COMMUNITY INVESTMENT PLAN:

MOTION:

Councilmember Fritzen moved, seconded by Councilmember Preston, the Council Adopt a Motion to Approve the FY 2017-18 to FY 2022-23 Community Investment Plan.

AYES: McCarthy, Fritzen, McBride, Cummings, Lorenz, Preston, Koos.

NAYS: None.

Motion declared carried.

Finance Director Andrew Huhn gave a brief review of the Community Investment Plan including capital spending, capital funding, capital assets, etc.

Mr. Peterson stated this plan gives a five-year look with no real surprises. Mr. Peterson noted there is a lack of flexibility in the capital funds due to limited revenue. Mr. Peterson stated this plan identifies critical needs, so they can be taken care of and allows the Town to push back any non-critical needs.

Councilmember Scott Preston stated he is impressed with the depth and accessibility of the Community Investment Plan on the Town website.

Councilmember Jeff Fritzen stated as a long serving councilmember, there was a time when the Town had capital projects with no funding sources identified. Mr. Fritzen stated it was a big move and huge improvement when the Town changed that process.

Mr. Huhn noted many of the processes of the Town have been institutionalized, which helps avoid surprises. By keeping processes in place, it makes things much easier to manage.

Councilmember Kathleen Lorenz asked for clarification on the ability for residents to see where their street is on the resurfacing priority list. Town Engineer Gene Brown responded.

CONCERNS:

City Manager Mark Peterson announced that Santa House opened Saturday, December 2nd. Mr. Peterson also announced Saturday, December 9th the NAACP will host a special weekend at Santa House.

ADJOURNMENT:

10. MOTION TO ADJOURN:

There being no further business to come before the Council, Mayor Koos called for a Motion to Adjourn.

MOTION:

Councilmember McCarthy moved, seconded by Councilmember Preston, the Council accept a Motion to Adjourn.

AYES: Fritzen, McBride, Cummings, Lorenz, Preston, McCarthy, Koos.

NAYS: None.

Motion declared carried.

Mayor Chris Koos adjourned the regular meeting of the Normal Town Council at 9:48 p.m., Monday, December 4, 2017.