

Collinsville City Council
Regular Meeting of 10/9/2012

CALL MEETING TO ORDER

Mayor Miller called the regular meeting to order at 7:30 p.m. at Collinsville City Hall.

ROLL CALL

All Council members were present as well as City Manager Williams, Corporate Counsel Giacoletto and City Clerk Brombolich.

INVOCATION

The invocation was given by Pastor Don Arndt of Pathway Church.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

PROCLAMATIONS/RECOGNITION/PRESENTATIONS

BUSINESS PRIOR TO PUBLIC INPUT

INPUT FROM RESIDENTS

Mayor Miller referred to Ordinance 4472. Pat Courtwright, 1029 W. Clay, was concerned about the dead end on West Clay Street. She thanked the Community Development Department and the Street Department for their recent help. She talked about near miss accidents on West Clay due to the fact that there are no stop signs on West Clay from North Combs to Merrell. She talked about speeders on the street, including semi tractor trailers. She has spent two weeks going door to door asking the neighbors what they think can be done to correct the problem. They think a stop sign at West Clay and Merrell and a directional sign at North Combs informing drivers that Main Street and 157 are to the south would help. She hopes the Council will consider one or both of these options.

Aaron Wright, 28 Woodford Way, wanted to talk about the TIF funds given to the Bank of Edwardsville for improving their lot from asphalt to concrete. He wanted to respond to the Council's comments that they want these businesses in Collinsville, that other cities engage in the same type of administration, and that funds are available in the TIF. He stated that businesses are going to locate here because there is an economic benefit to them and a customer base. He felt that what other cities engage in is not the model of what's best for Collinsville. TIF funds being available and the City trying to find a use for that money is a clear indication to him that too much money is being collected. He suggested the Council leave the money with the people if they want to see economic development. He felt there isn't a measurable benefit for a concrete

parking lot versus an asphalt one. He felt that whenever the City takes money forcibly from one person and hands it to a business that it's a clear definition of use of tax power.

Bob DesPain, 108 Linwood, stated that he attended the EDC meeting on 9/28/12 at Porters, scheduled to start at 7:30 a.m. but the chairman called it to order 5 minutes late. He spoke at the meeting and stated that 7:30 am on a Friday is not a convenient time or place and that he felt the place to hold a public meeting is in our public buildings. He stated that the restaurant provided seating for 19 at tables with coffee, etc. and he described how the tables were set up. He stated that the seating for observers was located behind the podium. He felt the owners of this corporation were treated as public servants but the 16 actual public servants were not. He stated that Congressman Shimkus was the guest speaker at the podium positioned by Paul Mann, and he spoke for 24 minutes to the 16 elite in front of him while ignoring the downtrodden at his back. He stated that EDC member Rob Williams criticized one speaker who made comments about TIF spending and the Chairman failed to interrupt him even though comments are supposed to be directed to the Chairman. He talked about a speaker at a Council meeting that was told to direct his comments to the dais, not to the audience.

Joe Ashmann, 212 Emelie Ct., stated that the EDC met at Porter's recently, the former site of the Hilton that cost taxpayers \$30 million. He stated that \$1.5 million in TIF money was given to that building. He stated that at the last Council meeting, \$10,000 was given to the Bank of Edwardsville, which he stated is a wonderful bank and a great asset to the community. He stated that recently the School Board voted no on a TIF district but the Council let staff make the decision to table the TIF and when asked why not a vote, the answer given troubled him. He wondered why there is a vote of the Council on a \$10,000 expenditure but not on the TIF. He stated that the School Board did their homework and found that TIF is costing the taxpayers. He stated that taxpayers resent picking up the tab for TIF money given to developments. He stated that CARD would have realized almost \$2 million without TIF. He felt the TIF money given to CARD needs to be forgiven so the City and CARD can move on to do the people's work prudently and diligently.

Phil Astrauskas, 105 Lexington, talked about the EDC meeting held at Porter's on 9/28. He stated that he normally doesn't go to Porter's, least of all early in the morning. He felt that was not convenient to the public as people who work can't attend. He stated that the time limit to speak there is 2 minutes and that it is hard to assemble something in that time. He stated that Paul Mann told the Commission that he would arrange for where the next 12 meetings would be and who the speakers would be. He asked if this is Paul Mann's group. He asked if he encourages businesses to use TIF. He stated that it has been said that some commission members use TIF which is disappointing. He stated that we have a business in the area that has been around for a long time, since 1868, has 20 locations in 13 communities and has 400 employees. He's talking about the Bank of Edwardsville who just got money at the last meeting. He noted that the Bank spoke for the St. Louis Road TIF district and he wondered if it was already rolling that they were going to be paid as part of their speech.

Don Koonce, 310 Central, stated that Dalton is running for Madison County Board and that if she wins, she can and should resign her Council seat the next day. He stated that there is a time frame in place so many days after the election and if she resigns in that time frame, a third

candidate could be placed on the ballot for 4/9/13. He knows that Miller doesn't want her to do that because he personally has someone lined up to appoint to the Council for two years. But if she resigns, that appointment would only be for 6 months. He will be encouraging everyone who comes in contact with Dalton to ask her to resign. He stated that Moss and Kypta might want to talk to Dalton about what he has said, as he feels the odds would be better for their re-election. He stated that he is having a problem with the rules and how applause for awards are allowed but not for other times. He stated that if a person owns a business or property in Collinsville, he has a right to address the Council.

John Neimann, 14 Burdick Creek, came to the podium to speak. Mayor Miller advised him that his address was not in the City so he was not allowed to make comments. Mr. Neimann said he owns a business and property in Collinsville. He read from the St. Louis Post Dispatch regarding TIF saying that every governmental body in the St. Louis area owes Collinsville a debt of gratitude for working out a new way to deal with proposed TIF districts, they just said no. He read that the school board on 8/20 opposed the TIF. He read that cities should not have the right to force school districts or other taxing bodies to give up future revenues. He stated that the article suggested that state laws should be changed.

COMMENTS & ANNOUNCEMENTS - MAYOR

COMMENTS & ANNOUNCEMENTS - COUNCIL MEMBERS

COMMENTS & ANNOUNCEMENTS - CITY STAFF

CONSENT AGENDA

City Clerk Brombolich read the consent agenda items as follows:

1. Motion to Approve Payment of Bills for the Period Ending 10/3/12 in the Amount of \$455,545.18
2. Motion to Approve Payroll for the Period Ending 10/04/12 in the Amount of \$491,228.53
3. Motion to Approve Minutes of the 9/10/12 Special Meeting/Strategic Session and the 9/24/12 Regular Meeting

Mayor Miller asked if there were any items on the consent agenda that the Council would like to pull; no items were pulled. Councilman Dalton asked if the minutes had been fixed. City Clerk Brombolich stated that she had titled Councilman Tognarelli as Director Tognarelli but that has been corrected.

Motion by Councilman Moss, seconded by Councilman Dalton. Answer on roll call: Ayes - Tognarelli, Moss, Kypta, Dalton, Miller; Nays - None; Absent - None.

NEW BUSINESS

1. [Motion to Award Bid and Authorize Contract for Wastewater Department Backhoe, Project #EQP-548-12, to Erb Equipment Company of Illinois, Inc. in the Amount of \\$55,435](#)

Motion by Councilman Tognarelli, seconded by Councilman Dalton. Water/Wastewater Director Kress stated that bids were opened on 10/1 for the purchase of a new backhoe for the Wastewater Department. Bids were received as follows: Erb Equipment - \$55,435; Fabric Cat - \$58,390; and Pat Kelly Equipment - \$67,716. He stated that a bid submitted by H. Edwards Equipment was rejected due to irregularities. He stated that all bids included a trade in allowance for a 2002 Cat with 2260 hours on it plus a 4 year warranty. The purchase of this equipment was included in this year's budget and staff recommends approval.

Answer on roll call: Ayes - Tognarelli, Moss, Kypta, Dalton, Miller; Nays - None; Absent - None.

2. [Resolution 5034 for Improvement by Municipality Under the Illinois Highway Code \(Harvest Point Resurfacing, Section 12-00000-02-GM\)](#)

Motion by Councilman Kypta, seconded by Councilman Moss. Street Director Cheatham stated that this resolution appropriates MFT funds in the amount of \$124,000 to cover the cost of resurfacing Harvest Point, Willow Trail and Deer Trail, a project that is currently out for bid. He stated that the City received funds from the State that were not budgeted in MFT earlier this year that will be used for some mill and overlay projects.

Mayor Miller stated that we got word from the State that we were receiving \$109,000 from the State stimulus package. Director Cheatham had these streets on the agenda to be taken care of through normal MFT funds but with this windfall, we are able to do this now rather than later and continue with the projects targeted for the MFT fund as well. He felt this is good use of the funds and he commended Director Cheatham for doing a good job.

Answer on roll call: Ayes - Tognarelli, Moss, Kypta, Dalton, Miller; Nays - None; Absent - None.

3. [Discussion of TIF/Gateway Center Issue](#)

City Manager Williams stated that this item has been in front of Council on several occasions. The topic tonight is to discuss the possible payment of additional TIF funds for Gateway Center. He asked Corporate Counsel Giacoletto to talk about the crafting of how we could do that in the future. Giacoletto stated that the resolution before the Council comes from previous discussions and additional information staff had requested from Gateway Center. He stated that an agreement has been discussed but it is not necessary as an agreement by nature is an exchange between two parties. This is a request for TIF funds for capital improvements for the Gateway Center, similar to what we do with other entities. He stated that the resolution continues the City's commitment to Gateway Center for capital improvements as long as they are TIF eligible. He noted that when and if the need arises for funding, Gateway Center would make a TIF application to the City and doing so with this resolution behind it that the City is committed to the funding, but it is not a guarantee of funding until the City knows what the funds will be used for.

Councilman Tognarelli stated when this was discussed earlier, he mentioned having some kind of time limit and he understands it is for the time period of the bond payments. He asked what would happen if their bonds were sold, do they have to bring that to the Council. Giacoletto stated that in the past when they refinanced their bonds, they did need the City's assistance and signoff. He feels that would have to be done that way again. Councilman Tognarelli asked if we could put that into the resolution that if the situation with the bonds changes in any way, that this has to come back to the Council. Giacoletto said that this wouldn't be where they would make application to staff and get funding. Any time they make application for funding, whether it be 1 time or 40 times over the next 10 years, it will always come back to the Council for approval. He can put anything in the resolution the Council wants him to.

Councilman Kypta stated that we are already giving them TIF money and he felt that even if we dictate what they can spend it on, they can still use us like a bank and spend the money for whatever they want to. He stated that they made a lot of improvements going into a recession that they should have looked ahead for.

Councilman Tognarelli stated that as part of the presentation Gateway gave to the Council, he felt it was clear that they were way behind on their capital improvements because they didn't have the money to spend. He stated that the reductions they have made was a reasonable explanation to him as to why they need the money for capital improvements. He understands it since when he was in charge of the Street Department, there was no extra money for capital projects.

City Manager Williams stated that the Council will always have oversight as to what goes on with this. He stated that as Director Ammann works with them in the future and if we find out they are doing something with the money that the Council doesn't like, we will notify them that we won't consider any new applications. He stated that this resolution says whether it's 1 time or 12 times a year, Gateway will be coming to the Council with items they want to spend money on and the Council will be able to say yes or no to TIF funding. He feels that this resolution says that the City is making a commitment to keep the Gateway Center viable.

Mayor Miller stated that in the presentation by Director Warke, it was noted that their bond payments will end with the TIF district so their bonds will be paid off. That means it would free up some of the TIF money to be returned to the city. He stated that they just restructured their bonds and he's not sure they could do that again in the next 10 years but if they did, we would have to sign off on that as we did the last time. The council is not losing control of the funds but are putting more scrutiny on what they spend the money on. He stated that what they use the funds for has to be TIF eligible. He thinks it's appropriate to have a resolution to control where the funds go.

Councilman Kypta asked how we would know what they're using the old money for before we give them new money. Mayor Miller stated that we could request an audit of where they're spending money but he doesn't know that's normal for a TIF application. He stated that the money would be paid as a reimbursement so they would have to provide proof of project completion. Councilman Kypta stated that he knows revenues are down, what if they have

money but don't use it and instead ask the City for TIF money. Mayor Miller stated that it was reported by Director Warke that they did not have money available for capital improvements. The improvements to make the Center viable are what they're looking to use TIF funds for, to be comparable with their competitors.

Councilman Tognarelli stated that we get their audit every year so we will have that information. He stated that the Gateway Center has been there 22 years and is a catalyst in that area and in the Metro East. For 22 years we have been funding them with TIF funds, the City has a large investment as well as the taxpayers and he thinks it is worth our TIF dollars to keep it viable with oversight.

City Manager Williams stated that staff will have something prepared for presentation to the Council at an upcoming meeting.

OLD BUSINESS

CLOSED SESSION

ANNOUNCEMENTS

ADJOURNMENT

Motion by Councilman Kypta, seconded by Councilman Dalton. Answer on roll call: Ayes - Tognarelli, Moss, Kypta, Dalton, Miller; Nays - None; Absent - None. Time: 8:16 p.m.