

VILLAGE OF MILAN COUNCIL MEETING

Monday December 20, 2021
Milan Municipal Building
5:30 P.M.

AGENDA

1. Roll Call
2. Pledge of Allegiance
3. Consideration of the December 6, 2021 Minutes
4. Consideration of the November 2021 Treasurer's Report
5. Consideration of the Semi-Monthly & Miscellaneous Bills
6. Presentation of the 2020-2021 Annual Audit, Jim Taylor & Dave Gosse
7. Discussion Regarding the Upgrading of the Wastewater Treatment Plant and Water/Sewer Rates
8. Committee Reports
9. Citizens Opportunity to Address the Village Board
10. Adjourn

Roll Call

Roll call showed Trustees Hubbard, Zimmerman, Wilson and Stickell were present. Trustees Stuart and Mikaio were absent.

Pledge of Allegiance

Attorney Scott led the Pledge of Allegiance.

Consideration of the Minutes of December 06 2021

Mayor Dawson asked if there were any corrections or additions to the Council minutes of December 06, 2021.

There being none, Trustee Zimmerman moved to approve the December 06, 2021 minutes as presented. Trustee Stickell seconded the motion. All Trustees voted "Aye". Motion carried.

Consideration of the Annual Treasurer's Report Ending November 30, 2021

Treasurer Cox was present and read the November Treasurers report which also gave the annual totals of expenditures and revenues to November 30, 2021.

The General Fund shows the fiscal year total revenue of \$5,094,289 and total expenditures of \$2,934,663. The total November revenue was \$546,438 and expenses were \$493,053. General Fund revenue is up due to Cannabis Tax of \$85,439 which is almost as much as the Sales Tax of \$98,089 for the month of November.

The Garbage Fund year to date revenue at \$186,982 and expenditures of \$104,351. November revenue was \$11,934 of which \$9,580 was recycling receipts and expenses of \$18,643.

Administrator Seiver stated our residential recycling program is paying for itself and making a small profit, helping the Garbage Fund stay fluid.

The Camden Centre revenue for year to date was \$37,040 and expenditures were \$84,962. Revenue for the month of November was \$12,973 and expenditures were \$27,216.

Administrator Seiver stated the village has received Local Cures Program monies in the amount of \$210,000 and part of it will be used to get the Camden Centre's net balance healthier by paying utilities, wages and the cost of supplying generator services to the building during the vaccination clinic held by the Rock Island County Health Department for COVID-19 vaccinations.

Mayor Dawson stated the loss of company Christmas parties has devastated bookings in December and Director Beuseling told him there are no bookings for January.

TIF I, II, III, & IV fiscal year activity resulted in surpluses of \$1,125,266, \$882,688 and \$75,147 respectively for TIF I, TIF II and TIF III. TIF IV is currently at a deficit of \$11,515.

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The Water and Sewer Fund had revenues for the fiscal year end November in the amount of \$1,241,578 and expenditures of \$966,510. The month of November had a total revenue income of \$165,431 and expenditures of \$83,257.

There being no questions on the Treasurer's Report, Trustee Stickell moved to approve the November Treasurer's report as presented and Trustee Hubbard seconded the motion. All Trustees voted "Aye". Motion carried.

Consideration of the Semi-Monthly & Miscellaneous Bills

Trustee Zimmerman, Chairman of the Finance Committee, stated he had reviewed the bills and they are in order. The larger bills are a QCOMM911 payment in the amount of \$74,152.00, Meritain Health Inc. \$19,487.95, Mid-American Energy Co., \$15,855.59, Compass Minerals, \$12,885.93 and IL Public Risk Fund, \$6,399.00. These larger bills account for \$128,780.47 of the total \$196,186.77 total cost of the payables for approval.

There being no questions on the bills, Trustee Zimmerman moved to approve payment of \$196,186.77 payables and Trustee Wilson seconded the motion. Roll call vote showed Trustees Zimmerman, Wilson, Stickell and Hubbard voted "Aye". Motion carried. The bills will be paid from the following accounts.

General	\$121,735.85
Garbage	6,944.90
MFT	24,055.79
Camden Centre	1,494.92
TIF I	2,933.98
TIF II	58.31
Camden Centre Deposits	1,100.00
Insurance Reserve	19,877.95
Water/Sewer	17,985.07
TOTAL	\$196,186.77

Presentation of the 2020-2021 Annual Audit, Jim Taylor & Dave Gosse

Mayor Dawson introduced Mr. Jim Taylor and Mr. Dave Gosse of Carpentier, Mitchell and Goddard. They have completed the village audit for 2020-2021 and state it was a clean audit. They had full co-operation from the village staff. Mr. Taylor then went on to speak on the highlights of the audit.

He stated the village has received more cash revenue this year so all government funds are in a good position. The audit shows revenues were up 1.2 million dollars and expenses were less than last year. The village is carrying about a three month reserve, which is a significant improvement from last year.

Mr. Taylor stated the village has two Enterprise Funds, the Camden Centre and the Water and Sewer Fund.

The Camden Centre has a small ending balance and is running in a monthly deficit. Mr. Seiver explained during the Treasurer's Report, there are Cure Funds available, which can be used to reimburse costs lost related to the vaccination clinic held there. This reimbursement will help bring them into a stronger positive balance. The net position of the Camden Center was reduced by \$152,646 to \$989,747,

Water and Sewer has been doing pretty well overall. Operating Revenues were \$2,044,256 and expenses were \$1,634,758. Non-Operating expenses and revenue was -\$50,336 bringing the net position to \$359,162 for this year. The positive earnings brings the total net position to \$4,666,701,

The Police Pension Fund did very well with its investments and increased the total Investment Portfolio by three million dollars. The Pension Fund is funded at almost 77% which is very good.

IL Municipal Retirement Fund liability has been reduced by \$1,919,694 and the net position has increased by \$3,046,785. The liability of the village has been reduced by \$4,966,479 this was possible due to the good return on investments.

The IMRF and Police Pension Funds are now considered assets.

The TIF Compliant letter states the village has operated all TIF Funds in compliance of the State Statutes of IL regarding Tax Increment Finance.

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There being no questions on the presentation, Trustee Stickell moved to acknowledge and accept the 2020-2021 annual audit of the village. Trustee Zimmerman seconded the motion. All Trustees voted "Aye". Motion carried.

Trustee Zimmerman stated he had a Finance Meeting last week with Trustee, Wilson and Hubbard and Mayor Dawson and Administrator Seiver. They are setting up a plan to correct all findings on the audit. They will be requesting a monthly action item register monthly to discuss the progress on these items.

Discussion Regarding the Upgrading of the Wastewater Treatment Plant and Water/Sewer Rates

Mr. Kevin Farrell, Superintendent of the Wastewater Treatment Plant stated he hosted a tour of the plant to several Trustees and Village staff. It gave them an idea of how the plant processed black water. The treatment plant was built in 1967 and the last update was in 1991 when a second final clarifier was added. EPA is in the process of writing up new requirements for the treatment of sewage. Milan's plant will need quite a bit of upgrading in order to renew their permit, which will expire in the next 2-3 years.

Milan hired Strand Associates in May 2021 to write IEPA required letters regarding the plant. They have prepared a visual of the plant with the installation dates of the equipment. As you see three excess flow lagoons and one excess flow pump station and a mechanical bar screen were added in 1987 and in 1991 the second final clarifier was installed. That is the history of the plant. As you see there will be quite a few updates to get it approved by the IEPA.

At this time Strand Associates is evaluating the WWTP needs and developing proposed improvements and costs to get it up to IEPA standards. A IEPA Project Plan is necessary to qualify for the IEPA Water Pollution Control Loan Funding Program.

One of IEPA's newest requirements is to reduce the total phosphorus and nitrogen effluent limit to 0.5 mg/l by the year 2025-2030. The current plant cannot do this. The IEPA has a principal forgiveness if you qualify, which the village does qualify for. The village's total points is 50 based on population and medium household income, so Milan would qualify for up to a 30% subsidization, which will be capped for qualifying public loan recipients and applied only to eligible project costs.

The preliminary implementation schedule runs from December 31, 2021 through July 2026.

Mr. Farrell stated the Federal government has passed the Presidents 1.2 Trillion dollar infrastructure bill in August 2021 and is waiting for the President's signature. The bill includes \$55 billion dollars for drinking water and wastewater infrastructure and the funding is mainly appropriated through the following state revolving fund provisions. The drinking water state revolving loan fund is funded at \$11.712 billion over five years a state match of 10% is required, while from 2024-2026 a state match of 20% is required. 49% of the funds shall be used to subsidize eligible recipients with up to 100% forgiveness or grants or a combination of the two. Salaries and administration will be covered at 3% the first year of the program and 2% in the following four years.

The legislation includes a new dedicated lead service line replacement fund totaling \$15 billion. The funds provided under this new program are not subject to the matching or cost shared requirements. Milan's downtown is mainly the affected area.

Mr. Farrell stated the funds are available now, but we are not ready for any construction to begin. We have to maintain service while all upgrades are being done.

Administrator Seiver stated the ARPA Funds may not be feasible for the plant upgrade at this time but there seems to be plenty of forgivable loans and low interest loans available. At this time the village has a General Obligation Bond for Water and Sewer. This bond could be paid off and a lower interest rate bond could be taken out for STP upgrades. Strand Associates can look at all sided of the way to approach paying for the upgrade and give us advice on what is best.

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Trustee Wilson stated it was an eye opener to learn about the treatment plant and the need for upgrades. She is in complete support of the project to upgrade and is willing to work with Bi-State on low interest loans and grants available.

Committee Reports

Trustee Stickell stated Mr. Moller, Building Inspector gave the Board Members a copy of a one year report on the number and revenue building permits have brought in since January. He stated the amount of the permits is impressive as the cost of lumber went up approximately 300% for most of the building season this year. Trustee Stickell stated Milan has a very knowledgeable Inspector and keeps up on things around the village.

Inspector Moller stated the village owned building at 321 West 2nd Avenue has a 7.5 ton heating unit with a cracked heat exchanger.

In this emergency situation, where lives could be lost, he has gone ahead and got two bids on a new furnace. The bids were Crawford Heating in the amount of \$9,970 and Schebler Heating and Air in the amount of \$11,640. Since this is an emergency with life threatening possibilities, he ordered the replacement heater from the low bidder, Crawford Heating in the amount of \$9,970.

Mayor Dawson stated he was correct in getting the bids and ordering the replacement heater from the low bidder and the Council can vote on the purchase at the next meeting.

The consensus was that Mr. Moller was correct to order the heater due to the possibility of sickness or death for the workers in the building, if we were not prudent in correcting the problem.

Trustee Zimmerman stated at this time we are under contract with Schebler for our maintenance of heating and air conditioning services. He asked, will having Crawford Heating doing work jeopardize that contract.

Mr. Moller stated it would not.

Trustee Zimmerman thanked Mr. Moller and Chief Johnson for following up on a few things he asked them to.

Administrator Seiver stated he had a Milan business owner ask to purchase the old recycle site on West 4th Street. He would like to expand his business which is north this property.

In order to sell the property the Council must declare it surplus property. The property was used by Rock Island County Waste Management, but they did not want to purchase the property. They have since discontinued recycle pick up at the site. Milan has a very successful curbside recycling program and it now is making a slight profit. At this time we do not plan on expanding our recycling program, but it may be a future project.

Trustee Wilson stated the business wanting to purchase the property is her neighbor just north of her house. They are a very responsible business and keep the property clean of trash and products.

Trustee Stickell stated he would rather sell the property to a business to expand and this would get the property back on the tax role. If we wanted to start up a recycling center we have property which would be appropriate for it.

The consensus of the Board was to have Attorney Scott draw an Ordinance declaring the property surplus.

Administrator Seiver stated Matt Stern, owner of Nature's Treatment, approached him regarding purchase of lots 1 and 5 in the Milan Business Park. He and a partner would like to develop a craft grove for cannabis. They plan on a building between 5,000 and 14,000 feet for underroof growth. The permits and regulations are regulated by the State so the village has no part of that. Mr. Seiver stated the area of the two lots is approximately 10 acres. The advantage of selling the lots to Stern is to get property tax, energy consumption, and employment. The village is taking in a large amount of Cannabis Tax which is keeping taxes down for residents. If Illinois issues more cannabis licenses and Iowa adopts a law which allows growing and sale of cannabis, Mr. Stern's business would likely suffer. If he invests in this property the likelihood that he would move his business is more unlikely.

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The last appraisal of lots 1 & 5 was April 2019. The appraisal for lot 1 was \$340,000 and lot 5 was \$164,000. Karis offered to pay \$500,000 for both lots, which the village accepted. Eventually Karis's offer fell through. This is the first offer we have had since then.

The consensus of the Board was to have Administrator Seiver talk more with Mr. Stern and give an update at the January 3rd meeting.

Citizens Opportunity to Address the Board

Mayor Dawson asked if anyone from the audience would like to speak. There were no comments from the audience.

Adjourn

There being no further agenda items to discuss, Mayor Dawson asked for a motion to adjourn the meeting.

Trustee Zimmerman moved to adjourn the meeting and Trustee Wilson seconded the motion. All Trustees voted "Aye". Motion carried.

The meeting adjourned at 6:50 p.m.

Barbara L. Lee, Certified Municipal Clerk