

REGULAR MEETING OF THE LEXINGTON CITY COUNCIL

September 23, 2019

7:00 P. M.

The regular meeting of the Lexington City Council was called to order at 7:00 P. M. by Mayor Spencer Johansen in the City Council Chambers at City Hall.

Mayor Johansen led the council in the pledge of allegiance.

Roll call was taken to find the following physically present: Mayor Johansen, Alderman Schreiber, Alderman Colclasure, Alderman Richard, Alderwoman Wilson and Alderman Stover with Alderman Franklin absent. Members of the staff and public present were: Chief David Belvery, Don Cavallini, Paul Deters, Dottie Pignotti, Jon Kemp, Judy Thomas, Kenneth Sours, Mike Beard and Colleen Morency.

It was moved by Alderman Colclasure and seconded by Alderwoman Wilson to approve the minutes of the September 9, 2019 meeting. Motion carried unanimously.

It was moved by Alderman Stover and seconded by Alderwoman Wilson to approve the treasurer's report and pay bills in the amount of \$41,368.91. Motion carried unanimously.

Public Input: Dottie Pignotti has been to the council meetings before and she would prefer for the love of our children that the shops on Main Street have family friendly shops and not cannabis dispensaries. The question was asked if she was opposed if the dispensary was not on Main Street to which she replied that she doesn't want it in town.

Judy Thomas stated that she has done considerable research on the cannabis issue and had mailed her findings to each alderman. She was surprised by the research that cannabis caused mental illness and lead to more domestic violence.

She also wondered if anyone had talked to the Chenoa Restaurant owner about his gaming machines. His business and reputation went down considerably when he put them in because the town did not want them there. After he took them out his business returned. I am concerned about Lexington's image and reputation if we put in a cannabis dispensary.

She has also talked to someone who lives in Colorado, and yes, if you are looking at just the money, cannabis brought in a lot of money. What happened was that all the people on welfare from the states around Colorado moved to Colorado so that welfare went way up and they wished they had not done it.

Have you talked to the Mayor of LeRoy as to why they decided not to have cannabis in LeRoy?

Jon Kemp stated that he does have poker machines in his establishment and does not feel that they have negatively impacted his business. He is the one wanting the cannabis license to operate in the town of Lexington. You can find any information you are looking for on the internet. He wasn't looking for negative and found positive information other people were looking for negative information and find what you want to hear. He wants to bring a lot of positive and money back into the community. He wants to support the future.

There are only 75 cannabis dispensary licenses being issued by the State of Illinois. The percentage of his getting a license is only about 15%. That is why we are investing with a firm out of Boulder, Colorado. We are investing our time and our money to try to further our investment and obtain a license.

Colleen Morenzy lived in Colorado for eight years and she cannot speak to everything but for the time she was there the taxes that they charged people did amazing things for the roads. They had horrible roads before. People were able to legally grow it. She cannot speak much about the cannabis but she does use the CBD oil that comes from the cannabis. She has had amazing results from the oil.

The reason she is here she has two issues in regards to the apartment building. She is trying to make it a beautiful place and not cut any corners in her remodeling. She doesn't know what to do about the garbage from the next door premises. The neighbor was a tenant when she bought the building and now leaves his garbage all over his property and will be an eyesore for her tenants looking out their apartment windows.

She has a lot of sweat equity in this building and feels that the next door property is decreasing her property value and her ability to rent to good tenants. This is her retirement and she wants to be proud to own it. She does not feel she can have next door neighbors with that amount of garbage. They have been served before for violations.

She plans to put a fence up along the back but the upstairs apartments can still see. Then what happens when you do serve them is they clean it up for a little while then it is right back like it was. Mayor Johansen will see if there is something we can do to alleviate this problem.

The other situation she was having was she wants to have her street asphalt paver for parking. She has reached out to Mclean County and they keep giving her to two or three different voice mail. She has been doing this since May. She has been to so many voice mail and not one return call back. Mayor Johansen will contact someone tomorrow and make sure they call her back.

Mayor Johansen was not at the last council meeting and he would like to remind everyone that the council needs to keep an open mind on anything that is brought before the council. He appreciates and respects everyone's opinion. Something was said last week about the businesses closing on Main Street and he is well aware of the business closing on Main Street but we need to keep in mind those businesses have closed because of retirement, health

reasons or job transfers. It is nothing the City is doing to drive anybody out of business and we are working constantly to bring businesses to town. The City has offered incentives to bring businesses to town and have brought two businesses to town and are working on more. We have offered no deals to any big companies. We have not offered any long term tax rebates or anything to Casey's. We are putting in a road for Casey's because it will bring more businesses to town. We have to look to the future.

Mayor Johansen is in support of the cannabis. He does not look at it as tax dollars coming in, he looks at it as more controlled than what it is now. Now they can buy it out on the street and it is laced with who knows what. This way it is controlled. To say that cannabis causes brain damage etc., talk to the 80,000 people in the State of Illinois that are on medical marijuana. He feels that the controlled product will be better than what's out on the street. It's coming and we can't stop it from coming to Lexington. We can't stop those with a medical Cannabis Card from growing it in their houses and we can't stop the people from going to Bloomington and buying it and bringing home to Lexington. We can't control that but we can control if we allow one we can control whether they consume it on the premises or not. He is not for that. If they want to go in and buy it for whatever reason and take it home, that is up to them. We can control the location and the hours. I understand everybody's argument, but if we do not look to the future and the opportunities that are there. He doesn't know where we will be in 10 years. He thinks it is something the council should consider. He does not get to vote unless there is a tie vote. His opinion is we should move forward with it.

Alderwoman Wilson reminded them that if we lose our school we lose our town.

The question was asked about the windmills, they were to be for the school. Mayor Johansen answered that the windmills have nothing to do with this. We cannot stay in the mindset that we want Lexington to grow but we want to dictate how it grows. Who can tell me how it should grow? What businesses should we bring and how do we bring them?

Mayor Johansen says today's world is an internet shopping world, you can go online and buy something today and have it delivered tomorrow. If you don't like it return it tomorrow. The retail shops are not coming to the communities. Look at the malls, look at the big box stores are closing because of the internet sales. When we can bring a business in, some people like it and some don't, we are still serving the people.

Old Business:

Discussion/Vote Ordinance 2019-7 Cannabis Retailer's Occupation Tax

Mayor Johansen wanted to stress that if we pass this ordinance it does not mean we are voting to allow cannabis sales in the city. This is only to allow us to collect a tax on the sale. The state is requiring that this ordinance be passed before October 1, 2019.

If we miss this opportunity and five years down the road we decide we want to allow the sale of cannabis we will not be able to vote it in then.

There was a question regarding who this tax was paid to. This 3% tax is remitted to the State of Illinois and they in turn will pass on our share to us. That is the same as the tax on alcohol and gaming. The draft of this tax should be out by December 1 and should be the same as the Motor Fuel Tax.

Motion was made by Alderman Richard and seconded by Alderman Stover to approve Ordinance 2019-7: Cannabis Retailer's Occupation Tax. Motion carried with four yes and one no.

Discussion Cannabis Control Act

Mayor Johansen has returned from attending the IML Conference and included a slide presentation on the Illinois Cannabis Act which he found very informative and he has more information to share. Feelings at the conference ran about 50/50 for or against the act with no in between. He would like to put this on the agenda for a vote in October.

Discussion/Vote Ordinance 2019-8 Surplus Property

Mayor Johansen explained that this is the property where the old City Hall was behind Patton Park. He has a party interested in buying it and putting up a new structure and a retail business. It does not include Patton Park.

Motion was made by Alderman Stover and seconded by Alderwoman Wilson to approve Ordinance 2019-8 Surplus Property. Motion carried unanimously.

New Business:

Discussion/Vote Loan Forgiveness Kelly's on 66

Alderman Stover started the discussion by saying that Kelly's on 66 was a great business but that he was financially strapped for money. He had to borrow a lot of money to get his business up and running and the city offered him a loan but no incentive. His scheduled loan payments is what Alderman Stover would like to address at this time. After Kelly did he work to his building, Kelly's property taxes has increased and he would like to see a decrease in his payments annually by the amount of his tax increase. Alderman Stover also proposed that we dismiss the interest on the loan due to the fact that he does employ local people, he is a reason people stop here and he didn't get any incentives other than financing. The amount of the interest payment over the 12 years is \$7,500, this would equal an incentive range of \$7,500. He spent around \$250,000 to get up to speed to open and we still have \$50,000 coming back that we loaned him. Alderman Stover's proposal is to forgive his tax increase annually of \$1,653 and \$7,500 in interest.

Alderman Colclasure has no problem with the amount of taxes as everyone's assessment went up and Kelly has brought a lot of notoriety to the city. Anything we can do to help him will

make a difference to his business. Alderwoman Wilson agreed with this and the sales tax he brings in. Alderman Richard thought the original idea was to forgive some of this loan in the future after seeing what his performance was like. Mayor Johansen agreed there are constantly cars from all over and anything we can do to help should be done. He has put Lexington on the map.

Motion was made by Alderman Colclasure to forgive the original interest on Kelly's on 66 loan as long as it did not set a precedence. For lack of a second the motion died.

The question was asked what if his taxes went up again next year? Alderman Stover wants to show good faith and that we want to work with him.

Motion was made by Alderman Stover and seconded by Alderwoman Wilson to dismiss the interest portion of Kelly Tobin's loan the amount of \$7,500 as well as reduce his principal payments by \$1,653.50 annually which is the excess property tax over the original property value. Motion carried with three yes and two no.

Discussion/Vote Replace Computer Sewer Plant

Mayor Johansen commented that all Aldermen had the proposal from Farnsworth Group regarding the purchase of a new computer for the Sewer Plant.

Mike Beard started the discussion by saying that he needs a new computer system at the Sewer Plant. The computer that he has is 10 years old now. He cannot see what is happening at the plant. He thought he could replace it for about \$4000-\$5000 but it turns out it is going to cost around \$12,000, labor and parts, to replace computer and upgrade the programs. The money is not in the budget and he does not know how he is going to pay for it. He needs to know how the sewer pumps are running and the old computer is shutting off at odd times maybe once a week or once every two weeks. When it does this he does not know what is happening at any of the pump stations. He feels this is something that we really cannot do without. All programs have upgrades and will not work on old computers. They have not paid for the upgrades and his computer is 10 years old. It is cheaper to buy new programs after 10 years than to pay for the upgrades. He talked to our new computer person but it was way above his knowledge. Mike said he could come up with half of the money. Alderman Stover felt he could come up with the other half out of the General Fund. Mike felt that if we kept paying for the program upgrades in five years all we would need to replace would be the hardware.

Alderman Colclasure felt this was a need the city had, if the sewer goes down we are in trouble.

Motion was made by Alderman Colclasure and seconded by Alderman Richard to approve \$13,000 to replace the computer for the Sewer Plant. Motion carried unanimously.

Mayor's Report: The next meeting will be on Columbus Day and the first meeting in November will be Veteran's Day.

The IML Conference was very informative and he gained a lot of information on the topics of Retail Business and Cannabis, what the trends are and how we can attract retail businesses. He is in the process of typing his notes up and will get everyone a copy.

Mayor will be working from home after October 8th.

Star and the Mayor met with representatives from Gridley and El Paso and they wanted to combine efforts for this years Christmas on the Prairie. Each town would promote the other town. He thinks it is off to a good start and all three communities will work good together.

Checkers are working out there and expect to be open between Thanksgiving and December 1.

Still no new word on the Brewery.

The bids for selling the Water Truck are to be opened October 14th at 3:00 p.m. and we will bring to the meeting that night.

The address change calls have decreased and everything seems to be going smoothly. The county had a glitch in working with the Post Office and some of the utilities but that seems to have been straightened out.

City Wide Halloween Party will be October 27th at the school. They will need help serving hot dogs and clean up.

Envenergy is hosting a Blooming Grove Wind Energy Center meeting Tuesday night from 6-8 p.m. at the Community Center. He was not sure what they were going to discuss but he was planning to attend.

He has heard from Mark Hanson and Casey's has asked for a 90 day extension on the closing date.

The county should have everything approved for the road and we should be ready to put out for bids. Bids are good for three months.

Police: Alderman Richard reported that the police car had hit a deer and there was a little damage.

Building/Insurance: They were still waiting on Brandts to look at the appraisals on the property and they began the renewal process on the property insurance.

Finance/TIF: None

Water/Sewer/Sanitation: None

Street/Alley: None

There being no further business a motion was made by Alderman Richard to adjourn at 8:03 p.m. Motion carried by unanimous voice vote.

Respectfully submitted,

By Pati Pease

City Clerk

Approved: October 14, 2019