

REGULAR MEETING OF THE LEXINGTON CITY COUNCIL

July 22, 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 Franklin, Alderman Richard, Alderman Colclasure, Alderwoman Wilson and Alderman Stover. Members of the staff and public present were: Chief David Belvery, Don Cavallini, Paul Deters, Michael Whalen and Jim Whalen.

It was moved by Alderman Colclasure and seconded by Alderwoman Wilson to approve the minutes of the July 8, 2019 regular City Council meeting. Motion carried unanimously.

It was moved by Alderman Stover and seconded by Alderman Franklin to approve the Treasurer's Report in the amount of \$31,330,70. Motion carried unanimously.

Public Input: Paul Deters, the new superintendent of the Lexington Schools wanted to thank everyone for what they have done for the school system. He hopes to be around for at least the next decade. He invited the council and mayor to stop by anytime to meet with him and he looks forward to working with the council in the future.

Old Business:

Discussion Surplus Property

Alderman Franklin would like to get together with the Property Committee to come up with some ideas to see how to proceed with the surplus property. There are people that are interested in the property and he would like to make a recommendation to the council at the next meeting. There is already an ordinance approving the selling of surplus property so it is more or less which properties we want to sell and how to do it. We are getting some interest in leasing out the salt shed for a year or two. Alderman Franklin thought the shed could be emptied and they have an interested party in leasing that space. Aldermen Franklin, Colclasure and Schreiber have set a meeting date for August 12, 2019 at 6:00.

New Business:

Discussion/Vote Mayor Attending IML Conference

Mayor Johansen stated that this is an IML conference and that he could gain a lot by attending. Courses included are: Local Regulation for Cannabis Businesses, 8 Best Practices for Selling Your Community to Retailers, Funding Opportunities for Rural Communities and Capital Planning for

Small Municipalities. He felt he could attend with hotel and registration for under \$1,500. The conference is the end of September. Motion was made by Alderwoman Wilson and seconded by Alderman Richard to send Mayor Johansen to the IML Conference in September. Motion carried with five yes and one no.

Discussion Illinois Cannabis Act--City Position

Mayor Johansen started this discussion. He has given each councilman information on the Illinois Cannabis Act. The City needs to decide what its position is going to be.

There are two options. Option number one being no, we don't want anything to do with it. We would need to pass an ordinance to the effect.

The other sample ordinance is the Retailers' Occupation Tax which is 3% and then the Municipal Cannabis Business Zoning Ordinance.

These came from the IML. The reason Mayor Johansen put it on the agenda for discussion is because he does have someone very interested in doing this. There is a very hefty fee for this and they need to hire a company to do a lot of the paperwork for them. They wanted to know how the council felt about this. He told them we would not vote on it for a while but we would discuss it. They need to have their deposit in to the company by August 1st and it is a large amount.

Alderman Colclasure and he discussed it and he does not want to do it just for the revenue part of it. Mayor Johansen does not agree 100% because he feels the council is here to generate revenue for the city. We need to explore the possibility. We can move forward and see how it goes. We can regulate it like we do the liquor license. They can come in and they would need to get a license to operate in town and we can put a limit as to how many in town. And the 3% tax we could ear mark that for something special as we did for the gaming. Have it go back to something positive. The state is going to do most of the regulating on this. We only need to decide how we want to control it.

The question was asked if every small town would have one to which the answer was Mayor Johansen did not think so. He thinks the state will regulate how many will be in the state. He thinks this licensing phase right now is going to be the key. Whoever gets them now will be the only ones for a while until the state decides they need more.

Alderman Colclasure spoke about the amount of information on the internet. He would go along with medical marijuana but he is concerned with the unintended consequences in the schools, even though the age limit is 21, it is still a problem with students.

Alderwoman Wilson has more of a problem with the gaming than the marijuana, personal destruction. Mayor Johansen agreed with her and stated that the only way to get a gaming license was to get a liquor license.

Mayor Johansen understands law enforcement concerns and the amount of training they are going to have to do, but that is not for the council to decide how much training they have to take for this. That is for the state to mandate training and for the police department to follow thru with it. He does not know that it will create that much more work on our local law enforcement.

The question was asked if law enforcement had to take additional training if the town sold mariuana to which Chief Belvery did not know the answer.

Chief Belvery would encourage each councilman to do a little bit more reading on the problems that Colorado has had since they have adopted this.

We don't associate, the chiefs of police, sheriffs, and states attorneys lobbied very hard to prevent this and with very good reason . We have a beautiful community here and I'm not sure you want it to be known that you have one of these dispensaries. I would encourage you read you will see why the chiefs and sheriffs oppose this. Colorado was just one state, Washington, California and Oregon they all experienced the same problems.

Mayor Johansen agrees that we need to keep an open mind when we research this. Even if we say we are going to allow it, they still have to come to us to get a license. We have to approve the facility, etc.

TIF Request Envy Fitness Center

Alderman Stover introduced Mike Whalen and his father Jim, the owners of Envy Fitness Center. The Center is going to go into the old Auction House owned by Karen Wingo. They have agreed on a rent and the application is for the Retail Loan Subsidy Program where we provide portions of the rent throughout the first year and reduces by 25% every three months. Cost to us would be \$15,000. There is a come back of a percent of the gross sales so if everything takes off some of that money will come back.

For anyone who has been following it he has a tremendous following on facebook. He has 400 followers already. He currently runs one in West Dundee, IL and has been very successful and Alderman Stover feels he will be successful here.

Alderman Stover feels that this is a good option for the city to offer this to the community with little expense to the city or the park district or school.

How the program works, we pay 100% of the first three months rent, 75% for the second three months, 50% for the third three months and 25% for the fourth three months. Total \$15,000. In pay back we get 5% of gross sales for the first three months.

Mike Whalen is thinking of charging \$25 per month membership. Chenoa charges \$35 single and he wants to make it cheaper but is unclear at this time. Thinking \$25 for a single and maybe \$40 for a couple.

Karen is to be out in September and he plans to move in on October 1st, opening November 1st and official grand opening December 1st. He plans to open whether he gets the loan subsidy or not.

The question was asked about the equipment, that it was pretty expensive. He has had two orders come in which Karen has allowed him to put in the building. That has been around \$10,500 and he plans to spend around \$25,000 on equipment on the initial opening. Then he plans to do events and put the proceeds back into the center.

Motion was made by Alderman Stover and seconded by Alderman Richard that we approve the Retail Loan Subsidy Program Application for Envy Fitness Center. Motion carried with five yes and one no.

Discussion/Vote Casey's Subdivision Plat

Mayor Johansen told that the Planning Committee met right before the council meeting this evening and they recommend that we approve the subdivision plat. This is a formality that we must go thru for zoning purposes.

Mayor Johansen did have the latest plan for Casey's. One thing they did do was they only had one exit and entrance over on the new street and that is a call they made. One plan had two of them but it would take beyond that 220 feet of road we are going to put in and we are not going to put any more road in. The diesel will go to the back. The engineers might change their minds and add more road themselves and put that second entrance in.

They did call with questions on their building permit, so they are getting that filed. They are pushing the Farnsworth office in Champaign to get the plans done for the building.

We will need to pass an ordinance and Mayor Johansen will have that ready at the next meeting.

Motion was made by Alderman Stover and seconded by Alderwoman Wilson to approve the Casey's Subdivision Plat. Motion carried unanimously.

Committee Reports:

Mayors Report: Mayor Johansen passed out a sample letter to send out to the residents whose addresses are going to change for the E911. Still to be done is the renaming of the street names that need to be done. He put the start date of November 1st. This letter puts everything back to the county for their complaints. When the letter goes out and we start getting calls, we just refer everyone to the county. He hopes to have an updated list with names to everyone by next week.

The question was asked about reimbursement of the house numbers if they have their numbers set in stone in front of their house. There is money budgeted for that. The county is not going to pay for it and the state is not going to pay for it. The average cost is \$230 dollars to change

that. It was brought up that there will be several things that will need to be changed some will include a charge: title, license, FOID, etc.

Mayor Johansen asked Mike Beard for a report on the zoning. He passed out a report on how many building permits had been issued and what they were for since the first of the year. It is based on the amount that you are going to put in the building. Checkers is \$800 + and shows they are doing quite a bit of work out there.

Mayor Johansen has received an email from the Hudson mayor. They are looking at salaries for their councilmen and mayor. If anyone is interested in adjusting our salaries, now is the time to do it in order to as we have just so long before the next election. He was saying that Farmer City has a population of about 2,000 and they have a city manager plus a mayor. The city manager makes close to \$100,000 a year. Salaries have not been raised for a long time.

Mayor Johansen and Alderman Stover met with the Snyder Group again today and discussed the subdivision off of Orange Street. This is a 30 acre tract and 8 of it would be an apartment complex and the rest would be a residential subdivision. In order for us as a community to move forward for the school and for the city, we have got to bring more houses to town. We are down to four lots in the Trail Ridge Subdivision, then we are out of building lots. He does not want people to say the reason I didn't move to Lexington is "I couldn't find a lot to build a house on." Snyder would come in and probably do some spec homes. The first part would probably be the apartment complex. They are talking about two unit apartments, upper scale apartments with a swimming pool and rec center, etc.

Alderman Stover commented that Snyder really liked the location and the apartment complex is really going strong in the current market. He would do that alone. There would be 44 single family lots.

Mayor Johansen thinks that when we talk about putting apartments up with a swimming pool and rec center, that is something that no other small community around here offers. He thinks it will attract residents. There will be 25 apartments in each building.

They are still in the talking stage with the property off Orange Street but it is a lot cheaper than the property behind Dollar General and does not have to have as much done to it. This property could also be connected to the walking trail, is close to the school and park district. The Dollar General property would require a pumping station.

There followed a discussion as to how much of an increase in population this would bring to the town and to the school system. Currently the school system has increased for the last 4 years now and this year is up 13 students. We are the only small town around who has seen an increase in students. We are 78% locally funded.

This property is also in the TIF district. There is 12 years left on the TIF.