

JOURNAL OF PROCEEDINGS  
REGULAR COUNCIL MEETING  
November 5, 2007  
7:00 PM

CALL TO ORDER: 7:00PM, Council Chambers, City Hall by Mayor Kirichkow.

ROLL CALL: Present & answering to roll call were Commissioners Clifton, Griffin, Stone, Redieske, and Mayor Kirichkow.

City Clerk Marilyn Hartley & City Attorney Jeff Livingston were present.

Department Heads in Attendance:

Police Chief Schultz  
Fire Chief Ken Morse  
Street Supt. Brian Hedrington  
WTP Supt. Ed Vanderbosch

Others in Attendance:

Michael Salmons, Finance Director  
Police Sgt. Brad McCaslin

PLEDGE OF ALLEGIANCE:

Recited by all members present.

JOURNAL OF PROCEEDINGS:

For the Special Council Meeting and Regular Council Meeting held October 15, 2007 were approved, as presented, with copies mailed to Council Members for review on a motion made by Commissioner Clifton, second by Commissioner Griffin. Voice vote carried the motion.

For the Special Council Meetings held October 18, 2007 scheduled for 5:30PM and 6:00 PM respectively were mailed to each Council Member for review.

Commissioner Redieske disagreed with the minutes as recorded. Sequentially Clerk Hartley explained and Mayor Kirichkow confirmed the non-action that was taken by Council at the Special Meeting held October 18, 2007, as well as Council not re-convening to open session at the Special Meeting held October 24, 2007. Commissioner Redieske disagreed and made the motion to disapprove the meeting minutes. The motion was second by Commissioner Clifton. Roll call vote tallied 3 ayes and 2 nays by Commissioner Griffin and Mayor Kirichkow.

For the Special Council Meeting held October 24, 2007 were mailed to Council Members for review. Commissioner Redieske disagreed with the minutes as recorded and made a motion to disapprove the meeting minutes. The motion was second by Commissioner Stone. Roll call vote tallied 3 ayes and 2 nays by Commissioner Griffin and Mayor Kirichkow.

REPORT OF OFFICERS: RESOLUTION 5301 Resolves that Claims to be paid covering the period from October 17-November 2, 2007 totaling \$298,347.10 be approved for payment. Commissioner Clifton moved to approve, second by Commissioner Griffin. Voice vote carried the motion.

Monthly Reports from the Police and Fire Departments were presented to Council.

Minutes of the Zoning Board Meeting held October 22, 2007 were presented to Council.

CORRESPONDENCE: A Petition entitled "We the Undersigned Residents of South Beloit Oppose the Tax Deal Made with Weingarten Realty Investors. Furthermore, we implore the City Council to renegotiate a better deal for the community of South Beloit" was presented to Council Members. The petition accounted for 376 signatures. A copy is attached herewith and made a part of the permanent record.

PUBLIC PARTICIPATION: The following have identified themselves and the agenda item they wish to address:

**Unfinished Business:** - Item 2  
Maurice Kehoe, 344 Liston Avenue  
Steve Brooks, Legal Counsel for Road Ranger  
Don Ergen, 2027 Blackhawk Blvd.  
Todd Edge, 232 So. Park  
Judy Guigliardo, 1002 Dorr Road

**New Business: Item 8**  
Todd Edge, 232 So. Park  
Terrance Reneau, 255 So. Park

**Licenses and Permits:**-Curb cut  
Sandra Merrimon, 5503 Wynmere  
Scott Carlson, 14831 Misty Meadow Lane

UNFINISHED BUSINESS: From the Special Council meeting held at 6:00PM October 18, 2007 the following addenda item and Council action was ratified on a motion made by Commissioner Clifton to accept the offer for payment of delinquent sewer user fees from Ron Hargrove at 14069 Reston Drive to pay \$258.57 October 19, 2007 and \$250.00 November 22, 2007. Commissioner Griffin second the motion and by voice vote, motion carried.

Mayor Kirichkow opened discussion with the public in attendance regarding the Sales Tax Incentive Agreement for the Target development area. Comments from those recognized in the audience are as follows:

Maurice Kehoe, 344 Liston Ave., So. Beloit, IL

The City will experience excessive sales tax loss to give it to the developer. When he served on the City Council Road Ranger and Flying "J" did not request special incentives to locate in South Beloit. He feels the City should re-negotiate the incentive agreement in the City's favor with less loss of sales tax revenues.

Steve Brooks, legal counsel for Road Ranger-Gardner St & Shirland Ave.

The City should reject the Sales Tax Incentive Agreement.

Road Ranger has a vested interest in the City with two locations and this sales tax incentive agreement is a BAD DEAL. To give a 25 year sales tax rebate is un-heard of. It puts the city in economic jeopardy for a long time. The City is guaranteed that only Phase I of the project will take place. There is no guarantee that Phase II and III will happen because there is no incentive to do so and the developer has not committed to do so. There is no time line to build 200,000 sq. ft. of retail space. A 10 year sales tax incentive agreement is more than sufficient with a revenue split and both entities win. The City is guaranteeing \$13,000,000 for 25 years. He is not against the development but the agreement is bad for the City. Would this development be possible without this agreement, he asked. Council needs to explore options. If the Council approves this agreement it could be legally challenged and Road Ranger would join the challenge.

Don Ergen, 2027 Blackhawk Blvd., South Beloit, IL

Has mixed feelings. The dollars are projected figures only. He favors the project but real estate tax is the only revenue the project will generate for the City.

Todd Edge, 232 So. Park Ave., So. Beloit, IL

Has mixed feelings. He favors the development. Road Ranger and others who are large housing developers have received various incentives to locate in the City. The agreement could tie the hands of future Councils.

Judy Guigliardo, 1102 Dorr Rd., So. Beloit, IL

Presented a petition to the City Council signed by 376 residents requesting the Council to “go back to the table and get a better deal”, she said. The voting public wants the Council to get a better deal for the City.

Mayor Kirichkow said in October, 2006 the sales tax incentive agreement provided for a 70/30 split in sales tax revenues accounting for \$2.8 million dollars in incentives and the developer said he would not come back to the City for anything.

Then the developer came to the City again and said a second Top 10 anchor store was coming and they needed an additional \$1.9 million dollars and the city approved that on 70 acres of land and they would not come back to the city for anything.

Target has paid \$22,000 for their building permit and have paid to bring water to the site. The City has paid \$1200 to the I-EPA to speed up the permit process. Oakfield Development is looking to sell to the following investment companies; Weingart, Vista Red, and Kilduff Real Estate.

At the October 18, 2007 Special Council Meeting Larry Kilduff explained that Bergner’s and Target would build 100,000 sq. ft. building without a second anchor store. The 70/30 split was discussed but council took no action at that time.

At the October 24, 2007 Special Council Meeting George Ruff and Dan Baumann from Oakfield Development Corp. another agreement was presented to the City Council for 16 stores to be built on 39 acres of land. This agreement changed the sales tax revenue conditions the city would receive. He made his comments known at the time and the vote in Executive Session was 4 in favor and 1 opposing.

On Friday November 2, 2007 another agreement was presented from what was presented on October 24<sup>th</sup> to the Council in Executive Session. This agreement showed 6 stores have been removed from the agreement presented to Council on October 24<sup>th</sup> along with a reduction in developed acres for Phase I to 30.96 acres. The original agreement guaranteed 8% interest. Sec. 2.09 of the new agreement is a “red flag”. Everything changed after the October 24<sup>th</sup> meeting, Mayor Kirichkow said.

Attorney Livingston said on page B-3 the reimbursement agreement is 9%. 8% on the agreement but 9% on the chart. This is a new note and the interest is not shown so there are questions to be answered. There is a provision in the original agreement where the city can hire a consultant at the developer’s expense to aid in the negotiations if the city enters into the agreement.

At 5PM today, November 5<sup>th</sup>, Commissioner Redieske received a copy of a new agreement and provision 2.07 was changed to read as follows:

“2.07 Preference. From and after the Commencement Date, the Developer shall be entitled each year to a minimum payment of sales taxes as depicted on Exhibit C; provided however, the City shall only be required to pay the Preference in any given year to the sufficient sales taxes is generated from the Phase I Project in such year.”

In section 2.10 Target receives the land at no cost. This provision reads as follows: 2.10 Retail Tract. The approximately 11 acres of the property being conveyed to the Anchor Tenant at no cost to the Anchor Tenant.”

Mayor Kirichkow said the City is paying for the land given to Target through reimbursement of sales tax per the agreement.

The value of the land has shrunk. Under “Recitals” of the Agreement paragraph C needs to be changed.

When asked, City Attorney said this is one of the exceptions where a council can bind councils of the future.

Commissioner Stone said the articles are based on projections. He would like to see numbers that are valid on paper.

Commissioner Redieske commented on the petition that was circulated and said that residents may not have signed the petition if they had facts. He feels the developer knows what he is doing and is smart or they wouldn't build here. The project will bring jobs to the community and there is another 40 acres to be developed.

Commissioner Griffin was not an elected official at the time the original agreement was signed he said. The development will bring jobs and business into the city but he feels the council should be wise and re-negotiate the incentive agreement. Sales tax revenue loss will be realized with the recent loss of the Central Ford and Finley GMC dealerships.

Commissioner Clifton feels the development will bring 300 jobs and the city should be more flexible in Phase I than Phase II and III. Target has to come or no one will come. Target performed their demographics and they know why they want to locate in South Beloit. She feels the project is good for the city. The Target project puts no burden on the city services or city sewers, she said. Other developers have received variances from the city and they didn't tell the City how much money they would be making. She feels the city needs to be flexible.

Mayor Kirichkow reminded Council members the "deal" has changed 3 times in 5 weeks. The land is prime real estate and not a depressed area and incentives are not needed. The site will develop with or without sales tax incentive agreements. The first agreement guaranteed the City would receive sales tax. The current agreement does not guarantee the City will receive anything.

The City has no budget for a new police officer, and the fire department needs to replace a full time firefighter. This agreement is not good financially for the city. He agreed to a 50-50 split of sales tax revenue. He opposes the "bait and switch" tactic used by the developer's who reduced the size of the acreage from 39 acres to 30 acres and removed 6 stores from the original agreement. He asked what will be fair next time. He is not opposed to helping the development but this agreement is "overkill" he said. The City taxpayers are subsidizing the developer and the landowner. The land was purchased by the owner for \$30,000 per acre and they are selling it for \$230,000 per acre. The State will receive 5% sales tax, Winnebago County will receive 1 ¼% and the City will return their share of sales tax to the developer/owner for the next 25 years. This deal is excessive and a "slap in the face" to existing businesses.

On a motion made by Commissioner Redieske, second by Commissioner Stone the First Amendment to the Amended and Restated Economic Incentive Agreement was approved. Roll call vote tallied 3 ayes, 2 nays by Commissioner Griffin and Mayor Kirichkow.

At their meeting held October 22, 2007 the Zoning Board of Appeals recommended the City Council deny a request for a 649 sq. ft. variance to construct a 26 x 32 garage and 1 ½ ft height variance from the maximum height requirement of 15 ft. to store a motor home at 15074 Northbrook Lane. Commissioner Clifton made the motion to accept the Zoning Board recommendation, second by Commissioner Griffin. Voice vote carried the motion.

Commissioner Stone made the motion to accept the Zoning Board recommendation to grant Commercial General (CG) zoning to the parcel of land adjacent to 6505 Stateline

Road, purchased from IDOT, to expand the existing use of the property by Northland Buildings. Commissioner Redieske second the motion and by voice vote, motion carried.

ORDINANCE 1748 Providing for City Easement-Exit One was approved on a motion made by Commissioner Stone, second by Commissioner Clifton. Motion carried by voice vote.

When asked, Attorney Livingston recused himself from reviewing the ordinance because his law partner is a party to the easement, previously stated at a meeting of the City Council.

RESOLUTION 5302 resolves that the City Council authorize the execution of contracts with Industrial Towel and Uniform to provide services to the Police Department, Fire Department, Street Department and City Clerk's Office. Commissioner Griffin moved to approve, second by Commissioner Redieske. Voice vote carried the motion.

Two quotes were received for the repair of damage to the WTP pickup truck from the following:

Drevdahl Auto Body	\$1377.51
Carlson Auto Body	\$1201.57

Commissioner Griffin made the motion to authorize and approve the quote received from Carlson Auto Body in the amount of \$1201.57 to repair the WTP pickup truck. Commissioner Clifton second the motion. Voice vote carried the motion.

NEW BUSINESS:

Police Sgt. Brad McCaslin along with Street Supt. Brian Hedrington explained and described circumstances surrounding damages at City Park due to the result of the Stateline Hawks football team. Sgt. McCaslin explained that he feared the outcome of a recent "bench clearing brawl" which occurred. The football games are open to others and these types of circumstances put all at risk. The players are very unprofessional as well as the coach and the spectators. The recent incident required assistance from 3 Winnebago County Officers, and 2 from Rockton. Supt. Hedrington stated photos have been taken of damages at City Park as a result of this group.

Commissioner Clifton said she will e-mail the Stateline Hawks and let them know they are not welcome on park grounds.

Commissioner Redieske made the motion to invoice Stateline Hawks for repair of damages at City Park due to their (Stateline Hawks) negligence. Commissioner Clifton second the motion and by voice vote, motion carried.

Commissioner Stone made the motion to approve installation of new flooring at the Fire Department and accept the quote from Carpet Mill Outlet USA in the amount of \$3,111.23 to perform the work. Commissioner Clifton second the motion and by voice vote, motion carried.

Commissioner Clifton made the motion to refer a request for zoning variances for Lot 88 on Cheney Drive and Lot 93 Lucena Court, Dearborn Heights-3<sup>rd</sup> Addition to allow a 30 ft. front yard setback from the required 35 ft. front yard set back from the front property line to construct multi-family units. Commissioner Redieske second the motion and voice vote carried the motion.

Commissioner Griffin made the motion authorizing pump and ladder tests for the Fire Department. Commissioner Stone second the motion. Voice vote tallied 5 ayes. Chief Morse explained that it would cost \$200-\$300 per unit for the pumps plus any repairs required and \$1360 to test the ladders and service them.

Commissioner Clifton made the motion to authorize the purchase of 50 stop signs from M. Todd & Co. at a cost not to exceed \$1700. Commissioner Redieske second the motion and voice vote carried the motion.

Commissioner Clifton made the motion to authorize the following purchases for the WTP:

Crab Tree Salvage-2000 GMC 2500 Truck w/stall box	\$3500.00
Finley GMC-engine for 2000 GMC	\$2300.00
Global-crane for 2000 GMC	\$1499.00

Commissioner Griffin second the motion and voice vote carried the motion.

Commissioner Stone made the motion to accept the quote to fence Lift Station No. 5 from Simmons Fence in the amount of \$3401.11. Commissioner Clifton second the motion and voice vote carried the motion.

Council members discussed the circumstances at 255 So. Park with homeowner Terrance Reneau.

Mr. Reneau said in the summer of 2000 he noticed the sidewalk in front of his home was cracked. He also noticed one day when he was doing dishes that his water pressure decreased somewhat. At that time he had no idea that he may have had a water line leak. Approximately 6 months went by and in April, 2001 he was walking to the store and noticed a 6 inch patch of the sidewalk in front of his home was wet. He traced it to a hedge in front of his home where he found water bubbling out of the ground. He then began to wonder if the water line break was the result of road work which had been performed for full reconstruction of So. Park Avenue. Mr. Reneau contacted Alliant and was informed that it would be the homeowner's responsibility to repair the water line because the break was on the inside of the sidewalk on Mr. Reneau's property.

Contractors would not perform the work without payment up front and Mr. Reneau said and he did not have the funds. He has contacted two former council members because he felt the city should be responsible to repair the line. He has been without water since April 2001 when he informed Alliant to shut off the water.

Former Council member Todd Edge, 232 So. Park said he has known Mr. Reneau for some time and he feels the City should be responsible to take care of the repair.

Commissioner Griffin feels this could open avenues for others on So. Park. Water lines have broken in other parts of the city and the homeowner is responsible for the costs if the break is on the inside of the sidewalk/property line. Attorney Livingston advised that the statute of limitations may apply here, which he believes is four years. When asked by Mayor Kirichkow, Mr. Reneau responded that he has had water provided to him by neighbors or has been with relatives elsewhere during April, 2001. There have been no other reports by homeowners on So. Park that an issue has arisen due to the road project. Council's discussion regarding 255 So. Park was laid over to get the engineer's opinion on a motion made by Commissioner Stone, second by Commissioner Griffin. Voice vote carried the motion.

The following quotes were received to install a new furnace at the park pavilion building No. 6 (BABBI building):

Fleming Htg & Air Conditioning:	\$1,450.00
Air Flow by Lennox AF 125 Furnace	
80% Efficiency, 125,000 BTU	
10 years parts, 20 year heat exchanger warranties	
2-year full warranty	
All Labor wiring and materials	
Custom Heating & Cooling :	
Goodman 80% single stage furnace	\$1,475.00
Extended Warranty-10 year \$180 extra	
Waterbury Furnace	
Amana 80% 2 stage 140,000 BTU	\$2,310.00
Goodman 80% 2 stage 140,000 BTU	\$2,165.00
Arch Heating & Cooling:	

Amana 80% 2 stage 90,000 BTU	\$1,900.00
Goodman 80% 2 stage 90,000 BTU	\$1,600.00
\$59 addn'l for filter grill on each	

Commissioner Stone made the motion to lay the matter over, second by Commissioner Clifton. Voice vote carried the motion.

Two quotes were received to provide electrical work for hook-up of the fuel tank at the Street Department from:

Witte Electric	\$2,978.00
McGilvra Electric	\$1,900.00

Commissioner Clifton made the motion to accept the quote received from McGilvra Electric in the amount of \$1,900.00 to perform the work. Commissioner Stone second the motion. The motion carried by voice vote.

At the request of Street Supt. Brian Hedrington Item 11-Authorization to purchase screens for the street sweeper was removed from the agenda.

The following pay requests were presented and approved for payment on a motion made by Commissioner Redieske, second by Commissioner Clifton:

So Beloit Lions-contribution for advertising	\$ 5,000.00*
Rock Road-MFT Project	\$17,980.43
Rock Road-Hot mix	\$ 610.80
R H Batterman-Eng'rg MFT Project	\$ 2,021.58
R H Batterman-Special Census Assistance	\$ 3,613.57
Coachlight/Palmer Est.-recapture sewer extn	\$ 5,408.40**
McGilvra Elec-wire new pumps at WTP	\$ 1,411.54
Seyfarth Shaw-coll barg/non union employee issues	\$ 7,530.12
Bolgrein, Koepke, Kimes-hearing consultation	\$ 940.00
Wingfoot-tires for squad cars	\$ 632.40
Bonnell-road drag for street dept.	\$ 6,840.00
M. Todd & Co-stop signs	\$ 1,665.00
H. Lee & Sons-steel posts/1000 gal gas tank	\$ 4,970.00
Roger Redi Mix-concrete	\$ 621.43
Rkfd Register Star-publish notice to contractors-asbestos	\$ 812.81
Andres Medical-ambulance billings	\$ 1,017.08
Visa-police/street/WTP/Public Affairs expense	\$ 3,222.36
Rykowski & Sons-new gas line at park	\$ 4,000.00
McMahon Assoc-options analysis	\$ 2,125.00
PDC Lab-lab tests WTP	\$ 510.00
ITT Flygt-rent dewatering pumps	\$ 684.00
ITT Flygt-retrofit pump	\$ 7,422.77
ITT Flygt-control panel	\$22,968.00
IML-CDL Driver's	\$ 667.00

Voice vote carried the motion.

\*To be paid from Hotel Tax Funds

\*\*This check will not be disbursed until Attorney Livingston confirms with the estate attorney who the check should be made payable to.

LICENSES & PERMITS: One new RLE for Hannah Weems and 1 Miscellaneous Transient Merchant License was approved on a motion made by Commissioner Clifton, second by Commissioner Griffin. Voice vote carried the motion.

A request for a curb cut at 5503 Wynmere was discussed with the property owner Sandy Merrimon. A letter from R H Batterman recommends the council not grant the request. After discussion, Commissioner Stone made the motion to approve the request subject to

approval of the Street Supt. and R H Batterman showing the cut is improved properly. Roll call vote tallied 4 ayes, 1 nay by Commissioner Griffin.

A request for a curb cut at 14831 Misty Meadow Lane was presented and discussed. A letter from R H Batterman recommends the council not grant the request. After discussion, Commissioner Redieske made the motion to approve the request subject to approval of the Street Supt. and R H Batterman showing the cut is improved properly. Voice vote carried the motion.

EXECUTIVE SESSION: At 9:05PM on a motion made by Commissioner Clifton, second by Commissioner Griffin to discuss employee issues (wages/benefits) as provided by 5 ILCS 120/Sec 2(c)(1) of the Open Meetings Act. Voice vote carried the motion.

RECONVENE TO  
OPEN SESSION:

At 10:33PM, Council Chambers, City Hall by Mayor Kirichkow

ROLL CALL:

As recorded at the onset of the meeting.

ORDER OF BUSINESS: RESOLUTION 5303 resolves that effective January 1, 2008 the City Council approves the Benefits for full time employees, as attached. Commissioner Clifton moved to approve, second by Commissioner Redieske. Roll call vote tallied 4 ayes, 1 nay by Mayor Kirichkow.

ADJOURN:

At 10:34PM on a motion made by Commissioner Clifton, second by Commissioner Redieske. Voice vote carried the motion.

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Randy Kirichkow, Mayor

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Marilyn J. Hartley, City Clerk

Approved: 11/19/07