

FINANCE COMMITTEE

January 20, 2015

MEMBERS

Chairman Budd
Alderman Vota
Alderman Burtle
Mayor Brotherton

ALSO PRESENT

Alderman Dorchinecz
Alderman Walters
Alderman Heberling
Alderman Koonce
City Attorney Romano

Tony Hammond
Rocky Moore
Reggie Benton
Alan Jackson
Shirley Sams

MEMBERS ABSENT

Alderman Jones

Chairman Budd called the meeting to order at 6:00 P.M.

American Tower Lease Agreement/Bishop Cove Area/Lake Taylorville

Chairman Budd asked if everyone received the e-mail from Bobby Lester, a real estate representative hired by American Tower to negotiate new leases that was sent today of his latest proposal. The proposal was \$155,000.00 to purchase the property or an increase in rent to \$1,100.00 a month in 2017 with a 3% escalation of monthly rent starting in 2018 and a \$20,000.00 bonus. Chairman Budd stated his recommendation is to sell the property and use the money towards the lake dredging project. Mr. Budd informed the Committee that Stonington had been receiving \$554.00 a month from U.S. Cellular but they were just notified that they will no longer be leasing the property. Mayor Brotherton is also in favor of selling the property stating it is better to get cash upfront as there are no guarantees of future lease, let them have the liability and if they are going to lease for a long period of time why not sell. City Attorney Romano had no objections to the City selling the property as you don't know what technology is going to be in the future. When the City entered into an amendment to the lease in 2007 the City signed an estoppel certificate with the Bank of New York; if the City extends the lease agreement or decides to sell there is going to be a lot of research and paperwork needed to prove ownership.

Alderman Vota said to take the money for lake restoration for dredging; the cost of dredging is approximately \$18,000,000.00-\$20,000,000.00.

Alderman Burtle would rather lease the property and put the money into the Lake rather than selling as once you sell the property it's gone; if receiving \$1,100.00 a month in ten years will have \$110,000.00 and still own the land. He advised the City doesn't have any expenses.

Alderman Walters recommends selling as they have the contract now and can put on additional towers. American Tower Corporation had previously presented a proposal on January 12, 2015 requesting to extend the lease agreement for an additional 20 years with a \$20,000.00 up-front signing bonus, creating an escalator clause for 3% annually, and raise the rent to \$600.00 a month in 2017 or Fee Simple for \$125,000.00.

Alderman Heberling asked how long the lease agreement was extended in 2007 when the amendment was made to the original lease agreement (1972 for the land for a communication tower located in the Bishop Cove area at Lake Taylorville.) The new terms of the lease were for a period of 120 months and Lessee has the option to renew for three (3) successive additional periods of 60 months each which will extend this lease to 2032; with an additional twenty years will be 2052. He doesn't want to lock another Council into a long extended lease; he would rather get a reasonable lease but would not have a problem with selling.

Alderman Dorchinecz agrees with Alderman Burtle to keep the property but if the Council decides to sell it, sell it but if decide to go with a lease he wants City Attorney Romano to review the lease to write for as short a timeframe as possible. Alderman Vota advised this latest offer is a proposal only, not sure American Towers is going to go along with proposal from Mr. Lester. Alderman Burtle asked why there such an urgency to get this done, Chairman Budd said the Committee needs to make a decision. He and the Mayor spoke with Mr. Lester, they didn't get the

impression that the company is willing to pay any more than this last offer. When discussed at a previous Committee Meeting \$1,100.00 is the amount that they were to ask for and American Tower has agreed to that amount.

No action taken, this will be discussed at the next Finance Committee Meeting.

Ameren Pana N-Taylorville Electric Transmission Lines

Mayor Brotherton advised the Committee that Ameren will be doing some maintenance work on the portion of the PANA N-TAYLORVILLE transmission line that crosses City owned property at the Lake. Ameren intends to replace all the current two pole structures that support the transmission lines currently located on City owned property within the existing easement. At a point along that transmission line identified as structure Number 112 they will replace the existing two pole structure with a three pole structure with braces. This new structure is the reason Ameren is requesting that the City sign a new easement agreement which will contain a description of the new three pole structure. The Mayor stated Ameren has already agreed to pay for associated attorney fees. City Attorney Romano has discussed this easement with a representative at Ameren and informed her he had some changes to make to the proposal and informed her nothing would be done until the City receives confirmation that they will agree to all fees associated with this easement.

Motion by Alderman Burtle and seconded by Alderman Vota to recommend to the City Council to direct City Attorney Romano to negotiate for the proposed Electric Transmission Line with Ameren if Ameren agrees to pay for all City Attorney fees for the negotiations and any other fees associated with obtaining new easement documents. Motion carried 3-0.

Any Other Matters

Mayor Brotherton informed the Committee a drunk driver struck one of our Police cars causing \$632.00 in repairs. The Mayor stated since the operator of the vehicle did not have insurance the City would not have to pay the \$1,000.00 deductible and the repairs would be covered but it would still show as a claim and asked their opinions on whether or not to turn the claim in or pay out of pocket. Police Chief Herpstreith was asked if the car was worth investing the \$632.00; he stated it is as it was a 2011 Crown Victoria with 50,000 miles. The Committee agreed to pay for repairs rather than turn into insurance. Attorney Romano advised they will ask the States Attorney to include the cost of repairs to the driver's court fees for restitution.

Motion by Alderman Vota and seconded by Alderman Burtle to adjourn. Motion carried 3-0.

Meeting adjourned at 6:48 P.M.

Larry Budd, Chairman
Finance Committee