

City Council
Special Meeting

November 23, 2021
5:00 p.m.

PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance to the American Flag was given by all that were present.

CALL TO ORDER:

Mayor Gottman called the special meeting of the Vandalia City Council to order at 5:00 p.m.

ROLL CALL:

Barker, Stunkel, Lester, Hubler and Rebbe were present. Hobler and Lewey were absent. Alderman Brosman arrived at 5:06 p.m.

PRESENTATION BY DONNA HOWARD, REAL ESTATE APPRAISER, TO DISCUSS METHODOLOGY CONCERNING APPRAISED PROPERTY VALUES:

Gottman introduced Donna Howard who is a real estate appraiser for D.J. Howard and Associates in Highland. Howard stated that as of today, her firm has completed 83 appraisals (54 individuals; some have more than 1 lot). In aggregate, those values are at \$421,800.00 which is about \$5,081.00 per lot which varies significantly if the lot is on the lake or not. She has 9 appraisals pending. She explained fee simple, leased fee and leasehold interest.

Howard stated that the methodology she used is standard appraisal practice for a leased fee like this. She built spreadsheets to make it uniform and consistent. There is a different set of comps for non-lakefront property. If a person has 2 lots where one is lakefront and one is not, those were appraised with different comparables.

Gottman said currently 5 individuals have opted to stay with the current lease, 28 have opted for a new lease, and 80 have opted to buy.

Connor reviewed the terms of the lease. The initial term begins on the effective date and shall terminate not more than 60 years of the effective date. So long as the custodian is not in default in the conditions and terms of the lease, the custodian shall have the right to extend the term of this lease for 3 additional consecutive years each, which would be 20, 20 and 20 for a total of 60 years. The custodian shall pay the City \$150.00 per year. Rent shall not be increased by the City until after 12/31/2025 after which the City may increase the rent upon written notice to the custodian not more than 1 time for a 5 year period beginning on January 1, 2026 of an amount of not more than 10% of the then current rent. The custodian will be solely responsible for paying taxes.

Question was asked what happens after 60 years to which Connor replied it would revert back to the City.

AUDIENCE COMMENTS AND CONCERNS:

Question was asked when closing on the properties will begin. Gottman said the deadline is 02/03/2022. Closings will be done individually.

Mike Fulton asked what criteria would be used to adjust to 80, 90 or 100% of the appraised value. Gottman replied it would be up to the council. Brosman stated the percentage will be the same across the board.

It was noted that all money will be put into the lake fund for maintenance of the lake, large scale projects, and lake improvements. Gottman stated the City is working with the Soil and Water Department on a conservation study. Fulton stated that he has a newsletter from a conservation officer which addresses the need to improve the watershed at Vandalia Lake. Fulton will bring a copy of the newsletter to the Council.

Gottman stated after the special meeting of the City Council ends, the Council will be moving into executive session to discuss the percentage of the appraised property values the City will accept.

Schulman asked about homes that are sales pending. Connor stated that all they are selling is the lease. Gottman stated it is the obligation of the realtor to notify the new purchaser of the lease options.

Schulman stated that he is told by the City to rip rap his property but the City owned property next to his is not rip rapped. Stunkel will follow up with Schulman.

COUNCIL MOVES INTO
EXECUTIVE SESSION AT
5:49 P.M.

Gottman announced that the Council would be moving to Executive Session. A motion was made by Brosman and seconded by Barker to move into Executive Session at 5:49 p.m. under 5 ILCS 120/2 for the acquisition or sale of land.

EXECUTIVE SESSION ENDS
AT 6:18 P.M.

Executive Session ended at 6:18 p.m.

REGULAR SESSION
RECONVENED AT 6:20 P.M.

Gottman reconvened the regular Council meeting at 6:20 p.m. with a roll call: Lester, yea; Huber, yea; Barker, yea; Rebbe, yea; Brosman, yea; Stunkel, yea. Lewey and Hobler were absent.

A motion was made by Brosman and seconded by Barker to accept any and all offers at 90% of the appraised market value.

Roll call: Stunkel, yea; Brosman, yea; Rebbe, yea; Barker, yea; Hubler, yea; Lester, yea. Lewey and Hobler were absent. Motion carried.

ADJOURNMENT:

Motion was made by Barker and seconded by Hubler to adjourn the meeting. Motion carried.

Caia Huhn

City Clerk