

CITY OF ELGIN  
SPECIAL SESSION MINUTES FOR JANUARY 21, 2014

COUNCILORS PRESENT -

Name:	Present:	Name:	Present:
Mayor Brent Linville	Yes	Councilor Michelle Miles	Yes
Councilor James Brainerd	No	Councilor Dick Miller	Yes
Councilor Chris Boylen	Yes	Councilor Alan Duffy	Yes
Councilor Kathy Warren	Yes	Student Councilor Janel Chandler	No

Call to Order

The meeting was called to order at 7:00 PM by Mayor Brent Linville with the salute to the flag.

Resolution 1307 (2014) Bid Authorized for Foreclosure Sale Lot 7, Elgin Industrial Park  
Mayor Linville opened the discussion by introducing legal counsel, who is present to answer questions posed by Councilors. Councilor Warren Council stated the Council did not understand when starting the foreclosure proceeding that the City would have to make a bid for the property, they thought the property would just come back to the City. Why does the city have to bid?

Through doing the title report, it found to have 2 judgment liens on the property. There are two options when doing a foreclosure: Deed in lieu of foreclosure and an actual foreclosure. The Deed in Lieu of Foreclosure would not work because the judgment liens would have followed the property. If the property owner deeded the property back to the City, the City would be responsible for paying the liens. The cheapest way to file a foreclosure is to advertise the sale. Otherwise a costly trial would be necessary. The City would send in a minimum bid which would include the fees the City has incurred thus far. If someone outbids the city, the payment would still come back to the City. The cost to the City would include Attorney fees and fees to Northwest Trustee Services. The fee for Northwest Trustee Services is capped at \$2,100. Councilor Duffy questioned who approved the use of Northwest Trustee Services. The City was contacted and correspondence was directed to City Administrator Terrie Richards. Councilor Warren asked if the mayor aware of this. Mayor Linville stated he does not recall.

City Administrator Allen stated that if no one else bids, the City will owe fees in the amount of \$5,700. It was stated the liens against the property are greater than the amount owed on property. Legal Counsel stated this option is the only way to get a clear title to property without paying liens. Councilor Miller asked if the current property owners have Right of redemption. It was affirmed they would not with this process. As the City is in the first position when it comes to liens on the property, the City will be paid in full and any money left would go to other creditors.

Councilor Duffy noted this is the 2<sup>nd</sup> occasion that the past city recorder violated law by entering into a contract without prior approval of Council.

The Foreclosure Sale will take place at the Union County Courthouse on the 5<sup>th</sup> of February. It was affirmed this Resolution will be a bid. It was suggested that the City have a representative at the Sale.

Councilor Duffy moved to read and approve Resolution 1307(2014) with a minimum bid and the Council authorize someone to represent the City at the Sale. Councilor Warren as Second.

Mayor Linville read the resolution in full. Councilor Miller questioned if there is a need to add the part referring to the additional fees and costs. Councilor Duffy responded that is the amount the

City has agreed to pay to Northwest Trustee Services, Inc. which is capped at \$2,100. Councilor Miller restated the \$2100 is not included in the \$45,471.81 bid amount. Councilor Duffy confirmed the final bid would include the \$2100 fee. Administrator Allen stated another document will be sent to the City which will have the final numbers and the minimum bid value. Administrator Allen suggested a revision to add the phrase 'plus Trustee fee' after the bid amount in both paragraph 1 and 3 of the Resolution.

Roll Call Vote: Councilor Miles – Aye; Councilor Miller – Aye, Mayor Linville – Aye; Councilor Boylen – Aye; Councilor Duffy – Aye; Councilor Warren – Aye. Motion Carried.

#### Summer Reading Program Coordinator Contract

Discussion focused on whether the Summer Reading Program Coordinator was an employee or a contractor. In the process of having all contracts formalized, this contract was created. Administrator Allen felt the contract is the best way to go. The contract sets out the duties and the understanding they are an independent contractor.

Councilor Duffy questioned how much of the total grant amount is paid to the Coordinator. Mayor Linville responded saying only half the grant is paid to the contractor. It was asked if due to the amount of time of the contract and the low amount of pay if it would be in violation of minimum wage laws? The answer was No.

Councilor Boylen asked if there is any other liability to the City if they were a part time employee. Legal's response was the City would be liable for family leave and medical leave. Discussion continued on regarding minimum wage and hours worked. The contract does not give a guarantee for future work. Councilor Warren stated the contract is the way to go. Councilor Warren moved to enter into a contract with the Summer Reading Program Coordinator through the Elgin Library. Councilor Duffy as Second.

Roll Call Vote: Councilor Miles – Nay; Councilor Miller – Nay, Mayor Linville – Aye; Councilor Boylen – Nay; Councilor Duffy – Nay; Councilor Warren – Aye. Motion Failed.

Once Councilors have had an opportunity to read through provided documents, this will be added to the agenda of the next scheduled meeting.

Meeting moved into Work Session

Minutes respectfully submitted;

Lessa Adams, Clerk/Administrative Assistant