

MINUTES OF A REGULAR MEETING OF THE ZION CITY COUNCIL HELD ON TUESDAY, AUGUST 20, 2013, AT 7:07 P.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, ZION, ILLINOIS

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Mayor Harrison called the meeting to order.

On call of the roll the following answered present: Commissioners DeTienne, Flammini, Taylor, Hill and Mayor Harrison.

Mayor Harrison led in the Pledge of Allegiance to the flag.

CITIZEN COMMENTS

Charles Fitzgerald, 1818 Gideon, stated that a solicitor visited his home selling municipal electric aggregation who was not aware of the City's aggregation option. He stated that he wanted to remind residents that an opportunity still exists to switch electric suppliers with the potential to save money on electricity. Mayor Harrison stated that these electricity provider representatives are calling on residents without the encouragement of the City Council.

CONSENT AGENDA

It was moved by Commissioner DeTienne, seconded by Commissioner Hill, that the Consent Agenda be approved as follows:

- (a) **APPROVAL OF MINUTES:** of a Regular Meeting held on August 6, 2013 at 7:00 p.m.
- (b) **BILLS:** Vouchers 116390 through 116489 drawn on PNC Bank, Total: \$429,412.49

The vote on roll call was: Commissioners DeTienne, aye; Flammini, aye; Taylor, pass; Hill, aye; and Mayor Harrison, aye. Motion carried.

RESOLUTION OF SUPPORT/"LIGHT UP GREEN BAY ROAD"

It was moved by Commissioner Flammini, seconded by Commissioner Taylor that a Resolution of Support (13-R-13) be passed in support of the efforts of "Light Up Green Bay Road" and its petition for intersection improvements at Green Bay Road/Kenosha Road/29th Street. The vote on roll call was: Commissioners DeTienne, aye; Flammini, aye; Taylor, aye; Hill, aye; and Mayor Harrison, aye. Motion carried. Resolution passed.

ORDINANCE/SURPLUS PROPERTY/SQUAD TRUCK

It was moved by Commissioner DeTienne, seconded by Commissioner Hill that an Ordinance (13-0-43) be passed declaring one 1998 International 4700 LP Marion Custom Body Squad Truck as surplus property and approving the sale of this vehicle through a fire service apparatus broker. The vote on roll call was: Commissioners DeTienne, aye; Flammini, aye; Taylor, aye; Hill, aye; and Mayor Harrison, aye. Motion carried. Ordinance passed.

ORDINANCE/AMENDING CHAPTER 34/FIRE PREVENTION

It was moved by Commissioner DeTienne, seconded by Commissioner Flammini that an Ordinance (13-O-44) be passed amending Zion Municipal Code Chapter 34 "Fire and Rescue", Article II "Fire Prevention" by incorporating into the Zion Code the Carbon Monoxide Alarm Detector Act, Rules and Regulations of the Illinois State Fire Marshal, in its entirety. The vote on roll call was: Commissioners DeTienne, aye; Flammini, aye; Taylor, aye; Hill, aye; and Mayor Harrison, aye. Motion carried. Ordinance passed.

WATER/SEWER & WASTE FUND RATES

A memo (13-DOC-78) was received from Director Knabel regarding water/sewer and waste fund rates. He stated that both the water/sewer and waste funds are at a point where they are running annual deficits due to having not increased rates for many years even though the providers' rates have increased. He stated that options should allow for an automatic annual adjustment equal to the annual increase from the Lake County Public Water District or Advanced Disposal with a 5% maximum cap.

Director Knabel presented the following options for the water/sewer fund:

- 1) \$0.40 per 1,000 gallons increase for water and \$0.15 per 1,000 gallons increase for sewer. The effect of this option for the average user would be \$0.13 per day. Director Knabel recommended this option.
- 2) No increase, or a lesser increase, and consume the existing fund surplus which is estimated to last 5 years assuming there are no significant water main repairs or replacements. At the end of the 5 year period, it is projected that the City would need to increase water/sewer rates by \$1.00 per 1,000 gallons to catch up to a "break even" point.

Mayor Harrison asked how the water rates compare to that of other communities. Director Knabel stated that, before an increase, the rates are considerably less than those of Winthrop Harbor and Beach Park and are equivalent to those of Gurnee when including the increase. Commissioner Hill asked the amount of the fund balance. Director Knabel stated that the balance is \$1.5 million of usable funds. Commissioner Hill asked what the yearly deficit is. Director Knabel stated the deficit is \$50,000 this year due to the increase in the Lake County Public Water District rates, and that next year, he anticipates the deficit to be \$100,000, and at the end of five years, if there is no rate increase, the \$1.5 million fund balance would be exhausted. Director Colangelo stated that the City has a bond issue to repay for the addition of a third clarifier at the Lake County Public Water District. Commissioner Hill asked how much had been borrowed from the water fund and Director Knabel stated that the total borrowed was \$6.2 million. Commissioner Hill asked why such a large surplus was maintained in the water fund. Director Knabel stated that the funds would cover any infrastructure improvements or replacements. Director Colangelo stated that the average improvement project costs between \$300,000 and \$500,000. Commissioner Hill stated that a decreasing fund and aging infrastructure causes him concern. Director Knabel stated that the City has approximately three projects worth of funds in reserve. Commissioner Hill asked how the \$6.2 million was spent. Mayor Harrison stated that expenditures were accounted for in open session and he would need the figures in front of him in order to offer a proper accounting of funds spent. He stated that the funds were transferred from the water fund to the General Fund in order to save jobs, pay salaries, support the baseball field project and continue City services to residents. Mayor Harrison stated that he was assured by the City Attorney that supporting the General Fund was an appropriate use of the borrowed funds and there was no expectation of pay back. Commissioner Flammini stated that a large amount of the funds were used to offset the waste fund. Director Knabel stated that \$1.3 million is still on a payment schedule to repay the water fund. Commissioner Hill stated that it troubles him that money was borrowed from the water fund when the heavy water users in the community could have received a partial refund from the surplus. Director Knabel stated that the annual operational funds and proceeds from connection fees are two separate things. Mayor Harrison stated that if the funds had not been used, there would be far fewer employees in the Police, Fire and Public Works Departments and there would have been a reduction in city services. Commissioner Hill stated that the City was in a state of extreme financial trouble and there was no reconciliation of the books, and when it was finally done, the financial issues were revealed. Director Knabel stated that the books were not reconciled and the cash had been spent which created a deficit. Commissioner Hill stated that the City had a fund with money, they took it out, and now we have to raise the water/sewer rates. He stated that perhaps the City Council needs to apologize to residents. Mayor Harrison stated that the trouble with the books was realized and that is why Director Knabel is currently employed by the City. With the transfer of funds from the water fund to the General Fund, the City didn't have to reduce services or manpower so it was better to have borrowed from the fund than to have laid off employees and reduce the level of services. Mayor Harrison asked if the consensus was for the Commissioners to report their opinion on increasing the rates to Director Knabel, after which the City Attorney would be directed to prepare an ordinance accordingly. Commissioner Hill stated that he would prefer the Council's opinions were discussed in open session. Commissioner Flammini stated that he recommends increasing the water/sewer rates by the recommended amounts and hopes that the Council will learn from past mistakes and move forward.

Commissioner DeTienne stated that residents are tired of high taxes, but that the Council does not set the tax rates. He stated the City is trying to live within its means and provide quality services in all departments. He stated that he supports the increase in water/sewer rates, that he doesn't like it, but he wants to maintain services and move forward. Commissioner Taylor stated that he supports the increase because he believes in maintaining a balanced budget each year. It was the consensus of the Council to direct the City Attorney to prepare an ordinance increasing water/sewer rates for consideration at the September 3, 2013 Council meeting.

Director Knabel presented the following options for the waste fund:

- 1) Increase of \$5.25 per month which includes contracting out of vacuum leaf pickup and 64-gallon recycling carts constituting a \$0.18 per day effect. Director Knabel recommended this option.
- 2) Increase of \$3.25 per month which discontinues vacuum leaf pickup service but includes 64-gallon recycling carts constituting a \$0.11 per day effect.
- 3) No increase (or a lesser increase) and continue to run an estimated \$200,000 annual deficit in the waste fund which would have to be supplemented by the water fund or General Fund.

Director Knabel stated that the rate increase would be contingent upon approval of a contract extension with Advanced Disposal which must be agreed upon prior to the Council passing a rate increase ordinance. He stated that leaf pickup costs the City approximately \$140,000 annually and that contracting the service was nearly equal in cost and would free up Public Works employees to perform other vital functions. He stated that the existing leaf pick up equipment is seventeen years old and would cost \$300,000 to eventually replace. Mayor Harrison stated that other communities have eliminated pick up and placed the burden of leaf disposal on residents, and Zion could do the same leaving residents to bag leaves for pickup by Advanced Disposal. Director Knabel stated that the cost of the leaf bags would most likely exceed the \$24.00 per year increase in rates. Commissioner Flammini stated that it takes eight employees eight weeks to pick up leaves, and it would cost \$12,000 in replacement parts to prepare the equipment for service this year. Commissioner Hill asked if the level of service would be the same if leaf pick up was contracted out. Commissioner Flammini stated that the level of service would improve. Director Colangelo stated that because the City's system is antiquated, it results in a large amount of "dead time" while crews wait for collection vehicles to return. He stated that with the number of trees there are in the community, many residents would be upset if their only option was to bag leaves. Commissioner Hill stated that the \$5.25 increase was appropriate. Commissioner Taylor stated that he supports the \$5.25 rate increase. Commissioner Flammini stated that, if approval of the Advanced Disposal contract is considered at the September 3, 2013 Council meeting, Public Works should have ample lead time to make preparations if necessary.

MUNICIPAL CODE AMENDMENT/ENTERTAINMENT, SPECIAL EVENT & SPECIAL EVENT VENDOR LICENSING/PERMITTING

A memo (13-DOC-79) was received from Clerk Burkemper requesting consideration of amendments to the Municipal Code regarding entertainment licensing, special event permits and special event vendor permits in order to improve the equitability and practical administration of the permitting process. The proposed ordinance:

1. Moves the fees for road closures to the section which addresses road closures
2. Moves Tent Sales requirements to the Special Events Section rather than the Special Event Vendor Section - Changes the duration of tent sale from 30 consecutive days to 4 consecutive days to coincide with the definition of a Special Event - exempts Zion licensed business from the Special Event Permit fee for a tent sale - deletes Tent Sales permitting and fees from Chapter 10 "Building"
3. Creates a new Special Event Permit fee structure based on occupancy capacity to mirror the Entertainment License fee schedule with fees being 25% of those charged for an entertainment event - creates a reduced Special Event Permit fee for events sponsored by a not-for-profit organization

- 4. With regard to Special Events Vendor permits: shifts the burden of applying for a vendor permit from the vendor to the event license/permit holder - requires the event license/permit holder to pay a \$25 administrative fee for each vendor for which they submit an application (NOTE: An event license/permit holder may charge the vendor a fee in any amount, at his discretion, from which \$25 will be paid to the city to cover the administrative costs the City incurs in processing the permit application and issuing the permit) - An event license/permit holder will not be required to submit the \$25 fee to the City if the applicant is a currently licensed Zion business or a public government entity or if the event is a City of Zion or other public government entity sponsored event. It is hoped that this exemption would encourage an event holder to engage a Zion business as a vendor rather than an out of town vendor.

Mayor Harrison suggested that Council members further review the amendments and he directed Clerk Burkemper to place the proposed ordinance on the agenda for consideration at the September 3, 2013 meeting.

DEPARTMENTAL COMMENTARY

Director Knabel stated that a joint taxing body meeting was held on August 8, 2013, and all in attendance left the meeting very encouraged. At a meeting scheduled in September, they will map out common ground areas. He stated that the group is making progress.

ANNOUNCEMENTS

Thursdays through September 26th	11:00 a.m. to 7:00 p.m.	Zion Farmer’s Market Sheridan Road & Shiloh Blvd.
September 2	1:00 p.m.	Jubilee Days Parade
September 3	7:00 p.m.	Zion City Council Meeting
September 7	9:00 a.m. to 12:00 noon	Electronic Recycling at the Public Works Facility 3220 27 th Street

ADJOURN

There being no further business to come before the Council at this time, it was moved by Commissioner Hill, seconded by Commissioner DeTienne and unanimously approved the meeting be adjourned at 8:27 p.m. Motion carried.

City Clerk