

MINUTES OF A REGULAR MEETING OF THE ZION CITY COUNCIL HELD ON TUESDAY, JULY 16, 2019, AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, 2828 SHERIDAN ROAD, ZION, ILLINOIS

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Mayor McKinney called the meeting to order.

On call of the roll the following answered present: Commissioners Frierson, McDowell, Fischer, Holmes and Mayor McKinney. A quorum was present.

Also present: Police Chief Kirk Henderson, Fire/Rescue Chief John Lewis, City Administrator David Knabel, Public Works Director Ray Roberts, Building & Zoning Director Richard Ianson and City Attorney James Vasselli.

Mr. William Bremner led in the Pledge of Allegiance to the Flag.

Mayor McKinney asked for a moment of silence for all First Responders and Military personnel.

AGENDA CHANGES

It was moved by Commissioner McDowell, seconded by Commissioner Holmes to accept the City Council meeting agenda as presented. The vote on roll call was: Commissioners Frierson, aye; McDowell, aye; Fischer, aye; Holmes, aye; and Mayor McKinney, aye. Motion carried.

PUBLIC HEARING/APPROPRIATION ORDINANCE

Mayor McKinney opened the Public Hearing at 7:05 p.m. for the Appropriation of the City of Zion for the Fiscal Year beginning May 1, 2019 and ending April 30, 2020.

City Administrator David Knabel stated that as required by State statute, the City must pass an appropriation Ordinance by July 31st. He stated that the ordinance is an internally governing document which serves as the legal authority on what the City of Zion can spend while allowing for unknown or emergency expenditures. He stated the Appropriation Ordinance is in the total amount of \$42,328,658 and is on file in the Clerk's Office available for anyone to view. He stated there have been challenges with the pension requirements. Every year the City is required to submit a minimum amount for the pensions. He stated they have not always been able to afford the minimum requirement which results in trying to play catch up causing the payment amount to compound each year. This year pension requirements went up \$360,000. Even with a maxed levy, \$250,000 may be brought in but the requirement is \$350,000 which is more money lost for operations. He stated the departments and the unions have worked hard to keep the budget flat. Costs have increased about \$400,000.

Commissioner McDowell asked how much of the \$400,000 increase is pensions. Administrator Knabel stated \$360,000.

Mayor McKinney stated the only way municipalities can resolve the pension issues is pension reform through the State. Administrator Knabel stated until the legal obligation is addressed they must continue to contribute the minimum amount. He stated there are 200 municipalities on the list of those unable to contribute the minimum amount. The State is able to intercept tax money from those municipalities but must be cautious not to bankrupt those municipalities.

Mayor McKinney asked if there were any comments and/or questions from the public.

Clyde McLemore asked what the \$17,900 was for that referenced "train station". Administrator Knabel stated it is the City's obligation to maintain and upkeep the building and grounds at the Metra station per the contract with Metra.

Mayor McKinney declared the Public Hearing closed at 7:15 p.m.

CITIZEN COMMENTS

William Bremner, Zion, presented the Mayor with an article from the Chicago Sun Times. The article suggests that in today's world, it may be more economical to crush and bury plastic instead of recycle it.

Tim Stanphill, Zion, stated he previously spoke with Director Ianson regarding some windows he replaced in April for which he received a \$750.00 ticket. He was under the impression that a permit was not required to replace windows. He did not refer to the code to see if a permit was required and felt it only a maintenance item and did not require a permit. He stated on the website it states you do not need a permit for decorating projects or routine repairs and maintenance. He stated Director Ianson will drop the fine (\$750.00) if he obtained a permit. He stated if he has to spend \$55.00 for a permit every time he wants to do maintenance on his home, he will not want to improve anything. He feels as though he is getting penalized for doing something good. Director Ianson stated they have always required a permit for replacement of windows. He stated it is for the protection of the residents. Mr. Stanphill stated just because something has always been done does not make it a good reason to do it. He asked when minor maintenance is enough not to require a permit. Director Ianson stated they are mandated by the State to abide by the energy code. Mayor McKinney stated he understands that these issues can be difficult. He stated they will take a look at the code. Commissioner Frierson asked how long permits are good for. Director Ianson stated work must be started within 6 months of obtaining the permit and work must be completed in one year. Commissioner Frierson stated he understands the point and doesn't want to deter residents from improving their properties but if the Building Department says certain standards must be met then residents must comply with the those rules. Mr. Stanphill stated there is no clarity in what is considered a maintenance issue. Commissioner Frierson stated there should be clarification on this. Commissioner McDowell confirmed with Mr. Stanphill that Director Ianson agreed to waive the ticket if a permit was obtained. Mr. Stanphill stated yes, Director Ianson did agree to waive the ticket if a permit was purchased but feels like he is being nickel and dimed. Commissioner McDowell thanked Mr. Stanphill for bringing the issue to the Council and stated the Mayor has agreed to look into it.

Clyde McLemore, Zion stated he had an illness last month and wanted to thank the Zion Fire Department for their diligence in getting him to the hospital. He thanked them for saving his life.

He stated he is no longer on Social Media so it is not as easy for him to get information out. Salem Foods and Black Lives Matter are having an end of the summer block party on August 24, 2019 from 2:00 p.m. – 6:00 p.m. The business owner wants to give back to the community. He invited Mayor McKinney and the Council to attend. They will be providing backpacks and school supplies to the kids. They will be having a police car and fire truck to help the kids understand what First Responders do. Mayor McKinney stated he has spoken with the owner, AJ and feels he is making a positive impact on the community since taking over.

CONSENT AGENDA

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

- (a) **APPROVAL OF MINUTES:** approval but not release of Closed Session Minutes of a meeting held on June 18, 2019 at 7:28 p.m.; of a Regular Meeting held on July 2, 2019 at 7:00 p.m.
- (b) **BILLS:** Vouchers 132500 through 132612 drawn on Huntington National Bank, N.A., Total: \$358,100.92

Approved by omnibus vote as follows: Commissioners Frierson, aye; McDowell, aye; Fischer, aye; Holmes, aye; and Mayor McKinney, aye. Motion carried.

APPROPRIATION ORDINANCE

It was moved by Commissioner Fischer, seconded by Commissioner McDowell that an Ordinance (19-0-24) be passed making appropriations, totaling \$42,228,966 for all funds, for the City of Zion, Illinois for the Fiscal Year beginning May 1, 2019 and ending April 30, 2020. The vote on roll call was: Commissioners Frierson, aye; McDowell, aye; Fischer, aye; Holmes, aye; and Mayor McKinney, aye. Motion carried. Ordinance passed.

**ORDINANCE/RENEWAL/LEASE AGREEMENT/PORCION OF UNIMPROVED 29TH STREET
RIGHT-OF-WAY**

Director Ianson stated in 2016, Ramiro Aranda, property owner at 1007 29th Street, requested to lease 36 square feet of the unimproved 29th Street right-of-way and 288 square feet of unimproved City property, totaling 324 square feet, for additional parking for his multi-family residential dwelling unit. He stated this is a renewal of the lease.

It was moved by Commissioner Holmes, seconded by Commissioner McDowell, that an Ordinance (19-0-25) be passed to renew the lease agreement between Ramiro Aranda and the City of Zion for lease of 36 square feet of the unimproved 29th Street right-of-way and 288 square feet of unimproved City property, totaling 324 square feet, for additional parking for his multi-family residential dwelling unit at 1007 29th Street. The vote on roll call was: Commissioners. Frierson, aye; McDowell, aye; Fischer, aye; Holmes, aye; and Mayor McKinney aye Motion carried. Ordinance passed.

BUDGET/FISCAL YEAR 2018/2019

Administrator Knabel stated the Budget is a more detailed document than the Appropriation Ordinance. The budget has a line by line explanation of the funds. They have been working on the budget since December of 2018 and would be facing a large deficit if they did not do something. He met with the unions and the Department Heads to discuss their budgets line by line and they have been very conscience of the financial decisions to make sure they had a responsible budget. He stated pages 1 and 2 of the budget show revenue line items. He stated the first two items are the General Property Tax and the General Property Tax Pension. There was a decrease of \$105,000 in the General Property Tax revenues which are the funds the City has to work with for the general operations. This decrease was due to the increase of \$361,000 for the minimum pension requirements per the actuary. There will be an increase of \$300,000 in revenue due to the host fee from Advanced Disposal for the annexation.

He stated every department's expenses remained flat except for pensions. Administrator Knabel presented the department line items that had significant changes He stated there are other City funds other than the General Fund that are levied for separately. These funds are required by the County to be maintained separately to track the money coming in. The funds are shown coming in and then is transferred to the General Fund to cover expenses. TIF Funds are also required to be budgeted for separately. These funds are earmarked for future development incentives which become available as funds accumulate. Another large fund is the Water and Sewer Fund. There are many items included in this fund such as, salaries, tools, parts, repairs and maintenance. The purchase of water from the Lake County Public Water District and Distribution System total about \$2 million of the fund. The City must pay a significant portion of the bond issue for the repairs done on the intake pipe to Lake Michigan. These costs have been passed on to the municipalities. A \$900,000 amount is shown for Water infrastructure improvements. He would like to have future discussions regarding a debt service charge that could be used to be invested into the infrastructure. There were 49 main breaks this past year and 28% of the water infrastructure is from the 1920's. A debt service charge can help address the aging infrastructure. Many of the other funds are principal and interest on the debt service or bond issues.

Commissioner McDowell stated a \$644,000 deficit balance is being carried over from last year. He stated Administrator Knabel is recommending maintaining the \$628,000 deficit and not transfer \$1.2 million from the water fund and reduce the levy by \$400,000. Administrator Knabel stated the budget is showing a net balance of \$400,000 with transfer from the water fund. There are three options: 1) Reduce the \$1.2 million transfer down to \$800,000 and take it to a \$0 net income and reduce the amount that is relied on from the water fund 2) There is a \$600,000 deficit in the general fund, leave the \$400,000 portion to dig themselves out of the hole and be more self-sustaining in the general fund moving forward 3) Invest the \$400,000 into the unfunded pension liability so the minimum required to be levied every year stops growing at such a drastic pace. This can help stop the erosion of the general fund property tax base. He likes this option because it invests back in to the City and gives them a return on their investment. By doing the \$400,000 now, it is not really addressing the issue or getting the City ahead. He suggested to waiting to do this in March to make sure they get through most of the fiscal year and that there are not any surprises. This will help them get ahead for the next levy. He stated they can still approve the budget and decide later which option to choose. Commissioner McDowell stated he would like to leave as much money as possible in the Water Fund in case of emergencies that may arise. Director Roberts stated they can never predict what will happen with the water mains. He stated 60% of the mains underground are least 50 years or older. Commissioner McDowell stated if they go with the recommendation to transfer less from the Water Fund then

they will be carrying over another deficit of \$628,000. Administrator Knabel stated any decision will benefit one area at the expense of another until they can buy time and something comes through to bring in revenue. They can leave the budget as is for now, and have future discussions about the different needs in different areas. They can decide later to transfer less from the water fund. The budget is merely a guideline. It lets the City know what it has to work with. The more important items are the operational line items. Commissioner Holmes stated once the budget is adopted, they should be able to see month to month how they are doing in terms of the recovery. Administrator Knabel stated they can generate monthly budget reports as part of the Consent Agenda. Commissioner Fischer asked how creating a service charge for the \$900,000 water project would work. Breaking it out as a separate cost would free up money in the Water Fund for infrastructure. Administrator Knabel stated they have been able to absorb the money for the intake pipe project, but the City can no longer cover the costs. Winthrop Harbor implemented a debt service fee on their bills (\$24 a quarter) to cover their share of the debt service. He suggested taking the cost of the principal and interest and put it on as a debt service fee on the water bill as a separate charge but leave the water rates alone. As the debt is paid down, they can adjust the fee on the bills. He would like to make sure the money they would have available from the debt service fee would be used for the infrastructure. He will eventually put together a proposal and explain all the details. He stated the costs for the lakefront project will continue to increase as the repairs increase. Commissioner Fischer stated the original proposal for the repairs on the intake pipe was to do the work in phases so as not to put so much financial burden on the customers. Administrator Knabel stated the City is assuming 80% of the debt and is billed for it monthly. Commissioner Frierson asked if they have been in discussions with the Water District to know what the next phase would look like. Administrator Knabel stated the current debt service is for Phase I. If they decide to continue with Phase II, the debt service will increase. Director Roberts stated he will be meeting with the Water District next month to discuss the future of the project. Commissioner Fischer stated one of the factors in the bond issue was the repairs must be done within the current contract which expires in 2025. Commissioner Frierson asked if the \$900,000 would go towards the water main repairs. Administrator Knabel stated this money will be used to do slip lining or actual main replacements to prevent future breaks. They will also address the issues with the water leakage and water loss in the system. This is from cracks in the water system that seeps through. Director Roberts stated the IEPA wants the City to get to 10% in allowable leakage but they are averaging between 18 to 20%. This can only be fixed through leak detection which they will be doing this fall. He stated if the City replaced 2 blocks of a six inch water main the estimated cost would be \$650,000 to \$700,000. Administrator Knabel stated long term they will save money as they are being billed for the water loss paid to the Water District. The City is not able to bill anyone for this as it is a loss in the system. Mayor McKinney stated they will continue to work with State Representatives to find money from the Capital bill that has been passed. They are hoping to receive money to help with the infrastructure repairs needed within the City.

Administrator Knabel noted a change on page 8 of the budget there are two items that will be amended. "Non-lethal weapon" costs was budgeted for \$4,650 and will be amended to \$5,750 due to an accounting error and under "other equipment" the amount budgeted was \$61,220 and will be amended to \$65,720 for additional maintenance on the infrastructure server.

It was moved by Commissioner McDowell, seconded by Commissioner Fischer to approve the budget for Fiscal Year May 1, 2019 through April 30, 2020. The vote on roll call was: Commissioners Frierson, aye; McDowell, aye; Fischer, aye; Holmes, aye; and Mayor McKinney, aye. Motion carried.

DEPARTMENTAL COMMENTARY

Director Ianson stated the City will be hosting the 2nd annual Zion Clean-Up Days on August 3, 2019 from 8:00 a.m. to 12:00 p.m. A drop off for Electronics will at 27th Street. Mayor McKinney asked how the information is getting out to the residents. Director Ianson stated by Social Media, word of mouth and the Happenings magazine. Mayor McKinney stated they are always trying to employ more people in the community to help keep the City beautiful.

Director Roberts stated the patching program is almost completed. He has received calls from citizens thanking him for the patching. Mayor McKinney asked about the work that was going on, on 29th Street. Director Roberts stated Verizon fiber optic cable was being installed.

Chief Lewis stated the weather has hit some hot days with heat indexes up to 100 degrees. Last year the City adopted a policy for cooling and warming centers. There are four centers that will participate. Tomorrow information will go out on Social Media about the cooling centers. He reminded everyone to be careful in the heat and do not leave children or pets in hot cars.

Chief Henderson stated the Zion Police Department supports the event at Salem Foods on August 24th. He stated Salem Foods is located in one of the priority areas that the police will be focusing on.

Mayor McKinney stated they are about ready to close on the Ring deal. There will be 200 cameras within the community. He will communicate the information as he receives it.

He stated there will be a future presentation regarding the Land Bank and asked the public to keep an eye out for the information.

Administrator Knabel reminded the public that all legal requirements were met regarding the Public Hearing.

ANNOUNCEMENTS

August 1-3		Zion Together Days
August 3	8:00 a.m. to 12:00 p.m.	2 nd Annual Zion Clean-Up Days
August 6	7:00 p.m.	Zion City Council Meeting
August 20	6:15 p.m. 7:00 p.m.	Zion Township Board Meeting Zion City Council Meeting

CLOSED SESSION

It was moved by Commissioner McDowell, seconded by Commissioner Fischer that the Council recess to Closed Session at 8:15 p.m., pursuant to 5 ILCS 120/2 "Open Meetings", for the discussion of personnel. The vote on roll call was: Commissioners Frierson, aye; McDowell, aye; Fischer, aye; Holmes, aye; and Mayor McKinney, aye. Motion carried.

It was moved by Commissioner McDowell, seconded by Commissioner Fischer to reconvene the Regular Council meeting at 8:48 p.m. with all members present. The vote on roll call was: Commissioners Frierson, aye; McDowell, aye; Fischer, aye; Holmes, aye; and Mayor McKinney, aye. Motion carried.

RETIREMENT AGREEMENT/BATTALION CHIEF AL EPPERS

It was moved by Commissioner Frierson, seconded by Commissioner Fischer to approve a retirement agreement for Battalion Chief Al Eppers as presented. The vote on roll call was: Commissioners Frierson, aye; Fischer, aye; McDowell, aye; Holmes, aye; and Mayor McKinney, aye. Motion carried.

ADJOURN

There being no further business to come before the Council at this time, it was moved by Commissioner McDowell, seconded by Commissioner Frierson, and unanimously approved the meeting be adjourned at 8:50 p.m. Motion carried.

City Clerk