

**MINUTES OF A REGULAR MEETING OF THE ZION CITY COUNCIL HELD ON TUESDAY, DECEMBER 6, 2016, AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, 2828 SHERIDAN ROAD, ZION, ILLINOIS**

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Mayor Hill called the meeting to order.

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

Also present: Chief of Police Steve Dumyahn, Fire/Rescue Chief John Lewis, Public Works Director Ron Colangelo, Accounts/Finance Director David Knabel, Building/Zoning Director Richard Ianson and City Attorney Paula Randall.

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

**AGENDA CHANGES**

It was moved by Commissioner DeTienne, seconded by Commissioner Frierson to accept the City Council meeting agenda with the following changes:

- move item 9(e) "Consider approval of Dispatch Services Agreement between the Village of Gurnee and the City of Zion to item 5(a)
- move item 9(f) "Consider approval of Intergovernmental Agreement establishing a Joint Emergency Telephone Systems Board to item 5(b)
- delete item 11 "Closed Session"
- delete item 12 "Consider approval of Memorandum of Understanding between the Zion Professional Firefighters Association Local 1999 and the City of Zion regarding language that specifies the format for conducting promotional testing
- delete item 13 "Consider approval of Memorandum of Understanding between the Zion Professional Firefighters Association Local 1999 and the City of Zion regarding language that clarifies personnel locations in regards to Acting Officer positions within the department

The vote on roll call was: Commissioners Frierson, aye; DeTienne, aye; McKinney, aye; McDowell, aye; and Mayor Hill, aye. Motion carried.

**PUBLIC HEARING/TAX LEVY**

Mayor Hill opened the public hearing for the 2016, payable in 2017, City of Zion tax levy at 7:08 p.m.

A memo (16-DOC-102) was received from Director Knabel regarding the 2016 tax levy. He stated there was an increase in the equalized assessed value (EAV) by 16% over last year's value. He stated 10% of the increase was due to property values beginning to recover and the remaining 6% was new construction being added to the tax rolls. He stated the City is limited in the amount they can increase the levy to the lesser of 5% or CPI, which is 0.7% for 2016. He stated the EAV is determined by the Township Assessor and the levy is the amount the City is asking for. The EAV divided by the amount the City is asking for determines the tax rate.

Director Knabel presented two options for the 2016 tax levy:

Maximum Levy: Total Levy - \$6,857,515.78  
Tax rate would go from 2.836 to 2.608, which is a decrease of 9%  
Estimated effect on taxpayer on a \$150,000 home – decrease of \$114 per year  
Increase over 2015 levy under this option - \$45,00.00 from the old tax base and \$370,000 coming from taxes on new construction (new tax base)

Flat Levy: Total Levy - \$6,440,921.91  
 Tax rate would go from 2.836 to 2.453 which is a decrease of 14%  
 Estimated effect on taxpayer on a \$150,000 home – decrease of \$191 per year  
 Increase over 2015 levy under this option - \$ 0

Director Knabel stated that the City's levy is allocated among nine different functions.

1. Corporate
2. Street and Bridge
3. Fire Protection
4. Ambulance Service
5. IMRF
6. Liability Insurance
7. Social Security
8. Police Pension
9. Fire Pension

He stated the fire pension levy amount is based on the State statutory minimum required. The recommended amount is calculated based on future benefit payments and anticipated earnings and getting the fund fully funded. Currently the fund is 51% funded. He stated the police pension levy amount is based on an estimation of the State statutory minimum. The State has not completed its valuation as of the date of the levy but he has estimated a 10% increase in the required levy amount. He stated the recommended actuarial levy amount for 2015 was \$1,690,153. Currently the fund is 57% funded. He stated the social security levy is increasing by \$56,202 from the prior period. He stated this fund has been carrying a deficit fund balance for a while and this increase will take care of about half of the deficit. He stated the remaining will be made up next year. He stated liability insurance is decreasing by \$38,221 due to anticipated 4% decrease in renewal rates. Director Knabel stated he needed direction from the Council in order to prepare the levy ordinance. Mayor Hill asked Director Knabel if he had a recommendation for the Council. Director Knabel stated he would like the extra revenue put towards the pension funds. He stated the City has only paid the minimum required to the funds. He stated the only way to pay down the debt is to put extra towards the funds so as not to get farther and farther behind. He stated it is his recommendation to max the levy. He stated it includes \$370,000 in new construction. Mayor Hill stated if they chose a flat levy, they will not be able to take advantage of the new construction and the lose \$370,000 now and for the future. He stated he wants to help save the taxpayers as much as he can but it is also the responsibility of the Council to take care of the City and they have a responsibility to the citizens to provide a decent quality of life.

Mayor Hill called for questions and/or comments from the public.

W. C. Bremner, Zion, asked Director Knabel what the City's total debt was. Director Knabel stated about \$15,000,000. He stated a good portion of the debt is in the general fund. Mr. Bremner asked how much the State of Illinois owes the City. Director Knabel state the State is pretty current, owing about \$700,000 to \$800,000, about 2-3 months behind in sales tax.

Clyde McLemore, Zion, asked if the City chooses to max the levy, how much will it hurt in the long run. Mayor Hill stated it is his position that they go with the max levy. He stated there would be a decrease of \$114 for the max levy and a decrease of \$191 for the flat levy. He stated the biggest downside in his opinion is that if they don't max the levy the will lose out on the \$370,000 every year.

Jerry McLeary, Zion, asked if the Council chooses to increase the levy to the max what will the plan be to bring in new business and new construction. He stated when someone comes to Zion to open a new business and sees the taxes and decides to go over the border, how much is Zion losing? Mayor Hill stated the City is trying to attract businesses. He stated the Department Heads have made presentations to various businesses that say they would choose Zion, but cannot afford the taxes. He stated they are hoping to be able to establish an Enterprise Zone which will provide tax breaks to businesses. He stated they are also looking into expanding the TIF districts. He stated it will allow the City to provide incentives to businesses which will hopefully lower taxes in the future. Mr. McLeary stated the City has done a good job holding the taxes down. Mayor Hill stated he is done apologizing for other taxing bodies. He encouraged citizens to run for local elections and get on other Boards. Director Knabel stated property values are going up which

brings the tax rate down. He stated they are hoping to see the same trend for next year. He stated he hopes this combined with the incentives can help attract business.

Commissioner Frierson stated he would like to allocate a portion of the revenue for Street and Bridge. He stated the patching budget has been decreased. He stated Director Colangelo has done a great job with the amount of money he has. Mayor Hill asked if this item is part of the levy or can it be discussed at budget time. He asked if they choose the increase of \$416,000 into the general fund, can they transfer to other funds later. Director Knabel stated they can choose to make budget transfers later. Commissioner Frierson stated he would like to make a commitment to pay down the pension funds. Mayor Hill stated they are working on getting in one-time money and they can designate that those funds go towards the pension funds. He feels they should be as flexible as possible as he hopes some of the projects happening in Zion will come to fruition.

Commissioner McDowell asked Director Knabel to provide three levy ordinances, a flat, middle and a max. He stated they can review the ordinances at the next meeting and make a decision.

Mayor Hill called for further comments from the public, and there were none.

Mayor Hill declared the hearing closed at 7:47 p.m.

### **DISPATCH SERVICES/INTERGOVERNMENTAL AGREEMENT/VILLAGE OF GURNEE**

A memo (16-DOC-103) was received from Chief Lewis regarding the dispatch consolidation. He stated on September 20, 2016, the City Council approved moving forward with the State mandated dispatch consolidation through the development of a draft Intergovernmental Agreement with the Village of Gurnee for dispatch services. On November 18, 2016 a meeting was held at the Gurnee Village Hall to review two draft Intergovernmental Agreements, one for dispatch services, and the other for the creation of a Joint Emergency Telephone System Board. He stated the meeting was attended by staff from the City of Zion and the Village of Gurnee. He stated the IGAs that were presented were reviewed by Gurnee's legal team prior to the meeting. He stated during the meeting several changes were made to each draft IGA to meet the needs of each respective agency and community. He stated the attached final IGAs include the requested changes and have been forwarded to Zion's attorneys. He stated he requests the Council approve the Dispatch Services Agreement between the Village of Gurnee and the City of Zion to begin moving forward with the consolidation process in order to meet the July 1, 2017 deadline. He stated the goal is to complete the consolidation process by May 1, 2017. He stated he also requests the Council approve the IGA establishing a Joint Emergency Telephone Systems Board which also relates to the State mandate of consolidation. This IGA would be effective May 1, 2017. He stated once this agreement is approved and once approved by the State of Illinois, they will dissolve the Zion ETSB board and have one board made up of Zion and Gurnee staff. He stated there are ETSB and staff members present from Gurnee to answer questions.

Commissioner McDowell stated that one of the obligations for the City of Zion is the installation and maintenance for all vehicle computers, laptops, tablets and other apparatus. He asked if there was a need to increase the type of equipment that Zion currently has in order to be compatible with Gurnee's system. John Kavangh, Deputy Fire Chief, Gurnee and ETSB member, stated right now the agreement includes the software to come over to the Gurnee system. He stated part of the agreement has the staff of Zion and Gurnee sitting together on the board. He stated the way Gurnee has done it in the past is the ETSB board purchases the computers for the vehicles. He stated upgrades would come from ETSB board funds and not the City's general fund. Chief Dumyahn stated Zion's current technology will be able to handle the changeover to Gurnee. He stated the hope is over time to improve the technology. Chief Lewis stated purchases are done similar in the City of Zion. He stated funds come from either ETSB or budgeted funds depending on the cost. DC Kavangh stated according to the agreement, if a purchase is made together the product then becomes the property of the entity that needed the product. Commissioner Frierson asked if the amount for the dispatch is a net increase or does it get offset. Chief Lewis stated it should be a break even. Director Knabel stated there is a slight savings of about \$25,000 to \$50,000 a year, which does not exceed current budgets. Mayor Hill asked if there is a breakdown on the board membership. Chief Lewis stated it is based on expenditures. He stated because Gurnee has a higher surcharge coming in they would have a higher percentage of personnel on the board. Mayor Hill asked about the issues with our present employees and how they fit might or might not fit in with Gurnee. He asked if that will be discussed at a

later date. Chief Dumyahn stated they have been in discussions with Gurnee on that. He stated one of the decisions they made is to not put that in the IGA. He stated it will come as a MOU later after the approval of the IGA. Mayor Hill asked if IMRF will transfer to Gurnee and will employees get credit for their seniority and sick days. DC Kavangh stated at this time they are working with the Chiefs and have requested some employee history. He pointed out once Gurnee takes on the additional employees, IMRF will become an additional burden to Gurnee as far as pension costs. He stated they are looking at the entire package. He stated Gurnee would be bringing Zion employees into Gurnee's benefit structure, which is a very good benefit package. He stated the documents have already been shared with the employees. He stated they have already verbally agreed that current Zion dispatchers will be the first to be interviewed for positions. He stated they will be the first looked at before anyone from the outside. He stated they need Zion dispatchers to be able to perform the duties because they know the Zion Police Department. He stated they couldn't function without Zion employees coming over to their team. Commissioner Frierson asked about the interview process. He asked if it will be a closed period to interview the current dispatchers first and then open it up to others. DC Kavangh stated the Gurnee Village Administrator has already sent emails to the Chief guaranteeing they will interview all Zion employees first. He stated he does not know the exact timeline they will get to the interviews. He stated they are on a very aggressive timeline to meet the May 1 goal. He stated they will be working with the State to be sure the application is correct. Commissioner DeTienne asked if there would be any opportunity for State funding. DC Kavangh stated there are grants out there for consolidation. He stated they will be talking about grants to offset the costs. He stated the grants would become part of the ETSB money and go into the joint pool. Mayor Hill stated he would like to get a commitment as time goes on when positions become available that Zion residents will somehow get notified. DC Kavangh stated they have agreed get notification to Zion.

It was moved by Commissioner McDowell seconded by Commissioner Frierson to approve the Dispatch Services Agreement between the Village of Gurnee and the City of Zion. The vote on roll call was: Commissioners Frierson, aye; DeTienne, aye; McKinney, aye; McDowell, aye; and Mayor Hill, aye. Motion carried.

It was moved by Commissioner McDowell seconded by Commissioner Frierson to approve the Intergovernmental Agreement establishing a Joint Emergency Telephone System Board. The vote on roll call was: Commissioners Frierson, aye; DeTienne, aye; McKinney, aye; McDowell, aye; and Mayor Hill, aye. Motion carried.

### CITIZEN COMMENTS

Clyde McLemore, Zion, stated the overnight parking ordinance could not be changed due to congregation of the young people. He urged the Council to look at the ordinance again to satisfy the citizens in the City. He stated it is distasteful and disrespectful to the citizens. He stated it is 2016 and situations have changed. He stated the City population is growing and there are more cars in driveways. He asked that the Council revisit the ordinance and have an open mind.

Chris Elliot, Zion, stated he applied for a variance for the rebuild clause regarding rebuilding a multi-unit home. Currently the ordinance says if a home is damaged 50% or more it must revert to a single family home. He stated his problem is that he cannot find a mortgage institute that will give him a loan. He stated he represents a middle class working man who grew up in Zion and would like to stay here. He stated he has been trying to purchase the property at 2400 Elisha Avenue but due to the mortgage regulations he is not able to get a loan for a current multi-unit residence due to the rebuild clause. He stated he has tried for four years to contact banks to secure a loan. He stated he has a copy of an email response from First Midwest Bank, who was recommended by the Zoning Board thinking First Midwest would have a program for the type of loan he is looking for. He stated he heard back from the bank and they cannot give him a mortgage specifically because of the City's rebuild clause. He stated they can do a multi-unit but zoned as a single family but because it cannot be rebuilt as a multi-unit structure, they cannot provide a mortgage. He stated he is currently residing at the referenced property and has a lease option but would like to purchase the home. Commissioner Frierson asked if the current owner has offered to finance the home. Mr. Elliot stated he is working with the owner but would like to have it nice and clean and have his own mortgage. He stated he currently has a lease option with a rent to own and he has discussed possibly extending that option. He stated that is not the preferred route for them. Mayor Hill stated he would like to continue on with the agenda and open it up for discussion when they get to the item on the agenda.

**CONSENT AGENDA**

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

- (a) **APPROVAL OF MINUTES:** of a Regular Meeting held on November 15, 2016 at 7:00 p.m.; and approval but not release of Closed Session Minutes of a meeting held on November 15, 2016 at 8:30 p.m.
- (b) **BILLS:** Vouchers 125144 through 125225 drawn on First Merit Bank, Total: \$1,415,085.23

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

**RESOLUTION/LOCAL AGENCY AGREEMENT/LORELEI DRIVE,  
REPAIR & RESURFACING**

A memo (16-DOC-104) was received from Director Colangelo presenting a resolution and local agency agreement for the resurfacing and repair of Lorelei Drive and Route 173 to 9<sup>th</sup> Street. He stated that the City is in line to receive a grant through the Federal Highway Administration's Surface Transportation Program in the amount of \$641,600.00. He stated that the resolution and agreement are the City's commitment to provide for the 20% matching share of this approximate \$802,000.00 project. He stated that this 20% share (\$160,400) will be budgeted in next year's budget through the Street and Bridge and Motor Fuel Tax Funds. He stated that this grant would cover all construction and engineering costs for the project.

It was moved by Commissioner Frierson, seconded by Commissioner DeTienne that a Resolution (16-R-24) be passed authorizing the execution of a Local Agency Agreement with the Illinois Department of Transportation for grant assistance for repair and resurfacing of Lorelei Drive from Route 173 to 9<sup>th</sup> Street. The vote on roll call was: Commissioners Frierson, aye; DeTienne, aye; McKinney, aye; McDowell, aye; and Mayor Hill, aye. Motion carried. Resolution passed.

**VARIANCE/NON-CONFORMING STRUCTURE RESORATION/2400 ELISHA AVENUE**

A memo (16-DOC-105) was received from Director Ianson requesting a variance from Section 102-206(a)(2) of the Zion Municipal Code, Non-conforming Structures Restoration., for the property at 2400 Elisha Avenue as petitioned by Christopher Elliott, Zoning Docket 16-Z-12. Director Ianson stated Mr. Elliot currently resides at 2400 Elisha Avenue. He stated this is a Legal non-conforming multi-family residence in an R-5 single family zoning district. He stated he is interested in purchasing the property from the current owner, Arne Paulsen. He has been unable to secure financing due to the City ordinance; Section 102-206(a)(2), Non-conforming Structures Restoration. He stated the ordinance reads as follows: A Non-conforming structure accidentally damaged may be restored unless the damage exceeds 50% of its replacement value in which case it must thereafter conform to this article. He stated Mr. Elliot is requesting a variance to this section of the code. The Planning/Zoning Commission recommends denial. Commissioner McDowell stated he viewed the transcripts from the Planning and Zoning meeting. He stated good questions were asked of Mr. Elliot at the meeting, including if he was able to produce any evidence that he was unable to get a mortgage. He stated at that meeting Mr. Elliot stated he stated he was unable to get a mortgage and has tried for four years and tried seven or eight different banks and they all said they could not provide a mortgage because it is a potential loss of investments when a multi-unit home suffers 50% or more damage must be rebuilt as a single family. He stated Mr. Elliot was asked to produce that and he has produced it for the Council. He stated at the Zoning meeting one of the Commissioners recommended he contact First Midwest Bank. He stated Mr. Elliot did contact the bank to see if there was an option for him. He stated Mr. Elliot received a response from the residential mortgage banker. He stated Mr. Elliot was told of two problems; one is they could probably get away with the fact that the property is multi-unit but zoned as a single family, but the main problem is if it needed to be rebuilt it could not revert

back to a multi-unit structure and would need to be rebuilt as a single family occupancy and that issue they could not overcome. He stated the sole reason Mr. Elliot cannot secure a mortgage is due to the rebuild clause.

It was moved by Commissioner McDowell, seconded by Commissioner DeTienne, that the variance be approved from Zion Municipal Code Section 102-206(a)(b), Non-conforming Structures Restoration for the property at 2400 Elisha Avenue. Upon further discussion Commissioner McKinney asked Director Ianson how this would impact other properties. Director Ianson stated the main concern of the Board is not only the ability to get financing but it could open the door to future variance requests, and it would limit their ability to regulate legal non-conforming structures. Attorney Randall stated this variance is a prospective variance. She stated if nothing were to ever happen to the structure this would never come into play. She stated the legal non-conforming status that this structure holds now will remain from now until eternity and that is how the code is written. She stated this is not a unique situation. She stated the ordinance we have on the books is very similar to other communities. She stated it is the only way communities can put their arms around legal non-conforming structures and uses. She stated it is also not unique that lenders won't give financing for this. She stated the lender's concern is not the community, not the zoning regulation, not what the City is trying to do or trying to achieve. She stated their concern is to protect their investment. Commissioner McDowell stated he would like to consider approving the variance and take a look at the ordinance and see if there is something that can be done with owner occupied properties. Mayor Hill stated he would like to table this item and take a look at the ordinance and then decide about the variance.

It was moved by Commissioner McDowell to withdraw his motion to approve the variance request, seconded by Commissioner DeTienne. The vote on roll call was: Commissioners Frierson, aye; DeTienne, aye; McKinney, aye; McDowell, aye; and Mayor Hill, aye. Motion carried. Motion carried.

It was moved by Commissioner McDowell to table the variance request until December 20, 2016, seconded by Commissioner DeTienne. The vote on roll call was: Commissioners Frierson, aye; DeTienne, aye; McKinney, aye; McDowell, aye; and Mayor Hill, aye. Motion carried. Motion carried.

#### **TABULATION OF BIDS/CLEANING & MAINTENANCE SERVICES FOR CITY FACILITIES**

A Tabulation of Bids (16-DOC-106) was received from Director Ianson for the combined cleaning and maintenance services for City Hall, the Police Administration Building and the Public Works facility. He stated that seven bids were received, six of which were responsive. He stated after speaking with Staff, they are recommending a non-renewal of the contract with the current service, ECO Clean Maintenance. He stated originally he was planning on recommending the second lowest bidder, FM Plus Green Ltd., but they withdrew their bid due to staffing reasons. He stated is now recommending the third lowest bidder, VMG Quality Services for \$32,640.00 annually. Commissioner asked if Director Ianson if he was unhappy with the service of ECO Clean. Director Ianson stated all City Departments were unhappy with the service.

It was moved by Commissioner McKinney, seconded by Commissioner DeTienne that the bid for the combined cleaning and maintenance services for City Hall, the Police Administration Building and the Public Works facility be awarded to VMG Quality Services in the bid amount of \$32,640.00 annually. The vote on roll call was: Commissioners Frierson, aye; DeTienne, aye; McKinney, aye McDowell, aye; and Mayor Hill, aye. Motion carried.

#### **PAYMENT/EMERGENCY WATERMAIN REPAIR/KENOSHA ROAD**

A memo (16-DOC-107) from Director Colangelo regarding final payment for the emergency watermain repair along Kenosha Road. He stated on January 11, 2016, the City was notified by the Lake County Water District that the elevated tank on 9<sup>th</sup> St. was rapidly losing water. It was discovered that a 16" transmission line along Kenosha Road south of Route 173 had ruptured and was draining into the adjacent creek. He stated due to the size and depth of the excavation, outside contractors were needed to make the necessary repairs. He stated the attached invoice represents final sub surface preparation, guard railing, final pavement and landscaping restoration. He stated he is requesting payment of the invoice from Campanella and Sons of Wadsworth Illinois.

It was moved by Commissioner Frierson, seconded by Commissioner McDowell to approve payment of an invoice from Campanella and Sons in the amount of \$8,646.34 for an emergency watermain repair along

Kenosha Road south of Route 173. The vote on roll call was: Frierson, aye; Commissioners DeTienne, aye; McKinney, aye; McDowell, aye; and Mayor Hill, aye. Motion carried.

**2016/2017 RENEWAL/PROPERTY & CASUALTY INSURANCE**

A memo (16-DOC-108) was received from Director Knabel stating that the City’s insurance brokers went to market for insurance quotes for the 2016/2017 property, casualty and workers compensation insurance renewal. He stated that based on the quotes received, the broker recommended renewing with the current companies as presented in the premium summary provided with no changes in coverage limits or deductibles with the exception of Law Enforcement Liability. He stated he recommends going with option 1 for Law Enforcement Liability. Director Knabel stated that the total cost of the property, liability, equipment and workers compensation insurances renewal went from \$942,637 to \$962,254. Mayor Hill asked Director Knabel if he has considered getting together with other municipalities to discuss a pool. Director Knabel stated it was looked at by the brokers two years ago. He stated he was told it was not feasible but does not remember why. He stated he will check with the broker on what the reasons were.

It was moved by Commissioner McKinney, seconded by Commissioner McDowell to approve renewal of property, liability, equipment and workers compensation insurances for 2016/2017 as presented in the premium summary provided. The vote on roll call was: Commissioners Frierson, aye; DeTienne, aye; McKinney, aye; McDowell, aye; and Mayor Hill aye. Motion carried.

**DEPARTMENTAL COMMENTARY**

Director Colangelo stated that he wanted to clarify when Director Knabel was asked about the City’s debt, he referenced when some of the bonds were paid off Motor Fuel Tax could go into the roads. He stated what he was referring to is that there are road bonds that are being paid with Motor Fuel Tax funds. He stated he didn’t want the public thinking it was being used for a different purpose.

**ANNOUNCEMENTS**

December 20	6:30 p.m. 7:00 p.m.	Township Board Meeting Zion City Council Meeting
December 23, 26, 30 & January 2		City Offices Closed for the Holidays
January 3	7:00 p.m.	Zion City Council Meeting
January 16		City Offices Closed for Martin Luther King Holiday

**ADJOURN**

There being no further business to come before the Council at this time, it was moved by Commissioner McDowell, seconded by Commissioner DeTienne and unanimously approved the meeting be adjourned at 8:44 p.m. Motion carried.

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Deputy City Clerk

Approved December 20, 2016

