

MINUTES OF A REGULAR MEETING OF THE ZION CITY COUNCIL HELD ON TUESDAY, MAY 16, 2017, AT 7:13 P.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, 2828 SHERIDAN ROAD, ZION, ILLINOIS

.....

Mayor Hill called the meeting to order.

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

Also present: Police Chief 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 Scott Puma.

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

AGENDA CHANGES

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

- Delete Item 18 – “Consider restructuring of Public Affairs employees’ responsibilities per Mayor Hill” per Mayor Hill

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

PUBLIC HEARING

TIF – SHERIDAN ROAD/ROUTE 173 REDEVELOPMENT PROJECT AREA

It was moved by Commissioner McDowell, seconded by Commissioner Fischer to open the Public Hearing for the proposed Sheridan Road/Route 173 TIF District at 7:16 p.m. The vote on roll call was: Commissioners DeTienne, aye; Fischer, aye; McDowell, aye; McKinney, aye; and Mayor Hill, aye. Motion carried.

Bob Rychlicki, Kane, McKenna, and Associates, Inc., stated that the City of Zion conformed with the requirements of the TIF Act. The City complied with notification requirements. He stated that notices were sent to the taxpayers in the proposed TIF area and two newspaper notices were published. He stated that a Joint Review Board meeting was held with all taxing bodies plus one public member being represented. He stated that the vote of the Review Board was positive to move forward with the TIF proposal.

Director Knabel stated that eight voting Joint Review Board members voted resulting in a 5 to 3 vote to recommend approval of the proposed TIF project.

Mayor Hill asked Clerk Burkemper if any written comments from the public were received. Clerk Burkemper stated that no written comments were received.

Bob Rychlicki gave a presentation regarding the proposed Sheridan Road/Route 173 TIF District. He presented an overview handout that highlighted the background of the proposed TIF District/Plan for the Area, factors qualifying the area as a TIF District, key elements of the TIF plan and the next steps to develop the TIF. He stated that the TIF Plan complies with the key legal provisions of the TIF Act and it conforms to the City’s Comprehensive Plan. He stated that the area consists of contiguous parcels which exceed 1.5 acres. Mr. Rychlicki stated that the “but-for” requirement is met whereby redevelopment is feasible only with the utilization of tax increment financing as documented in the TIF Qualification Report. He stated that the proposed TIF District qualifies under the criteria of being a conservation area and having 58% or more of the buildings being 35 years old or older. He stated that the area meets five of the qualification factors for a conservation when only three qualifying factors are needed. The factors are obsolescence, deterioration, deleterious layout, lack of community planning, and lagging/declining EAV. Mr. Rychlicki stated that the key elements of the TIF Plan include 1) Base EAV at \$5,603,087, 2) Projected EAV

upon completion of redevelopment activities at approximately \$15,000,000 to \$17,000,000, 3) Proposed TIF budget at \$17,000,000, 4) Proposed land uses are commercial/mixed uses including residential, retail, and institutional, and 5) Builds on and continues the efforts in the adjacent TIF #1 area expiring in 2017. He stated that the term of the TIF is 23 years and the overall budget cannot be exceeded.

Mr. Rychlicki stated that the purpose of this public hearing was to entertain comments and that the Council would take no action at tonight's City Council meeting. He stated that a period of 14 days, but no more than 90 days, is allowed for all parties to process the information presented prior to addressing the three ordinances required to move the TIF project forward.

Mayor Hill asked all parties wishing to comment to stand and take an oath. Attorney Puma administered the oath to all those in attendance who signed up to speak.

Becky Allard, Zion Elementary School District No. 6 interim Business Manager, stated that taxing bodies are adversely impacted over the life of a TIF. She stated that the District has concerns about creating another TIF District. She stated that it will freeze the EAV and any increase to which the District would be entitled would not be received. She stated that the schools are dependent on the State and property taxes for funding. She stated that with the current situation in Springfield, property taxes are the only reliable funding source at this time. She stated that the TIF District will limit District 6 financially and impact students. Ms. Allard requested a shorter TIF term or an Intergovernmental Agreement between the City and District 6 to share resources during the TIF to help students.

Audrey Liddle, Zion Township High School District No. 126 Chief Business Administrator, stated that the District recognizes that the proposed TIF 4 meets the TIF Act requirements. She stated that District 126 has serious concerns regarding the ramifications of creating another TIF District with a 23-year term. She stated that with the TIF freezing the EAV of properties that contribute to the taxing bodies, even the most minimal legally allowable property tax increase during the TIF term must be spread over the remaining non-TIF properties. Ms. Liddle stated that a child starting Kindergarten in 2017 will turn 29 years old before the TIF expires. She stated that District 126 relies heavily on property taxes and that the tax burden is a significant concern in Zion. She stated that District 126 boundaries cover several taxing bodies and the District is in several TIF Districts in multiple municipalities which compounds the problem. Ms. Liddle recognized the potential positive impact the TIF can have on the EAV at the end of the 23 year term. She stated that the concern is the tax burden for the rest of the community during the 23-year period. She stated that taxing bodies who have suffered due to the drop in EAV over the past eight years will not be able to experience relief from the recovery that has just begun in Zion. She urged the Council to consider shortening the term of the proposed TIF or an intergovernmental agreement between the City and the school districts to provide a portion of the TIF revenue back to the school districts on an annual basis.

Lance Cenni, business owner at 2240 and 2770 Sheridan Road, stated that, in ten years, his property taxes have risen from \$13,500 to \$36,000. He stated that he is still in Zion because he received a TIF Grant. He stated that he took advantage of the Façade Grant Program and has been in business in Zion for fourteen years. He stated that he believes that TIF funds have been spent wisely and the TIF brought his businesses to Zion. He stated that TIFs are viable and important.

Clyde McLemore, Zion resident, stated that the State is not giving money to the schools. He stated that, if kids don't get a good education in Zion, people won't move into Zion. He stated that he agreed with School Districts 6 and 126 in their request to shorten the term of the TIF.

David Ratliff, owner of The Hive at 2636 Sheridan Road, stated that he depended on TIF to open his business. He stated that because of the TIF, he could purchase a building and put the property back on the tax rolls and also employ five people. He stated that he is thankful to the City of Zion and that the TIF is phenomenal.

Ted Behland, N & T's Restaurant, 3077 Sheridan Road, stated that he worked with the City of Zion and TIF to relocate his business to its new location. He stated that he could not have relocated from a substandard building without the TIF Grant he received. He thanked the City for giving N & T's Restaurant a chance. He stated that TIF does work as long as everyone works together.

Mayor Hill asked what the ramifications would be if the term of the TIF was reduced from 23 years to an 18 or 20 year term. Director Knabel stated that the primary impact would be on potential developers who would have less time to accomplish their project and a shorter time in which to generate enough increment. He stated that a shorter

term would limit bonding potential as bond term length is typically twenty years. He stated that a shorter term could be adopted initially which could then be extended at a later date.

Commissioner McDowell asked, if there was no new TIF created, what would the likelihood be of new development in the designated area. He asked if there was another approach available. Director Knabel stated that the TIF is a large tool and that any other development tools are minimal. He stated that the City continues to lose developments to Wisconsin and that the City needs to stay competitive. He stated that the chances of development without TIF are pretty low.

Commissioner McDowell asked if TIF funds can be extended to the schools at a later date if the current proposed school funding legislation fails. Director Knabel stated that the provisions of TIF do allow it. He stated that the TIF could also be closed early.

Mayor Hill stated that the City applied for an Enterprise Zone designation. He asked if the City receives the designation, how strong of a tool would the Enterprise Zone and the TIF be combined. Mr. Rychlicki stated that the City cannot do both. The City would have to choose one or the other, but with regard to property taxes only.

Mayor Hill asked Mr. Rychlicki if, in his experience working with many municipalities, he has experience with creating an intergovernmental agreement to split the TIF revenue, and if so, is there a formula to determine how much would be distributed. Mr. Rychlicki stated that a portion of the increment can be split. He stated that an agreement can be worked out either in advance of the creation of the TIF or after it has been created. He stated that the decision would be the City Council's.

Mr. Ruchlicki stated that there is a provision in the TIF Act which states, if residential development results in new kids coming into the district, there is a formula that provides a percentage of funds to the schools and library if they are impacted.

There being no further comments from the Council or the public, it was moved by Commissioner McDowell, seconded by Commissioner DeTienne to close the Public Hearing for the proposed Sheridan Road/Route 173 TIF District at 8:10 p.m. The vote on roll call was: Commissioners DeTienne, aye; Fischer, aye; McDowell, aye; McKinney, aye; and Mayor Hill, aye. Motion carried.

Mayor Hill called a short recess at 8:10 p.m.

Mayor Hill reconvened the meeting at 8:13 p.m.

KEY TO THE CITY/RICHARD J. FRIERSON

Mayor Hill presented a Key to the City plaque to Commissioner Richard J. Frierson in appreciation of his one of year of service on the Zion City Council.

RESOLUTION OF COMMENDATION/BRANDON BUSCH/ZION ESDA

It was moved by Commissioner McDowell, seconded by Commissioner Fischer that a Resolution (17-R-25) be passed commending ESDA Field Director Brandon Busch for fourteen years of service to ESDA. The vote on roll call was: Commissioners DeTienne, aye; Fischer, aye; McDowell, aye; McKinney, aye; and Mayor Hill, aye. Motion carried. Resolution passed.

SWEARING-IN CEREMONY FOR CITY OFFICIAL

City Clerk Diane Burkemper administered the oath of office to Billy McKinney for City Commissioner and Zion Township Trustee, with Tracey Johnson holding the Bible.

CITIZEN COMMENTS

Kathy Champine, Zion, stated that she has been attending City Council meetings for two years and finds them informative and enjoyable. She stated that she appreciates the transparency and Mayor Hill's effort to explain matters to the audience. She stated that sometimes she has difficulty hearing what's being said because of the

mutterings and explosions that take place in the back of the room. She asked that the Council consider having a Sergeant at Arms present during meetings.

Clyde McLemore, Zion, asked everyone to be safe on their way home.

CONSENT AGENDA

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

- (a) **APPROVAL OF MINUTES:** a Budget Workshop held April 25, 2017 at 5:00 p.m.; a Regular Meeting held May 2, 2017 at 7:00 p.m. and approval but not release of Closed Session Minutes of a meeting held on May 2, 2017 at 7:38 p.m.
- (b) **BILLS:** Vouchers 126355 through 126502 drawn on First Merit Bank, Total: \$735,804.97

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

ORDINANCE/SPECIAL USE PERMIT EXTENSION/FLAT ROCK HOLDINGS

It was moved by Commissioner DeTienne, seconded by Commissioner Fischer, that an Ordinance (17-O-30) be passed extending a Special Use Permit for a medical cannabis cultivation center in the G1 (General Industrial) Zoning District for property located east of Deborah Avenue at 2809 Damascus, in Zion, Illinois from June 30, 2017 to December 30, 2017. The vote on roll call was: Commissioners DeTienne, aye; Fischer, aye; McDowell, aye; McKinney, aye; and Mayor Hill, aye. Motion carried. Ordinance passed.

ANNUAL MAINTENANCE CONTRACT/CARDIAC MONITORS & AED-PROS/BIO-TRON

A memo (17-DOC-41) was received from Chief Lewis requesting approval of the annual preventive maintenance contract with Bio-Tron in the amount of \$1,500 for three Zoll E-Series Cardiac Monitors and one each Zoll AED-Pro. He stated that the Fire/Rescue Department has contracted with Bio-Tron for this service since 1992 with no rate increase.

It was moved by Commissioner McDowell, seconded by Commissioner McKinney to approve the annual preventive maintenance contract with Bio-Tron in the amount of \$1,500 for three Zoll E-Series Cardiac Monitors and one each Zoll AED-Pro. The vote on roll call was: Commissioners DeTienne, aye; Fischer, aye; McDowell, aye; McKinney, aye; and Mayor Hill, aye. Motion carried.

SPECIAL USE PERMIT/1410 GREEN BAY ROAD/LANDSCAPE SUPPLY BUSINESS

A memo (17-DOC-42) was received from Director Ianson requesting approval of a Special Use Permit to operate a landscape supply, organic yard waste transfer station, salt supply, and contractor parking facility at 1410 Green Bay Road as petitioned by Fred Schall, Lake Villa, Illinois, Zoning Docket 16-Z-9. He stated that in July 2016, Mr. Schall petitioned the Planning and Zoning Commission for a Special Use Permit to operate a landscape supply, transfer station, salt supply, truck parking, outdoor storage and small engine repair facility. Director Ianson stated that the Planning and Zoning Commission recommended denial of the request by a vote of 4 to 3. He stated that originally the Council voted to approve the Special Use Permit, but at a second reading of the ordinance on April 4, 2017, they voted to table the request and defer the matter back to the Planning and Zoning Commission. He stated that Mr. Schall submitted a revised business plan, site drawings, proposed elevations and revenue projections. Director Ianson stated that semi-trucks, RVs and boat parking and storage have been eliminated from the business plan. He stated that, on May 4, 2017, the Planning and Zoning Commission voted to recommend approval of the Special Use Permit based on the business plan dated March 27, 2017. Mayor Hill asked if the contractor parking would be limited to landscape contractors only. Mr. Schall stated that contractor parking would be open to any type of contractor. Mayor Hill asked if the allowable truck weight would be set at 40,000 pounds. Mr. Schall stated that the limit would be set at 40,000 pounds and no semi-trucks would be allowed, other than those traveling in and out of the facility to and from the organic waste transfer station. Mayor Hill noted that the business plan states that

approval of the transfer station and salt storage are contingent on IEPA approval and Mr. Schall confirmed. Mayor Hill asked if the berm across the front of the property along Green Bay Road would be made higher. Mr. Schall stated that the berm height would not be increased. Mayor Hill asked Mr. Schall if he plans to plant evergreens on the berm as screening. Mr. Schall stated that he intends to plant shrubs. Mayor Hill stated that eight to ten evergreens should be planted on the berm. Mayor Hill asked about traffic control entering and exiting the property from Green Bay Road. Mr. Schall stated that traffic will be forced to turn off Green Bay Road into the business from the north.

It was moved by Commissioner McKinney, seconded by Commissioner McDowell to grant a Special Use Permit, with contingences, to operate a landscape supply, organic yard waste transfer station, salt supply, and contractor parking facility at 1410 Green Bay Road as petitioned by Fred Schall, Lake Villa, Illinois, and that an ordinance be prepared accordingly. The vote on roll call was: Commissioners DeTienne, aye; Fischer, aye; McDowell, aye; McKinney, aye; and Mayor Hill, aye. Motion carried.

FOP TELECOMMUNICATOR COLLECTIVE BARGAINING AGREEMENT AMENDMENT/SEVERANCE AGREEMENT

Director Knabel stated that, given that the City of Zion has decided to outsource its telecommunications center to the Village of Gurnee, a severance agreement is being proposed between the City of Zion and the Illinois FOP Labor Council. He stated that any provision of the severance agreement applies only to those full time telecommunicators with the City as of the date the agreement is executed by both parties and who continue to be employed until the center is transferred to Gurnee. He stated that any employees who leave prior to the final transfer shall not be entitled to any benefits of the severance agreement. He stated that the provisions of the agreement include severance pay, health insurance, and vacation and compensatory time accrued.

It was moved by Commissioner McDowell, seconded by Commissioner DeTienne to approve the amendment to the Illinois FOP Labor Council Telecommunicator collective bargaining agreement regarding a severance agreement related to dispatch center consolidation as presented. The vote on roll call was: Commissioners DeTienne, aye; Fischer, aye; McDowell, aye; McKinney, aye; and Mayor Hill, aye. Motion carried.

ESDA APPOINTMENTS

It was moved by Commissioner McDowell, seconded by Commissioner McKinney to approve the appointment of David Ratliff to the position of ESDA Field Director and Mary Lou Hiltbran to the position of Assistant ESDA Field Director effective June 1, 2017. The vote on roll call was: Commissioners DeTienne, aye; Fischer, aye; McDowell, aye; McKinney, aye; and Mayor Hill, aye. Motion carried.

2017 BOARDS AND COMMISSIONS APPOINTMENTS

It was moved by Commissioner DeTienne, seconded by Commissioner McDowell to appoint the following members to City Boards and Commissions:

Accident Review Board

BC Al Town
Dane Costello

Fire and Police Commission

Shawn White

Police Pension Board

Mariann Carlton

Jubilee Days Commission

Les Martin
Mike Pobiecke
Craig Butkovic
Brent Paxton

Electrical Commission

Rich Ianson
Merlin Kreis
John Lewis
Dave Geer
John Hucker
Pat Buchanan

Liquor Control Commission

Nadine Thorn

Planning and Zoning Commission

Madeline Santana

Nostalgia Days Commission

Gibbie Buchholtz
 Rich Walker
 David Knabel
 Sonolito Bronson
 Adam Miller
 Randy Knorr
 Mike Pobiecke

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

ANNOUNCEMENTS

May 29		City Offices Closed for Memorial Day
June 6	7:00 p.m.	Zion City Council Meeting
June 20	6:30 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 McKinney that the Council recess to Closed Session at 8:40 p.m., pursuant to 5 ILCS 120/2 "Open Meetings", for the discussion of personnel, probable litigation and pending litigation. The vote on roll call was: Commissioners DeTienne, aye; Fischer, aye; McDowell, aye; McKinney, aye; and Mayor Hill, aye. Motion carried.

It was moved by Commissioner McKinney, seconded by Commissioner McDowell to reconvene the Regular Council meeting at 9:00 p.m. with all members present. The vote on roll call was: Commissioners DeTienne, aye; Fischer, aye; McDowell, aye; McKinney, aye; and Mayor Hill, aye. Motion carried.

SETTLEMENT AGREEMENT/CLEMTEEN HUNT V. CITY OF ZION

It was moved by Commissioner McDowell, seconded by Commissioner Fischer to approve a settlement agreement between Clemteen Hunt and the City of Zion in the amount of \$372.48 as presented. The vote on roll call was: Commissioners DeTienne, aye; Fischer, aye; McDowell, aye; McKinney, aye; and Mayor Hill, aye. Motion carried.

TABULATION OF BIDS/2017 TIF DISTRICT PROGRAM

A Tabulation of Bids (17-DOC-43) was received from Director Colangelo regarding the 2017 TIF District Program. He stated that the project consists of resurfacing all local streets, alleys, various parking lots, additional stamped concrete and a proposed sanitary relief sewer on 26th Street east of Sheridan Road. He stated alternate bids were submitted for new decorative benches and trash receptacles and the repainting of light poles and traffic signals. He stated that the total project cost including all alternate bids is \$2,347,147.58 from the sole bidder, Peter Baker and Sons Co., Lake Bluff, Illinois. Director Colangelo stated that staff is seeking direction from the Council as to whether or not to move forward with this much needed project. Mayor Hill directed that The Dome be included in this project.

It was moved by Commissioner Fischer, seconded by Commissioner McDowell to award the contract for the 2017 TIF District Program to Peter Baker and Sons of Libertyville, Illinois for the base and alternate bids in the amount of \$2,347,147.58. The vote on roll call was: Commissioners DeTienne, aye; Fischer, aye; McDowell, aye; McKinney, aye; and Mayor Hill, aye. Motion carried.

RETIREMENT INCENTIVE AGREEMENT/CITY CLERK DIANE BURKEMPER

It was moved by Commissioner DeTienne, seconded by Commissioner Fischer to approve a retirement incentive agreement between the City of Zion and City Clerk Diane Burkemper. The vote on roll call was: Commissioners DeTienne, aye; Fischer, aye; McDowell, aye; McKinney, aye; and Mayor Hill, 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 Fischer and unanimously approved the meeting be adjourned at 9:05 p.m. Motion carried.

City Clerk

Approved June 6, 2017