

MINUTES OF A REGULAR MEETING OF THE ZION CITY COUNCIL HELD ON TUESDAY, MARCH 17, 2020, AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, 2828 SHERIDAN ROAD, ZION, ILLINOIS

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Mayor Pro-Tem Fischer called the meeting to order.

On call of the roll the following answered present: Commissioners, McDowell, Frierson, Holmes, and Mayor Pro-Tem Fischer. Mayor McKinney attended the meeting by phone. A quorum was present.

Also present: City Administrator David Knabel and City Attorney James Vasselli.

Mayor Pro-Tem Fischer led in the Pledge of Allegiance to the Flag.

AGENDA CHANGES

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

1. Delete Item 5. **SPECIAL PRESENTATION** – Sharon Durling

The vote on roll call was: Commissioners McDowell, aye; Frierson, aye; Holmes, aye; Mayor Pro-Tem Fischer, aye; and Mayor McKinney, aye. Motion carried.

CITIZEN COMMENTS

There were no Citizen Comments

CONSENT AGENDA

It was moved by Commissioner Frierson seconded by Commissioner McDowell that the Minutes be approved as follows:

- (a) **APPROVAL OF MINUTES:** of a Regular Meeting held on March 3, 2020 at 7:00 p.m. and approval but not release of Closed Session Minutes of a meeting held on March 3, 2020 at 7:46 p.m.

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

It was moved by Commissioner Frierson seconded by Commissioner Holmes that the Bills be approved as follows:

- (b) **BILLS:** Vouchers 134620 through 134725 drawn on Huntington National Bank, N.A. Total: \$654,417.67.

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

RESOLUTION/IMPROVEMENTS BY MUNICIPALITY/MFT FUNDS

A memo (20-DOC-17) was received from Director Roberts stating that the City is required to file a Maintenance Resolution with IDOT for our estimated costs for routine maintenance items using Motor Fuel Tax Funds. Maintenance operations included are:

1. Road Salt Purchas
2. HMA Patching
3. Parkway Tree Removal
4. Street Light Repair
5. Traffic Signal
6. Salt Storage Facility Repair

The estimated cost for the General Maintenance Operations is \$473,000.00 and has been budgeted for in the FY21 MFT Account.

It was moved by Commissioner McDowell, seconded by Commissioner Holmes that a Resolution (20-R-4) be passed for routine maintenance operations using Motor Fuel Tax Funds in the amount of \$473,000.00. The vote on roll call was: Commissioners McDowell, aye; Frierson, aye; Holmes, aye; Mayor Pro-Tem Fischer, aye; and Mayor McKinney, aye. Motion carried. Resolution passed.

ORDINANCE/RENEWAL OF AGGREGATION PROGRAM FOR ELECTRICAL LOAD

The City's current Municipal Aggregation (MA) program is due for renewal at its July term end. A renewal program requires several months to implement; thus a contract would need to be signed by late March or early April. The ComEd rate will be re-set June 1 and analysts anticipate the new rate to be 6.5 to 6.75¢. That base rate varies by +/- one half cent, meaning the ComEd rate may change from 6.0 to 7.25¢ over the next year. The lowest indicative bid received is 5.98¢ per KWh. Thus, a small amount of savings for residents may be possible.

The City has two options:

- Renew the program with fixed rate contract
 - Guarantees savings of \$2 per year; savings higher than that amount is possible but is not guaranteed
- Renew the program to receive a Civic Contribution to the City (no restrictions as to use), and select anywhere from 0% to 100% renewable energy at no additional cost, with residents' electric rate to match the ComEd rate exactly, every month, guaranteed
 - No savings achieved but no risk of overpaying; guaranteed the exact ComEd rate
 - City receives a civic contribution, paid monthly
 - If choosing 25% green energy for a slightly lower contribution, the City of Zion can be designated an EPA Green Power Partner Community; if choosing 0% green energy, the civic contribution is higher and no EPA designation is received
- Retains continuity of program; City may continue to seek bids in the future to determine if savings available once again

Commissioner Fischer stated a video regarding the program was sent to the Commissioners to view prior to the meeting. He recommends authorizing the renewal with the Green Energy option at the 25% and work with Administrator Knabel on how to properly use the Civic Contribution. Commissioner McDowell asked what the advantage would be to go with the 25% Green Energy. Commissioner Fischer stated they would be helping build a contribution to the renewable energy credit system to help with future production. He stated the difference in the contributions is minor and believes it is a good social program. Commissioner McDowell asked if ComEd was pursuing Green Energy. Administrator Knabel stated ComEd can look at peaks of usage to see where they can purchase Green Energy and provide it to Zion residents based on City overall usage. They can receive a profit because they can purchase it at a lower rate than they might be able to produce it for. If the City did not participate they would charge the same rate regardless. This states we want to participate and want them to participate and have them analyze the community and look at where they can use Green Energy. The process is handled through ComEd as they will look at the patterns and electrical supply. Commissioner McDowell asked if they can purchase the energy through residents that have solar panels. Administrator Knabel stated he was not sure as that would be between the residents and ComEd. He believes that residents that have solar panels should already be getting a credit through ComEd. Commissioner Fischer asked if the term of the agreement was for one year. Administrator Knabel stated the renewal would start on July 1st and believes the Green Energy program is for one year.

It was moved by Commissioner Fischer, seconded by Commissioner Frierson, that an Ordinance (20-O-14) be passed to renew the municipal electrical aggregation program in the City of Zion, accept the bid of Eligo Energy Green Aggregation with Civic Contribution at 25% for a 12-month term, and authorize entering into a renewal contract with Eligo Energy. The vote on roll call was: Commissioners McDowell, aye; Frierson, aye; Holmes, aye; and Mayor Pro-Tem Fischer, aye; Mayor McKinney, aye. Motion carried. Ordinance passed.

ORDINANCE/SPECIAL USE PERMIT/2200 SHERIDAN ROAD

A memo (20-DOC-18) was received from Director Ianson regarding a Special Use Permit to operate a Ministerial Training Center at 2200 Sheridan Road. Liberty Temple Zion is seeking a Special Use Permit to Section 102-61 of the Zion Municipal Code, Zoning Docket 20-Z-4, to operate a Ministerial Training Center. This will be a classroom setting with an average of 12 to 15 students. At the March 5, 2020 Planning and Zoning Commission meeting, they recommended approval of the Special Use Permit with conditions that on weekends between the hours of 8:00 am to

12:00 pm they only use the 5 permitted parking spaces in front of the tenant spaces and the 2 permitted parking spaces in the rear.

It was moved by Commissioner Frierson, seconded by Commissioner McDowell that an Ordinance (20-O-15) be passed granting a Special Use Permit to operate a Ministerial Training Center with conditions that on weekends between the hours of 8:00 am to 12:00 pm they will only use the 5 permitted parking spaces in front of the tenant space and the 2 permitted parking spaces in the rear for property located at 2200 Sheridan Road. The vote on roll call was: Commissioners McDowell, aye; Frierson, aye; Holmes, aye; and Mayor Pro-Tem Fischer, aye; Mayor McKinney, aye. Motion carried. Ordinance passed.

ORDINANCE/TAX ANTICIPATION WARRANTS

Administrator Knabel explained that tax anticipation warrants are essentially a borrowing mechanism. Cities also have the ability to issue bonds.. The City has obtained bonds in the past for operating expenses which were paid back over a 15 year period. Tax anticipation warrants are a shorter term financial cash flow borrowing. The City's tax distributions are pledged as collateral and placed in an escrow account that will be used to pay back the warrants. This amounts to be about 30% of the taxes overall which will be used to pay back the principal and interest on the warrants. The reason the City needs this is because of cash flow and liquidity uses. The City receives the majority of the tax distributions in June and September but always has a tight time between January and June. Currently there have been some financial crunches with the overtime from fire personnel leaving. The City will run out of money before they receive the June tax distributions. The timing of when expenses are coming in to when revenue is coming in are at different times, so they need to be able to bridge the gap. Invoices and due dates are being analyzed as they try to hold off on paying the invoices as best they can to allow for revenue to come in. Payroll is due every two weeks and on average about \$500,000 is spent a week between payroll and bills. The current cash position will get the City to March 27th. There has been about \$1 million set aside as cash reserves that are receiving interest. The idea for this was that the money would be used only if needed. It has now become necessary to access the money. The reserves will get the City through April 17 upon which time the tax anticipation warrants would be needed until the City receives their tax distributions. He understands it is not a good situation to be in as it can start a financial cycle if it is not kept under control but the tax anticipation warrants are needed to bridge the gap for operating expenses. Although the terms state not to exceed \$1million or maximum interest rate of 5% as they go out market he hopes they will come in below that.

Commissioner McDowell stated he is does not wat to go down this path as it will not only effect this budget year but next budget year. He asked Administrator Knabel if the City would have been able to follow the budget that was previously approved without the unforeseen expenses. Administrator Knabel stated it may not have been as drastic but they knew they had a significant deficit budget that was adopted. They may still have been looking at the timing of cash coming in but may not have been in a situation where they needed to borrow money. Commissioner McDowell asked when they would be paying back the warrants. Administrator Knabel stated by the end of December. They would follow the distribution cycle of tax distributions from the County. The County will continue to take a percentage of the distributions until the warrants are paid back. Commissioner McDowell asked if they could pay back the warrants early when they receive the tax distributions. Administrator Knabel stated they can pay them back early but the City will need the distributions to be able to operate. He stated a small distribution will come at the end of May and the next one coming in the month of June. Commissioner McDowell asked what the amount was that was needed to bridge the gap. Administrator Knabel stated they will be using the reserves that were set aside to get to April 17th. He stated the cash reserves were part of the budget and was always going to be used for operations. Commissioner McDowell asked if although they will approve an amount not to exceed \$1,000,000 was it necessary to borrow the full amount. Administrator Knabel stated he has estimated that \$1,000,000 is what will be needed to get through to June. Commissioner McDowell stated he was under the impression that the City would not be accessing the reserves but instead move forward in issuing the tax anticipation warrants. Administrator Knabel stated they have been trying to avoid issuing the tax anticipation warrants as long as possible by using the reserves. Commissioner McDowell asked what cost-saving measures can be employed that may be able to save the City from issuing the tax anticipation warrants. Administrator Knabel stated cost saving measures have already been done. The City is already "bare bones" when it comes to personnel and expenses. Administrator Knabel stated he continues to pursue opportunities such as the Nuclear Stranded Act, Home Rule, and Medical Cannabis. Even if these items passed they would be looking at significant time lines to be able to bring in any revenue. Commissioner McDowell stated they may have until June to come up with some solutions so they would not have to borrow the full \$1,000,000. Administrator Knabel stated they do not have to close on the deal. This approval authorizes them to go out to market and get quotes but they will still be incurring legal costs and escrow costs to set up the accounts. He stated in 2012 they talked about tax anticipation warrants but decided to go with bonds instead so they did not end up closing on the tax anticipation warrants even after approving them.

It was moved by Mayor Pro-Tem Fischer, seconded by Commissioner Holmes that an Ordinance (20-O-16) be passed authorizing the issuance of Tax Anticipation Warrants in the amount not to exceed \$1,000,000 and all steps necessary. The vote on roll call was: Commissioners McDowell, aye; Frierson, aye; Holmes, aye; Mayor Pro-Tem Fischer, aye; and Mayor McKinney, aye. Motion carried. Ordinance passed.

INTERGOVERNMENTAL AGREEMENT/MAJOR CRASH ASSISTANCE TEAM (MCAT)

A memo (20-DOC-19) was received from Chief Henderson regarding an Intergovernmental Agreement with the Major Crash Assistance Team (MCAT). The Zion Police Department is a member of the Major Crash Assistance Team (MCAT) which is a multi-agency unit that assists member agencies with high level crash investigation, usually involving fatalities. Through MCAT the Zion Police Department has access to a group of highly-trained Accident Investigators/Accident Reconstructionists and the latest technology that the Zion Police Department would otherwise be unable to afford. MCAT is amending the Intergovernmental Agreement with member agencies to reflect changes in the use of Drug Recognition Experts (DRE) and the Drone Incident Response Team. The changes are necessary because of the anticipated increase in impaired driving due to the legalization of cannabis, in certain amounts. And, to specify which type of incidents qualify for activation of Drone Incident Response Team. Chief Henderson supports the proposed changes in the IGA and recommends approval.

It was moved by Commissioner Frierson, seconded by Commissioner McDowell approve an Intergovernmental Agreement among the members of the Major Crash Assistance Team (MCAT), Lake County, Illinois, and the City of Zion. The vote on roll call was: Commissioners McDowell, aye; Frierson, aye; Holmes, aye; Mayor Pro-Tem Fischer, aye; Mayor McKinney, aye. Motion carried.

DEPARTMENTAL COMMENTARY

Administrator Knabel stated a new link has been created for the Coronavirus on the City’s website. All updates in relation to the Coronavirus as they develop will be available through this link. The Department Heads and staff have been working diligently to develop a Continuity of Operations Plan specifically for COVID-19. The plan includes details as it relates to hitting the different levels of State, Regional, Local and Internal and how the City responds to insure that water, police, and rescue is still operational without any disruptions in essential services. It is a fluid document as it can get overridden based on State and Federal mandates. As information changes there are contingency plans in place to make sure operations continue to the public. He asked that the public be patient and to check the website for updates. The City has suspended water shut offs and late penalties until April 30th.

Mayor Pro-Tem Fischer reminded the public that April 1, 2020 is Census Day. The Census can be completed online. It is important for the community to be counted as it determines better health care services, funding for schools, public transportation, funds received from State and Federal sources and home improvement assistance that provide grants and loans. He encouraged citizens to participate.

Mayor Pro-Tem Fischer read the Declaration of Emergency as related to the COVID-19 Pandemic. The declaration is on file and immediately available from the City Clerk.

ANNOUNCEMENTS

April 7	7:00 p.m.	Zion City Council Meeting
April 10		City Offices Closed for the Holiday
April 14	6:00 p.m.	Annual Town Meeting
April 21	6:15 p.m. 7:00 p.m.	Zion Township Board Meeting Zion City Council Meeting

ADJOURN

There being no further business to come before the Council at this time, it was moved by Commissioner Frierson, seconded by Commissioner Holmes, and unanimously approved the meeting be adjourned at 7:48 p.m. Motion carried.

City Clerk