

COMMITTEE OF THE WHOLE
MONDAY – FEBRUARY 10, 2020, LIBRARY MEETING ROOM
380 N. WILMOR ROAD, WASHINGTON, ILLINOIS

Mayor Pro Tem Mike Brownfield called the regular Committee of the Whole meeting of February 10, 2020 to order at 6:33 p.m. in the Library meeting room at Five Points Washington.

Present: Aldermen Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, and Yoder.

Absent: None.

Also present: City Administrator Forsythe, Finance Director Baxter, P & D Director Oliphant, Public Works Director Schone, Interim City Engineer Anderson, Police Chief McCoy, Deputy Police Chief Stevens, City Treasurer Dingledine, and City Clerk Brown.

MINUTES

1. Aldermen wishing to be heard – None.
2. Citizens wishing to be heard – None.
3. Approval of Minutes: Alderman Black moved and Alderman Cobb seconded to approve the minutes of the January 13, 2020 Committee of the Whole meeting. Motion carried unanimously by voice vote.

4. **BUSINESS ITEMS**

- A. Chamber of Commerce Update – Chamber Membership Manager Wendy Wagner provided an update on the Chamber's recent activity noting the following: 1) Chamber staff attended the Eggs & Issues event hosted by the E. Peoria Chamber of Commerce and will be adding a direct link on their website to receive the most up to date information throughout the Murray Baker bridge closure that is targeted to begin March 19, 2020 through the end of October 2020; 2) the Chamber's city maps have gone to print; 3) was a co-host of the Business Continuity Seminar for disaster preparedness that created a checklist that will be available on their Facebook page as well as a link on their website; and 4) upcoming events include Business After Hours scheduled tomorrow evening from 5-7 p.m. at McMahons' Pints & Plates, Business Before Hours scheduled February 20th from 8:30-9:30 a.m. will be held at Connect Church and provide ways to step up your social media, and Washington Meet & Mingle is scheduled for February 27th at Five Points Washington from 6-8 p.m. Alderman Brownfield asked if Good Neighbor Days dates have been set and Wendy shared it will be held May 27-31st.
- B. Introduction of New Positions/Employees – Police Chief McCoy introduced newly sworn Police Officer Jeff Hensley and recently promoted Sergeant Brian Simpson formerly working as a Police Officer. City Administrator Forsythe indicated the swearing in of new and promoted officers will occur at City Council meetings in the future. He introduced Ross Fuller as the City's new Engineering Technician formerly working as a Laborer in the Street Department and Kevin Schone as the City's new Public Works Director formerly working as the Public Works Manager. Public Works Director Schone introduced Brian Rittenhouse as the City's new Utilities Superintendent formerly working as the City's Waste Water Treatment Plant Supervisor/Operator, Brandon Vermillion as the City's new Street Department Supervisor formerly working as a Laborer in the Street Department; and Brad Powers as the City's new Waste Water Treatment Plant Supervisor/Operator. City Administrator Forsythe thanked everyone for coming and shared that training is key to promoting from within and providing for long term opportunities. He shared interviews are now being conducted to fill the two laborer positions created as a result of these promotions.
- C. MEG Unit, Dave Briggs – Police Chief McCoy introduced Master Sergeant Phil Trompeter, IL State Police and Director Dave Briggs, Peoria Multi-County Narcotics Enforcement Group (PMEG) who presented information and services provided by the Peoria Multi-County Narcotics Enforcement Group

which serves as our Police Department's drug unit. The topics covered included surveillance and undercover operations; confidential source management; hand to hand drug purchases; expert testimony; specialized equipment; and intelligence analysis. The presentation also covered how to get the most out of PMEG by having a dedicated PMEG inspector and receiving all the benefits an officer can bring back to a department after a tour in PMEG.

- D. 101-103 Washington Square TIF Agreement Amendment Consideration – P & D Director Oliphant went over the details of the TIF agreement that was entered into with Heider Properties, LLC in April 2017. He suggested the following if an amendment to the TIF agreement were to be considered to help ensure the remaining businesses continue to operate: 1) require payment of the \$20,582.73 for the remaining 2017 and 2018 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) calculation. A payment installation plan is worth considering. Additionally, maintain the requirement for payment of up to \$12,417.27 through 2021 for the remaining three years of the agreement; 2) prorate the violation of the two meals per day/six days per week and closure of the middle floor clauses to take into consideration that the developer was in compliance with the agreement for about 49 weeks in 2019. Such a proration would reduce the particular payment from \$24,000 to \$16,462; 3) Consider further reduction of the \$16,462 payment if the middle floor vacancy did not linger through the entire year. Staff would recommend the developer pay \$16,462 but allow for it to be reduced to \$8,000 if there is a mutually-agreed upon sales tax producer that opens in the middle floor space by a particular date, such as July 31. Hosting a sufficient number of group events could also be sufficient if agreeable to the Council, though details of sales tax revenue as part of those would need to be submitted for consideration. If the Council agrees to such a business that is established by July 31 or hosting group events, the City would reimburse \$8,462 of the \$16,462 owed under the consideration of a prorated penalty payment. It would likely be best to have new language drafted that addresses a new penalty should there be a new violation within the timeframe of the agreement; and 4) under these scenarios for an agreement amendment, the developer would owe anywhere from \$28,582.73-\$37,044.73 depending on the operation in the middle floor. He noted the existing agreement would require payment of \$44,582.73. Discussion ensued surrounding how the agreement was formulated, the payment schedule, the importance of the building and its draw for other businesses, its more than typical parameters due to the higher investment amount than other TIF agreements, challenges in breaking down the financial numbers of the three entities that comprise Heider Properties LLC to affect the EBITDA, and in opening up the agreement to an amendment it allows for us to set parameters that may have been unforeseen under the initial agreement. Following discussion, it was the general consensus to consider prorating the violation of the two meals per day/six days per week and closure of the middle floor clauses taking into consideration that the developer was in compliance with the agreement for about 49 weeks in 2019. Mayor Pro Tem Brownfield asked that a way be worked on to get the three entities of Heider Properties LLC broken down and to bring information back to either the next Finance & Personnel meeting or Committee of the Whole meeting for further review. Brock Heider provided an information packet to Council members and asked them to review it before making any decisions. It contained information pertaining to their understanding of the agreement they had in hand which differed from the fully signed agreement by all parties and did not include the 6 day/2 meal penalty or they would have come before Council for discussion prior to moving from a 6 day to a 5 day operation, the current climate of the restaurant business and its difficulty in being successful, the amount of investment they have made outside the TIF funding that was provided, the financial burdens of both the Blacksmith and Kep's, and asked that consideration be given to eliminating the penalty and eliminating or reducing the EBITDA.
- E. Cambridge Estates Drainage Options – Public Works Director Schone provided a summary of the drainage issue that Cambridge Estates is experiencing. He shared that after investigation it appears the drainage issue is a result of the detention basin not having a means to drain as it was originally designed. He explained that it was originally designed to drain to the ditch along Newcastle Road but when the ditch section was improved to curb and gutter the existing drainage was not taken into consideration and as a result there is no longer a means for the basin to drain. He shared they have met with Mauer Stutz at the property and they provided five options to restore the drainage of the basin with only one being feasible, noting that more field work will be needed to confirm the option depending on Council direction. He shared the engineer's estimate to complete the work is \$35K and

does not include engineering at approximately \$13-\$14K which can be completed under our master engineering contract. He noted this unplanned expenditure can be deferred until FY20-21 and requested direction to proceed with including it in the FY20-21 budget. He noted that Public Works Committee has discussed and recommends moving forward with budgeting. Following discussion surrounding the City's responsibility in creating the drainage issue it was the consensus to move forward with budgeting in the next fiscal year.

- F. Water Tower #1 Painting Inspection Considerations – Public Works Director Schone shared that Seven Bros Painting will be mobilizing later this month, weather permitting, to begin work on the Water Tower #1 painting project and noted the following: on January 10th he was contacted by Dixon Engineering inquiring on the project and if we were still planning to use them for the inspection portion of the project; he was not aware of this portion of the project so indicated he would get back to them; the cost Dixon had quoted for the work was \$36,450; checked with Crawford, Murphy, & Tilly (CMT) who have largely engineered for us on the water side and although they indicated interest in quoting for the inspection work initially informed me they would not be able to complete the inspections; CMT provided two companies (Dixon Engineering and Tank Industries) that could provide the services, and after contacting Tank Industries they declined to quote as they did not write the specifications for the project. He noted that Public Works Committee has discussed and recommends moving forward with Dixon Engineering for the inspection services. Following discussion on its overall budget impact and necessity of the inspections it was the consensus of Committee to move this forward to Council for consideration.
- G. Water Treatment Plant #1 (WTP#1) Flood Protection Options – Public Works Director Schone provided a summary indicating the following: Crawford, Murphy, & Tilly (CMT) prepared a flood protection investigation report in 2018 to provide options for flood protection at WTP#1; the City is not mandated to do this we would just be protecting our infrastructure; in 2018 the City elected to proceed with the 100-year protection levee at a construction cost of \$120K, not including engineering, permitting or legal fees; \$150K is budgeted for this project in FY 19/20; during surveying it was discovered that doors and windows are very close to or above the 100-year flood elevation which resulted in consideration of a flood response option as opposed to the 100-year protection levee; this option would place a sensor at Well #7 alerting personnel when a flood was imminent and getting them to the plant to install flood panels that would be located on the two entrance doors, garage door, and possibly the west windows during the flood event; further investigation would be needed before the flood response option could be verified as a viable option to make sure the panels would adhere to the building; and the estimated cost would be \$100K. He also went over several unknown risks with the flood response option asking for direction on whether to proceed with one option over the other. It was noted by Alderman Dingleline that in 2018 he was under the impression that this flood protection was being mandated due to the mapping that was being done at the state level and it does not appear that is the case. Following discussion, it was the consensus of Committee to hold off for now and not move forward at this time with either option.
- H. Budget Review: Group 1/Special Revenue Funds – City Administrator Forsythe shared that through the budgeting process we are assuming what costs are going to be which in some cases don't always end up costing what was budgeted resulting in excess money in reserves. As the budgeting process moves forward discussions will be had on revenues and expenses, one time or deficit spending, in hopes of not carrying so much forward year after year. Finance Director Baxter provided a summary of the Group 2 (Audit, Liability, IMRF, and Social Security/Medicare) budget review noting the following: 1) audit is funded 100% through the tax levy, is a known cost through our contract, and will remain the same as last FY; 2) liability is funded through property taxes, renewal is July 1st, have had quite a few claims, and budgeting a 15% increase over estimated actual for FY19-20; 3) IMRF is funded by combination of property taxes and transfer from water and sewer, estimated as it is paid on overtime as well, 13% increase in rate, reflects current staffing and does not reflect any proposed personnel that you will hearing in the coming weeks, fund has accumulated a balance over the years due to estimated actual vs. actual. City Administrator Forsythe shared the challenge with IMRF is rates are set by state. He shared he is hesitant to recommend deficient budgeting in this account because IMRF is unknown but we have a very healthy reserve that the Council may want to consider reducing a future levy or transferring these funds to another one time use; and 4) social security is funded by a combination of property taxes

and transfer from water and sewer, current rate is 7.65% paid on all wages, reflects current staffing, and has a healthy reserve. Mayor Pro Tem Brownfield asked for any questions. Alderman Cobb asked if the interest in these accounts is based on the balance and Baxter replied yes. He asked if funds were transferred to another account would be interest be the same and Baxter replied that the interest percentage would be the same. City Administrator Forsythe shared it is important to know our goal is to keep continually adding to the fire contract showing the actual costs of the levy and this is opportunity to keep the levy the same and potentially reduce these levies as well. He noted that a significant number of planning dollars will be coming forward as a result of achieving Council goals and these could be used for those one-time funds as well.

5. Other Business – Alderman Stevens asked how a MEG officer can help with drug activity that we already know about in our community. Chief McCoy shared that they would send someone that we don't know that would work undercover and we would be investing in one officer to get the services of six. City Administrator Forsythe shared there will be future discussions on employment needs in all departments coming forward as well. Alderman Stevens asked that a new organizational chart be prepared showing on the recent changes as well.
6. At 8:23 p.m. Alderman Adams moved and Alderman Stevens seconded to adjourn. Motion carried unanimously by voice vote.



Patricia S. Brown, City Clerk