

COMMITTEE OF THE WHOLE
MONDAY – MARCH 9, 2020, LIBRARY MEETING ROOM
380 N. WILMOR ROAD, WASHINGTON, ILLINOIS

Mayor Manier called the regular Committee of the Whole meeting of March 9, 2020 to order at 6:32 p.m. in the Library meeting room at Five Points Washington.

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

Absent: Aldermen Adams & Dingledine.

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

MINUTES

1. Aldermen wishing to be heard – Alderman Stevens commented she has had a lot of negative feedback on the recent residential solid waste contract mainly because the community wasn't involved and the process happened so quickly. She believes PDC Services, Inc. was the company to go with but is disappointed, for example, the yard waste service is less of a service than what was offered previously, and she is looking forward to talking about it and looking back she is sorry she waived the second reading because more discussion can benefit the situation. Alderman Black commented he agrees that PDC Services, Inc. was the best contract offered, a quick decision had to be made so the residents did not get interrupted service, and is hoping we can get all the issues resolved.
2. Citizens wishing to be heard – None.
3. Approval of Minutes: Alderman Brownfield moved and Alderman Black seconded to approve the minutes of the February 10, 2020 Committee of the Whole meeting. Motion carried unanimously by voice vote.
4. **BUSINESS ITEMS**
 - A. Purchase Authorization: Police Department Pool Van Replacement – City Administrator Forsythe asked if there were any questions. Alderman Black asked if more details could be shared on vehicle size or if there was any additional information regarding the bids and Police Chief McCoy and Deputy Chief Stevens replied that certain details are typically not put out to the public but the vehicle being replaced is a minivan. It was the consensus of Committee to move this forward to Council for consideration.
 - B. 101-103 Washington Square TIF Agreement Amendment Consideration – P & D Director Oliphant summarized the two takeaways from the last Committee of the Whole discussion on this item as follows: 1) staff was asked to see if Kep's operations and real estate could be separated from the operations and real estate associated with 101-103 Washington Square and Heider's accountant was able to do the separation; 2) the numbers specific to the 101-103 Washington Square space did not show a profit for the 2017 calendar year, however, a profit of \$55,995 for 2018 was shown, which according to the calculation has a 10% payback equaling \$5,500.50, which would hinge on whether there is a desire to amend the agreement to speak only to the 101-103 Washington Square space or keep it as it is to include all three of the Heider entities; and 3) another component that was discussed was the possible proration of the penalty clause for the closure as well as the reduction of meals late last year and there seemed to be general consensus after the last meeting to prorate it from the \$24,000 number that is in the agreement to \$16,462. Following discussion there was a consensus to amend the existing agreement to include only the 101-103 Washington Square space EBITDA calculation that would reduce the 2017 and 2018 repayment from \$22,582.73 to \$5,599.50, of which \$2,000 has already been paid as well as prorating the penalty clause from \$24,000 to \$16,462. P & D Director Oliphant shared that Brock and Gary are here tonight to answer any questions and also mentioned that through a conversation with Brock this week they are getting closer to opening up the downstairs

restaurant back to 6 day per week/2 meals per day. City Administrator Forsythe commented that he and P & D Director Oliphant would work out a payment plan schedule that works with both the City and Heider's and bring it back to Council along with the amended agreement for consideration. Alderman Butler made a suggestion to have the payment schedule tied to the potential resumption of the downstairs restaurant to 6 days per week/2 meals per day, which will put them in a better cash flow position as well.

- C. Project Change Order Process – City Administrator Forsythe brought forward for consideration establishing a change order process for capital improvement projects. He shared that Interim City Engineer John Anderson approached him with questions on the City's change order process and after investigation found that we don't have a process in place. He shared that all of our current capital improvement projects have a phase 3 engineering contract with an outside engineer monitoring the day to day process so we need to give those engineers some latitude in the approval process but want to also make sure the Council is comfortable with anything that we would encounter in the field. Our thoughts are to put together an estimated dollar amount that the Council is comfortable with giving the City Administrator, Public Works Director, and City Engineer in order for some latitude in agreeing to onsite change orders that would then come back to Council at the next available meeting. Following discussion there was consensus that a policy needs to be established and City Administrator Forsythe indicated that a draft policy will be prepared and brought forward to Council for consideration.
- D. Lakeshore Drive Grant Funding Opportunity – P & D Director Oliphant brought forward for consideration whether to include Lakeshore Drive in the upcoming Surface Transportation Block Grant (STBG) program. He noted the following: application is due April 10th; already planning to submit Freedom Parkway at an approximate cost estimate of \$2.4M at a 70/30 cost share; Freedom Parkway has been submitted previously for funding three times under the formerly named STU program with a portion of Lakeshore Drive extended being included on the last submittal; if there is interest to include Lakeshore Drive in this submittal it would commit the City to complete Phase I (\$150K) and II (\$135K) engineering costs as there are not eligible for funding under STBG; cost estimate to complete Lakeshore Drive is \$2.3M broken into two stages: 1) stub Lakeshore Drive approximately 600 feet north to the back of the Stock & Field store, costing approximately \$800K and would be included as part of STBG submittal and if selected would cover \$560K with the City responsible for \$240K; and 2) the remainder tentatively budgeted for FY24-25 at a cost of \$1.5M. Following discussion, it was the consensus of Committee to include Phase I of Lakeshore Drive in the STBG submittal to be in a better design position when IDOT comes through with the engineering of the Business Route 24 Reconstruction Project.
- E. Chamber of Commerce Update – Chamber Executive Director Chevie Kriete provided and went over a 2020 Membership Report as of January 31st that included a monthly snapshot and asked for any feedback the Committee could provide as they prepare the annual work agreement with the City. Several comments were made on the specifics of the membership report and budgeted amounts and how they are generated.
- F. Residential Solid Waste Contract Update – City Administrator Forsythe provided an update on the Solid Waste Contract noting the following: have received some criticism on the process and takes full responsibility; request for proposals for a new contract was issued on January 23rd with a February 21st deadline; tried to receive a 30-day extension to help in the transition process from moving from Waste Management to PDC Services but could not; talked with both waste haulers and they were comfortable with meeting the time frame; services for landscape waste (subscription only) and glass recycling (not included) are changing and PDC has offered drop off options for both; a 2.75% error was found in the contract pricing table and will be corrected; have met with both haulers to provide a solution for the transition with the least disruption to residents; and will work diligently to provide the best service during the transition process. Eric Shangraw, PDC Services, provided a summary of what they are currently doing to work through the transition process, noting they have arranged for a small field trip for any city personnel, up to 20 people, that will tour their landfill and recycling process on Tuesday, March 28th and will provide weekly updates on the transition process as well. Discussion ensued on a number of detailed questions surrounding the new contract and services provided.

- G. Budget Review: Water & Sewer Funds; Staffing Recommendations; General Fund Summary – City Administrator Forsythe shared that after receiving feedback this evening a complete review of the overall budget will be coming forward at the next meeting. He shared the budget detail sheets would be emailed out this week as well. 1) Water & Sewer Funds: Public Works Director Schone provided summaries of both funds which have been attached and made part of these minutes. City Administrator Forsythe and Finance Director Baxter provided comments as well. 2) Staffing Recommendations: City Administrator Forsythe provided a summary of the staffing requests and how they affect the budget, noting that he is making the following recommendations: 1-Police Officer, Foreman in Distribution & Collections, 1-Public Works Laborer in Streets, and 1-Part-Time Human Resource. 3) General Fund Summary: Finance Director Baxter and City Administrator Forsythe provided a revenue/expenditure summary of the General Fund which is attached and made part of these minutes. It was the general consensus of Committee to incorporate the staffing recommendations into the proposed budget. City Administrator Forsythe commented the next step in the process is to put everything together and bring to City Council as one proposed budget document. He noted that feedback is beneficial through the process and the new accounting software will give Council a better overall picture as it has a more robust reporting system.
5. Other Business – None.
6. At 8:52 p.m. Alderman Stevens moved and Alderman Cobb seconded to adjourn. Motion carried unanimously by voice vote.



Patricia S. Brown, City Clerk

Budget Review Water and Related Funds

Water

- Revenue is estimated to be down from the prior year, which is a concern. Due to including expenses for N. Lawndale (\$483,698) and W. Holland (\$125,820), the cash position of the fund (864,680) would be negative if the new infrastructure Fixed Fees had not been put in place (estimated/budgeted total \$966,570).
- The Water/Sewer/Trash CPI was 2.76% for 2019 as compared to 4.27% for 2018. This is the increase that will be applied to the consumption rate as well as will increase the additional fixed fee added for 2019. The current fixed fee of \$5 per account will be increased by \$4 adjusted by the WST CPI (\$5 plus \$4 x 2.76% increased by the WST CPI = \$9.11 for the new fixed fee.
- Personnel increase of 11% due to increases in Health Insurance, pension, annual wage increases, and addition of Utilities Manager and Engineering Tech.
- Operations increase of 9% due to:
 - Increase in R & M System Contractual due to additional program as required by IEPA for a valve exercise program \$82,000
- Capital purchases budgeted include:
 - Large equipment WTP/Distribution \$7,000
 - Computer \$1,000
 - Fuel Safety Cabinet \$1,000
 - WTP Well House Doors/Lights \$10,500
 - Water main replacement – Lawndale \$483,900
 - Water main replacement – Holland \$126,000
 - Water main replacement – engineering for future \$15,000
 - Fire hydrant replacement \$10,000
 - WTP Water Tower #3 engineering \$70,000
 - WTP Water Tower Painting engineering \$33,000
 - Meter purchases \$40,500
 - WTP vessel and softener rehab \$350,000
 - Misc. purchases \$2,000
- Total revenue of \$2,342,950 is sufficient to cover personnel, operations, debt service and transfers due to the addition of the infrastructure fixed fees, but only leaving \$200,000 for capital expenditures. This amount will increase over the next five years due to the Infrastructure Fixed Fees.
- **Projected balance FYE 4/30/21 – \$758,680 compared to a minimum standard balance of \$585,738**

Water Subdivision Development Fee

- No anticipated expenses
- **Projected balance FYE 4/30/21 – \$539,398**

Water Connection Fee

- No anticipated expenses
- **Projected balance FYE 4/30/21 – \$777,517**

Water Tank Reserve

- Capital expenditures include painting of Water Tower #1
- Requires transfer of \$275,00 from Water Fund
- **Projected balance FYE 4/30/21 – \$32,022**

Budget Review Sewer and Related Funds

Sewer Fund

- Estimated revenue is up approximately 1.9% compared to the budget.
- The Water/Sewer/Trash CPI was 2.76% for 2019 as compared to 4.27% for 2018. This is the increase that will be applied to the consumption rate as well as will increase the additional fixed fee added for 2019. The current fixed fee of \$1 per account will be increased by \$1 adjusted by the WST CPI (\$1 plus \$1 x 2.76% increased by the WST CPI = \$2.03 for the new fixed fee.
- Personnel increase of 11% due to increases in Health Insurance, pension, annual wage increases, and addition of Utilities Manager and Engineering Tech.
- Operation increase of 6% due to:
 - Software and data processing support for remainder of Tyler software, Tyler and IT360 support costs
 - Increases in Repair and Maintenance for Building and System
- Capital expenditures include:
 - WWTP/Collections large equipment \$20,000
 - WWTP 3-inch trash pump \$2,000
 - WWTP muffle furnace \$2,000
 - WWTP polymer spill containment \$1,500
 - WWTP fuel safety cabinet \$1,000
 - Collections computer \$1,000
 - WWTP hot water heater \$5,000
 - WWTP water softener \$3,000
 - WWTP clarifier catwalk \$2,000
 - Distribution lift station security fence \$5,000
 - Sewer main replacement – Lawndale \$633,500
 - Sewer main replacement – Holland \$160,000
 - Sewer main extension – Cummings \$50,000
 - Collections Sanitary Sewer CIPP – \$150,000
 - Phase 1 engineering – Sewer reconstruction – \$20,000
 - Miscellaneous capital – \$5,000
- Projected balance 4/30/21 – \$5,713,474 with estimated surplus of \$5 million

Sewer Subdivision Development Fee

- No anticipated expenses
- Projected balance FYE 4/30/21 – \$79,365

Sewer Connection Fee

- No anticipated expenses, except transfers for debt service:
 - 2009 IEPA Loan (100%) – \$287,946
 - Phase 2A IEPA Loan (20%) – \$47,436
- The balance is sufficient to pay the remaining debt service for the 2009 IEPA loan (retired in FY2030-31) and the Phase 2A loan (retired in FY2036-37) **IF we receive an average of 18 connection fees at \$4,317 each for the next 17 years.** There would be no fees available to pay any of the Phase 2B debt service if it is determined that some of the project is attributable to new development
- Projected balance 4/30/21 – \$1,876,075

**GENERAL FUND
REVENUE/EXPENDITURE SUMMARY
(EXCLUDING INTRA-FUND TRANSFERS)**

	ACTUAL 17-18	ACTUAL 18-19	BUDGET 19-20	EST. ACT. 19-20	BUDGET 20-21
Beg. Cash Bal.			\$ 9,538,734	\$ 10,007,855	\$ 11,525,945
<i>Unrestricted</i>	\$ 7,986,104	\$10,430,149	\$ 9,307,075	\$ 10,198,472	\$ 9,591,500
<i>L/A</i>	710	2,132	1,400	1,240	1,400
<i>City Hall</i>	15,438	19,904	11,600	13,400	12,400
<i>Streets</i>	309,586	278,747	273,773	369,808	348,500
<i>Police</i>	687,580	765,178	675,511	662,737	736,000
<i>Tourism/EDC</i>	68,721	64,564	70,000	75,000	75,000
<i>Planning/Zoning</i>	0	0	0	0	0
<i>Fire/Rescue</i>	18,318	24,743	25,000	26,900	285,599
<i>N. Cumm. Road. Impr.</i>	23	94	0	0	0
<i>Telecommunications Tax</i>	302,044	242,811	243,000	224,000	216,000
TOTAL	\$ 9,368,524	\$11,828,322	\$ 10,607,359	\$ 11,571,557	\$ 11,266,399
EXPENDITURES:					
<i>Personnel</i>	\$ 5,299,311	\$ 4,978,082	\$ 5,175,500	\$ 5,166,806	\$ 5,495,150
<i>Operations</i>	1,773,572	1,972,272	2,790,698	2,334,763	2,941,422
<i>Capital</i>	2,247,260	812,991	2,424,200	468,371	1,056,700
<i>Debt Service</i>	0	0	0	0	0
<i>Inter-Fund Transfers</i>	1,453,770	5,229,661	3,216,262	2,083,727	4,153,899
TOTAL	\$10,773,913	\$12,993,006	\$ 13,606,660	\$ 10,053,467	\$ 13,647,171
Revenue Over (Under) Expend.	<u>\$ (1,405,389)</u>	<u>\$ (1,164,684)</u>	<u>\$ (2,999,301)</u>	<u>\$ 1,518,090</u>	<u>\$ (2,380,772)</u>
End. Cash Balance					<u>\$ 9,145,173</u>
Capital projects funded from Reserves:					
N. Lawndale	\$ 1,644,580			Unrestricted	\$ 7,711,747
W. Holland	573,660			Recycling Grant	(20,500)
Stratford Bridge	497,000			Tele. Tax	1,453,926
Freedom Pkwy	160,000			N. Cumm. Rd	0
Lakeshore Drive	150,000				<u>\$ 9,145,173</u>
	<u>\$ 3,025,240</u>				
			End. Bal. as a % of Total Revenue		All Gen. Funds Unrestr. Only
					81% 70%
			End. Bal. as a % of Non-Capital Expenses		108% 91%