

**CITY OF WASHINGTON, ILLINOIS
CITY COUNCIL MEETING - MONDAY, MAY 18, 2020
REMOTE WEB MEETING
6:30 P.M.**

Mayor Manier called the Remote Web regular meeting of Monday, May 18, 2020 to order at 6:30 p.m. Physically present were Mayor Gary Manier, City Administrator Ray Forsythe, Police Chief Mike McCoy, and City Clerk Pat Brown.	Call to Order
Remotely present and answering roll call were Aldermen, Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, and Yoder.	Roll Call
Also, remotely present were Finance Director Joanie Baxter, P & D Director Jon Oliphant, City Engineer Dennis Carr, Public Works Director Kevin Schone, Deputy Chief of Police Jeff Stevens, City Attorney Derek Schryer, and City Treasurer Ellen Dingledine.	
All present stood for the Pledge of Allegiance.	Pledge of Allegiance
The Agenda was reviewed and stood as presented.	Agenda Review
Alderman Brownfield moved and Alderman Adams seconded to approve the Consent Agenda as presented. Items included on the Consent Agenda were minutes of the May 4, 2020 regular City Council meeting; bills & payroll; write-off uncollectible accounts; payment authorization: TIF pay request #2, Aberdeen Enterprises, 114-118 Peoria Street; payment authorization: pay request #2, safe routes to school engineering, Terra Engineering, Ltd.; janitorial services contract extension: Police Department; and accept & place on file: Police Pension Fund report per 40 ILCS 5/3-141. On roll call on the motion to approve the vote was: <u>Ayes: 8</u> Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, Yoder <u>Nays: 0</u> <u>Motion declared carried.</u>	Approve Consent Agenda
Mayor Manier read a proclamation proclaiming May 20, 2020 at Graduate Recognition Day in the City of Washington. Alderman Dingledine moved and Alderman Cobb seconded to accept the proclamation as read. On roll call the vote was: <u>Ayes: 8</u> Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, Yoder <u>Nays: 0</u> <u>Motion declared carried.</u>	Proclamation: Graduate Recognition Day
None.	Announcements
City Clerk Brown read several comments that were submitted via email. Comments are attached and made part of these minutes.	Audience Comments
Alderman Daniel Cobb, Finance & Personnel Committee, reported one item on the agenda for consideration (Consent Agenda-Item C, write-off of uncollectible accounts).	Finance & Personnel Committee
Alderman Brian Butler, Public Safety Committee, reported one item on the agenda for consideration (Consent Agenda-Item F, janitorial services contract extension, Police Department.	Public Safety Committee
Alderman Mike Brownfield, Public Works Committee, reported Item F under Ordinances, authorizing mutual aid agreement with Washington Park District and Washington Township Road District.	Public Works Committee
Alderman Mike Brownfield, Public Works Committee, asked City Engineer Carr to provide background on the supplemental resolution, noting it was discussed at Committee with the consensus to move it forward to Council for consideration. Following background, City Engineer Carr requested approval of the supplemental MFT resolution in the amount of \$225,000.000. Alderman Brownfield moved and Alderman Black seconded to authorize the request as presented. On roll call the vote was: <u>Ayes: 8</u> Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, Yoder <u>Nays: 0</u> <u>Motion declared carried.</u>	Public Works Committee – Supplemental MFT Resolution
Alderman Mike Brownfield, Public Works Committee, asked City Engineer Carr to provide background on the N. Lawndale Avenue Reconstruction Project Change Order #1. Following background, City Engineer Carr requested approval of the change order in the amount of \$14,997.92 in order to provide for additional trench backfilling on the water main that will now be moving back into the street due to the lengthy time impact on the project of having the gas main relocated. He noted the original Change Order amount of \$18,368 was reduced due to an increase in quantity. Alderman Brownfield moved and Alderman Adams seconded to authorize the request as presented. On roll call the vote was: <u>Ayes: 8</u> Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, Yoder <u>Nays: 0</u> <u>Motion declared carried.</u>	Public Works Committee – Change Order #1, N. Lawndale Ave Reconstruction Project, water main trench backfill
Public Works Director Schone provided an update on the Cambridge Estates drainage project, reported an increased number of erosion calls due to the recent storms and aging infrastructure, and the deteriorating surface of Hillcrest Court is more severe than originally thought and will know more in the next few days if a contractor will be needed for this work.	
City Engineer Carr shared he is receiving erosion calls as well and the MFT work is planned to begin tomorrow or the next day.	

Mayor’s Comments	<p>Mayor Manier shared the HOI Plan submitted to the Governor a week ago last Friday was made reference to in the Governors talk today and he shared he is not interested in anyone else’s plan, although several are well written, and is sticking to his plan. He shared his concern as we move forward that we will see more and more businesses opening on own but for right now we are following the Governors orders to the best of our ability and we will see what happens on June 1st. He shared unfortunately the numbers in Central IL and throughout the eleven county’s that were proposed in the HOI Plan should already be in phase 3 and hopefully with the legislators going back in session on Wednesday we hope to see it turn around for us.</p>
Adopt resl, preliminary plat Blue Spruce Subd	<p>City Administrator Forsythe read a resolution, by title only and brief synopsis, approving the Preliminary Plat for Blue Spruce Subdivision. Adoption of this resolution would approve the preliminary plat for Blue Spruce Subdivision located along IL Route 8 north of the Wagner and Ernest Street intersections. Alderman Black moved and Alderman Adams seconded to adopt the resolution as read. On roll call the vote was: <u>Ayes: 8</u> Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, Yoder <u>Nays: 0</u> <u>Motion declared carried.</u></p>
COVID-19 Response Plan, Update #1	<p>City Administrator Forsythe brought forward for consideration and acceptance the COVID-19 Response Plan, Update #1. He shared this updated plan provides options for spending reductions and utilization of excess funds should the revenue decline from the approved budget. He presented the updated plan that included the May 11, 2020 Committee of the Whole comments and which is also attached and made part of these minutes. Following a brief discussion Alderman Brownfield moved and Alderman Butler seconded to accept the plan as presented. On roll call the vote was: <u>Ayes: 8</u> Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, Yoder <u>Nays: 0</u> <u>Motion declared carried.</u></p>
Capital Improvement Plan (CIP) approval	<p>City Administrator Forsythe requested approval of the Capital Improvement Plan for Years 2020-2025 and affirmation of the creation of a new Building Maintenance Fund to be seeded with excess MERF funds. He shared the draft plan was presented to both the Public Works Committee and the Committee of the Whole. Alderman Adams moved and Alderman Black seconded to approve the request as presented. On roll call the vote was: <u>Ayes: 8</u> Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, Yoder <u>Nays: 0</u> <u>Motion declared carried.</u></p>
Non-union Pay Plan	<p>City Administrator Forsythe requested approval of the 2020/2021 Non-Union Pay Plans including a 2.5% general wage increase, which is the same provided by the PBPA union contract for Police and Laborers union contract for Public Works. Alderman Dingledine moved and Alderman Black seconded to approve the request as presented. On roll call the vote was: <u>Ayes: 5</u> Black, Brownfield, Butler, Dingledine, Stevens <u>Nays: 3</u> Adams, Cobb, Yoder <u>Motion declared carried.</u></p>
Final Plat, Blue Spruce Subdivision	<p>City Administrator Forsythe requested Council approval of the final plat for Blue Spruce Subdivision. He shared the following: the owner is proposing a subdivision of the 4.72-acre lot on IL Route 8 into two lots; the newly created lot would total 1.54 acres and be located at the SW corner of the property; property is zoned C-2 (General Retail); plat meets all city subdivision code requirements; and development and review fees have been paid. Alderman Black moved and Alderman Adams seconded to approve the final plat as presented. On roll call the vote was: <u>Ayes: 8</u> Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, Yoder <u>Nays: 0</u> <u>Motion declared carried.</u></p>
1 st reading ords, granting special use to allow poultry, 310 Ernest St.; granting special use to allow poultry, 607 Westgate Rd.; amending Chapter 51, garbage & refuse; amending Chapter 136, licensed video gaming; amending Chapter 53, storm water runoff control	<p>City Administrator Forsythe provided first reading of the following ordinances, by title and brief synopsis: an ordinance granting a Special Use to allow for poultry to be housed at 310 Ernest Street. Adoption of this ordinance would allow for poultry to be housed at 310 Ernest Street; an ordinance granting a Special Use to allow for poultry to be housed at 607 Westgate Road. Adoption of this ordinance would allow for poultry to be housed at 607 Westgate Road; an ordinance amending Chapter 51 of the Municipal Code pertaining to garbage and refuse. Adoption of this ordinance would create comprehensive rules including the exclusive method for the disposition of garbage, refuse, and ashes and other pertinent administrative provisions related to the disposition of such materials; an ordinance amending Chapter 136 of the Code of Ordinances of the City of Washington, Tazewell County, Illinois, entitled “Gambling Offenses,” regarding licensed video gaming establishments. Adoption of this ordinance would permit licensed truck stop establishments as defined under the State of Illinois Video Gaming Act to obtain a video gaming license in the City. It would also increase the number of establishments and terminals allowed in the City at one time; an ordinance amending the Code of Ordinances of the City of Washington, Illinois by amending Chapter 53.004 entitled “Design Criteria”. Adoption of this ordinance would insert language into the City of Washington’s Storm Water Runoff Control regulations to update the reference to the most recent Illinois State Water Survey as part of the need to address current peak flow rates and discharge rates to utilize in the design of storm water drainage systems. These ordinances will be listed on the next meeting agenda for action.</p>
Waive 2 nd reading ord, authrz IGA with Park District and Township	<p>City Administrator Forsythe provided first reading of the following ordinance, by title and brief synopsis: an ordinance approving and authorizing the Mayor and City Clerk to enter into an Intergovernmental Agreement between the City of Washington, the Washington Park District, and the Washington Township Road District concerning mutual aid and assistance. Adoption of</p>

this ordinance would allow the City to enter into an agreement with the Washington Park District and Washington Township Road District to establish a procedure whereby a party in need of mutual aid and assistance may request such aid and assistance in the form of personnel, equipment, materials and/or other associated services as necessary from another party. He shared he is requesting to waive second reading of this ordinance. He indicated that the agreement has been approved by the Township and the Park District and requested waiving the 2nd reading in order to get the agreement into effect. Alderman Brownfield moved and Alderman Black seconded to waive second reading and proceed with adoption of the ordinance as read. On roll call the vote was:

Ayes: 5 Adams, Brownfield, Butler, Cobb, Dingleline

Nays: 3 Black, Stevens, Yoder

Motion did not carry. (Must be unanimous)

This ordinance will be listed on the next meeting agenda for action.

Waive 2nd reading ord, authrz IGA with Park District and Township, Cont.)

Motion did not carry

Alderman Stevens commented the glass recycling that was talked about at Committee of the Whole meeting but was not on tonight’s agenda so will it be on the next agenda since it seemed there was interest in moving it forward. She shared the way she understood it was there was no interest in the yard waste options but there was interest in moving forward with glass recycling on a trial basis. Mayor Manier indicated the majority did not want to try the trial. Alderman Stevens indicated that wasn’t how she recalled it. Mayor Manier commented that at the Committee of the Whole you can’t vote but you have to get an idea by doing a straw poll to take it back to Council or not and that is why we did a straw poll. He shared the poll was Brownfield no, Adams did not care either way, Cobb yes, Black no, Stevens yes, Dingleline no, Butler yes, and Yoder no. Alderman Stevens commented that it seems pretty split to her and can it move to Council to see where it goes there and Mayor Manier commented he has the vote at a tie and doesn’t believe we need to take it to a trial basis. Alderman Stevens shared her disappointment. Alderman Stevens commented the minutes of the April 20th City Council meeting stated following discussion on if this was the proper way to add an item to the agenda, in reference to Brett’s resolution, it was noted that the City Attorney will be contacted for guidance on the proper protocol but at the March 11th Committee of the Whole agenda the explanation was staff was directed to clarify and recommend a process for the City Council members to put items on the City Council agenda and through that was the Chapter 31 entitled City Council. She commented that in inquiring more about this the 1983 rules of procedure came into knowledge and would like to request that the 1983 rules of procedure be included in the minutes of this meeting for reference because it answers a lot of questions on how things have been done in reference to how meetings are handled and would also like to hear at some future meeting the attorney’s guidance. City Administrator Forsythe shared that based on direction from Council this item is already being brought back to the June Committee of the Whole meeting for discussion.

Aldermen’s Comments

At 7:20 p.m. Alderman Black moved and Alderman Cobb seconded to adjourn. Motion carried unanimously by voice vote.

Adjournment

Patricia Brown

From: James Saunders <tjsaunders8030@gmail.com>
Sent: Monday, May 18, 2020 12:59 PM
To: Patricia Brown
Subject: city council comment (to be read)

Re: Special Use Request to raise poultry at 607 Westgate Rd.

We would like to briefly amplify to the council the major point that causes us to be against the granting of the request to raise poultry at 607 Westgate Rd. in Washington. The bottom line, for us, is that the neighboring homes and potential placement of poultry are too close together!! These are small lots in our neighborhood. If our lots were large and our homes were spaced farther apart, this issue of raising poultry would not be as great a concern for us. We urge you to give considerable weight to the concerns of the immediate neighbors!!

Tami and Jim Saunders
609 Westgate Rd.

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Patricia Brown

From: Joann Bailey <jbailey_61571@yahoo.com>
Sent: Sunday, May 17, 2020 6:50 PM
To: Patricia Brown
Subject: City Council Comment please read aloud

Follow Up Flag: Flag for follow up
Flag Status: Flagged

To the City Council:

The proposed location for a chicken coop at 607 Westgate is not an appropriate option.

This street is considered one of the busiest corners in Devonshire subdivision. Unlike Firethorn and Steeplechase, these lots are very tiny and older homes are close together. How many chicken coops are in Steeplechase, Firethorn or Trails Edge, where these newer homes have sprawling lots? Would you enjoy the luxury of having your neighbors' chickens outside your window?

This corner lot on Westgate and Devonshire roads is extremely busy with children and adults riding bikes and walking to the school, parks and pool. If that fence was compromised in any way those chickens would be out in the road. Devonshire does not have acreage between homes. The coop would be very close to the neighbor's lot line and right outside the window. Someone who continues to take care of their property has to look at this every day.

I would respectfully ask the members of this City Council to put yourselves in the shoes of the neighbors here, and to vote no to a chicken coop at 607 Westgate.

Joann Bailey

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Revised 5/18/2020

Please consider our reasons against Joseph & Romanie Lehman's request for chickens.

- Chicken coops are known for terribly strong Ammonia odors, especially during summer months. We like to have our windows open and enjoy fresh air. Their fence is approx. 18ft from our kitchen window and dining table. Please see picture attached. The fence could be closer if they move it closer to our property line. As it is, the previous neighbor had to get permission from the city to put a fence on a corner lot. What if the fence isn't always there? The houses are just too close and our properties are too small in Devonshire to raise chickens.
- Our bedroom windows are right above our kitchen window, which means we will be viewing the coop from several windows in our home. When our windows are open, we will wake to hearing chickens squawking and smelling their manure. Again, if our properties weren't so close this would not that big of a request to ask of your neighbors.
- Chicken coops are known for nuisance, noise, and sanitation issues no matter how good you take care of them. This has been my home for 13 years and the Lehmans have only been here a couple months. So far, outside my kitchen window they have added a compost box made of old plywood sitting on the outside of their fence that looks terrible for their neighbors and anyone passing by to see. This makes me wonder what kind of shape the coop will be kept in. Please see picture attached. We have spent a lot of money and made many updates to our home and would like to continue doing so. What about our property value? I don't think too many people looking at a house in town with small properties anyway are going to want to buy a house with chickens and a poor looking compost box 18ft or closer next to them. It will be pretty hard to enjoy our own backyard when there will be chickens squawking and flies, mice and rodents trying to find their way in to get their food. Our property lines are just way too close.
- Our homes are on one of the busiest intersections in town already, what will happen when the chickens get out (and they will) and they run into the street? People speed down our road and continually blow the stop sign at Westgate and Devonshire already and I am concerned for the safety of the runners, walkers and kids at the intersection.

Our thoughts on their request is that it's selfish and not very neighborly, when you live in very close proximity to your neighbors, to request raising poultry in the center of town when homes are already close together.

Eric Sutton & Nicole Fehr

COVID-19 RESPONSE PLAN – UPDATE #1

CITY OF WASHINGTON, ILLINOIS

MAY 15, 2020



Prepared by: Ray Forsythe, City Administrator
Joanie Baxter, Finance Director
Jon Oliphant, Planning & Development Director

With input from: Kevin Schone, Public Works Director
Dennis Carr, City Engineer
Brian Rittenhouse, Utilities Superintendent
Mike McCoy, Police Chief
Jeff Stevens, Deputy Chief
Patricia Brown, City Clerk

Introduction

COVID-19, the disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) was declared a pandemic by the World Health Organization on March 11, 2020. Shortly thereafter, President Trump declared a national emergency followed by Governor Pritzker's stay at home mandate effective March 21 through April 8, 2020 and later extended through April 30 and most recently through May 31, 2020. As a result, in addition to social distancing and restrictions on gatherings over 10 people, bars and restaurants were also required to close to the public except for drive-through and curbside pick-up services and all businesses deemed non-essential were closed (effective May 1, 2020, non-essential businesses can open for online and curbside pick-up only). In addition, the employment landscape has changed across the state and nation with unemployment claims at a record high. All of these events have necessitated a response from City staff and elected officials to address operations and services as well as potential impact on revenues.

The Executive Order has allowed essential governmental functions to operate, including municipal governments. Per the Order "essential governmental functions" means all services provided by the state or any municipal, township, county, subdivision or agency of government and need to ensure the continuing operation of the government agencies or to provide for and support the health, safety and welfare of the public, and including contractors performing essential governmental functions. Each governmental body shall determine its essential governmental functions and identify employees and/or contractors necessary to the performance of those functions.

Operations Overview

The City of Washington, IL currently has 72 full and part-time active employees. No seasonal or temporary workers have been called back to work for the spring/summer. The City has the following Departments: Administration, Engineering, Finance, Planning & Development, Police, Public Works. In addition, the City Clerk's Office is in City Hall and provides essential services to the City Council, Residents and Businesses.

There are two main facilities where residents interact with Staff on a daily basis: City Hall and the Police Department.

City Hall: In response to the Governor's Stay at Home Order, City Hall has been closed to the public since March 16, 2020. Staff maintains appropriate social distancing. Staff continues to work in a variety of ways: In the office and from home or a combination. IT360, the City's Information Technology provider has established remote working options for staff. Employees are able to securely log into the City's system and work from personal laptop, desktop or smart phone. Access to all files has been provided so that work continues. The City is utilizing ZOOM for virtual meetings and conference calls and in compliance with the Governor's relaxed Open Meetings Act requirements.

The City's contracted janitorial staff has completely disinfected the building, a complete cleaning is done weekly and all the touchpoints are wiped daily. In addition, masks have been provided and hand sanitizer is located in each office, bathroom, the conference room and the break room.

Residents are able to make utility payments online, by mail or put in the drop box located at the side of City Hall. Mail and drop box payments are put in a container and opened 24 hours later. Building permits, licenses and other paperwork is emailed or mailed and arrangements are made to receive them back at City Hall. No visitors have been allowed to enter City Hall.

Police Department: The Police Department is operating as normal as possible as they are set up to maintain social distancing and safety for the employees and residents at the front window. Administrative staff has shifted schedules to provide both in the office and working from home. Police Officers are working their regular scheduled shifts. Every office interior, including door handles are cleaned with a bleach solution at least once a day. The downstairs squad room is cleaned after every shift. All police vehicles are cleaned before every shift by the officer assigned to that unit. Unmarked units are cleaned by those assigned to each vehicle.

Public Works: Public Works consists of several utility facilities, the maintenance facility behind the Police Department and the Legion Road facility. These buildings are not open to the public. All of the facilities were deep cleaned and sanitized by the City's contracted janitorial company. In addition, each vehicle was deep cleaned, sanitized and all touchpoints are sanitized daily by the employees. Below is a summary by Division on the current activities being performed.

Street Division- Currently fully staffed with eight full-time employees. This includes the City Mechanic.

Two full-time, short-term employees have been told not to report until notified. Four full-time, seasonal employees have been told not to report until notified.

Full-time employees are mowing and weed eating all City owned properties including the cemetery. In addition, the street department employees are selling all cemetery plots, excavating all graves, and back filling. They are also taking care of service requests that might otherwise be taken care of by short-term employees.

Concrete and asphalt jobs are being postponed, tree trimming, and street painting will also be postponed without the seasonal and short-term employees or overtime being approved.

Distribution and Collections- Currently staffed with five full-time employees.

Two full-time, short-term employees have been told not to report until notified.

Full-time employees are able to get their normal duties completed currently; however, things like hydrant painting and sewer flushing would not be able to be completed without the short-term employees and/or overtime. The short-term employees also assist the City Mechanic by running errands or taking the Mechanic to a vendor to pick up a vehicle or drop a vehicle off for repairs, tire replacement, or warranty work. Full-time employees will do this in their absence.

Wastewater Treatment- Currently staffed with four full-time employees.

One full-time, short-term employee has been told not to report until notified.

Full-time employees are able to get their normal duties completed currently, however drying bed work will suffer and weed eating, painting and annual cleaning projects will not be completed without this employee and would require overtime to do so.

Water Treatment- Currently staffed with three full-time employees.

There are no short-term or seasonal employees assigned to this department.

Full-time employees are not able to perform in person service request to residents. These employees have been helping with the mowing when available. Plant maintenance, and projects will suffer if staff continues to assist with the mowing. The water plant has the tower painting project and the filter/softener project in FY 20/21 and will need to be available for these projects to be successful and not delayed.

Public Works Director and Utilities Superintendent

Some at home work has been done by the Public Works Director to complete work summaries, attend Zoom meetings, and most recently bid commodities work. The Public Works Director and Utilities Superintendent share an office and because of Covid-19 the interruptions due to both of us being in the office slows the progress and makes working at home more effective at times.

The Utilities Superintendent and the Public Works Director have been able to complete any work brought forward and interact with employees under our authority to complete any work that we can and stress the need to work safely and take the extra precaution during this crisis. This would be the use of PPE's and cleaning products to keep everyone safe. There is currently enough PPE's and cleaning products for our employees.

All full-time employees are working and continue to take precautions to the COVID-19. Five short-term and four seasonal employees have been told not to report until notified. The full-time employees are trying to keep up with the mowing and cemetery duties as well as other service request that come in. Overtime will be needed if expectations are to complete everything to be done.

Financial Overview – Budget for Fiscal Year May 1, 2020 – April 30, 2021

BUDGET TRENDS AT A GLANCE

City of Washington, IL

	FY 2020-21	FY 2019-20	CHANGE	
TOTAL BUDGETED EXPENSES	\$ 24,613,158	\$ 30,382,433	\$ (5,769,275)	-19.0%
by MAJOR SERVICE TYPE		% of Total		
Street Operations/Improvements/SWM	\$ 7,684,365	31.2%	\$ 12,063,740	\$ (4,379,375) -36.3%
Public Safety (Police, Fire, ESDA)	5,703,370	23.2%	5,548,632	154,738 2.8%
Sanitary Sewer System	3,551,927	14.4%	5,441,485	(1,889,558) -34.7%
Water System	3,457,678	14.0%	3,378,079	79,599 2.4%
Planning/Zoning/Econ. Dev./TIF	1,735,519	7.1%	1,606,612	128,907 8.0%
General Administration	1,044,660	4.2%	1,011,050	33,600 3.3%
All Other (IMRF, Soc. Sec., Liab. Ins., etc.)	942,000	3.8%	868,000	74,000 8.5%
Washington Area Community Center	355,500	1.4%	357,437	(1,937) -0.5%
Cemetery	138,150	0.6%	107,400	30,750 28.6%
by MAJOR EXPENSE CLASSES		% of Total		
Capital Improvements	\$ 9,961,190	40.5%	\$ 15,772,913	(5,811,723) -36.8%
Personnel (Wages and Benefits)	8,302,390	33.7%	7,536,480	765,910 10.2%
Operations (Utilities, Supplies, etc.)	5,206,176	21.2%	4,892,855	313,321 6.4%
Debt Service	1,143,442	4.6%	2,180,185	(1,036,743) -47.6%

SOURCES OF MONIES TO FUND BUDGET	\$ 24,613,158	\$ 30,382,433	\$ (5,769,275)	-19.0%
by MAJOR REVENUE SOURCES		% of Total		
Sales Tax (Muni., HR, Use)	\$ 6,944,500	28.2%	\$ 6,565,000	\$ 379,500 5.8%
Fund Balances/Cash Reserves	5,482,919	22.3%	7,070,627	(1,587,708) -22.5%
Sewer Revenues (Fees, Charges, etc.)	2,864,840	11.6%	2,659,140	205,700 7.7%
Water Revenues (Fees, Charges, etc.)	2,397,300	9.7%	1,848,800	548,500 29.7%
Income Tax Distribution	1,739,000	7.1%	1,669,000	70,000 4.2%
Property Taxes	1,668,199	6.8%	1,647,675	20,524 1.2%
All Other	1,616,400	6.6%	1,852,191	(235,791) -14.6%
Bond/Grant/Insurance Proceeds	833,000	3.4%	6,395,000	(5,562,000) -87.0%
Motor Fuel Taxes	627,000	2.5%	420,000	207,000 49.3%
TIF Funds	245,000	1.0%	235,000	10,000 4.3%
Telecommunications Tax	195,000	0.8%	220,000	(25,000) -11.4%

EMPLOYMENT: FULL TIME EQUIVALENT		% of Total		
Public Safety	29.15	42.8%	28.15	1.00 3.6%
Street Division	13.05	19.2%	11.25	1.80 16.0%
Sewer Division	9.72	14.3%	8.80	0.92 10.5%
Water Division	8.06	11.8%	7.20	0.86 11.9%
General Administration	4.85	7.1%	3.40	1.45 42.6%
Planning/Zoning/Econ. Dev.	2.05	3.0%	2.05	- 0.0%
Cemetery Operation	1.22	1.8%	1.15	0.07 6.1%
TOTAL	68.10		62.00	6.10 9.84%

PROPERTY TAXES				
Tax Levy	\$ 1,647,741	\$ 1,647,675	\$ 66	0.0%
Tax Rate (per \$100 AV)	\$ 0.47274	\$ 0.47290	\$ (0.00016)	0.0%
Equalized Assessed Valuation (rate set)	\$ 348,552,322	\$ 348,418,651	\$ 133,671	0.0%
City Share of Total Tax Bill (Avg.)	N/A	5.52%		

UTILITY RATES				
Water Rates (per 1,000 gal.)	\$ 4.63	\$ 4.51	\$ 0.12	2.7%
Water Fixed/Technology Fee	\$12.96/\$14.61	\$8.85/\$10.50	\$5.00/\$5.00	
Sewer Rates (per 1,000 gal.)	\$ 9.65	\$ 9.39	\$ 0.26	2.8%
Sewer Fixed Fee	\$ 2.03	\$ 1.00	\$ 1.03	

Revenues at Risk and Current Budgeted Amounts

Sales Tax, Home Rule Sales Tax and Use Tax (average monthly revenue budgeted \$578,708) These are all General Fund revenues that will be impacted by the changes in consumer spending. All of these revenues are received three months after the sales are incurred. As of May 8, 2020, these revenues have been received for February sales and they are on par with the prior year and what was budgeted. We will not begin, however, to see the impact of COVID-19 until mid-March and these sales will not be known until June.

Income Tax (average monthly revenue budgeted \$144,916) This is also a General Fund revenue that is distributed on a per capita basis for the state. Staff anticipates an impact as evidenced by the increase in unemployment claims; but a potential decrease is difficult to estimate. This revenue is received one month after collected by the State and thus we will have an idea of potential impact much earlier than for sales tax revenue. The IML provided a projection on May 4, 2020 of a 15% decrease from the original FY20-21 forecast. This equates to a potential revenue decrease of \$260,850 for the fiscal year.

Motor Fuel Tax (MFT) and Transportation Renewal Fund (average monthly revenue budgeted \$52,250) This is a non-General Fund revenue that is distributed on a per capita basis and is restricted for expenses/projects meeting very specific IDOT criteria. It is anticipated there will be a reduction in revenue due to the shelter-in-place resulting in a significant decrease in travel; however, the fund balance could absorb any deficit and allow the budgeted MFT project to continue and Staff recommends this approach due to a three-year period without an MFT program.

Intergovernmental Revenues received per capita

The City traditionally receives guidance from the Illinois Municipal League on estimating Income Tax, Personal Property Replacement Tax, MFT and other revenue sources. On May 4, 2020, they provided the following preliminary FY2021 revenue forecast:

- Personal Property Replacement Tax – decrease of 30% from actual FY19-20. This equates to a total potential reduction of \$7,500 for the General Fund compared to what was budgeted for the fiscal year.
- Income Tax (LGDF Funds) – decrease of 15% from original projection for FY20-21. This equates to a total potential reduction of \$260,850 for the General Fund compared to what was budgeted if this trend holds true for the entirety of the fiscal year.
- Motor Fuel Tax – decrease of 15% from actual FY19-20. This equates to a total potential reduction of \$54,750 compared to what was budgeted. This fund has excess reserves and additionally, the City will receive \$363,921.52 in each of the next three years for a total of \$1,091,764.56 in Rebuild Illinois grants. These grants will provide funds for a project typically funded from the General Fund.
- Transportation Renewal Fund – estimates revised to \$14.50 per capita which equates to a total potential reduction of \$12,000 compared to what was budgeted for the fiscal year.
- Use Tax – projected to be flat compared to actual FY19-20. The budget was also kept flat and so there should not be a significant revenue decrease, if any.

Also, while there have been commitments from the State and Federal Governments indicating financial relief to municipalities, no concrete figures or timeframes have been received and no actual legislation approved. Staff will continue to seek guidance from credible sources and we anticipate revisions to this COVID-19 Response.

Sales Tax and Home Rule Sales Tax

Staff has analyzed historical sales tax information and has made the following conservative projections. Keep in mind that the City receives sales taxes three months after they are collected by the retail establishments. Therefore, we have not seen any impact to the City's collections as the most recent sales taxes collected are from January sales.

Municipal Sales Tax and Home Rule Sales Tax were analyzed for our 186 largest tax providers. These are sales tax collectors who have generated at least \$100 in total HR sales tax in 2019.

The analysis is based on "Business Types" as determined by their Standard Industrial Classification Code. This focuses on the March-May period, which is the only known time for business closures and reductions. Obviously, there are likely to be impacts beyond May even if the Executive Order ceases altogether or is gradually reduced. This assumes that the March-May HR sales tax returns would be identical in 2019 as 2020 if not for COVID-19. Obviously, if this were a normal year, there would most likely be small increases or decreases for every business because of a variety of possible reasons.

The March impact is likely a little less than what April and May will have because the Governor's Order wasn't in effect for the entire month. The prohibition against on-premise food consumption went into effect on March 16. The more inclusive closure/reduction in services for many businesses became effective on March 21.

March Projections:

- Construction: Reduced by 30% – They are essential businesses but likely much of the elective work for the three Washington businesses in this category dropped late in the month.
- Drug Stores: Reduced by 20% - They are essential businesses but figure there would be some drop in in-store customers picking up non-prescriptions.
- Entertainment: Reduced by 30% as non-essential businesses
- Funeral Homes: Reduced by 30% - They are essential businesses but the Governor's Order impacted larger gatherings has undoubtedly impacted the ability to hold many funerals.
- Gas Stations: Reduced by 30% - They are essential businesses but the reduction in travel means fewer gas and convenience store purchases.
- Grocery/General Stores: Increased by 10% - They are essential businesses and have undoubtedly increased revenue due to the forced closure of other stores. Food is not subject to the HR tax, so any increase will be a result of the purchase of other non-food offerings.

- Hardware/Building Material Stores: Decreased by 10% - They are essential businesses and there has been anecdotal data that shows that some households have taken this time as an opportunity to complete delayed home improvement projects. There will also be many of the typical spring lawn and garden purchases. Many of the items sold are not essential to people not employed in the construction industry and there will likely be a slight reduction in overall buying as a result.
- Liquor Stores: Reduced by 30% - They are essential businesses but are also probably being impacted by the reduced number of trips people have made.
- Manufacturing: Reduced by 30% - Most are essential businesses. This is a small portion of the HR and MT tax.
- Medical: Reduced by 30% - Only one such business classifies for this as a payer of the HR tax and two businesses for the MT tax.
- Restaurants: Reduced by 30%
- Retail Trade: Reduced by 30%
- Services: Reduced by 30%
- Vehicle Dealer: Reduced by 30% for HR and 50% for MT% - These businesses remain open to service vehicles but it is estimated to drop because of the reduction in travel. Sales is open for appointment-only, which makes sales less likely.
- Wholesale Trade: Reduced by 30% - This category is tough to pinpoint, because they are all likely essential businesses. However, with reduced retail spending, it is estimated to fall as other retail is estimated to be impacted.

April and May:

- Entertainment: Reduced by 100% - These businesses are closed with little to no chance of having online sales.
- Funeral Homes: Reduced by 50% - This is an educated guess that half of the typical funerals are being postponed until larger gatherings are allowed.
- Gas Stations: Reduced by 70% - The reduced number of trips will definitely impact these businesses. If gas stations include a service station component, the negative impact may be absorbed more.
- Grocery Stores: Increased by 20% - Again, this would be higher if food was subject to payment of the HR tax.
- Liquor Stores: Reduced by 50% - Based on a limit of non-essential trips, though trips to the liquor store are clearly essential to some people.
- Restaurants: Reduced by 50% - Some will produce more sales than others based on their ability to attract carry-out service or offer a drive-thru. Bars are also included in this category and should have a much higher decrease than 50%.

- Retail Trade:
 - Essential businesses: Reduced by 30%
 - Non-essential businesses: Reduced by 70%
- Vehicle Dealer: Reduced by 30% for HR and 70% for MT%

Anticipated reduction to Municipal 1% Sales Tax revenue:

March 2019-2020 Change	-\$26,126.15
April 2019-2020 Change	-\$48,969.14
May 2019-2020 Change	-\$37,091.80
TOTAL CHANGE	-\$112,187.09

Anticipated reduction to 1.75% Home Rule Sales Tax revenue:

March 2019-2020 Change	-\$19,047.32
April 2019-2020 Change	-\$44,605.69
May 2019-2020 Change	-\$35,111.75
TOTAL CHANGE	-\$98,764.76

The challenge to this estimate is that the long-term impact on consumer spending is unknown. There are conflicting theories on the impact of opening up the economy. There could be a quick and steady return to pre COVID-19 spending, a moderate return to pre COVID-19 spending or a permanent change in consumer spending. There will undoubtedly be businesses that do not reopen once the Governor's Order is lifted. There are also likely to be new businesses that open as a result of the changes the pandemic has caused. In addition, there is likely to be federal and state stimulus payments to the City which could replace these lost funds. For planning purposes, staff is assuming that there will be a \$210,951.85 reduction in revenue for the period of March through May 2020 sales.

90-day impact of projected revenue shortfall

Sales Tax	(\$112,187)
Home Rule Sales Tax	(\$98,765)
Income Tax	(\$65,212)
Local Use Tax	\$0
Pers. Prop. Repl. Tax	(\$625)
	(\$276,789)
Motor Fuel Tax	(\$13,688)
Transportation Renewal Fund	(\$1,000)
	(\$14,688)
Rebuild Illinois grant	\$181,961
(1st installment of 6 over 3-year period)	

Options***Hiring Freeze/Seasonal/Temporary Employees***

Staff recognizes and agrees that due to the many uncertainties with the economy and potential impacts on revenue, a hiring freeze for new positions is warranted to be considered. In addition, short-term (summer) laborer positions would not be filled and the Executive Administrative Assistant position would remain a temporary position.

Budget Cuts/Deferrals and Impacts

Staff also reviewed budgeted expenses for any items that could be deferred if necessary and any savings that may be realized that wasn't apparent at the time the budget was completed. These potential cuts have some ramifications as discussed below in the recommendations.

Utilization of Excess Funds

See recommendations below for a discussion of excess funds available in the Health Insurance and Telecommunications Tax Funds.

Potential Deferred Expenses - General Fund
FY 2020-21

	Initial 5/1/2020	Update #1 5/8/2020
<u>New/Seasonal Positions to remain unfilled</u>		
Police Officer	83,522	83,522
Public Works - Streets	64,698	64,698
Part-time HR Generalist	20,800	20,800
Exec. Admin. Assistant continue as temp.	13,600	13,600
Grounds Maintenance	24,659	-
Summer Laborers	12,823	12,823
	220,102	195,443
We recommend establishing a Foreman in Water/Sewer Maintenance for succession planning - cost to General Fund - \$232		
<u>Potential Expense Items for Deferral/Savings (see detail)</u>		
Legislative/Administrative	81,387	81,387
City Hall	500	500
Streets/Stormwater	481,500	348,500
Police	135,276	163,769
Tourism/Econ. Development	23,000	23,000
Planning & Zoning	16,500	16,500
Fire & Rescue	42,000	31,749
	780,163	665,405
Total Deferred Expenses	1,000,265	860,848

Per Public Works Committee 5/4/20

Potential Expense Items for Deferral/Savings
FY 2020-21

Description	Initial 5/1/2020	Update #1 5/8/2020	Comments
<u>Executive/Administrative</u>			
Tyler software - change in Payroll platform	18,197	18,197	reduction in cost of software from budgeted amount
Tyler implementation cost			
reduction in travel due to COVID-19	14,240	14,240	could be more if Go Live is also remote in July/Aug
Newsletter	4,200	4,200	eliminate printed newsletter and have available on website only
Postage for Newsletter	2,800	2,800	eliminate printed newsletter and have available on website only
Legal fees - Squir	2,000	2,000	
Computers and Misc. Equipment	7,000	7,000	
Miscellaneous Software	2,500	2,500	
Memorial Day parade	3,000	3,000	
Student Government Day lunch	250	250	
City Administrator Expense	2,500	2,500	
Contingency	5,000	5,000	
Training - Elected Officials	18,200	18,200	all
Training - Staff	6,520	6,520	all
	<u>81,387</u>	<u>81,387</u>	
<u>City Hall</u>			
Replace shrubs on east side of building	500	500	
	<u>500</u>	<u>500</u>	
<u>Streets/Stormwater</u>			
Garage Approaches (Legion)	35,000	35,000	
Abandon Septic/Dig Bore New Sanitary Across Legion to Manhole	25,000	25,000	
Asphalt Paving Around Building at Legion	35,000	35,000	
New Garage Doors at Legion	25,000	25,000	Doors are original and parts not available
Pavement Repairs Firetree	10,000	10,000	Cut-the-sat in poor shape
Overhead Lights at IDOT Intersections by Laser Electric	27,000	27,000	
New Mowing Tractor (Original Equipment)	15,000	15,000	Original equipment
Cambridge Estates Drainage Project	53,500		Per Public Works Committee 5/4/20
Gilman Sump Collection Project	20,000	20,000	
Streets Shop Walls Painting Project	21,500	21,500	Revisit after 90 days
City ROW and Properties/Weed Control	7,500		Per Public Works Committee 5/4/20
Card Pass at Legion Road	15,000	15,000	
Asphalt City Alleys	19,000		Per Public Works Committee 5/4/20
Skip Rave Calvary Way	53,000		Per Public Works Committee 5/4/20
Oakwood Heights culvert lining	120,000	120,000	Not recommended to not but can delay - revisit after 90 days
	<u>481,500</u>	<u>348,500</u>	
<u>Police</u>			
Reduction in TCI contract		28,493	
Camera's fee revenue	18,000	18,000	
Repair & Maintenance - Commodities Building	1,000	1,000	
Repair & Maintenance - Commodities Equipment	5,000	5,000	
Local subscription	9,978	9,978	
Office supplies	2,000	2,000	
Legal fees	40,000	40,000	
Recruitment	5,000	5,000	
Postage	1,000	1,000	
Printing	2,000	2,000	
Electricity	2,000	2,000	
Car wash	400	400	
Training	7,000	7,000	
DARE/CRO	2,500	2,500	
Firearms training	2,500	2,500	
Purchase equipment	32,500	32,500	
Awards program	4,000	4,000	
Printing parking tickets	400	400	
	<u>135,278</u>	<u>163,798</u>	
<u>Tourism/Economic Development</u>			
Tournament of Champions support	10,000	10,000	
Miscellaneous marketing	10,000	10,000	
Marketing and promotional materials	3,000	3,000	
	<u>23,000</u>	<u>23,000</u>	
<u>Planning & Development</u>			
Special projects/studies	10,000	10,000	
PPUATS dues waived	5,500	5,500	
	<u>15,500</u>	<u>15,500</u>	
<u>Fire & Rescue</u>			
Increase in TCI contract		(10,251)	
Generator	32,000	32,000	
Building improvements	10,000	10,000	
	<u>42,000</u>	<u>31,749</u>	
Total deferred expenses	780,164	665,405	

Recommendations

1. As of May 8, 2020, projected revenue decreases for the General Fund for the first quarter of the fiscal year is approximately \$276,789. A total of \$48,861 of this shortfall is recovered through a 90-day deferral of filling the new positions in the FY20-21 budget as indicated:
 - Police Officer
 - Public Works – Streets laborer
 - Part-Time HR Generalist
 - Delay adding the Executive Administrative Assistant as a full-time position for 90 days and continue as a temporary employee

The remaining \$227,928 will be made up through deferral of projects and/or utilization of other funds as indicated below.

This was accepted by the Committee of the Whole at the May 11th meeting.

2. Establish a Foreman in the Water/Sewer Maintenance Department as budgeted for FY20-21 (FY20-21 budget impact of \$232 with 90-day cost of \$58)

This was accepted by the Committee of the Whole at the May 11th meeting.

3. The PBPA (Police Officers) and Laborer's (Public Works) union employees have collective bargaining contracts each of which provide for a 2.5% increase in their respective pay plans for FY20-21. Staff recommends approval of the Non-Union/Sergeant Pay Plans as well to maintain equity with these employee groups who are protected by collective bargaining contracts, to mitigate the potential for non-union employees to organize, and to show support for employees who are continuing to work during the pandemic as essential employees. The total cost for the fiscal year is \$59,000 and Staff recommends utilizing excess funds in the Health Insurance Fund for this expense. These funds were established when the City was in a partially self-funded insurance plan to pay claims and other expenses and are the result of a surplus that existed at the time the City joined the IPBC consortium. *A majority of the Committee of the Whole recommended accepting this recommendation and the item was placed on the May 18 Council Agenda.*

4. Capital and operational expenses that may be considered for deferral were determined by the City Administrator and Management and reviewed by the Public Works Committee in relation to budgeted and committed projects. Revisions were made to the deferral list as indicated and the revised total is \$665,405. Staff recommends a 90-day deferral for all identified expenses with the exception of any others deemed priority by the City Council, with consideration to the potential negative consequences.

This was accepted by the Committee of the Whole at the May 11th Meeting. Staff will bring expenditures to the Committee's and Council as funds are requested for discussion and recommendation.

5. Staff acknowledges that there may be additional impacts to revenue beyond the first quarter of FY20-21. We recommend utilizing excess funds in the Telecommunications Tax account to at least partially address future shortfalls. Although separately accounted for and earmarked for TC3 expenditures, these funds are essentially an unrestricted revenue source. There is a healthy reserve in excess of \$1.4M in the fund, which when coupled with annual Telecommunications Tax revenue, is equal to more than 20 years of future payments. The recommendation for these funds is to cover any further reduction in Income Tax revenue as follows:

- Utilize funds to cover additional shortfalls up to \$500,000. This will result in a fund balance of approximately \$1M as of 4/30/21, which when coupled with the tax being generated and a potential rate increase, will equal a total of 16 years of future TC3 payments. This was accepted by the Committee of the Whole at the May 11th Meeting. Staff will monitor the Income Tax revenue monthly and track any funds that would be necessary to transfer from the Telecommunications Tax revenue.
 - Increase the Telecommunications Tax rate by 1% to the maximum 6%. Such an increase must be approved six months in advance and thus would not take effect until January 2021. Increased revenue would approximate \$39,000 annually. A majority of the Committee of the Whole were not interested in exploring this option at this time.
6. Surplus funds, resulting from prior year accumulation for planned capital spending, have been budgeted in the General Fund to be utilized in the amount of \$3,025,240 for one-time capital projects. Additional funds in excess of the minimum standard balance are also available for unforeseen emergencies of which COVID-19 would qualify. Staff would not recommend utilization of these funds at the current time until we have more clarity as to the extent of the impact of COVID-19 on revenue. There was no further discussion on this item.