

CITY OF WASHINGTON, ILLINOIS
CITY COUNCIL MEETING - MONDAY, JUNE 15, 2020
REMOTE WEB MEETING
6:30 P.M.

Call to Order	Mayor Manier called the Remote Web regular meeting of Monday, June 15, 2020 to order at 6:40 p.m. Physically present were Mayor Gary Manier, City Administrator Ray Forsythe, Police Chief Mike McCoy, and City Clerk Pat Brown.
Roll Call	<p>Remotely present and answering roll call were Aldermen, Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, and Yoder.</p> <p>Also, remotely present were Finance Director Joanie Baxter, City Engineer Dennis Carr, Public Works Director Kevin Schone, City Attorney Derek Schryer, and City Treasurer Ellen Dingledine.</p>
Pledge of Allegiance Moment of Silence	All present stood for the Pledge of Allegiance. Mayor Manier asked for a moment of silence for Keith Zimmerman, friend to the Washington Police Department, who passed away this past weekend.
Agenda Review	The Agenda was reviewed and stood as presented.
Approve Consent Agenda	<p>Alderman Black moved and Alderman Butler seconded to approve the Consent Agenda as presented. Items included on the Consent Agenda were minutes of the June 1, 2020 regular City Council meeting; bills & payroll; annual funding request: Greater Peoria Economic Development Council; group health insurance renewal; group dental insurance renewal; property & liability insurance renewals; and payment authorization: ESRI annual maintenance. Alderman Black asked if Finance Director Baxter could provide the account numbers for the health and dental insurance renewals and she indicated she would provide them. On roll call on the motion to approve the vote was:</p> <p><u>Ayes: 8</u> Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, Yoder <u>Nays: 0</u> <u>Motion declared carried.</u></p>
Announcements	None.
Audience Comments	City Clerk Brown reported no comments were received.
Finance & Personnel Committee	Alderman Daniel Cobb, Finance & Personnel Committee, reported one item on the agenda for consideration (City Administrator Item B, approval of job descriptions).
Public Safety Committee	Alderman Brian Butler, Public Safety Committee, reported no items for consideration on the agenda. Police Chief McCoy had nothing to report.
Public Works Committee	Alderman Brownfield, Public Works Committee, reported four items for consideration on the agenda and will also talk about the Resolution on the agenda supporting the Rebuild IL Competitive Public Infrastructure Program Grant Request.
Public Works, Authrz payment #3 & #4 (Final): WWTP #2 equipment & storage building, FBi Buildings	<p>Public Works Director Schone requested Council authorization to make payment request #3 and #4 (Final) to FBi Buildings, Inc. in the amount of \$32,781.32. He noted work items completed under this request include siding on the west end of the building and garage doors. Alderman Dingledine moved and Alderman Cobb seconded to authorize the request as presented. On roll call the vote was:</p> <p><u>Ayes: 8</u> Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, Yoder <u>Nays: 0</u> <u>Motion declared carried.</u></p>
Public Works, Authrz contract: WTP #1 filter & softener rehab, Evoqua	<p>Public Works Director Schone requested Council authorization to contract with Evoqua in the amount of \$258,064.26 to complete the filter & softener rehab at WTP #1. Alderman Cobb moved and Alderman Stevens seconded to authorize the request as presented. On roll call the vote was:</p> <p><u>Ayes: 8</u> Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, Yoder <u>Nays: 0</u> <u>Motion declared carried.</u></p>
Public Works, Authrz contract: WWTP sludge hauling, PDC Services, Inc.	<p>Public Works Director Schone requested Council authorization to contract with PDC Services, Inc. in an amount not-to-exceed \$30,000.00 for FY2020/2021 WWTP sludge disposal. Alderman Dingledine moved and Alderman Stevens seconded to authorize the request as presented. On roll call the vote was:</p> <p><u>Ayes: 8</u> Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, Yoder <u>Nays: 0</u> <u>Motion declared carried.</u></p>
Public Works, Authrz bid award, Cambridge Estates drainage project	<p>Public Works Manager Schone requested Council authorization to award the Cambridge Estates drainage project to Miller and Son Construction Co., Inc. in an amount of \$24,024.50. Alderman Stevens moved and Alderman Adams seconded to authorize the request as presented. On roll call the vote was:</p> <p><u>Ayes: 8</u> Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, Yoder <u>Nays: 0</u> <u>Motion declared carried.</u></p>

Public Works Director Schone provided an update on the three temporary seasonal workers that started today and will provide assistance to the Waste Water Treatment Plant, Water/Sewer Distribution & Collection, and Street Department as well as an update on the street spray patch that was completed last Thursday.	Public Works, Cont.)
City Engineer Carr provided an update on the N. Lawndale Avenue reconstruction project.	
Mayor Manier requested Council approval of the following appointment: Lindsay Hart Rodriguez, Planning & Zoning Commission. Alderman Brownfield moved and Alderman Butler seconded to concur with the appointment as presented. Alderman Stevens asked which member of the Commission left and Mayor Manier indicated Joe Roberts. 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>	Appointment: Lindsay Hart Rodriguez, Planning & Zoning Commission
City Administrator Forsythe brought forward for consideration and acceptance the COVID-19 Response Plan, Update #2. He shared the updates are indicated in red and primarily reflect changes to staffing and hours of operation. He presented the updated plan which is also attached and made part of these minutes. Alderman Black asked if it will be brought back to Committee of the Whole with update #3 and City Administrator Forsythe replied that it would and then move forward to the next City Council meeting for acceptance. Alderman Stevens asked if she understood when it was indicated that there were interviews for the Foreman position and that it could be hired before the 90-days and City Administrator Forsythe replied yes, it was approved by the Council. Alderman Brownfield moved and Alderman Black 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>	COVID-19 Response Plan, Update #2
City Administrator Forsythe brought forward for Council approval the following job descriptions: Executive Administrative Assistant and Human Resource Specialist. Alderman Cobb moved and Alderman Stevens seconded to approve the job descriptions 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>	Job descriptions approval
City Administrator Forsythe brought forward for Council consideration and direction issuing a residential poultry moratorium. He indicated staff is looking for clear direction on the four items listed in the background communication that include: 1) temporary moratorium on new applications for special use permits for poultry; 2) enforcement of the ordinance prohibiting poultry in residential areas without a special use permit – staff will notify all known violations and require compliance within 14-days; 3) processing of the three (3) applications that are already in process; and 4) consideration of revisions to the existing ordinance or a repeal depending on Council direction.	Residential poultry moratorium
He indicated that he is bringing forward each item individually for consideration starting with item 1) temporary moratorium on new applications for special use permits for poultry, noting a recommendation at least through September. Alderman Brownfield moved and Alderman Adams seconded to place the temporary moratorium on new applications for special use permits for poultry through September. Alderman Stevens asked if this moratorium would be just for new applications through September and City Administrator Forsythe replied yes. Alderman Butler asked for clarification relating the background communication and that the intent of the moratorium is to only allow the three current applications to move through the process and City Administrator Forsythe replied yes. 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>	1) Temporary Moratorium
2) enforcement of the ordinance prohibiting poultry in residential areas without a special use permit – staff will notify all known violations and require compliance within 14-days. He shared the intention would be to notify all known violations and require compliance within 14 days, meaning the chickens would have to be removed from the property. Alderman Stevens moved and Alderman Butler seconded to enforce the ordinance prohibiting poultry in residential areas without a special use permit. Alderman Stevens asked if this means we are only talking about anyone who has chickens without a special use permit excluding the three in process. City Administrator Forsythe replied yes. 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>	2) Enforcement of Violations
3) processing of the three (3) applications that are already in process. Alderman Adams moved and Alderman Cobb seconded to process the three applications that are already in process. Alderman Butler asked for clarification on what this means. City Administrator Forsythe clarified that one special use request has already moved through the Planning & Zoning Commission (PZC) process and is scheduled for a first reading in July and the other two are set to begin their process at the July PZC meeting. 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>	3) Processing of Three Current Applications

City Administrator Forsythe indicated he is looking for a motion to consider a revision to the existing ordinance or a motion to repeal the existing ordinance. Alderman Stevens moved and Alderman Brownfield seconded to revise the existing ordinance. It was noted that item 4) is two part and if this motion fails a second motion would be made to repeal the existing ordinance. Alderman Butler shared that the motion on the floor is removing the repeal from consideration and thought the intention was to have discussion on either repeal or revision. He wanted to make sure everyone understands that if this motion passes repeal would not be an option. City Attorney Schryer shared the intent on the fourth bullet point was to get direction at this meeting for staff to put together information for the July Committee of the Whole meeting on whether it would be a revision or a repeal of the existing ordinance. He indicated we are trying to streamline the process and not have another extended discussion at the July COW on this issue. Alderman Butler expressed his concern with it not being presented very well in the background communication. Alderman Cobb agreed with Alderman Butler regarding the intent to give staff direction and have discussion on either going forward with repealing or a revision of the ordinance. City Administrator Forsythe indicated under this motion to consider a revision, discussion can take place on the specifics of what Council might consider as part of the revision or staff can research other communities again and come back with options. He noted staff would be looking for direction from Council on what options to research whether it be lot size, surrounding neighbors, etc. Mayor Manier reminded everyone that if you are looking only to repeal the existing ordinance the revision would be a no vote. Alderman Butler expressed his concern with the background communication and the confusion it has created. City Attorney Schryer commented since we are dealing with a Zoning Code special use we can't take action immediately to repeal the special use allowing for poultry but we have to go through the process for amending the provision and are looking at September as the earliest to have a first reading of a repeal ordinance. The intent is if there is a majority of Council that favors repeal then it is not a good use of staff resources to continue to research what other communities have in their requirements for a revision. Mayor Manier commented that item 4) should have had two questions. Alderman Butler expressed his concern with the background communication where it states that the majority of Council is in favor of repealing the ordinance and we are now moments away from possibly making a revision. Alderman Stevens shared her understanding of the Committee of the Whole meeting is to have discussion to hear viewpoints and doesn't believe a straw poll should be the determining factor for staff in assuming an Alderman's final vote. She shared her appreciation for the opportunity to make a choice here. Alderman Butler once again expressed his concern with the background communication and the confusion it has created. Alderman Stevens expressed interest in considering options within the existing ordinance before talking about eliminating it. Mayor Manier commented that Council needs to be straight forward in considering a poultry special use and if we have a friend that doesn't want them, we vote against. He indicated we are at a point where we either want them or we don't. Alderman Stevens shared that if even one neighbor does not want someone to have chickens then they should not be permitted to have them. Alderman Adams shared when this was first talked about, he was of the same mindset and is why he wanted it to have a special use process so they could be reviewed individually. He expressed his concern with having situations where there are legitimate neighbor issues based on the location of where the coop is placed, etc. but also have situations where neighbors have a dislike for each other and that should not dictate a decision but be based on the merits of the request. Alderman Brownfield expressed his concern with subdivision covenants and shared the developer of Devonshire recently contacted him and the covenants do not allow for any farm animals within the subdivision. Alderman Stevens shared her understanding is that if the subdivision does not have an active homeowner's association the covenants of the subdivision revert to the neighbors complaining to the City and the City then looking into it. Alderman Adams expressed his concern with the difficulty in discerning the legitimacy of a neighbor's complaint. City Attorney Schryer clarified the motion on the table is a motion to direct City staff to come to the July Committee of the Whole meeting with recommended changes. If this motion fails there will likely be a second motion in favor of repeal which Council would be directing City staff to prepare an appeal ordinance for consideration. On roll call to revise the existing ordinance:
Ayes: 2 Black, Stevens
Nays: 6 Adams, Brownfield, Butler, Cobb, Dingledine, Yoder
Motion did not carry.

Residential poultry moratorium, Cont.)

4a) Revising Existing Ordinance

Alderman Brownfield moved and Alderman Black seconded to repeal the existing ordinance. On roll call to repeal the existing ordinance:
Ayes: 6 Adams, Brownfield, Butler, Cobb, Dingledine, Yoder
Nays: 2 Black, Stevens
Motion did not carry.

4b) Repealing Existing Ordinance

City Administrator Forsythe read a resolution, by title only and brief synopsis, supporting a Rebuild Illinois Competitive Public Infrastructure Program Grant Request. Adoption of this resolution would support a Rebuild Illinois Competitive Public Infrastructure Program grant application for the completion of Phase II engineering, construction engineering, and construction of about 1,000 feet of Freedom Parkway at its intersection with N. Cummings Lane and commit to paying 50% of the estimated project cost. Alderman Dingledine moved and Alderman Adams seconded to adopt the resolution as read. On roll call the vote was:
Ayes: 8 Adams, Black, Brownfield, Butler, Cobb, Dingledine, Stevens, Yoder
Nays: 0
Motion declared carried.

Adopt resl, supporting Rebuild IL Competitive Public Infrastructure Program Grant Request

Alderman Black expressed his disappointment in repealing an ordinance that was just passed last October and that once an ordinance is passed, we should abide by it. Alderman Stevens commented now that the direction is to repeal the residential poultry ordinance her understanding is that there should not be any chickens in the City and expressed her opinion that there should not be any grandfathering in of chickens. City Administrator Forsythe shared

Aldermen's Comments

Alderman’s Comments,
Cont.)

there would be one applicant that has already received a special use permit that would be grandfathered in and there are also three applications in the process for consideration as well. Alderman Stevens expressed her disagreement in allowing for the one granted special use to be grandfathered in and that it should be all or nothing. City Attorney Schryer made a point of clarification that the motion carried to repeal the existing ordinance which directs staff to prepare the repeal ordinance and there is a process to amend the Zoning Code and cannot be done in a single City Council meeting so as we go through the process the ordinance is still part of the current code. Alderman Stevens commented that while we are going through this process residents will be grandfathered in but when we have come to a conclusion then that may not be the case. City Attorney Schryer clarified that if a resident has received a special use allowing for poultry they will continue to maintain the special use as long as they reside on that property. He added the special use is not transferrable and there is nothing Council can do to remove the special use from the property. Alderman Stevens commented that she hopes that code enforcement will be done on any existing chickens that residents have that have not been brought forth as an application for consideration and City Administrator commented that it will be done. Alderman Adams commented this was the intent of item 2 of the moratorium consideration. City Administrator Forsythe also pointed out there may be other instances where residents have chickens but we have not received complaints as well, but we will give all those that we know of the 14-days to remove the chickens.

Adjournment

At 7:44 p.m. Alderman Black moved and Alderman Stevens seconded to adjourn. Motion carried unanimously by voice vote.

Patricia S. Brown, City Clerk

COVID-19 RESPONSE PLAN – UPDATE #2

CITY OF WASHINGTON, ILLINOIS

JUNE 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. **As of May 29, 2020, the State of Illinois has been deemed to be in Phase 3 of the Restore Illinois Plan and thus non-essential businesses have been allowed to open with restrictions of face coverings when social distancing isn't able to be maintained and capacity limits. Outside dining is also allowed along with non-essential gatherings limited to 10 people.**

*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. **The State at Home order was lifted as of May 29, 2020.***

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 was closed to the public on 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. City Hall was opened back up to the public on June 1, 2020 and the phone lines were also opened. Virtual meetings and conference calls are still being held to limit the numbers in City Hall and Staff is available by appointment. Signs are posted regarding the social distancing requirements and tape is displayed on the floor in the lobby to indicate the proper spacing. Attached are the flyers that are posted on the front doors of City Hall. Chairs were moved out of the lobby and doors are kept open whenever possible. A plexiglass guard will be installed on the permitting desk as additional protection.

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 were allowed to enter City Hall between March 16th and May 31st.

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. **All Police administrative personnel have returned to working at the Police Station as of June 1st.**

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, Grounds Maintenance employees have been told not to report until notified. **As approved by the City Council on May 18, 2020, the Grounds Maintenance employees have been rehired. As approved on June 8, 2020, one short-term employee was hired and will begin work on June 15, 2020.**

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. *As approved on June 8, 2020, one short-term employee was hired and will begin work on June 15, 2020.*

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. *As approved on June 8, 2020, one short-term employee was hired and will begin work on June 15, 2020.*

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.

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)	6,703,370	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%	1,605,612	128,907 8.0%
General Administration	1,044,650	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)	8,302,350	33.7%	7,536,480	765,870 10.2%
Operations (Utilities, Supplies, etc.)	5,206,176	21.2%	4,882,855	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%	\$ 5,565,000	\$ 1,379,500 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%	2,689,140	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%	1,652,191	(35,791) -2.2%
Bond/Grant/Insurance Proceeds	833,000	3.4%	6,395,000	(5,562,000) -87.0%
Motor Fuel Taxes	627,000	2.6%	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	0.00 0.0%
Cemetery Operation	1.22	1.8%	1.15	0.07 6.1%
TOTAL	68.10		82.00	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	\$ 348,418,051	\$ 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 mid-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. **The final (April received in May) payment for FY19-20 has been received. Even though the payment is one-half (\$167,019 compared to \$332,668) of what was received in the prior year for the April payment – the fiscal year revenue is only \$39,155 or 2.35% under budget for FY19-20. This is due to the fact that the Income tax filing and payment deadlines were extended from April 15 to July 15. This revenue should be received sometime in the first quarter of FY20-21. The May collections, received in June for the first payment of FY20-21 was \$103,453 which is \$51,913 less than the previous year. Based on IML revised projections of \$97.30 per capita, the FY20-21 projected revenue of \$1,739,000 is estimated to be \$127,129 under budget.**

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. **There were slight reductions in the March/April and April/May MFT allotments resulting in ending the fiscal year \$7,632 or 1.82% under budget. The Transportation Renewal Fund receipts of \$205,400; however, were not budgeted and thus the revenue as a whole exceeds budget for FY19-20.**

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 actual -\$15,122.00
April 2019-2020 Change	-\$48,969.14
May 2019-2020 Change	-\$37,091.80
TOTAL CHANGE	-\$112,187.09 actual -\$101,182.94

Anticipated reduction to 1.75% Home Rule Sales Tax revenue:

March 2019-2020 Change	-\$19,047.32 actual -\$14,764.00
April 2019-2020 Change	-\$44,605.69
May 2019-2020 Change	-\$35,111.75
TOTAL CHANGE	-\$98,764.76 actual -\$94,491.44

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 – initial; will be updated quarterly

Sales Tax	(\$112,187)
Home Rule Sales Tax	(\$98,765)
Income Tax	(\$65,212)
Local Use Tax	\$0
Pers. Prop. Repl. Tax	(\$625)
	<u>(\$276,789)</u>

Motor Fuel Tax	(\$13,688)
Transportation Renewal Fund	(\$1,000)
	<u>(\$14,688)</u>

Rebuild Illinois grant	<u>\$181,961</u>
(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. **The Police Officer position was approved on June 1, 2020 to be filled prior to the end of the 90-day freeze, resulting in a temporary increase in Officers. A stipulation of the approval is that when a vacancy occurs in the Police Department, a 90-day waiting period will apply before the vacancy can be filled. As approved on June 8, 2020, three of the short-term employees were rehired and will begin work on June 15, 2020.**

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 appr. 5/18/2020	Update #2 6/8/2020
<u>New/Seasonal Positions to remain unfilled</u>			
Police Officer	83,522	83,522	- <i>Per City Council 6/1/20</i>
Public Works - Streets	64,698	64,698	64,698
Part-time HR Generalist	20,800	20,800	20,800
Exec. Admin. Assistant continue as temp.	13,600	13,600	13,600
Grounds Maintenance	24,659	-	- <i>Per Public Works Committee 5/4/20</i>
Summer Laborers	12,823	12,823	- <i>Per Committee of the Whole 6/8/20</i>
	<u>220,102</u>	<u>195,443</u>	<u>99,098</u>

We recommend establishing a Foreman in Water/Sewer Maintenance for succession planning -- cost to General Fund - \$232

Potential Expense Items for Deferral/Savings (see detail).

Legislative/Administrative	81,387	81,387	81,387
City Hall	500	500	500
Streets/Stormwater	481,500	348,500	348,500
Police	135,276	163,769	163,769
Tourism/Econ. Development	23,000	23,000	23,000
Planning & Zoning	16,500	16,500	16,500
Fire & Rescue	42,000	31,749	31,749
	<u>780,163</u>	<u>665,405</u>	<u>665,405</u>
 Total Deferred Expenses	 <u>1,000,265</u>	 <u>860,848</u>	 <u>764,503</u>

Potential Expense Items for Deferral/Savings
FY 2020-21

Description	Budget 6/1/2020	Update #1 Apr. 1/18/2020	Update #2 6/8/2020	Comments
Legislative/Administrative				
Tyler software - charges fr				
TylerB software	18,797	18,167	18,000	reduction in rate of software from budgeted amount
Tyler implementation cost				
Reduction in Travel Budget (TVCIS-R)	15,385	16,749	14,687	reduction due to remote work situation, training previously
Rent/Lease	6,600	6,600	6,600	increase current rent rates and have available for future years
Postage for Newsletter	3,800	3,800	3,800	increase current newsletter and have available for future years
Liquid Lines - Staff	2,000	2,000	2,000	
Computers and Misc. Equipment	7,000	7,000	7,000	
Maintenance Software	2,500	2,500	2,500	
National City Journal	5,000	4,000	4,000	
Student Government Bay Touch	250	700	250	
City Administration Expense	2,500	2,500	2,500	
Certificates	5,000	5,000	5,000	
Training - District Official	11,700	14,200	11,000	at
Training - Staff	6,500	6,500	6,500	at
	85,867	81,167	81,167	
City Hall				
Replace atrium entrance side of building	500	500	500	
	500	500	500	
Streets/Open Space				
Garage Repairs (Lugnuts)	25,000	25,000	25,000	
Aluminum Sign/Dog Bow Stop (garage) to Westside	25,000	25,000	25,000	
Asphalt Paving around Building (Lugnuts)	85,000	70,000	70,000	
New Garage Doors at Lugnuts	25,000	25,000	25,000	Doors are original and parts not available
Pavement Repair Projects	10,000	10,000	10,000	Digital equipment
Overhead lights or LED intersections by Lane Center	27,000	27,000	27,000	
New Mowing Tractor (Original Equipment)	15,000	15,000	15,000	Digital equipment
Concrete Edge Fixtures Damage Project	55,500			Per Public Works Committee N/A/R
Officer Spring Collection Project	20,000	20,000	20,000	
Street Cleanup Painting Project	22,500	22,500	22,500	Revised after 90 days
City ROW and Freeway Wood Closures	7,500			Per Public Works Committee N/A/R
Sidewalk at Lugnut Road	25,000	25,000	25,000	
Asphalt City Allways	25,000			Per Public Works Committee N/A/R
Strip Paint Canyon Way	5,000			Per Public Works Committee N/A/R
Optional Height column lighting	125,000	125,000	125,000	Not recommended to cut bid low offer - revised after 90 days
	685,500	340,500	340,500	
Police				
Resident WTC Contract		28,485	28,485	
Carpool Insurance	16,000	16,000	16,000	
Repair & Maintenance - Commercial Building	1,000	1,000	1,000	
Repair & Maintenance - Commercial Equipment	5,000	5,000	5,000	
Vehicle Subscriptions	4,576	4,576	4,576	
Office Supplies	2,000	2,000	2,000	
Legal Fees	40,000	40,000	40,000	
Recruitment	5,000	5,000	5,000	
Postage	1,000	1,000	1,000	
Printing	2,000	2,000	2,000	
Electricity	2,300	2,000	2,000	
Cell phone	800	800	800	
Training	7,000	7,000	7,000	
DATA/CID	2,500	2,500	2,500	
Program Training	2,500	2,500	2,500	
Furniture/Equipment	12,500	14,500	12,500	
Awards Program	4,000	4,000	4,000	
Hiring parking tickets	400	400	400	
	126,276	163,705	163,705	
Public Relations Development				
Maintenance of Chamber support	10,000	10,000	10,000	
All city business marketing	10,000	10,000	10,000	
Marketing and public relations campaign	1,000	3,000	3,000	
	21,000	23,000	23,000	
Planning & Development				
Special projects/Initiatives	10,000	10,000	10,000	
PHATS data analysis	8,500	8,500	8,500	
	18,500	18,500	18,500	
Parks & Recreation				
Upgrade of TC3 electrical		14,450	14,450	
Generator	32,000	32,000	32,000	
Building improvements	10,000	10,000	10,000	
	42,000	56,450	56,450	
Total approved expenses	785,363	665,425	665,425	

Recommendations

1. As of May 8, 2020, projected revenue decreases for the General Fund for the first quarter of the fiscal year was approximately \$276,789. Some of this shortfall can be recovered through the deferral of these positions:
 - ~~Police Officer (90-day waiting period with next vacancy applies)~~
 - ~~Public Works – Grounds Maintenance~~
 - Public Works – Streets laborer
 - ~~Public Works – S-T Summer laborers (these positions will not be filled)~~
 - 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 remainder of the shortfall will be made up through deferral of projects and/or utilization of other funds as indicated below.

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)
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.
~~The non-union pay plan with a 2.5% increase was approved by the City Council on 5/18/2020.~~
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.
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. The City Council agreed to utilizing Telecommunications Tax if deemed necessary to cover an Income Tax shortfall.

- 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. This option was rejected by the City Council on 5/18/20.

Recommendations (continued)

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.