

**COMMITTEE OF THE WHOLE  
MONDAY – JUNE 8, 2020 – 6:30 P.M.  
REMOTE WEB MEETING**

Mayor Manier called the regular Committee of the Whole meeting of June 8, 2020 to order at 6:30 p.m.

Physically Present: Mayor Manier, City Administrator Forsythe, Police Chief McCoy, City Clerk Brown

Remotely Present: Aldermen Adams, Black, Brownfield, Butler, Cobb, Dingleline, Stevens, and Yoder; Finance Director Baxter, P & D Director Oliphant, City Engineer Carr, Public Works Director Schone, Deputy Police Chief Stevens, City Attorney Derek Schryer, City Treasurer Dingleline.

Absent: None.

**MINUTES**

1. Aldermen wishing to be heard – None.
2. Citizens wishing to be heard – Clerk Brown read three comments that were submitted. They are attached and made part of these minutes.
3. Approval of Minutes: Alderman Brownfield moved and Alderman Cobb seconded to approve the minutes of the May 11, 2020 Committee of the Whole meeting. Motion carried unanimously by voice vote.

4. **BUSINESS ITEMS**

- A. Chamber of Commerce Update – Ms. Kristy Howell provided a summary of recent Chamber activities that included the following: videos are being created for businesses that are now opening that show a passing of the red ribbon from business to business; continued focus on providing COVID-19 updates to members; and roundtable sessions are being held as businesses open to help meet COVID-19 guidelines.
- B. Greater Peoria Economic Development Council (GPEDC) Update – P & D Director Oliphant introduced GPEDC Chief Executive Officer, Chris Setti who provided an update on recent activities with a focus on the last three months of the COVID-19 pandemic. Mr. Setti shared information related to working with businesses through the pandemic as well as economic recovery. He shared they have created a website [www.gpcovid](http://www.gpcovid) for businesses to use as a tool to find COVID related information as well. Alderman Stevens asked if GPEDC works with all businesses or just Chamber businesses and Mr. Setti shared they work with all business and use Chamber's as a way to amplify their message through their member businesses. P & D Development Director Oliphant indicated the City has a fairly good handle on who our local businesses are through the IL Department of Revenue reports we receive. Mayor Manier indicated that discussions have been had on implementing a business licensing process that would help us track businesses that are located in the City as well. He also shared the Washington Foundation can be looked into as a source of funding through the recovery process as well.
- C. Residential Poultry Discussion – P & D Director Oliphant brought forward for discussion whether any changes may be desired pertaining to the existing regulations allowing for residential poultry that were adopted in October 2019. He shared one special use case has been approved by Council and two have been denied and is looking for feedback on whether there is interest in either an amendment to the existing regulations or to repeal the consideration of residential poultry altogether. He noted Council direction will be beneficial to convey to applicants as they make application for a special use. Discussion ensued and several comments and concerns were shared that resulted in some in favor of seeing revisions that would continue to allow chickens and some in favor of repealing the October 2019 ordinance that allows for them. Following discussion, City Administrator Forsythe indicated that an appeal of the ordinance can be put together for the next City Council meeting and if approved, staff would stop its research on looking into potential amendments to the existing ordinance. No further comments were made.

- D. Proposed Code Amendment Consideration: Chapter 31 entitled “City Council” – City Administrator Forsythe indicated that direction was given at the May 11, 2020 Committee of the Whole meeting on this item to allow comments to be submitted and formalized into the proposed amendment and be brought back to this meeting for further discussion. He noted that three comments were received and have been added into the appropriate sections of the proposed amendment for further discussion before resources are used to prepare a modified ordinance. He went over the history of bringing this item forward for consideration that included the recent Council Goals, the process of adding items to the agenda, and Council rules of procedure including allowances for remote attendance at meetings. Discussion ensued on these topics and following discussion, City Administrator Forsythe indicated he has enough feedback to simplify the amendment consideration and bring back to the next Committee of the Whole meeting or possibly to a future City Council meeting for further consideration.
- E. Sergeant’s Benefits – City Administrator Forsythe brought forward for consideration a request to adjust the current benefits received by police sergeants. He noted that Council recently adopted a 4-year contract with the Policemen’s Benevolent Labor Committee regarding police officer’s which included changes to benefits. He shared that discussions had been had with sergeants when they came out of the union that there would be an attempt to enhance their benefits or mimic the benefits of officers. He indicated that Police Chief McCoy is seeking approval to make changes to the benefits of sergeants to match the police union contract. He went over the proposed changes that included the following: uniform allowance to increase \$100 per year; holiday overtime from 2 to 2.5 times rate of pay; compensatory time maximum that can be accrued and taken in a given year; and sick leave buyback can currently accumulate to 960 hours with an annual payout of 96 hours if they have 400 hours. He indicated there are both annual costs and a long term liability costs to those and we do not typically budget for the long term liability of any of our employees so if an employee retires they are paid out for unused vacation time and maximum amount of accrued sick time which is absorbed into the annual budget. He indicated they are looking for direction from City Council on whether there is interest in matching benefits from officers to sergeants. Police Chief McCoy shared the following: conversation started about a year ago on sergeants having the same benefits as officers but it was decided to wait until after the contract was settled in order to not have to do a change a second time; after contract was settled with officers my recommendation is to mimic the benefits for the sergeants to equal the officers; the importance of sergeants benefits not being less than officers as sergeants are different and do a different type of work including supervising officers; and alleviating the confusion with what has happened in the past where there were different categories of employees as well. Alderman Butler shared that during budget preparation, Chief McCoy didn’t know the final result of the contract and its impact and also up until about 10 years ago sergeants were in the same union as the officers and had this change in structure never occurred, this would be a non-issue. He shared this will help in keeping parity between sergeants and officers as well as maintaining the structure we have today. Following further discussion on calculating future cost estimates, it was the consensus of Committee to move this item forward to Council for consideration.
- F. Water Treatment Plant #1 Filter & Softener Rehabilitation Project – Public Works Director Schone provided an overview of project that began in 2018 with the rehabilitation of one filter and one softener through River City Construction. He indicated that Evoqua has quoted \$258,064.26 for the remaining project work that includes the cleaning and disposal of old media, purchase and delivery of media and resin, checking metal integrity, and installation of media and resin for 4 filters and 3 softeners. He shared they would like to start the process of getting the filters and softeners completed this FY and are looking to get Evoqua scheduled this fall to finish up the rehabilitation. He indicated River City Construction was contacted for pricing as well but declined making Evoqua the sole source for this work. Following discussion, it was the consensus of Committee to move this item forward to Council for consideration.
- G. Municipal Electric Aggregation Update – Finance Director Baxter provided a history and update on the program including the process which was put in place by resolution that allows the City Administrator and/or designee the ability to receive and review bids and to accept the bid most beneficial to the City without further action of the City Council. She provided the following information as well: our current contract expires on December 2020; we have been advised by our energy consultant, Good Energy, that the bid for the new contract will take place on June 25, 2022; they anticipate 3-4 bidders to participate

and that an 18-24 month contract will be awarded to the lowest bidder. She indicated that no action will be necessary on this and she will report back the new rate for residents.

- H. Group Health & Dental Insurance Renewals – Finance Director Baxter provided a summary of the renewals for this year, indicating that moving forward in the coming year they will be looking at benefits and components of the plan as well as comparing benefits with other communities. City Administrator Forsythe commented that the budgeted part time HR person would be helping in this review process as well. Following discussion, it was the consensus of Committee to move this item back to Council for consideration.
  - I. Property & Liability Insurance Renewal – Finance Director Baxter provided a summary of the renewal indicating the renewal quote represents an 8.1% increase from last year. Dennis Hermann, Alexander Murray Agency, shared that considering the claims frequency we experienced in the first 6-months of the term, it is a good renewal premium. Alderman Black asked if analyzing is being done to help keep costs down and City Administrator Forsythe indicated a safety committee is in the process of setting up procedures that will help. It was the consensus of Committee to move this item forward to Council for consideration.
  - J. COVID-19 Response Plan, Update #2 and Review of 4<sup>th</sup> Quarter FY 2019/2020 Financial Reports (Unaudited) – City Administrator Forsythe summarized the COVID-19 Response Plan, Update #2 which is attached and made part of these minutes. He shared March sales tax was received today so the plan will be updated to reflect the sales tax numbers before it comes to Council next week. Finance Director Baxter provided a summary of the financial reports indicating that it reflects the total income tax collected for the FY. She shared that due to the extended July 15<sup>th</sup> deadline for income tax payment and filing deadline, we show a 50% reduction in what we collected last year but are expecting to receive it in the first quarter of this FY. She shared March sales tax and home rule tax both ended up being about a \$15K reduction each from the prior year at this time but came in higher than what was expected. Discussion ensued on the changes updated in the plan including the hiring of an additional police officer prior to end of 90-day hiring freeze and the rehiring of seasonal employees in the Public Works department.
5. Other Business – City Engineer Carr shared information regarding IDOT’s recent release of funds related to the Rebuild IL Bond Fund. He shared we will receive six installments of a little over \$180K each that will be dropped into our MFT funds over the next three years. He shared the Public Works Committee discussed possibly using the first three installments to pay for consulting engineering on the next roadway reconstruction project. He noted that through conversation with Public Works Director Schone and Utilities Superintendent Rittenhouse, the next immediate need project looks to be Hilldale Avenue. He shared the total reconstruction cost would be around \$4M to compete and due to its length, we would be looking to split this out into three separate projects spanning three years. He shared for cost efficiency it is better to design the entire project all at one time, noting the design fee would be upwards to around \$500K taking up the first three installments. He noted the last three installments could then be used to help pay for it in the upcoming years. He shared this was discussed at the Public Works Committee this evening and will be coming forward in the future for consideration. It was also noted that there will be more discussion in the future on how the private side of the improvements would be handled on this project. A brief discussion ensued on what the future looks like for resuming in-person meetings again. Alderman Stevens asked about the \$50K deferred payment option that was given to Five Points and now that they are open will staff be proceeding with payment collection. Alderman Brownfield indicated that they are only at a soft opening and are still allowing members to defer their dues payment so this would be a hardship for them right now. It was the consensus to wait until they are fully 100% open before seeking payment.
6. At 9:31 p.m. Alderman Stevens moved and Alderman Cobb seconded to adjourn. Motion carried unanimously by voice vote.



Patricia S. Brown, City Clerk

June 8, 2020

Good Evening Mayor Manier and Aldermen,

My name is Brian Fischer and I am a member of your Planning and Zoning Commission. In my nine years on this commission, I have always understood the decisions of the City Council as you acted on recommendations from the Planning and Zoning Commission. As such, I have never communicated with you regarding your decisions.

However, the Council's 5-2 decision to not approve the zoning request for residential chickens from the resident living on Ernest Street is a confusing decision. In fact, at last week's Council meeting, the Council appears to have voted against the code that you approved just eight months ago in October 2019, a Zoning Code Amendment allowing poultry in the city.

The Code Amendment specifies exactly what conditions must be met in order to raise chickens and attain a permit. If someone believes they meet these specifications, they pay \$100 to be heard for a special use permit.

When the city sets code and invites residents to spend \$100, there is an implicit contract. I believe the Council broke that contract.

The logic expressed by the two aldermen who explained their position against the resident's application took issue not with the actual application, but rather with the code itself.

It is my belief that once code is approved, you have an obligation to make your decisions based on that City Code.

I have been a School Board Member in Washington for 12 years at Districts 52 and 308. We make decisions as a board and then, like it or not, once that decision becomes policy, we abide by it. It should be the same for you, for the City Council.

The property on Ernest Street met City Code and I heard no reason from City Council as to how it did not meet City Code.

At our Planning and Zoning Commission meeting last week, we had another family pay \$100 for the right to raise chickens within the guidelines established by the city's Zoning Code. Their request met every guideline and at least seven letters were submitted by neighbors and other citizens supporting their application. We approved it and it will now come to you.

Most of the applications for raising chickens appear to be from Washington families with children. For those who have done the research, residential chickens are very

good neighbors. If a family ceases to follow appropriate guidelines in maintaining their chickens, we have city staff who can pull the permit, which must also be applied for annually. As you know, this is a standard process in running a city.

I believe you should accept the code that the Council approved last October and approve families who meet the code.

Thank you for your time and consideration,

Brian Fischer  
606 N. Main St.  
Washington, IL 61571

Patricia Brown

Romanie Lehman

**From:** Romanie Walter <drromanie@gmail.com>  
**Sent:** Monday, June 8, 2020 11:29 AM  
**To:** Patricia Brown  
**Subject:** Residential Poultry Discussion

To the members of the council,

I have recently moved to the city of Washington and am just getting to know the community. My husband and I looked at several communities in the area and chose Washington based on the members of the community we already knew and their experiences here (my husband went to Washington High School), the excellent school system, and the excellent reputation the city of Washington holds in central Illinois.

We recently applied for the chicken special permit and were approved by the zoning commission. We were very disappointed to hear we were denied by the council members.

Let me start by saying I understand why. When people think of chickens they think of the noise, the smell, the look of the yard with the coop and buckets and feeding and water bowls, etc. I can understand why some of the residents would have these concerns and be reticent to have neighbors with chickens.

I hope to put these concerns to rest or at least mitigate some of them.

I am a veterinarian and I have had chickens on and off for almost 10 years and for 5 of those it was in a residential neighborhood with a neighbor with whom I shared a chain link fence. So I can say with the utmost confidence that the regulations the Washington Zoning committee have in place are absolutely right on. The limited number and type of chickens allowed along with the housing and sanitation regulations are imperative and well thought out in the zoning commission guidelines. The permit also clearly lays out where the chickens can be housed and how the feed and water is to be stored. All of these well thought of regulations should mitigate any concerns that the neighbor may have. In fact, as written, these regulations would make having 4 or less chickens less of a community pest than dog ownership. As a veterinarian I can tell you that with dog ownership the noise factor, potential aggression factor, and especially cleanliness factor is much more of a concern to the neighbor and community.

Here are some benefits to having backyard chickens in our community:

- Fresh eggs that are higher quality and healthier than the store bought version
- Local sustainability
- Education for the children and community members
- Pest control - They can provide really effective tick and mosquito control. Not only will backyard chickens eat ticks and mosquitoes, they will also eat slugs, mice and small snakes.
- High quality natural compost for our local avid gardeners
- Less wasted food - they love our leftovers!
- And for me the most important factor: Stress relief and companionship. If you told me 15 years ago how much having chickens impacts my day to day well being I would have laughed so hard, it seems so ridiculous. But please, take the time to ask people who have or have had chickens about the impact it has had on their mental well being. You will be surprised by what a positive impact they can provide.

As a new member of the Washington community, I have been surprised by the amount of government oversight and regulations that are in place in our community. I understand why some regulations and oversight are important, but I worry about overreach and a loss of freedom that this community may be gravitating towards. Prior to moving, I had the impression this community was more welcoming, striving for diversity and inclusion. My husband and I plan to live at our residence for the next 25 to 30 years and invest heavily both in our home and in the community. I hope we will be welcomed and allowed to have some freedoms and growth along with our community members.

Thank you for your time and attention and commitment to our growing community.

Patricia Brown

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**From:** Joey Lehman <joeylouis8@gmail.com>  
**Sent:** Monday, June 8, 2020 8:47 AM  
**To:** Patricia Brown  
**Subject:** Poultry Discussion

I am writing in regards to the residential poultry discussion. My wife and I recently moved into the area and were excited to learn that the town had approved chickens for residents. We followed every stipulation set forth by the law and were approved by the zoning board only to be denied by the council. The worst part was we were not given any legitimate reason. It appears that the council has created the appearance that residents may own chickens but decided against it despite their own vote to the contrary. This was disheartening. I understand that some council members as well as residents have reservations regarding chickens but I believe these to be born out of ignorance. The law the town created is very well crafted and takes into consideration any foreseeable concerns that my neighbors or any residents may have. As roosters are not permitted, noise will not be a factor as chickens are not loud. In fact, the noise from barking dogs far exceeds any noise from a couple chickens. Also, I would guarantee with a tall privacy fence and a chicken coupe that the fact that one owned chickens wouldn't be known unless someone peered over the fence. The other two arguments I commonly hear are that property values will decline and that chickens bring rodents. Firstly, as stated earlier, if done properly no one would be able to tell if their neighbor owned chickens and studies show that they do not bring down property values. Secondly, after owning chickens for years with a retention field behind our old home and never seeing one single rodent or intruder I can say that the 'cleanliness' argument does not hold weight either, as long as it is not neglected. I hope that the city can reflect on these issues and decide to uphold the residential ownership of chickens that they themselves already passed. If the city of Chicago can allow the ownership of chickens I would hope that the central Illinois community of Washington, whose seeds were planted by farmers, could understand the desire, value and freedom of poultry ownership. Thank you.

Sincerely,

Joseph Lehman

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**COVID-19 RESPONSE PLAN – UPDATE #2**  
**CITY OF WASHINGTON, ILLINOIS**  
**JUNE 8, 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 16<sup>th</sup> and May 31<sup>st</sup>.

**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 1<sup>st</sup>.**

**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. **As approved by the City Council on May 18, 2020, the seasonal employees have been rehired.**

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%	\$	12,663,740	\$	(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		1,044,650	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)	-0.6%
Cemetery		138,150	0.6%		107,400		30,750	28.6%
by MAJOR EXPENSE CLASSES		% of Total						
Capital Improvements	\$	9,961,180	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%		4,892,855		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		1,016,400	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	2.5%		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%

<b>EMPLOYMENT FULL TIME EQUIVALENT</b>		% 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	11.6%	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%		
<b>TOTAL</b>	<b>68.10</b>		<b>62.00</b>	<b>6.10</b>	<b>9.84%</b>		

<b>PROPERTY TAXES</b>							
Tax Levy	\$	1,647,741	\$	1,647,675	\$	66	0.0%
Tax Rate (per \$100 AV)	\$	0.47274	\$	0.47280	\$	(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%			

<b>UTILITY RATES</b>							
Water Rates (per 1,000 gal.)	\$	4.63	\$	4.51	\$	0.12	2.7%
Water Fixed/Technology Fee	\$12.96/\$14.81		\$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.**

*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
April 2019-2020 Change	-\$48,969.14
May 2019-2020 Change	-\$37,091.80
<b>TOTAL CHANGE</b>	<b>-\$112,187.09</b>

**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
<b>TOTAL CHANGE</b>	<b>-\$98,764.76</b>

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)
	<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.**

***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	-	Per City Council 6/1/20
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	-	-	Per Public Works Committee 5/4/20
Summer Laborers	12,823	12,823	12,823	
	<u>220,102</u>	<u>195,443</u>	<u>111,921</u>	

We recommend establishing a Foreman in Water/Sewer Maintenance for succession planning (cost to General Fund - 5,221)

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>
<b>Total Deferred Expenses</b>	<u>1,000,265</u>	<u>860,848</u>	<u>777,326</u>

Potential Expense Items for Deferral/Savings  
FY 2020-21

Description	Initial 5/1/2020	Update #1 Apr. 3/18/2020	Update #2 4/9/2020	Comments
<b>Legislative/Administrative</b>				
Tyler Software - changes to Payroll platform	18,197	18,197	18,197	reduction in cost of software from suggested license
Tyler Implementation cost (reduction in pay) due to COVID-19	14,240	14,240	14,240	reduction in license investigation, training and QA cost
Newsletter	4,200	4,200	4,200	eliminate printed newsletter and have available on website only
Postage for Newsletter	2,800	2,800	2,800	eliminate printed newsletter and have available on website only
Legal fees - Agon	2,000	2,000	2,000	eliminate printed newsletter and have available on website only
Computer and Mail Equipment	2,000	2,000	2,000	
Miscellaneous Software	2,500	2,500	2,500	
Memorial Day parade	3,000	3,000	3,000	
Student Government Pay Items	250	250	250	
Copy Sales/Computer Equipment	2,500	2,500	2,500	
Travelling	5,000	5,000	5,000	
Training - District Officials	18,250	18,250	18,250	41
Training - Staff	6,500	6,500	6,500	41
	81,387	81,387	81,387	
<b>City Hall</b>				
Replica shrubs on East side of building	500	500	500	
	500	500	500	
<b>Street/Stormwater</b>				
Design Approaches (lights)	35,000	35,000	35,000	
Abandon Septic/Tap into New Sanitary Sewer/Legionella Monitor	25,000	25,000	25,000	
Railroad Parking Area/Built up at legions	35,000	40,000	35,000	
New Garage Doors at legions	25,000	25,000	25,000	Doors are original will not be available
Pavedment Repairs Roadwork	10,000	10,000	10,000	Call to action prior to this
Overhead Lights at DOT Intersections by same items	27,000	27,000	27,000	
New Moving Trailer (Original Equipment)	15,000	15,000	15,000	Original equipment
Carlsbad Estates Drainage Project	25,500			Per Public Works Committee 5/4/20
Gilman's New Caber/Trailer Project	20,000	20,000	20,000	
Street's Street Wall Planning Project	21,500	21,500	21,500	Revised after 90 days
City ROW and Properties/Wood Control	1,500			Per Public Works Committee 5/4/20
Card Pass at Legions Road	15,000	15,000	15,000	
Asphalt City Aways	18,000			Per Public Works Committee 5/4/20
Map Rule Gallery Room	51,000			Per Public Works Committee 5/4/20
Delaware Heights Street Living	125,000	125,000	125,000	Not recommended to call for cancellation - check after 90 days
	483,500	349,500	349,500	
<b>Police</b>				
Reduction in FIC contract		28,425	28,425	
Camera for new use	15,000	16,000	16,000	
Repair & Maintenance - Computer/IT Equipment	2,000	1,000	1,000	
Repair & Maintenance - Computer/IT Equipment	5,000	5,000	5,000	
Major computer	9,874	9,874	9,874	
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	5,000	5,000	5,000	
Electricity	2,000	2,000	2,000	
Car wash	400	400	400	
Training	7,000	7,000	7,000	
Office/IT	2,500	2,500	2,500	
Investment	2,500	2,500	2,500	
Fieldwork equipment	12,500	12,500	12,500	
Assets program	4,000	4,000	4,000	
Training parking facility	800	400	400	
	137,270	127,289	127,289	
<b>Public/Youth Development</b>				
Treatment of Children's support	10,000	10,000	10,000	
Maintenance/Marketing	10,000	10,000	10,000	
Marketing and promotional materials	5,000	5,000	5,000	
	25,000	25,000	25,000	
<b>Planning &amp; Development</b>				
Public support/Marketing	10,000	10,000	10,000	
Public support/Marketing	10,000	10,000	10,000	
	20,000	20,000	20,000	
<b>Fire &amp; Rescue</b>				
Reduction in FIC contract		(10,000)	(10,000)	
Firefighter	32,000	32,000	32,000	
Building improvement	10,000	10,000	10,000	
	42,000	32,000	32,000	
<b>Total entered expenses</b>				
	780,123	665,435	665,435	

## Recommendations

- i. 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 **\$37,597** of this shortfall is recovered through a 90-day deferral of filling the new positions in the FY20-21 budget as indicated:
  - ~~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 remaining **\$239,192** 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.