

**COMMITTEE OF THE WHOLE
MONDAY – JANUARY 9, 2017
LIBRARY MEETING ROOM - 380 N. WILMOR ROAD
WASHINGTON, ILLINOIS**

Mayor Manier called the Committee of the Whole meeting of January 9, 2017 to order at 6:30 p.m. in the Library meeting room at Five Points Washington.

Present: Aldermen Brucks, T. Gee, Moss, Butler, Dingledine, and Moehle.

Absent: Aldermen J. Gee and Brownfield.

Also present: City Administrator Culotta, Public Works Director Andrews, Controller Baxter, P & D Director Oliphant, Master Sergeant Stevens, City Treasurer Dingledine, and City Clerk Brown.

MINUTES

1. Aldermen wishing to be heard on non-agenda item – None.
2. Citizens wishing to be heard on a non-agenda item – None.
3. Approval of Minutes: Alderman Dingledine moved and Alderman T. Gee seconded to approve the minutes of the December 12, 2016 Committee of the Whole meeting. Motion carried unanimously by voice vote.
4. **BUSINESS ITEMS**
 - A. Presentation: Intergovernmental Personnel Benefits Cooperative (IPBC), Health Insurance – Mr. Dave Cook, Executive Director, and Mr. Gregg Aleman both with Arthur J. Gallagher & Co., each provided a brief background of themselves. Mr. Aleman provided the following information: this cooperative is just a different way of purchasing employee health insurance; we take communities out of the risk business; we show a 5-year funding plan where we keep your current plan the same to all the employees; as a partner you would have the same rights that all the other 115 member communities have, which is to control your own plan design; we do this all through joint purchasing; we have 115 communities doing shared services this way; we are a member organization driven by doing more with less where members have an active voice as owner partners; and you will have control of your plan where you will see an average of a 2.3% increase which will free up more money for capital improvements, etc. Mr. Cook shared that there are over 5,000 employees that they cover statewide where they can negotiate contracts with better rates saving everyone money. Mr. Aleman shared that as an owner partner nothing has to change as we are only talking about financing the plan. He then went over the PPO rate history noting the medical trend is currently at 8% and will likely go up in the next 10-days, where they have averaged 2.34% over the last 5-years. He went over IPBC's individual member PPO rate 5-year history indicating that they would be giving us a 5-year path to funding. He shared the majority of the communities received an average renewal that is +/- 3% of the IPBC average and five communities outperformed receiving an average renewal that is at least 3% lower than the IPBC average. He then went over the banded layer sheet showing banded claims between \$35K and \$125K YTD for July 2013 through June 2014. He shared that they identify catastrophic events and build it into rates and give everyone the pool average rate, which is turned into a fixed cost. He shared their company's differentiators, noting the following: we are proactive; we port and retain plan designs; access to information and data; dedicated municipal service team; budgetable, predictable, stable, and flexible; full disclosure and transparency; and intangibles by working with other communities that are in the same boat of doing more with less. Mr. Cook shared they took City of Washington's 5-year average at 5%, compared it to what their actual average had been trending at 2.34%, and over the 5-years there is roughly \$800K we would not spend because of the premium differential with a little over \$100K as actual savings that come back as dividends each year. He shared that they have averaged over the last 10-years a 7% dividend return each year so the 5% is a conservative number. He shared that if

the trend holds Washington could see a \$936K in actual savings over the 5-years. Controller Baxter asked if there would be a problem with our July 1st plan year, and it was confirmed that it would not be a problem. Mr. Cook shared that their rates are locked in and Mr. Gregg shared that they are guaranteed, that no one has to fill out a form, and they do that with every community and everyone gets treated the same. Mr. Cook shared that IPBC should be looked at as a long-term investment for all the members and as they continue to increase their membership it is a win for everyone because of more bargaining power, more lives, more predictable, and more stability. Mayor Manier asked for them to elaborate a little more from the union perspective. Mr. Gregg shared that they would take the plan we have now and duplicate it with either Blue Cross Blue Shield or United Healthcare, whichever one the City chooses to go with. They accommodate deductibles and out of pockets so no one is disaffected by the change. Mr. Cook shared that one of their most complex is the City of Des Plaines and they have 8 different union plans plus a couple of non-union plans and have accommodated them all. A brief discussion ensued surrounding how they are able to offer this service in today's insurance market and how intergovernmental cooperation plays a key role in keeping costs down. Following discussion, it was the general consensus to bring this item to the Health Insurance Committee for review. Mr. Cook shared that in order to take advantage of the July 1 entry, approval would need to be done at their scheduled March 24th meeting.

- B. Denhart's TIF Subsidy Request – City Administrator Culotta shared a handout that included more historical background from staff regarding TIF. He shared the City does have guidelines that were adopted back in 2003 and remain unchanged. He shared the primary objective of the TIF is to preserve and maintain an economically and vibrant downtown and towards that end the guidelines call for reimbursement grants of up to 20%. He shared to keep in mind these are guidelines and the City has the ability to amend those and to take actions different from them and have done so in the past. He shared that it is always good to take guidelines like these and take a look at them from time to time and reevaluate to make sure they are still consistent with the needs of the community and the practices of development. He shared the spreadsheet that was prepared by P & D Director Oliphant that shows the 38 projects that we have had since 2000 and their specifics including the now dissolved TIF 1 District. He shared that percentages have varied from 1% to 60% of the actual project cost. He shared that the practice has been more broad than what the guidelines had called for and approximately 1/3 of the projects have been reimbursed over the 20%, so past practice demonstrates the need to go beyond what the guidelines had called for. He shared that we also looked at neighboring communities and how they administered their TIF programs and found that most take a flexible approach where they evaluate projects on a case by case basis. He shared the uniqueness of Mr. Gregg's request is that this one project is occurring in an entity that has five different distinct businesses (Cornerstone, Denhart's, C-Note Pub, and two leased spaces), as well as the building being listed on the National Register of Historic Places making it a common draw for tourists. He shared this project also focuses on both interior and exterior renovations and will bring an outdoor patio to the area, which we do not currently have downtown.

P & D Director Oliphant shared the following in regards to the request: this is our only National Register building that produces sales tax; there are five distinct businesses; important to note that this project could serve as catalyst for other projects on the Square; there are only 5-years left on the TIF which was established in 1986 and by statute we can only have in place for 30-years, which ends on December 22, 2021; funds are there and if there is a willingness and desire to do something we have the ability to do it and will only have it in place for another 5-years; the possible closing of the businesses would be detrimental to the Square; having the two businesses (Denhart's & C-Note Pub) open after general closing hours of most businesses on the Square is a benefit to the Square as a whole; a restaurant and pub compliments other restaurant and eatery businesses on the Square; approximately \$1.82M has been spent previously on the three redevelopment projects and of that TIF has contributed about \$225K or 12.5% of the total cost; Denhart's can benefit from the new parking lot across the street; TIF payments can be submitted to the developer on a pay as you go type of plan which helps reduce the impact on the city; although still unknown at this time, it appears it could positively impact the assessed value of property; and the wildcard is the fact that there is a transaction included where typical agreements have been with an existing owner and needs to weigh into the equation as well.

He shared the different scenarios possible for the redevelopment agreement as noted in the background information provided. He went over the historical terms of previous agreements where the majority were three year terms; nearly 60% exceed \$50,000 in total project costs and 25% received more than 30% based on the original TIF contribution; and 2/3 of the projects ultimately received 20% or less in actual TIF contributions (keeping in mind that a majority of the agreements are submitted estimates by the owner and engineer and may come in over cost, resulting in the total percentage of the TIF contribution being significantly less than what was agreed upon).

Mayor Manier shared that the renovation of the building has caused other buildings around the Square to follow suit and he is in favor of the request. Alderman Dingleline shared that he wasn't totally on board at first, but after talking with Kris Hasten owner of Sentimental Journey, understands the viability it has to the Square and is in favor of the request. Mayor Manier asked Ms. Hasten to step forward for a comment and she shared that she has spoken to several business owners on the Square and 100% of them are in favor of the request. She shared that if the project does not move forward it will be detrimental to our town. Alderman Butler shared that he would like to see some sort of agreement that the building use remains how it was designed for a period of time to protect the investment. Alderman Brucks suggested that it be tied to the remaining life of the TIF which is approximately 5-years. He shared his appreciation for Kris being here to comment and shared that with what the Gross' have done it is more of a public building today than it was before and is in favor of the request. Alderman T. Gee was appreciative of the additional information this week and is in favor of the request. It was the consensus to move the request forward to legal for the drafting of an agreement. Alderman Moehle asked what happens when the TIF dissolves in 5-years and Oliphant shared that it would be offered back to the taxing bodies or an agreement could be worked out with them. He shared that when TIF 1 expired an agreement was worked out to keep the funds in the City's General Fund to be used for projects within the area of the TIF. Following a brief discussion, it was the consensus to include the following in the agreement: payments being broken into thirds with one-third up front, one-third as invoices are submitted, and one-third upon completion; a repayment to the City of Washington TIF Fund at the time a profit is recognized in an amount not to exceed 10% or \$38,000 of the original \$385,000 request; and businesses remain in operation for the remainder of the TIF (approximately 5-years). Alderman Butler noted that staff is also being authorized to create a letter for the Gregg's lender indicating the City's commitment to the project. Mr. Gregg thanked the Council and shared his appreciation to all city staff. Mayor Manier thanked the Gregg's for their investment in the community.

- C. Terra Engineering: Cruger/Dallas Roundabout Cost Estimate – Senior Project Manager, Karen Dvorsky introduced Vice President, George Ghareeb, Associated Vice President, Eric Therkildsen, and Senior Traffic Engineer, Chris Hutchinson. She turned it over to Mr. Hutchinson to provide a brief overview of roundabouts covering the following topics: roundabout perception; modern roundabouts; roundabout advantages; roundabout safety; and pedestrian benefits. Ms. Dvorsky went over the differential cost at the realigned intersection noting the following: added earthwork and landscaping cost \$114K; added pavement removal and added pavement cost \$256K; added drainage items cost \$60K; and the total differential cost would be \$430K if we do know and if we do later there will be additional costs that come into play. She shared the current alignment could save \$110K but could add additional costs when getting into land acquisition costs to the south. Public Works Director Andrews shared one component of the project would be to keep delivery as compact as possible and land acquisition could have an impact on the timeline of deliverability. Ms. Dvorsky shared that additional drainage would be needed as well and would deem the shifted alignment to be in the City's best interest. Andrews noted that we would have full control of the land to the north. Mr. Therkildsen shared that what is being presented is an average sized roundabout and once design work is done it could shrink in size as well. Ms. Dvorsky shared that nothing was done with the center of the roundabout and it could be a gateway to making it something special. Master Sergeant Stevens asked if the traffic projections have been compared to injury and fatality crashes and what the differences would be compared to a two or four way stop. Mr. Hutchinson shared that they did not look at it specifically in this case but did look at the societal cost and the savings could be greater as crashes do go down in number with a roundabout.

Alderman Dingleline shared that he is against the roundabout concept for the intersection and that it's cost it too great for the area. Following discussion surrounding the timing, funding availability for Nofsinger realignment, and design of Nofsinger alignment intermingling with design of roundabout, it was the consensus to bring a contract for design of a roundabout to the first Council meeting in February.

- D. Early Certificate of Occupancy Waiver Request and Certificate of Occupancy Zoning and Subdivision Code Text Amendments – P & D Director Oliphant shared the following: Mr. Tanner Rave of MKR Properties is requesting to have early certificates of occupancy issued to three properties located in Cherry Pointe Section 2 subdivision; we allowed the construction to begin with the understanding that certificate of occupancy's would not be issued until all infrastructure was in place; weather permitting, the houses could be completed 30-60 days prior to the street pavement going down; the developer, Iuvo Construction, requested the waiver of the requirement indicating that they would provide a temporary gravel road and would take all maintenance responsibility for it; the request has been heard by the Planning & Zoning Commission (PZC) and while the PZC provided a motion that would recommend the waiver request if the developer and City could come up with an agreement that was satisfactory to both parties that would create a semi-permanent pavement, the motion did not carry with a 4-3 vote; the developers engineer will be contacting Public Works Director Andrews to look at agreement options, which will come before Council for consideration; as staff we do not recommend the waiver due to the impact of having homes occupied before the street pavement has been completed and approved by the city as well as the precedence it sets; and Subdivision and Zoning Code text amendments will be coming to the Council for consideration as well that provide for clearer certificate of occupancy language going forward. He shared that first reading ordinances on both the waiver request and text amendments are scheduled for the January 17th meeting.
- E. Peoria Area Convention and Visitors Bureau, Contract Renewal – City Administrator Culotta presented a revised agreement that covers the PACVB's focus and aligns more with what they are working to accomplish. He went over the enhanced services included in the agreement noting that two "Tourin the Town" videos have been added which are a great way to promote our community as well as covering more of our community events. He shared that Chamber Executive Director Ruder would also like us to propose a full-page ad for our Chamber in the PACVB visitor guide at a ½ page price. Following discussion, it was the general consensus to have them come and make a presentation at a future meeting.
- F. Lift Station PLCs (Programmable Logic Controllers) – Public Works Director Andrews shared that a line item is in place within the current FY budget (\$35,000 for equipment & \$7,500 for engineering) to upgrade from our current landline dialers. He shared the current landline dialers are fairly basic with remote dialing back to the Police Department's Dispatch. He shared that as part of the City's franchise agreement with MTCO high-speed fiber is now available to our lift station's. He shared that both of the City's SCADA (Supervisory Control and Data Acquisition) providers were asked to prepare quotes to upgrade to the PLCs. He shared that a quote was received from Baxter & Woodman who assists with the sewer treatment plant's SCADA for touch panel monitoring at a cost of \$60,000 and a quote was received from Britton Electronics who assists with the water plant's SCADA for a SCADA computer at a cost of \$63,100. He indicated that staff is waiting on a deduct credit from Britton Electronics in order to directly compare the two quotes sharing that a review of the overall sewer budget would provide the additional costs from other sources within the sanitary sewer fund. Alderman T. Gee expressed his concern with the amount being \$20,000 above what was budgeted and Andrews shared that the VPN protection for hacking into the systems brought the numbers up quite a bit and following discussion the need for the protection was understood.
- G. Capital Improvement Program – Mayor Manier shared that this item will move to the next City Council meeting.

5. Other Business – None.

6. Executive Session – for the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body per 5 ILCS 120/2(c)(1) of the Illinois Open Meetings Act. At 8:41 p.m. Alderman Butler moved and Alderman T. Gee seconded to move into Executive Session. On roll call the vote was:
Ayes: 6: Brucks, T. Gee, Moss, Butler, Dingledine, Moehle
Nays: 0
Motion declared carried.
7. At 8:55 p.m. Committee reconvened and Alderman Moss moved and Alderman Dingledine seconded to adjourn. Motion carried unanimously by voice vote.

Patricia S. Brown, City Clerk