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PROCEEDINGS OF THE REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
HELD IN THE COUNCIL CHAMBERS OF CITY HALL
111 S. CAPITOL ST
ON MONDAY JULY 22, 2019 AT 5:30 O'CLOCK P.M.
MARK LUFT * CHAIR * PRESIDING

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PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Mark Luft.

The Clerk confirmed all Council Members were present. A quorum was declared by Mayor Luft.

Attendee Name	Title	Status	Arrived
Michael Garrison	Councilman	Present	4:19 PM
Rick Hilst	Councilman	Present	4:16 PM
Karen Hohimer	Councilwoman	Present	5:21 PM
Dave Nutter	Councilman	Present	4:12 PM
Lloyd Orrick	Mayor Pro-Tem	Present	4:06 PM
John P Abel	Councilman	Present	4:03 PM
Mark Luft	Mayor	Present	4:13 PM

APPROVE AGENDA

3.1. Motion to: **Approve agenda**

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Lloyd Orrick, Mayor Pro-Tem
SECONDER:	Dave Nutter, Councilman
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

APPROVAL OF MINUTES

4.1. Motion to: **Approval of Minutes**

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Lloyd Orrick, Mayor Pro-Tem
SECONDER:	Michael Garrison, Councilman
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

4.2. City Council - Regular Meeting - Jul 8, 2019 5:30 PM

PUBLIC INPUT

A resident of Tazewell Road adjacent to Coal Miner's Park spoke of her concerns that the grass was overgrown and had not been mowed. She stated that it is miserable to be there due to all the animals. The walking trail is not accessible due to the tall grass.

CONSENT AGENDA

6.1. Intellectual Disabilities Week Friday, September 20, 2019 - Sunday, September 22, 2019
Mayor Mark Luft presented and read his proclamation to Steve Sutton representing the Knights of Columbus.

6.2. Tazewell County Animal Control Billing - June 2019

6.3. **Police Department Monthly Stats - June 2019**

6.4. **June 2019 Building Department Report**

6.5. **Accounts Payable Bill Run through 7/12/19**

6.6. **Financial Reports May 2019**

6.7. **Receive bids for the HMA Surface Patching Project**

6.8. **Receive bids for the Crack Routing and Crack Filling Project**

6.9. Motion to: **Motion to Approve Consent Agenda**

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Michael Garrison, Councilman
SECONDER:	John P Abel, Councilman
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

NEW BUSINESS

7.1. **Ordinance No. 2842-19/20 2010 G.O. Bond Re-Finance**

City Manager, Mr. Mark Rothert, presented the agenda item to adopt an ordinance authorizing staff to initiate re-financing of the 2010 G.O. Bond Issue. Mr. Rothert stated that it is favorable to refinance now. These are the only bonds that are eligible to refinance. Mr. Rothert introduced Finance Director, Bruce Marston.

Finance Director, Mr. Bruce Marston, emphasized that these are the only bonds we currently hold that are available for refinancing. The other two bonds that the City holds are not eligible to refinance, the interest rates are favorable and will benefit for refinancing.

Municipal Bond Specialist, Mr. John Vezzetti from Bernardi Securities added that the 2010 bonds for the Wastewater Treatment Plant have come to an opportunity to lower the interest rates from a 4.2% to a 2.6% range, assuming the Federal Reserve lowers interest rates. We will continue to monitor that as it progresses. This ordinance allows the administration to continue the work on the refinance and should take about 30-45 days. The City has a good and favorable credit rating at a AA-, three notches below the best it can be.

Mayor Luft questioned what kind of savings we would have. Mr. Vezzetti explained that the City has approximately 10 years left to pay on this, the expiration date is August 1, 2030. Mr. Vezzetti described two options, either save $250-260K on a level basis for approximately $25-26K per year until 2030 or monetize the savings and collect it upfront and save $210-220K in year one and up to $5K per year for the remaining 9 years.

Council Member Nutter questioned what happens if rates go up can we go back and refinance again. Mr. Vezzetti explained that typically municipal bonds are not very exciting investments so do not change hands very often. Typically, they are issued with a 8-10 year call feature in the event you wanted to refinance them. In the event you want a shorter call feature you would have to pay a premium for that but allowable.

Councilmembers and Mr. Vezzetti continued the discussion regarding the details of the bond refinance. It is at Council direction on which option to choose. Mr. Vezzetti added that there are parameters in the ordinance authorizing to execute up to a certain threshold.

City Manager Mr. Rothert, asked Council to give direction on what to do with the savings the City will receive per year.

Council's consensus is to monetize these bonds upfront and transfer to a savings account.

Mr. Vezzetti added that one of the pros of monetizes is that it provides a cash flow in the budget next fiscal year to be used. The negative to that is that it is the least economical, like a mortgage, pushing all the principal back and taking first year of interest savings up front.

Mr. Marston recommended not monetizing the bonds and save on a level basis for the next ten years.

Mr. Rothert added that the City has a number of projects, including storm water projects at the infrastructure committee, that could be used with that savings.

Mr. Vezzetti also explained a third option is to take it all in the back end. Would not realize any savings until that tenth and final year. If a four year provision is written, it is allowable to go back and refinance. Whatever you state the provision and length of time.

Mayor confirmed staff's recommendation is to take that money upfront and monetize.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Lloyd Orrick, Mayor Pro-Tem
SECONDER:	Dave Nutter, Councilman
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

7.2. Resolution No. 13-19/20 Authorization to Execute Agreement with Professional Benefits Administrators for Third Party Administration

City Manager, Mr. Rothert, introduced the item to approve a resolution to enter into the Claims Administration Agreement with Professional Benefits Administrators.

Ms. Newcomb explained that four companies responded to the request. One immediately was more expensive and didn't have qualifications. The decision was made to interview in-house. Dollars were not a huge factor, comparing them with Group Plan Solutions, it was only a $300 difference.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	John P Abel, Councilman
SECONDER:	Karen Hohimer, Councilwoman
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

7.3. Use of Tourism Funds to Pay for Street Maintenance Overtime

Mr. Rothert introduced the request to approve a resolution to utilize up to $30,000 in cash balance reserves of the City's Tourism Fund for overtime expenses related to street maintenance. Due to inclement weather a lot of washouts have incurred. To catch up on the regular schedule street maintenance, it is requested to use Tourism funds to pay overtime rates to existing Street Department employees.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Michael Garrison, Councilman
SECONDER:	Lloyd Orrick, Mayor Pro-Tem
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

7.4. Award Crack Routing and Crack Sealing Project contract to SKC Construction Inc.

City Manager, Mr. Mark Rothert, introduced the item to award the crack routing and crack sealing project contract to SKC Construction. Mr. Rothert stated that the bid came in below the estimate.

Assistant City Engineer, Ms. Josie Esker, explained that the project would take place on Hanna Drive, Veterans Drive, Griffin Drive and Ashwood Lane.

Councilmember Hilst showed concern of the estimate of the length of the cracks.

Ms. Esker explained that it is not always safe to go out and measure so linear footage is used. The options are to complete the project as it is or use a do not exceed amount. Always a possibility that the estimate can be off as it is difficult to estimate. Ms. Esker assured that she will be on the site to monitor the work.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	John P Abel, Councilman
SECONDER:	Lloyd Orrick, Mayor Pro-Tem
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

7.5. Award HMA Surface Patching contract to Tazewell County Asphalt

City Manager, Mr. Mark Rothert deferred the item to Ms. Esker.

Assistant City Engineer, Ms. Josie Esker explained that the request is to award the HMA Surfacing Patching project contract to Tazewell County Asphalt in the amount of $97,785.00. The project came in significantly below the Engineer's estimate and below the other bidder.

The project will cover Koch Street, Sommerset and Derby intersection at 14th Street.

Mr. Rothert added that an updated memo to the Council was provided before the meeting.

Councilmember Nutter inquired about 5th and Derby Street. Ms. Esker explained that it was her understanding to take 5th and Derby off.

Mr. Rothert added that if Council wishes to include this project it can be added back in.

Council expressed consensus to bring that project back. The area on 5th would not affect future projects on Derby or 5th Street, the projects can be worked around this area. The amount on the request does include 5th and Derby.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Rick Hilst, Councilman
SECONDER:	Michael Garrison, Councilman
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

7.6. Approve Pekin Insurance's Contractor, Illinois Civil Contractors Inc., to install new curb and sidewalk on Court Street.

City Manager, Mr. Rothert introduced the item to approve Pekin Insurance's Contractor, Illinois Civil Contractors Inc., to install new curb and sidewalk on Court street.

Mayor Luft stated that with this replacement it would not affect Court Street reconstruction.

Ms. Esker met with Pekin Insurance and is hopeful they will increase their sidewalk 4-6 feet to make it wider and safer for pedestrians.

RESULT:	**APPROVED [6 TO 1]**
MOVER:	Michael Garrison, Councilman
SECONDER:	Dave Nutter, Councilman
AYES:	Garrison, Hohimer, Nutter, Orrick, Abel, Luft
NAYS:	Rick Hilst

7.7. Petition for a Map Amendment to Rezone Certain Property on N. Parkway Drive from R-1, One-Family Residential to AG, Agricultural District

Building Inspections Supervisor, Mr. John Lebegue presented the item to deny a petition for the rezoning of certain property on N. Parkway Drive from R-1, One-Family Residential to AG, Agriculture District based on the Pekin Planning Commission recommendation.

Mr. Lebegue stated that this was a request by the Pekin High School to change the zoning map. They would like to transform the area to a natural prairie. The agreement with the Park District to mow that area is no longer in effect and the high school is struggling maintaining this area. The Planning Commission felt that rezoning this area to Agriculture would allow other uses like a pig farm or horse stables or crops and expressed concerns that the City would lose control of the property. The Planning Commission also felt that without staffing to maintain the area it would not be maintained and become a problem for the City.

RESULT:	**APPROVED [6 TO 1]**
MOVER:	Rick Hilst, Councilman
SECONDER:	John P Abel, Councilman
AYES:	Garrison, Hilst, Hohimer, Nutter, Abel, Luft
NAYS:	Lloyd Orrick

7.8. Discussion Allowance of Boats in Driveways

Mayor Luft led the discussion with regards to the allowance of boats in driveways. Mayor Luft stated that he received a lot of inquiries on this ordinance. This being a river community there are a lot of boats in town and an issue exists with storage of those boats. Mayor Luft added that there would be stipulations.

Mr. Lebegue added that other municipalities stipulated a timeframe such like April 1 to October 1 with no limits on the type of boats.

Councilmembers continued the discussion regarding size of boats like a cabin cruiser that would cover the whole front yard, and other watercrafts. Most residents store their boats in the winter months.

Mayor Luft and Councilmember Orrick agreed that the City can make this more friendly to alleviate some of the pressure and allow residents to use their own property.

Councilmember Garrison expressed that he commercial fishes in the winter months.

Councilmember Hohimer expressed that residents should also be good neighbors.

City Attorney Swise added that communities vary their rules throughout the area and it will be what this community feels is feasible.

Mayor Luft is hopeful that citizens will communicate their concerns to Council.

7.9. Discussion Local Motor Fuel Tax Fund Purpose

Council Member Hilst led the discussion item regarding the local motor fuel tax fund. He would like to see this deposited into a restricted fund. Motor Fuel tax funds have been used to purchase items that should not fall under this line item. He believes it should be up to the Council how to spend that money. Items that have been spent include utilities, cell phones and Ipads, dues and subscriptions, tree removal, training and education, office supplies. Councilmember Hilst does not believe these items should be purchased with MFT revenue and a Local Motor Fuel Tax Fund should be created.

Mayor Luft inquired as to what the 4 cents brings in a year. Councilmember Hilst stated $500-$550K per year.

City Manager, Mr. Mark Rothert added some background regarding the fund. In April 2008 Council approved an amendment clarifying that the revenue is to be deposited in the Capitol Fund and that such funds are designated for the express purpose of capital expenditures and improvements. We do have other capitol revenues and expenditures in that fund, not limited to just local motor fuel tax revenue. With that action Council made a step to separate that fund into a different pot.

Mr. Marston explained that it is a special revenue fund restricted to certain uses. When that money goes into the street department the total expenditures in street department are $1.2M the expenditures that you indicated are minimal compared to the other expenses for street repair. The majority of the direct street repair dollars exceed the minimal expenses that were used.

The total direct cost without labor, just take in material items, all of those costs exceed the total revenue provided by the MFT fund, the rest of the costs are justified by the General Fund.
All the MFT funds going into that fund are used for direct street department funds. The General Fund is subsiding the majority of that fund.

Councilmember Orrick added that it was originally set up that 2 cents went into the fund for new construction, then added one cent for current street maintenance and one cent for property tax reduction. The next year it wasn’t for property tax reduction.

Mr. Marston added that creating funds to capture revenues and expenditures in another fund creates complexity and the opportunity for errors. Mr. Marston can account for however the City wants to spend those funds.

ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL

Jim Mangan addressed the Council and thanked Mr. Marston for refinancing the bonds. Mr. Mangan also addressed the Council on the issue of wastewater and garbage billing processes for the low income residents. Mr. Mangan provided the Council with a handout.

EXECUTIVE SESSION 5 ILCS 120/2 (C.) 6. THE SETTING OF A PRICE FOR THE SALES AND LEASE OF PROPERTY OWNED BY THE PUBLIC BODY

9.1. Motion to: **Motion to move into Executive Session**

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	John P Abel, Councilman
SECONDER:	Lloyd Orrick, Mayor Pro-Tem
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

NEW BUSINESS

10.1. **Ordinance No. 2841-19/20 An Ordinance Accepting An Agreement Authorizing The Purchase of Real Property Within the City of Pekin, Illinois**
Council returned to open session by motion of Council Member Orrick and seconded by Council Member Garrison. All members were present to consider an ordinance authorizing the purchase of property. Council was advised the parcel identified as PIN 04-04-34-424-008 located on Front Street between Susannah Street and Sabella Street had adjacent parcels on either side owned by the City of Pekin. The parcel's purchase was inadvertently missed or the sale not completed when the block was transferred to the City. The City negotiated a purchase contract with Tazewell County as trustee. The Council discussed and agreed to the purchase price plus recording of $807.40 to a delinquent tax agent.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Lloyd Orrick, Mayor Pro-Tem
SECONDER:	Karen Hohimer, Councilwoman
AYES:	Garrison, Hilst, Hohimer, Nutter, Orrick, Abel, Luft

ADJOURN

City Manager, Mr. Rothert, addressed the Council regarding meetings with Mr. Peterson. An official meeting notice will come shortly.

Mayor Luft announced that he was impressed with the street department for working up and down Court Street and City property safely pulling weeds. Also, kudos to the street department for doing a great job.

A motion was made by Council Member Abel to adjourn seconded by Council Member Orrick. There being no further action to come before Council, Mayor Luft adjourned the meeting at 9:00 PM.