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 TUESDAY, MAY 28, 2024 AT 5:30 PM MAYOR MARY J. BURRESS PRESIDING

Pledge of Allegiance and Presentation of Flag to Marta Arrizn from Madrid, Spain

Mayor Burress acknowledged the presence of Marta Arrizn, a foreign exchange student from Madrid, Spain, and invited her to lead the Pledge of Allegiance.

Mayor Burress introduced Marta and praised her for her contributions during her year-long stay as a sophomore in Pekin. Mayor Burress presented her with several gifts, including a challenge coin, a city pin, and a signed city flag. Marta also received memorabilia celebrating Pekin's bicentennial from the Chamber of Commerce.

Coach Edgar Sandoval, the girls' soccer coach, commended Marta for her hard work and positive attitude, presenting her with a 2024 soccer jersey.

Coach Gus Cuomo, the assistant boys' soccer coach, shared how Marta inspired her peers and praised her resilience and spirit.

Mrs. Susan Hamilton, the high school Spanish teacher and department chair, praised Marta's academic excellence and seamless adaptation to Pekin life.

Call to Order

City Clerk, Ms. Sue McMillan, confirmed all Council Members were physically present.

Attendee Name	Organization	Title	Status	Arrived
Rick Hilst	City of Pekin	Council Member	Present	5:30 PM
Karen Hohimer	City of Pekin	Council Member	Present	5:30 PM
Dave Nutter	City of Pekin	Mayor Pro Tem	Present	5:30 PM
Mary Burress	City of Pekin	Mayor	Present	5:30 PM
Lloyd Orrick	City of Pekin	Council Member	Present	5:30 PM
John P Abel	City of Pekin	Council Member	Present	5:30 PM
Chris Onken	City of Pekin	Council Member	Present	5:30 PM

Approve Agenda

RESULT:	**PASSED (UNANIMOUS)**
MOVER:	Council Member Lloyd Orrick
SECONDER:	Mayor Pro Tem Karen Hohimer
AYES:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Council Member Nutter, Council Member Hilst, Council Member Orrick, Mayor Pro Tem Hohimer, Council Member Onken

Councilmember Nutter pointed out that under the Consent Agenda 6.3 the Tazewell County Billing dates were incorrect on the agenda and it should read January thru April 2024.

Approval of Minutes

4.1. City Council - Regular Meeting - May 13, 2024 5:30 PM

RESULT:	**PASSED (UNANIMOUS)**
MOVER:	Council Member Lloyd Orrick
SECONDER:	1st Alternate Mayor Pro Tem John Abel
AYES:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Council Member Nutter, Council Member Hilst, Council Member Orrick, Mayor Pro Tem Hohimer, Council Member Onken

4.2. City Council - Regular Meeting - April 22, 2024 5:30 PM - Amended

RESULT:	**PASSED (UNANIMOUS)**
MOVER:	Council Member Lloyd Orrick
SECONDER:	1st Alternate Mayor Pro Tem John Abel
AYES:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Council Member Nutter, Council Member Hilst, Council Member Orrick, Mayor Pro Tem Hohimer, Council Member Onken

Public Input

No Public Input was received.

Consent Agenda

RESULT:	**PASSED (UNANIMOUS)**
MOVER:	Council Member Dave Nutter
SECONDER:	Council Member Lloyd Orrick
AYES:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Council Member Nutter, Council Member Hilst, Council Member Orrick, Mayor Pro Tem Hohimer, Council Member Onken

City Manager, Mr. John Dossey, corrected Councilmember Orrick stating that the Tazewell County Billing was actually correct and was only billed three times a year.The

Consent Agenda item would stay as is.

6.1. Accounts Payable To Be Paid Proof List thru April 26, 2024

6.2. Financial Reports April 2024

6.3. Tazewell County Animal Control Billing May 2024 to August 2024

Public Hearing

7.1. Draft 2024 Community Development Block Grant Annual Action Plan

The Mayor opened the public hearing for the Draft 2024 Community Development Block Grant (CDBG) Annual Action Plan at 5:45 PM.

City Manager, Mr. John Dossey, explained that the Annual Action Plan, required by HUD, details the allocation of federal funds and outlines the City's planned activities for the coming year. The public comment period for the Plan, which began on May 27, 2024, and ends on June 28, 2024, was advertised on the City's website and in local papers. For the 2024-2025 program year, the City's allocation is $440,364, reflecting a 5% reduction from the previous year. The funds will be distributed as follows: $105,000 for a demolition project, $93,864 for economic development activities, $88,000 for administrative costs, $70,000 for public services, $20,000 for fire equipment replacement, $61,000 for Section 108 Loan repayment, and $2,500 for code enforcement.

Council Member Nutter asked for clarification regarding the $105,000 allocated for demolition activities and whether it was in addition to any funds in code enforcement for demolition.

CDBG Program Manager, Ms. Tina Hauk, confirmed that the $105,000 is exclusively for demolition activities and an additional $2,500 is allocated for code enforcement uniforms.

Councilmember Nutter then inquired about the public services funding, specifically if it was for a social worker. Ms. Hauk confirmed that the funds include money for a social worker, as well as a homeless initiative, demolition program, and code enforcement uniforms.

Interim Fianance Director, Mr. Bob Grogan, added that the CDBG funds only cover a small portion of the social worker's salary, excluding benefits, and supplement the Police Department’s budget for the social worker without causing overlap.

With no further questions or public comments, the public hearing was closed at 5:50 PM.

New Business

8.1. Resolution No. 142-24/25 Approving Annual Support of Peoria Area Convention and Visitors Bureau

RESULT:	**PASSED (6 TO 1)**
MOVER:	Council Member Dave Nutter
SECONDER:	Mayor Pro Tem Karen Hohimer
AYES:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Council Member Nutter, Council Member Orrick, Mayor Pro Tem Hohimer, Council Member Onken
NAYS:	Council Member Hilst

Economic Development Director, Mr. Joshua Wray, introduced the request seeking to approve the annual support of the Peoria Area Convention and Visitors Bureau (Discover Peoria). Mr. Wray highlighted that Discover Peoria collaborates with communities in its eight-county service area to drive economic growth through sales and marketing efforts aimed at attracting sporting events, meetings, conventions, and leisure tourists. The resolution authorizes Pekin's continued annual support of Discover Peoria, which, in return, will provide various promotional and marketing services to the city, including a dedicated Pekin tourism promotional video and a variety of other marketing efforts.

The pre-COVID contribution was $25,000, which was reduced during the pandemic. Discover Peoria has requested the amount be restored to $25,000. The Tourism Committee agreed, deeming it appropriate due to the additional service of creating a Pekin-only tourism video, showcasing various festivals and events around town.

Council Member Orrick inquired about the representative handling this for the City. Mr. Wray clarified that Amy McCoy, appointed as part of the Chamber’s contract and on the tourism committee, is the representative. Although her appointment can be changed by the council or mayor, Mr. Wray emphasized that McCoy's role is appropriate given her experience running tourism events for the past three years as the Chamber director.

Mayor Burress confirmed this timeframe.

8.2. Ordinance No. 4192-24/25 Amending Pekin City Code Chapter 7, Article I, Section 7 Regarding Food and Beverage Tax on Home-Based Businesses

RESULT:	**FAILED (1 TO 6)**
MOVER:	Mayor Pro Tem Karen Hohimer
SECONDER:	1st Alternate Mayor Pro Tem John Abel

AYES:	Council Member Orrick
NAYS:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Council Member Nutter, Council Member Hilst, Mayor Pro Tem Hohimer, Council Member Onken

City Manager, Mr. John Dossey, introduced Ordinance No. 4192-24/25, which aims to amend the Pekin City Code to address the food and beverage tax's applicability to home-based businesses.

Mr. Wray mentioned they had received an inquiry from a potential home-based bakery about the food and beverage tax. The current language of the ordinance was vague, and the council needed to make a decision. Mr. Wray noted the equity considerations, suggesting that taxing home-based businesses might seem unfair to brick-and-mortar establishments, yet not taxing them could hinder entrepreneurship. If the ordinance was voted down, staff would present a new ordinance exempting home-based businesses from the tax.

Council Member Hohimer expressed opposition, stating the ordinance should not be considered and that small-scale home operations, like baking birthday cakes for friends, should not be taxed. She emphasized encouraging entrepreneurship.

Council Member Onken added that successful home-based businesses might eventually transition to brick-and-mortar establishments and thus become subject to the tax.

Interim Finance Director, Mr. Bob Grogan, clarified that sales to grocery stores would not be subject to the tax, as the tax applies to retail, not wholesale. He highlighted the difficulty in enforcing such taxes, comparing it to the challenges faced with Airbnb taxation.

Council Member Nutter inquired about the current status of the home-based business in question, pointing out that various types of home-based businesses could be affected. Mr. Wray explained that the ordinance would apply to all home-based businesses and noted the different levels of cottage licenses.

Assistant Finance Director, Mr. Roy Beckham, added that the tax applies to food for immediate consumption, citing examples of grocery store delis.

Council Member Orrick questioned if items like prepackaged sandwiches at Kroger would be subject to the tax, and Mr. Grogan explained that the distinction lies in where the food is prepared.

Mr. Grogan further clarified that the tax distinction depends on where the food is prepared, mentioning that grocery stores like Kroger and Walmart are already payors of the food and beverage tax.

8.3. Resolution No. 143-24/25 Approving the TIF Building Improvement Program

RESULT:	**PASSED (6 TO 1)**
MOVER:	1st Alternate Mayor Pro Tem John Abel
SECONDER:	Mayor Pro Tem Karen Hohimer
AYES:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Council Member Nutter, Council Member Orrick, Mayor Pro Tem Hohimer, Council Member Onken
NAYS:	Council Member Hilst

Economic Development Director Josh Wray introduced the resolution, explaining that the City has previously published program guidelines and requirements for competitive TIF grants. Staff has adjusted some specifics in the attached program proposal, which has been reviewed by the Economic Development Advisory Committee (EDAC). The program aims to offer $120,000 to fund smaller commercial projects up to $50,000 each in any TIF District, with a call for projects and an application window through June. After the deadline, staff will bring the applications to EDAC for prioritization and recommendation. The highest-prioritized projects will be brought to Council for consideration.

Staff also intends to retain $250,000 of TIF dollars budgeted for incentives for future programs or projects in FY25, with three potential larger projects already identified. Staff recommends approval of this resolution.

Council Member Nutter expressed appreciation for addressing the issue, noting the program's improvements and more definite allocations. He inquired about commitments from past allocations that have not been paid. Mr. Wray clarified that the $110,000 for the new program is in addition to past commitments and that any unspent funds from previous allocations would increase the available amount.

Council Member Nutter also questioned the need for approval from Jacob & Klein, suggesting that staff should be capable of making these decisions independently. Mr. Wray explained that Jacob & Klein serve as a check box, reviewing and sending back ordinances or resolutions as needed.

Council Member Hilst suggested that the funds should go toward road projects instead of small businesses, given the current infrastructure needs. He proposed lowering the maximum grant amount to $15,000 to benefit more businesses. Mr. Wray responded that the intention is to make more impactful grants, referencing another community that transformed its downtown with larger grants. He emphasized that this program would not use funds from residential TIF Districts and that commercial TIF Districts would fund it.

8.4. Resolution No. 144-24/25 Approving Budgetary Spending for Replacement Backup IT Devices at the Wastewater Treatment Facility and Pekin Police Department

RESULT:	**PASSED (UNANIMOUS)**
MOVER:	Council Member Rick Hilst
SECONDER:	1st Alternate Mayor Pro Tem John Abel
AYES:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Council Member Nutter, Council Member Hilst, Council Member Orrick, Mayor Pro Tem Hohimer, Council Member Onken

City Manager, Mr. John Dossey, presented the request to the Council, explaining that the current backup solutions at the Wastewater Treatment Facility (WWTP) and the Police Department are past their end-of-life. The city has used the recommended replacement as its main backup solution for three years and found it adequate. The request is to place the same product, appropriately sized, at the WWTP and Police Department. SHI International Corp provided a quote under the state contract for $75,783.84 for two backup devices, appropriate licensing, unlimited cloud storage, and maintenance plans. The council was asked to approve the budgeted expenses for this amount.

Network Administrator, Mr. David Hess, provided the breakdown: around $20,000 for hardware for the Police Department, $15,000 for hardware for WWTP, an approximate 50/50 split on maintenance, and additional costs for cloud storage. The Police Department device has a larger storage capacity.

Council Member Orrick inquired about the payment structure for the maintenance costs, expressing concern about the potential risk if the company went bankrupt. Mr. Hess clarified that the city pays for three years of maintenance upfront but receives five years of service. He reassured that the company is well-established with a long track record and is unlikely to face bankruptcy. He added that the renewal of the contract would come up in another two years for City Hall but the other two locations for the WWTP and Police Department will carry the city five years.

Council Member Hilst raised concerns about properly allocating expenditures to the correct department, particularly noticing similar payments on the AP report that were questionable. He questioned where the budgeted amount was allocated. He clarified that while WWTP is considered an enterprise fund, the city subsidizes them.

Mr. Hess explained that the expenses are part of the I.T. department's budget, as it maintains the backbone infrastructure of the city and was budgeted in the I.T's hardware and maintenance line items.

Council Member Hilst asked if reallocating the expenses would require a budget amendment. Interim Finance Director, Mr. Grogan, clarified that it would not. He explained that historically, all I.T. expenses were charged to the I.T. Department. However, given staffing levels and workload, the city has begun assigning costs to specific departments if the technology is exclusive to them, such as specialized police or fire software. This approach, though new, aims for more accurate accounting. Mr. Grogan acknowledged potential growing pains and admitted that the process might not have been perfect in every instance.

Mr. Grogan agreed with Councilmember Hilst's concerns and stated his intention to reclassify the expenses to the appropriate departments when the bill is received.

Councilmember Hilst further inquired about other expenses like cell phones.

Mr. Grogan explained that cell phone expenses should be allocated to individual departments, which is easier compared to other expenses.

Council Member Nutter raised concerns about WWTP potentially having a negative budget.

Mr. Grogan reassured that the WWTP would have flexibility within the overall sewerage budget to cover contractual expenses, and if short it would come back to Council.

8.5. Resolution No. 145-24/25 Approving MFT Resolution for Court Street

RESULT:	**PASSED (UNANIMOUS)**
MOVER:	Council Member Chris Onken
SECONDER:	Council Member Lloyd Orrick
AYES:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Council Member Nutter, Council Member Hilst, Council Member Orrick, Mayor Pro Tem Hohimer, Council Member Onken

City Manager, Mr. John Dossey, introduced Resolution No. 145-24/25, highlighting its necessity for allocating Motor Fuel Tax (MFT) funds to cover a portion of the Court Street Construction Project, specifically from Stadium Drive to Hilltop Drive. The requested amount for the resolution is $4,676,890, matching the budgeted amount in the MFT fund for this project. This allocation is a requirement by the Illinois Department of Transportation to utilize MFT funds.

Council Member Nutter inquired about the bid from UCM for the segment from Hilltop to Stadium. City Engineer, Ms. Josie Esker, confirmed she could provide the exact bid price later, but mentioned it was approximately $9.96

million, with around $650,000 being covered by Illinois American Water for their portion of the water main.

Council Member Orrick questioned the financial details, pointing out that the resolution requests $4.6 million, while the budgeted amount is $5.6 million, which seemed to indicate remaining funds of $5.6 million as well.

Ms. Esker clarified that the remaining funds represent the current unspent amount, as no expenditures have been made so far this fiscal year.

Interim Finance Director, Mr. Bob Grogan, added that the amount included rolled over cash from last year as well.

Councilmember Orrick estimated that approximately $1 million should remain after passing the resolution.

Ms. Esker explained that the actual remaining funds fluctuate due to ongoing projects and monthly MFT revenues, and offered to provide a more precise figure later. Additionally, some of the remaining budget is earmarked for other projects, such as the Allentown Road and Parkway projects, which have yet to be paid.

Any Other Business To Come Before The Council

City Manager, Mr. John Dossey, reminded everyone about the upcoming event on July 4th, which marks the opening of the time capsule buried in front of City Hall. He specifically thanked Nic Maquet, Debbie Montgomery, and Jared Olar for their efforts in locating items from previous time capsules. These items have been found and are being prepared for display. The team is planning to dig up the current time capsule ahead of time to assess what is needed to open it and to follow recommendations for preservation. Mr. Dossey expressed excitement about the historical significance of the items and mentioned that plans are also being made for a future time capsule to be buried, intended for the descendants who will occupy the Council chairs and tables in the future.

Fire Chief Trent Reeise made a brief announcement about the third annual Heart of the Dragon charity golf outing, scheduled for June 8th this year. He mentioned that it has been touted online as the best golf outing of the summer and noted that there is still room for more teams to participate. He emphasized that all funds raised will stay local to help families, children, and people in need.

Mr. Grogan addressed the council, noting that they should have received a paper copy of the investment report for April. He mentioned that they might not have received it yet, but Sue was currently distributing copies. He also included the March report for comparative purposes and mentioned his intention to improve the reports for better month-to-month comparisons. To enhance financial transparency, he provided a first draft of graphical analysis, specifically focusing on the home rule sales tax over time.

Although he noticed an error in the dates on the graphs, he assured the council that this was just an initial attempt to present more detailed financial information. The goal is to give the council better insight into whether the city is on track with its revenue targets, allowing for more proactive financial management rather than waiting until the end of the fiscal year to assess performance. This ongoing effort aims to provide clearer, more regular updates on significant revenue streams.

Council Member Orrick inquired if Mr. Grogan knew the amount generated from new car sales tax. Mr. Grogan responded that he would need to look it up, noting that there are three dealerships in the area and that he would gather more information. Councilmember Orrick pointed out that purchasing a new car involves a significant amount of money. Economic Development Director, Mr. Joshua Wray clarified that new car sales are not subject to home rule sales tax.

Mr. Dossey informed the council about the recent passage of the grocery tax in the Senate over the weekend, indicating significant involvement through email correspondence from the Illinois Municipal League. He noted that if the legislation proceeds through the House, it is expected to take effect on January 1 of 2026. Mr. Dossey assured the council that they would compile and present all relevant information received via email regarding this matter.

Council Member Hilst raised questions regarding a payment listed under miscellaneous for farming amounting to $6,800 in the accounts payable report. Public Works Director, Mr. Dean Schneider, explained that during land acquisition, the property on 98 was intended for sale, but the lease was canceled, and the land is now being farmed again.

Councilmember Hilst also inquired about environmental concerns, specifically asbestos cleanup, and whether code enforcement was trained for this. Mr. Dossey clarified that asbestos testing requires oversight and samples are sent to a lab in Florida to determine the presence of asbestos.

Councilmember Abel gave a shout out to Troy Tarter and the Pekin Pride Soccer Team for hosting another successful tournament. The event featured 90 teams in Pekin, which brought in numerous fans and parents for the weekend. Despite the logistical challenge of managing such a large event, Mr. Tarter expressed ambitions to expand further, aiming for 120 or 130 teams in the future. The tournament raised over $10,000 for scholarships, highlighting its positive impact on the community.

Councilmember Hohimer gave a shout-out to the mayor for her participation in an event at Tazewell County World War II Veteran event in Morton. The event saw the honoring of 17 World War II veterans, and attendees were moved by the stories shared. The speaker, John Ackerman, along with the mayor and other mayors, contributed to making the afternoon a memorable and touching experience. Over 500 people attended the event, which was described as humbling and proud to be a part of.

Councilmember Nutter inquired about the procedure for recouping expenses for insurance claims related to accidents caused by individuals outside the city's employment. Mr. Bob Grogan explained that the process involves various avenues, including private reimbursements, payments from other insurance companies, and coverage by the city's own insurance. He emphasized that the city actively seeks to recoup expenses in these situations through collaboration between HR, the risk manager, and accounts receivable personnel. While some smaller claims may go uncollected due to being below the deductible, overall, there is diligent effort to pursue reimbursement for damages incurred.

Councilmember Nutter gave a plug for the Pekin Civic Chorus performing this weekend, stating that it is a great program and encouraged attendance.

Mayor Burress gave an update on the Twisted Cat fishing tournament event that took place over the weekend on the riverfront. The event drew 55 boats, compared to 36 last year, with the largest fish weighing in at 21.8 pounds. The Mayor also reflected on the recent tribute to World War II veterans, expressing gratitude for their service and acknowledging the emotional impact of the event. Mayor Burress thanked those involved in organizing the recognition ceremony.

Additionally, Mayor Burress informed the council about a decision to dismiss Keith Dunkelbarger from the Economic Development Advisory Committee (EDAC) due to interference with city business, noting that a response had been received from Dunkelbarger regarding the dismissal.

Executive Session 5 ILCS 120/2 (c) 11. Threatened Litigation

RESULT:	**PASSED (UNANIMOUS)**
MOVER:	Council Member Chris Onken
SECONDER:	Council Member Lloyd Orrick
AYES:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Council Member Nutter, Council Member Hilst, Council Member Orrick, Mayor Pro Tem Hohimer, Council Member Onken

A motion was made by Councilmember Onken seconded by Councilmember Orrick to move into Executive Session to discuss 5 ILCS 120/2 (c) 11. Threatened Litigation and (c) 2. Setting a price for the sale of real estate at 6:48 PM. All present voted Aye. Motion carried.

Mayor Burress announced that no action would be taken following Executive Session.

Adjourn

There being no further business to come to the Council a motion was made by Councilmember Orrick seconded by Councilmember Nutter to adjourn the meeting. Motion carried viva voice vote. Mayor Burress adjourned the meeting at 8:00 PM.