



City of Pekin

**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, AUGUST 26, 2024 AT 5:30 PM
MAYOR MARY J. BURRESS PRESIDING**

Pledge of Allegiance

The Pledge of Allegiance was led by Mayor Burress.

Call to Order

City Clerk Sue McMillan called the roll and confirmed all Council Members were present and logged on. Mayor Burress opened the meeting at 5:30 PM.

Attendee Name	Organization	Title	Status	Arrived
Rick Hilst	City of Pekin	Council Member	Present	5:30 PM
Karen Hohimer	City of Pekin	Mayor Pro Tem	Present	5:30 PM
Dave Nutter	City of Pekin	Council Member	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

A motion was made by Council Member Orrick seconded by Council Member Abel to approve the agenda.

Mayor Pro Tem Hohimer made a motion to amend the agenda by removing New Business item 8.10 Ordinance No. 4229-24/25 Amending Pekin City Code Chapter 5, Article 2, Section 6 to Allow Gas Stations to Sell Alcoholic Liquor from the agenda. The motion was seconded by Council Member Abel.

RESULT:	PASSED (UNANIMOUS)
MOVER:	Council Member Karen Hohimer
SECONDER:	Council Member 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

The agenda was approved as 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

Approval of Minutes

RESULT: PASSED (UNANIMOUS)
MOVER: Council Member Lloyd Orrick
SECONDER: Council Member Chris Onken
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

4.1. City Council - Regular Meeting - August 12, 2024 5:30 PM

4.2. City Council - Special Meeting - August 12, 2024 4:30 PM

Public Input

Mr. Elton Rowkey, a longtime resident and spokesperson for the Tazewell County Stop the CO2 Pipeline Group, addressed the Council regarding two proposed CO2 pipelines in Tazewell County. He mentioned that these projects, currently on hold due to a state moratorium, pose various risks and rewards. Mr. Rowkey extended an invitation for a non-public meeting with the Council or a committee to provide detailed information and answer questions, aiming to prepare the Council for future decisions related to these pipeline projects.

Ms. Suniti Sud from the Sud Family Limited Partnership requested TIF funds for renovating their downtown Pekin building, in which they've invested around \$3.3 million. She proposed splitting the funds based on building size, noting that their 54,000 square-foot building requests \$3.70 per square foot, compared to SNH Investment's request of over \$19 per square foot for an 11,000 square-foot building. Ms. Sud suggested a 75/25 or 70/30 split favoring her family's partnership.

Mr. Roger Lender, a resident of 1904 Court Street, raised concerns about the improper construction of his driveway, questioning when it would be fixed. With a background in civil engineering from the Navy, he emphasized that the current design was flawed and asked about the city's plans for Court Street.

Ms. Jen Fields expressed concerns about the frequent use of TIF (Tax Increment Financing) funds, particularly regarding their benefit to the residents of Pekin. She acknowledged both the positives and negatives of TIF but voiced worries that the funds, increasingly directed toward private investments, might not fully benefit the average citizen. Ms. Fields questioned how residents outside the TIF district, like herself, would see any advantage from these payments, suggesting that the funds could instead be seen as a slush fund for redevelopment that doesn't directly benefit all citizens.

Consent Agenda

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 Orrick, Mayor Pro Tem Hohimer, Council Member Onken

Council Member Orrick read the 6 items listed on the Consent Agenda.

- 6.1. Accounts Payable Paid Proof List thru August 16 2024**
- 6.2. Financial Reports July 2024**
- 6.3. Ordinance No. 4222-24/25 Variance Request Submitted by Ken and Kathy Steenrod for Property at 823 Hamilton Street to Allow for a Second Driveway (Case V 2024-13)**
- 6.4. Ordinance No. 4223-24/25 Special Use Request Submitted by Mark Goddard for Property at 1218 North 8th Street for Operation of Used Automobile Sales Business (Case SU 2024-06)**
- 6.5. Proclamation: "International Overdose Awareness Day" August 31, 2024**
- 6.6. Receive and File Submittals for Request for Qualifications for Surveying and Platting Services**

Unfinished Business

- 7.1. Ordinance No. 4219-24/25 Approving a Tax Increment Financing (TIF) Agreement with Sud Family LP for the Redevelopment of 111 N 6th Street**

RESULT: FAILED (0 TO 7)

MOVER:	1st Alternate Mayor Pro Tem John Abel
SECONDER:	Council Member Lloyd Orrick
AYES:	None
NAYS:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Council Member Nutter, Council Member Hilst, Council Member Orrick, Mayor Pro Tem Hohimer, Council Member Onken

Economic Development Director Josh Wray presented the request to approve the ordinance approving a TIF agreement with Sud Family LP for the re-development of 111 N 6th Street that had been tabled at the August 12, 2024 Council Meeting. Mr. Wray provided clarification on TIF funds, explaining that while Ms. Jen Fields had previously voiced concerns about TIF funds benefiting private investments over the average citizen, the TIF agreement allows reimbursement only if the redevelopment project generates sufficient incremental property taxes. He noted that if the Sud Family LP invests the estimated \$3.9 million in eligible project costs, they could be reimbursed up to \$2.8 million, but only based on the taxes generated.

Council Member Orrick raised questions about the TIF agreement, particularly why the reimbursement amount was set at \$2.8 million when the original purchase price of the building was \$1.4 million. Mr. Wray explained that the reimbursement is tied to the scale of renovations and the taxes generated, not the purchase price. Council Member Orrick also inquired about the timeline for the investment, and Mr. Wray confirmed that the project must be completed within 12 months of the agreement's execution. Council Member Orrick further pointed out a potential typo in the document, where a figure was missing a zero, and Mr. Wray confirmed that the correct figure should indeed be \$3 million.

The discussion continued with Council Member Nutter questioning why funds were being taken from the Southern Industrial Park TIF for projects within the Court Street TIF, emphasizing the importance of preserving the Southern TIF funds for major future projects. Council Member Nutter also asked for clarification on the specifics of the project, particularly the scope of the renovations.

Economic Development Director Josh Wray responded, agreeing with Council Member Nutter's concerns about long-term planning for TIF funds. He explained that while the Council has the legal authority to use funds from adjacent TIF districts, it could choose to restrict spending to within the originating district, though this would complicate budgeting and project planning. Mr. Wray noted that the TIF agreement mentioned renovations to the first floor of the building.

Council Member Hilst then raised concerns about the accounting implications

of using funds across TIF districts, questioning how auditors would handle such transactions given that each TIF district has its own budget. Mr. Wray explained that state law permits spending across adjacent TIF districts without needing to transfer funds.

Interim Finance Director Bob Grogan further elaborated on the issue, noting that the flexibility in spending across TIF districts was designed to address situations where development does not follow a predictable pattern. He acknowledged that while this approach makes accounting more challenging, it is legally permissible.

The discussion continued with Mr. Wray addressing concerns about using Southern Industrial Park TIF funds for projects in other districts. He clarified that any commercial property within a TIF is eligible to apply for funding, but no applications were received from the Southern Industrial Park, so funds were used elsewhere.

Council Member Hilst raised concerns about the potential impact on infrastructure projects within a TIF district if funds are used for private businesses in other districts.

Mr. Wray explained that while the TIF Act does not require declaring a surplus, it has been the city's practice to do so, distributing surplus funds to taxing bodies based on existing agreements, particularly with schools. However, this is not uniform across all TIF districts, and Mr. Wray suggested that this could be reviewed during the next budget cycle.

Council Member Nutter questioned why available funds in the Court Street TIF weren't being used for general public improvements. Mr. Wray explained those were infrastructure dollars and not for economic assistance. The Court Street TIF had only \$140,000 available for economic assistance, all based on prior TIF obligations that the Council had approved in a prior year.

Mayor Pro Tem Member Hohimer expressed opposition to providing additional funding to a business that had already received TIF assistance. She argued that businesses should primarily fund their own projects and stated her intention to vote against the proposal.

7.2. Ordinance No. 4220-24/25 Approving a Tax Increment Financing (TIF) and Business Development District (BDD) Agreement with SNH Investments Related to the SkillsUSA Illinois Redevelopment at 2815 Court Street

RESULT:	FAILED (1 TO 6)
MOVER:	1st Alternate Mayor Pro Tem John Abel
SECONDER:	Council Member Lloyd Orrick
AYES:	Council Member Nutter

NAYS:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Council Member Hilst, Council Member Orrick, Mayor Pro Tem Hohimer, Council Member Onken
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Economic Development Director Josh Wray presented Ordinance No. 4220-24/25, which approves a TIF and BDD agreement with SNH Investments for the redevelopment of 2815 Court Street for SkillsUSA. This project involves rehabilitating the building for SkillsUSA's expanded operations, which will include hiring 10 new full-time staff over the next two years. The agreement includes \$90,000 from the TIF and \$50,000 from the BDD. Key terms include a requirement for SkillsUSA to occupy the property for 10 years, SNH Investments to maintain ownership for 10 years, and the creation of new jobs within two years. The loan is forgivable with a lien for 10 years, contingent on meeting these conditions.

Mr. Wray also clarified that SkillsUSA's recent \$8 million federal grant is primarily for apprenticeship programs and specific grant activities, not for the relocation or expansion expenses.

Council Member Nutter questioned why the agreement stipulates a 10-year term, whereas previous agreements have been for 3 to 5 years. Mr. Wray explained that the 10-year term was chosen to ensure long-term benefits for SkillsUSA and the city. Council Member Nutter also inquired about the 10 new employees being in addition to existing staff, to which Mr. Wray confirmed that they are additional hires.

Council Member Nutter expressed concern about using TIF as a funding source but stated his support for SkillsUSA's potential benefits to the city and its residents.

Council Member Orrick asked about the owners of SNH Investments and whether it was ethical to engage with them. Mr. Wray confirmed that SNH Investments is owned by Eric Hill and Chris Swingle and emphasized that protections have been built into the agreement to ensure transparency and ethical conduct.

New Business

8.1. Ordinance No. 4224-24/25 Approving a Tax Increment Financing (TIF) Agreement with Speck Corp for the Redevelopment of 805 Derby Street

RESULT:	PASSED (4 TO 3)
MOVER:	Council Member Dave Nutter
SECONDER:	Council Member Lloyd Orrick
AYES:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Mayor Pro Tem Hohimer, Council Member Onken

NAYS:	Council Member Nutter, Council Member Hilst, Council Member Orrick
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Ordinance No. 4224-24/25 was presented by City Manager John Dossey, which approves a TIF agreement with Speck Corp for the redevelopment of 805 Derby Street. The ordinance follows a resolution approved at the previous council meeting, directing staff to prepare the TIF ordinance. The agreement involves awarding \$50,000 as part of the TIF building improvement program. The grant will be disbursed upon project completion within one year and upon receipt of proof of paid eligible expenses. Staff recommended approval of this ordinance.

8.2. Ordinance No. 4225-24/25 Approving a Tax Increment Financing (TIF) Agreement with Olivia's Playhouse and Lisa Fuller for the Redevelopment of 341 Court Street

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

Ordinance No. 4225-24/25 was presented by City Manager John Dossey, which approves a TIF agreement with Olivia's Playhouse and Lisa Fuller for the redevelopment of 341 Court Street. The ordinance follows a resolution approved at the last council meeting, directing staff to prepare the TIF ordinance. The agreement involves awarding \$49,885 for the redevelopment project as part of the TIF building improvement program. The grant will be paid upon completion of the project within one year and upon receipt of proof of paid eligible expenses.

8.3. Ordinance No. 4226-24/25 Approving a Tax Increment Financing (TIF) Agreement with America Senior Living for the Redevelopment of 1112 Court Street

RESULT:	PASSED (4 TO 3)
MOVER:	Council Member Dave Nutter
SECONDER:	Mayor Pro Tem Karen Hohimer
AYES:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Mayor Pro Tem Hohimer, Council Member Onken
NAYS:	Council Member Nutter, Council Member Hilst, Council Member Orrick

Ordinance No. 4226-24/25 was presented by City Manager John Dossey, approving a TIF agreement with America Senior Living for the redevelopment

of 1112 Court Street. This ordinance follows a resolution from the last City Council meeting, which directed staff to prepare the TIF ordinance. The agreement includes a grant of \$10,115 for the redevelopment project as part of the TIF Building Improvement Program. The grant will be disbursed after the project's completion within 18 months and upon proof of paid eligible expenses. Staff recommends approval of the ordinance.

Council Member Abel inquired about the parking situation for the project. Economic Development Director Josh Wray responded that while there is some parking available on-site, the project may require a variance from the zoning board and City Council. The final approval and disbursement of funds depend on meeting zoning requirements, including minimum parking spaces.

Council Member Nutter asked about the property ownership, noting that the property in question is the Mardell Manor. Mr. Wray confirmed that the organization does not yet own the property but is in the process of acquiring it.

Council Member Nutter expressed concerns about granting TIF money to an entity that does not yet own the property and stated he would vote against the ordinance.

Mayor Pro Tem Hohimer sought clarification on whether the organization would receive the TIF funds if they are unable to secure the necessary parking or zoning variances. Mr. Wray confirmed that the funds would not be paid out if the project fails to meet these requirements.

8.4. Ordinance No. 4227-24/25 Approving an Amendment to the Tax Increment Financing (TIF) Agreement with Terri and Baylee Gambetti for the Redevelopment of 437 Court Street

RESULT:	PASSED (6 TO 1)
MOVER:	Council Member Chris Onken
SECONDER:	1st Alternate Mayor Pro Tem John Abel
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

Ordinance No. 4227-24/25 was presented by City Manager John Dossey, proposing an amendment to the TIF agreement with Terri and Baylee Gambetti for the redevelopment of 437 Court Street. The original TIF agreement was approved on August 28, 2023, with a one-year timeline for project completion. The developers have requested a one-year extension due to extenuating medical circumstances. The amendment extends the deadline while maintaining the original financial terms, with a maximum incentive of \$55,000 based on actual eligible expenses. The amendment also allows the

developers to assign the agreement to a future buyer or tenant, provided they adhere to the same terms.

Council Member Hilst questioned the extension period noted in the amendment, which refers to a 24-month period from the original agreement's execution date, not from the amendment.

Economic Development Director Josh Wray clarified that this stylistic choice by the attorneys means the extension effectively provides one additional year from the original agreement date.

Council Member Hilst also inquired about the assignment clause, expressing concern that if the building were sold, the new owner might only have a short time to complete the project. Mr. Wray explained that the new owner would inherit the agreement with the same terms and could request another extension, which would be subject to City Council approval.

8.5. Resolution No. 180-24/25 Adopting Policy No. XX Non-Residential Real Estate Disposition Policy

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

Economic Development Director Josh Wray presented Resolution No. 180-24/25 the proposed Non-Residential Real Estate Disposition Policy. Mr. Wray explained that the city occasionally acquires properties due to various circumstances, such as the demolition of dangerous buildings or unpaid liens. The new policy aims to outline the process for disposing of non-commercial properties, similar to a previously approved residential property policy. The key difference is the focus on "value equivalent" sales, where the city might sell a property at a lower price if the prospective buyer's development plan offers substantial long-term benefits, such as increased property or sales tax revenue. Wray emphasized that all property sales would require council approval.

Council Member Orrick inquired about the process, particularly if a business makes an offer on a city-owned property. Mr. Wray clarified that while the city would generally issue a Request for Proposals (RFP) for properties within a Tax Increment Financing (TIF) district, there could be exceptions based on the property's condition or marketability. Mr. Wray and Interim Finance Director Bob Grogan noted that in some cases, such as unbuildable slivers of land, an RFP might not be practical, and the council could decide the best course of action.

Council Member Orrick also raised concerns about public awareness of city-owned properties and the potential for interested parties to be unaware of available properties. Mr. Wray assured that the policy would involve marketing properties through real estate websites and the city's channels to ensure transparency and maximize returns. Council Member Orrick further suggested the possibility of offering properties to local high schools for rebuilding projects, which Mr. Wray confirmed is already considered in the residential property policy.

Mayor Burress highlighted public interest in purchasing and rehabilitating city-owned homes, while Council Member Nutter suggested setting a minimum sale price to cover the city's costs. Mr. Wray explained that the policy is designed to at least recoup the city's investment, with marketable properties being sold at market value, and less desirable properties potentially being sold at a lower price to encourage development.

8.6. Ordinance No. 4228-24/25 Authorizing and Implementing the Release and Dissolution of the Riverway Business Park Protective Covenants

RESULT:	PASSED (UNANIMOUS)
MOVER:	Council Member Chris Onken
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

Ordinance No. 4228-24/25 was presented by Economic Development Director Josh Wray to release and dissolve the protective covenants governing the Riverway Business Park, a 440-acre corporate industrial park south of Cook Street between Highway 29 and 5th Street. Mr. Wray explained that while the park is currently under city development regulations, it also has its own set of protective land covenants, which are overseen by an inactive and ineffective committee. He noted that these covenants add an unnecessary layer of bureaucracy, making it difficult for businesses to grow or establish themselves within the park.

Mr. Wray proposed eliminating these covenants and instead incorporating the core development standards directly into the city's zoning code through an overlay district, which would allow the city to maintain essential regulations while streamlining the development process. He mentioned that the Pekin Park District, a major landowner in the park, had already voted in support of dissolving the covenants. A ballot was also sent to all landowners, and so far, all returned votes were in favor of the dissolution, with the city owning about 44% of the property.

Mr. Wray clarified to Council Member Orrick that while the covenants

themselves would be dissolved, certain important regulations, such as allowable and prohibited uses, would be incorporated into the city's zoning code under the overlay district.

Council Member Orrick also asked about specific changes, such as building height restrictions, and Mr. Wray confirmed that some regulations, like the maximum building height, would align with existing city standards.

Mayor Burress expressed support for the proposal, noting that it would help streamline processes.

Council Member Nutter also voiced approval, emphasizing the reduction of bureaucracy and red tape.

8.7. Resolution No. 181-24/25 Approving the Selection of Mohr & Kerr Engineering & Land Surveying P.C. for Surveying and Platting Services

RESULT:	PASSED (5 TO 2)
MOVER:	Council Member Rick Hilst
SECONDER:	1st Alternate Mayor Pro Tem John Abel
AYES:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Council Member Orrick, Mayor Pro Tem Hohimer, Council Member Onken
NAYS:	Council Member Nutter, Council Member Hilst

City Manager John Dossey explained Resolution No. 181-24/25, that in order to annex the Luttickens property, a plat of survey, legal description, and a plat of annexation must be prepared and recorded. Mr. Dossey noted that having an updated survey would facilitate the marketing and sale of the site, as no survey currently exists due to the property being acquired in sections over a long period. Given the size and complexity of the project, the city required outside professional services. A request for qualifications (RFQ) was published, and two firms responded. Based on the specified criteria and scoring, staff recommended selecting Mohr & Kerr Engineering & Land Surveying P.C. for the project. If approved, staff will develop a specific scope of services and cost with the firm and present a professional services agreement to the council for consideration.

Council Member Orrick questioned the potential cost of the project, and Economic Development Director Josh Wray estimated it could be around \$50,000.

Council Member Orrick asked for clarification on the scoring differences between the two firms, particularly regarding the "project team" and "references" criteria. Mr. Wray explained that the differences were based on the submitted backgrounds, experiences of the project teams, and professional judgment by staff evaluators. He also clarified that the Local

Government Professional Services Selection Act prohibits considering costs when evaluating such firms.

Council Member Orrick inquired if a contract with the selected firm would come back to the council for approval. Mr. Wray confirmed it would, and it would include the total cost.

Council Member Nutter asked for clarification on the process if the contract negotiations with the selected firm fail.

City Attorney Swise clarified that the council would move to negotiate with the next-ranked firm if a satisfactory agreement could not be reached with the first. The discussion also noted that while the statute generally requires ranking a minimum of three firms, only two submissions were received in this case.

Interim Finance Director Bob Grogan added that the request for council action now includes a "financial impact award type" to clarify the selection process used, such as RFQ, RFP, or bid, ensuring transparency and adherence to required procedures.

8.8. Resolution No. 182-24/25 Approving Annual Contract with Lexipol LLC for Policy Manual and Daily Training Bulletins.

RESULT:	PASSED (UNANIMOUS)
MOVER:	Council Member Rick Hilst
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

City Manager John Dossey presented the annual agreement with Lexipol LLC, and explained that Lexipol provides state-specific law updates, policy creation, and daily training capabilities for law enforcement. It is essential to maintain up-to-date policies to protect the city from litigation.

Council Member Orrick asked about the duration of the city's relationship with Lexipol, and Mr. Dossey confirmed it had been in place for several years, chosen over other options for cost efficiency. Before Lexipol, policy management was done in-house by command officers, which was a challenging task given the frequent updates to state statutes.

Police Chief Seth Ranney added that Lexipol provides model policies, which the city can customize. These policies are digitally distributed to officers, who must read and acknowledge them, ensuring that training is documented and archived. This digital approach has proven critical in defending the city in

lawsuits, as it provides clear records of officer training and acknowledgment.

8.9. Resolution No. 183-24/25 Approve Funding Agreement with Tri-County Regional Planning Commission

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

Resolution No. 183-24/25 concerns the approval of a funding agreement with the Tri-County Regional Planning Commission (TCRPC). City Manager John Dossey explained that the resolution is needed to allocate motor fuel tax (MFT) funds to cover the city's share of the local match for the TCRPC, which amounts to \$17,695.80. This amount is slightly below what was budgeted in the MFT fund for this fiscal year. Mr. Dossey noted that this resolution is required by the Illinois Department of Transportation for the use of MFT funds.

Council Member Orrick inquired about recent projects funded by the TCRPC and potential future projects. Public Works Director Dean Schneider responded that all recent Court Street projects, including the current one, received \$3 million from the Tri-County Regional Planning Commission. He mentioned that the TCRPC allocates around \$40 million annually, and the city, being the second-largest community in the region, has a good chance of receiving funding due to its membership.

Council Member Nutter asked about the timeline for project submissions. Mr. Schneider confirmed that the city had already submitted its projects for this year but had not yet received all funding allocations.

Council Member Abel commented that PPUATS (Peoria/Pekin Urbanized Area Transportation Study) has provided substantial benefits in the past, emphasizing the value of being a member of the TCRPC, particularly given the city's size and the likelihood of securing funding.

~~8.10. Ordinance No. 4229-24/25 Amending Pekin City Code Chapter 5, Article 2, Section 6 to Allow Gas Stations to Sell Alcoholic Liquor (Removed from the Agenda)~~

8.11. Ordinance No. 4230-24/25 Third Amendment to the FY25 Annual Budget

RESULT:	FAILED (4 TO 3)
MOVER:	Mayor Pro Tem Karen Hohimer
SECONDER:	Council Member Dave Nutter
AYES:	Council Member Nutter, Council Member Hilst, Council

NAYS:

Member Orrick, Council Member Onken

1st Alternate Mayor Pro Tem Abel, Mayor Burress, Mayor Pro Tem Hohimer

Ordinance No. 4230-24/25 is a proposed third amendment to the FY25 annual budget, requested by Council Members Nutter and Hilst. Interim Finance Director Bob Grogan explained that the request involves forgiving the interfund debt of \$2.7 million that the Solid Waste Fund owes to the General Fund, accumulated since 2015. Mr. Grogan provided a detailed account of how this debt accrued, noting that the city began charging fees for garbage collection around that time, which shifted costs from tax rolls to a fee-based model. Initially, the Solid Waste Fund had a zero balance, with assets offset by equivalent liabilities. However, over the years, the fund experienced annual losses, and the General Fund had to advance money to support it, creating a cumulative debt of \$2.7 million.

Mr. Grogan explained that forgiving this debt would require a budget amendment, as it was not included in this year's budget. He emphasized that forgiving the debt would negatively impact the General Fund by \$2.7 million, while positively relieving the Solid Waste Fund of the same amount. Mr. Grogan did not recommend immediate forgiveness, suggesting instead that the council wait to see how recent changes, such as rate increases, new technologies, and the outcome of upcoming contract negotiations, impact the Solid Waste Fund's financial status.

Council Member Orrick questioned whether forgiving the debt would have a tangible impact, given that the General Fund's current deficit of \$787,000 would rise to \$3 million only on paper. Mr. Grogan confirmed that while the debt forgiveness would not immediately affect available cash, it would formalize the financial position. He further clarified that the debt is real because the General Fund deferred other spending priorities to lend money to the Solid Waste Fund over the past decade.

Council Member Orrick also inquired about the lack of a repayment program, to which Mr. Grogan responded that no such program had been proposed due to uncertainties around new revenue streams and expenses. Mr. Grogan mentioned that both the Sewerage Fund and the Airport Fund also owe the General Fund, with the Airport Fund's debt around \$3 million, but noted that creating repayment plans for these debts should be considered during the budget process.

Council Member Orrick stated the difference in economic impact between the Solid Waste Fund, which affects all residents, and the Airport Fund, which primarily serves high-income users who could withstand fee increases.

Council Member Nutter continued the discussion by expressing concern over

the increased deficit, noting that the initial estimate of \$1 million had grown to \$2.7 million. Council Member Nutter emphasized the need to address this financial shortfall, as it impacts city spending on infrastructure and other services. He acknowledged that while there are factors such as tipping fees and contract variations, these are expected over time, and the real issue lies in understanding the actual financial status of the city.

Mr. Grogan clarified the historical context, noting that there had been a \$15 million write-off in the past, which was tied to tax dollar payments that had not been properly closed out. He highlighted the need to address ongoing contracts, such as the GFL contract, which is now in its 19th year.

Council Member Nutter questioned whether the current budget, leases, and fees were accurately reflected in the city's general accounting practices.

Mr. Grogan responded by acknowledging potential errors and unexpected expenses, stressing the improved transparency in the current budget process. He pointed out that the new investment report provided a clearer view of fund statuses, unlike previous reports that combined unrelated accounts.

Mr. Wray then noted that forgiving the debt might create a misleading financial picture, especially if the city decides to seek an external service provider for garbage services through a Request for Proposal (RFP). He advocated for keeping the debt in place to maintain transparency.

Mr. Grogan further explained the potential need for reforms in how the city charges for services, such as charging based on usage rather than a flat fee. He reiterated that the debt would need to be addressed eventually, and suggested that the council consider this issue at a future meeting.

Council Member Nutter suggested involving the public in deciding whether to continue with the current garbage services or explore alternatives.

Council Member Hilst initiated a detailed discussion concerning the financial discrepancies in the Solid Waste Fund, particularly questioning the difference between the \$1 million loss over the past decade and the current \$2.7 million owed by the fund. Council Member Hilst sought clarification on why there was an apparent extra \$1.7 million in debt beyond the \$1 million loss.

Mr. Grogan explained that \$600,000 of the \$2.7 million owed was due to vehicles that were initially financed by the general fund and later transferred to the Solid Waste Department. These vehicles were handed over with a debt of \$600,000, effectively creating a zero net change since the vehicles' value and the debt amount were equal. However, this \$600,000 debt continued to be carried by the Solid Waste Department. Council Member Hilst challenged this, arguing that the trucks' financing through the general fund should not

have translated into debt for the Solid Waste Department when they began charging fees in 2014.

Mr. Grogan further explained that the accumulated debt included not just the vehicle transfer but also ongoing operational deficits and capital expenditures over the years. The general fund frequently covered payroll and other expenses for the Solid Waste Department when it lacked sufficient revenue, thereby increasing the amount owed. Mr. Grogan acknowledged that interfund borrowing practices were not always properly managed or transparent, often lacking council authorization.

Council Member Hilst raised additional concerns about the inconsistency in handling different enterprise funds. He pointed out that while the Solid Waste Department was being held accountable for its debt, other funds, such as the airport, seemed to operate under different rules. He noted that the airport fund received \$300,000 in transfers this year, despite no expectation of repayment. Mr. Grogan explained that such transfers were made to prevent the airport fund from accruing more debt, rather than as loans to be repaid, emphasizing that the treatment of different funds varied based on their specific circumstances and revenue sources.

Council Member Hilst also questioned why transfers from the school bus fund to the general fund, totaling about \$2.8 million since 2018, were not being repaid. He stated that these transfers appeared to be purely revenue for the general fund, as the school bus fund's administrative costs were covered by contracts with school districts. Mr. Grogan responded that the city had ceased this practice following the repeal of a policy on such transfers. He clarified that transfers, unlike loans, did not require repayment and that the borrowing done without council authorization was the real issue.

The discussion also touched on financial practices at the airport, particularly the city's decision to keep fuel and lease costs low to attract business, despite the airport fund operating at a deficit.

Council Member Hilst expressed frustration over what he perceived as unequal treatment of different enterprise funds, questioning why the Solid Waste Department's debt was scrutinized while other funds like the airport were allowed to operate at a loss without similar pressure to raise fees or repay transfers. Mr. Grogan reiterated that the decision to treat each fund differently was up to the council.

City Attorney Kate Swise clarified that the amendment would require a two-thirds majority to pass, equivalent to five votes. The amendment failed with a 4-3 vote.

8.12. Discussion Regarding Pekin Clean Up Days

City Manager John Dossey began the discussion regarding potential changes

to the semi-annual clean-up days, which would require an ordinance amendment under Section 3-1-2-6 Semi-Annual Clean Up. Mr. Dossey noted that the proposed changes were still in the discussion phase, pending council feedback.

Public Works Director Dean Schneider explained that he had been working on this proposal for about a year, in collaboration with staff members Doug and Brian, to explore more efficient ways to handle bulk waste collection. Mr. Schneider highlighted that the current clean-up days, held twice annually, were becoming increasingly costly, with expenses reaching \$20,000 to \$30,000 annually. The team proposed a new model where solid waste drivers would pick up bulk items directly from residents throughout the year, using a more structured schedule and fee system.

Under the new plan, beginning January 2025, bulk waste pick-up would be conducted every Friday until March 31, allowing for yard waste collection to resume in the spring. This schedule would provide 45 pick-up days per year, with residents receiving nine opportunities to have bulk items collected. Pick-ups would be limited to 10 per route each Friday, ending in December due to the holidays and the increased waste associated with that season. Mr. Schneider mentioned that past attempts to manage bulk waste resulted in complications, with residents filling their entire yards, leading to delays and inefficiencies. To address this, a new restriction would confine bulk items to a 6x6-foot area, excluding larger items like couches and mattresses.

Mr. Schneider further detailed that any pick-up taking longer than expected would incur additional fees, charging residents \$5 per minute over the expected time. The plan also included two free pick-ups per year, with a \$25 fee for a third pick-up. Residents would still need to obtain a bulk sticker from City Hall, even for free pick-ups, to help the city track and manage the process efficiently.

He emphasized that the new approach aimed to reduce costs for both the city and taxpayers while streamlining bulk waste collection. The proposed changes were expected to provide a more structured and predictable system for residents and city staff, ultimately improving service delivery and reducing waste management expenses.

Council Members raised questions about the new system's logistics, such as determining their route and understanding how the pick-up schedule would work. Mr. Schneider clarified that residents would receive information at City Hall when they obtained their bulk sticker, including details about their assigned route and specific pick-up dates. He acknowledged that while the new plan might initially seem confusing, it would be more straightforward once residents became accustomed to the routine.

Council Members appreciated the effort to make the process easier for citizens and the city, expressing interest in moving forward with the proposal.

Any Other Business To Come Before The Council

City Manager John Dossey noted that the quarterly report should be ready for the Council by the end of the week, pending final numbers. He mentioned the report is a new, evolving process and invited Council input on its content.

Economic Development Director Josh Wray announced that the city has been featured in the Illinois Investment Guide for 2024, a prominent publication by Site Selection magazine. This recognition places Pekin in front of over 7,000 site selectors and developers, highlighting it with photos and information about the Riverway Business Park. Mr. Wray noted that last year, the same prominent space in the magazine was held by World Business Chicago, making this a significant achievement for Pekin. He also mentioned ongoing efforts with the Economic Development Advisory Committee and a forthcoming RFP for a three-year marketing strategy to be presented in September.

Council Member Hilst inquired about the availability of past agendas and minutes on the city's website, noting that the format seemed to have changed. City Manager John Dossey explained that the city transitioned to CivicPlus/CivicClerk to handle agendas and minutes. Previously, the city faced a decision to either pay the full amount to maintain the predecessor service or discontinue it. The city chose to stop the contract, saving costs, and archives are currently available in PDF format. Mr. Dossey noted that IT staff are working to format these documents for uploading to the new system, making them searchable again soon. He anticipated this issue would be resolved in the next few weeks.

Council Member Abel praised the recent downtown event, noting it drew approximately 1,500 attendees. He commended everyone involved, especially Luke and Lindsay of Whiskey Taco, for their efforts in creating a successful and enjoyable event with great weather and food.

Mayor Pro Tem Hohimer expressed enthusiasm for the upcoming Marigold Parade and the related festivities, as well as the activities planned by the Bicentennial Committee.

Council Member Nutter commended the Building and Inspections Department, particularly Mr. Nic Maquet, along with the Fire Department and Code Enforcement. He noted that while the city has previously paid between \$12,000 to over \$20,000 per demolition for certain properties, these departments have successfully negotiated with property owners, both local and out-of-town, to demolish five houses at the owners' expense. This has resulted in a cost savings of approximately \$80,000 to \$100,000 for the city.

Council Member Onken wished everyone an early happy Labor Day and expressed excitement about the upcoming Marigold Festival.

The Mayor announced the upcoming "Taste of Pekin" event during the Marigold Festival. Excalibur Seasonings has introduced a new spice called "Dragon Dust," and attendees will have the chance to create recipes using this seasoning. Several council members will be judging the recipes, and the Mayor encouraged everyone to attend the event on the 4th at 5:00 PM.

The Mayor discussed a request from the widow of Henry Cachora, the creator of a local sundial. She has asked for the sundial to be renamed to include Cachora's name, changing the inscription to "Henry Cachora, World's Greatest Sundial." The Mayor inquired about the possibility of adding this new inscription to a sign at the entrance to Pekin, possibly behind the existing "Welcome to Pekin" sign, and asked about the necessary procedures for this change.

Executive Session 5 ILCS 120/2 (c) 2. Collective Negotiation Matters Between The Public Body And It's Employee Or Their Representatives, Or Deliberations Concerning Salary Schedules Of One Or More Classes Of Employees

RESULT:	PASSED (UNANIMOUS)
MOVER:	Mayor Pro Tem Karen Hohimer
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

A motion was made by Council Member Hohimer seconded by Council Member Abel to move into Executive Session to discuss 5 ILCS 120/2 (c) 2. Collective Negotiation Matters Between the Public Body and It's Employee or Their Representatives, or Deliberations Concerning Salary Schedules of One or More Classes of Employees at 7:57 PM.

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 Council Member Orrick seconded by Council Member Hohimer to adjourn the meeting. Motion carried viva voice vote. Mayor Burress adjourned the meeting at 8:50 PM.