

MINUTES

WORKING SESSION CITY COUNCIL 401 WEST WASHINGTON STREET EAST PEORIA, ILLINOIS

February 25, 2020

The Honorable John P. Kahl Mayor of the City of East Peoria called the Working Session of the City Council of the City of East Peoria, Illinois to order at 4:00 P.M. with the meeting having been properly noticed.

Upon the roll being called the following answered present: Mayor John P. Kahl, Commissioners Daniel S. Decker, Mark E. Hill, Seth D. Mingus, and Michael L. Sutherland.

Absent: None.

Mayor Kahl explained that the City Council is meeting for a Working Session and that no formal business will be conducted by the City Council at the meeting. He explained that the purpose of the meeting is to have a Working Session regarding 2020-2021 City Budget Planning discussion. He explained that the focus of tonight's meeting is discussion on the capital budget. He turned the discussion over to Director of Finance/Treasurer, Jeff Becker. Director Becker began commented on the anticipated revenues for the upcoming fiscal year 2020-2021 that include an increase in personal property replacement tax revenues, and increase in nonhome rule sales tax, an increase in business district sales tax, and an increase in water and sewer revenues due to the Sewer Treatment Project. He explained that most other revenues are estimated to be relatively flat. Mayor Kahl explained that Governor Pritzker has held 5% in reserves of the local government revenue distributive fund that is given to local governments. If the governor gets the graduated income tax passed, then the 5% will be released to the local governments. If the graduated income tax is not passed, then the 5% will be kept by the state. Therefore, the proposed budget will not include that 5% in revenues in the case that the 5% will not be given to the City.

Mayor Kahl explained that a two-page 11 x 17-inch document titled "City of East Peoria FY 20-21: 5-Year Capital Improvement Plan" that includes a proposed five-year capital plan has been distributed. The first three years in yellow is a proposed amount and is more accurate, while last two years (FY23-24 and FY24-25) in gray, since they are further out, are an estimate. Mayor Kahl commented on worker's compensation costs that have increased and take away from other expenditures in the City.

Director Becker introduced Director of Buildings and Inspections, Robert Cole, who commented on the Public Property proposed requests from capital expenditures. Those include a proposed purchase of a transit utility van for the maintenance department. Director Cole presented pictures to the City Council that showed rust damage to the undercarriage and other portions of the current maintenance vehicle that is 14 years old. The next four projects involve upgrades to city-owned property. He commented on the savings had by doing building projects inhouse. The first project is the window replacement at Central Station (Police & Fire) that is proposed in the amount of \$20,000 for the FY21-22 where the windows are original to the building. He explained that it will have an energy savings. The second project is garage door replacements for the Fire Department which is proposed in FY21-22 in the amount of \$20,000. It is anticipated that some of the parts of the garage doors can be reused. The last two projects in the Public Property Department are Parking Lots and Buildings that are proposed and estimated in FY23-24 and FY24-25. Director Cole explained that Bass Pro AHU-24 HVAC Replacement is proposed for Camp Street TIF in the amount of \$20,000 in FY20-21. Last, he discussed Bass Pro Parking Lot Striping in FY21-22 estimated to cost \$7,000.

Chief of Police Steven Roegge presented the capital requests for the Police Department. He commented on the current Police Department fleet including the number of vehicles in the fleet and the age of each. The first capital request is for Police Cars in the amount of \$135,000 each year over the next five fiscal years (estimating \$45,000 per vehicle or three vehicles per year). The next request is for taser replacement in the amount of \$35,200 in FY20-21 and \$21,600 for the following four fiscal years after FY20-21. The last request is for AED replacement in the amount of \$15,400 in FY20-21. Mayor Kahl explained that the cost of the tasers is spread over two years as the tasers will be received upfront in the FY20-21.

Fire Chief John Knapp presented the Fire Department capital requests. Those requests include AED replacements and monitor replacements in FY20-21; Air Pack replacements in FY21-22 and monitor requests in FY21-22; one Fire Engine replacement paid for over two years with \$240,000 paid in FY22-23 and \$120,000 paid in FY23-24; and an ambulance replacement in FY24-25 in the amount of \$240,000. Chief Knapp explained requests for a ladder truck and a new Fire Station by Illinois Central College (“ICC”) that he feels are needs in the City. He explained that there are more calls for service around the ICC area and there is a need for the fire station in that area. He explained that the frontline engines the Fire Department current owns are a 2015, 2007 that was recently refurbished, and the 2006 is scheduled to receive new frame rails. The other engines that are not frontline engines date back to the 1990s. Chief Knapp stated that frontline engines are recommended a useful life of 10-15 years and secondary engines are recommend having a useful life of 20-25 years.

Supervisor of Streets, Ric Semonski, presented the Solid Waste and Streets capital requests. Requests include a garbage truck in FY23-24 estimated to cost \$275,000; a plow truck in FY20-21 and FY21-22 for \$100,000 each of those fiscal years; striping, slab jacking, and sidewalks estimated to cost \$45,000 in FY21-22; Camp Street and River Road project in the amount of \$504,735 in FY20-21; Camp Street and Riverside Drive project in FY20-21 in the amount of \$110,100 and in FY21-22 in the amount of \$110,100; and the street reconstruction of the concrete portion of Highview Road in FY21-22 for \$500,000 and FY24-25 for \$100,000. Both the Camp Street and River Road project and the Camp Street and Riverside Drive are costs that are required. Part of the Highview street reconstruction project will be paid for with Water and Sewer funds as utilities will be addressed at the time of replacement and the project will include removal of the concrete road and replacement with asphalt.

Commissioner Decker inquired about using a portion of the right-of way for a bike lane on Highview Road and the possibility of other funding sources such as grants if a bike lane is included. Director of Planning and Community Development, Ty Livingston, commented on possible funds; however, he is unsure that there are funds unless it is a standalone non-motorized trail. Director Livingston commented on possibilities of other traffic calming alternatives.

Supervisor Semonski commented on other capital requests that include the Camp Street and River Road expense of \$150,000 in FY20-21 from hotel-motel funds and MFT street maintenance in the amount of \$900,000 in each of the next five fiscal years.

Water and Wastewater Utility Superintendent, Cord Crisler, presented the Water and Sewer Department capital requests. Those requests include Corporate Planning Study (“CPS”) 5-year in the amount of \$50,000 for FY20-21; iPad purchases in the amount of \$10,000 in FY20-21; Global Positioning System (“GPS”) Collector and iPads purchase in the amount of \$15,000 in FY20-21; Highview Reconstruction in the amount of \$176,000 in FY20-21 and \$672,306 in FY21-22; Water Main replacement in the amount of \$1,375,000 over the next five fiscal years; Sewer Main replacement of \$1,300,000 over the next five fiscal years; and Water Treatment Plant expenses in the amount of \$700,000 each year in FY22-23 and FY23-24 . All funding for the Water and Sewer Department comes from Water and Sewer funds which is an enterprise fund.

Director Becker commented on a proposed software package upgrade that is estimated at \$250,000 each year in FY21-22 and FY22-23. The cannabis revenues are not shown in the revenues as those numbers are unknown; however, it is anticipated that those cannabis revenues may be able to be used to pay for the software. Mayor Kahl explained that the software is a need not a want. The cannabis revenues of 8% for Police enforcement is estimated at only \$15,000 each year.

Mayor asked for comments from the city council.

Commissioner Decker inquired about revenues and projections for reserves. Director Becker explained that he can get the projections to him.

Commissioner Hill commended the department heads for their work especially in implementing the changes to the operation budget planning. He commented on the increased health insurance and workers’ compensation costs that have taken away from expenses that are needed. He commented on the Camp Street and River Road and Camp Street and Riverside Drive project required payments.

Commissioner Mingus thanked the department heads and expressed his knowledge of needs in equipment and not having enough revenues to pay for all of those needs as this is an imperfect process because there are more needs than revenues to pay for them. He commented on some of the known expenses over the next five years and the need for more expenditures on streets. He explained that the community wants streets repaired. He agrees with the need for updated software and using the cannabis money for that need and expressed interest earmarking future cannabis funds for public safety needs.

Commissioner Sutherland expressed his hope in getting his goals in completing utility and road projects.

Director of Tourism and Special Event, Doug McCarty, presented the Hotel/Motel Department capital requests. He explained that the hotel/motel projects are paid for with hotel/motel revenues. He explained that with the new hotel that is being built the expenses that are being used for road projects in conjunction with the hotel will be paid back with the increased hotel/motel funds from that hotel over time. Director McCarty explained other expenses in the department that include expenditures for ESC Fields, LED Scoreboards, and concrete/fence repair/paving request in FY20-21 and other projects and expenditures that will be requested in the four fiscal years after FY20-21. Commissioner Hill inquired as to whether the Festival Parking Lot was a complete repair. Doug explained that it is only the main middle section of the parking lot.

Mayor Kahl asked if there was anyone in the audience who wished to make comments.

Don Norbits came up to the podium and inquired about the proposal and allocating around \$1,000,000 per year and whether a five-year accelerated plan by borrowing now when capital costs are lower and paying over the next several years. He inquired whether the analysis has been done. Director Becker explained that the city has a lot of debt and that the bond rating would go up if more debt is acquired. When the bond rating drops, the cost to borrow funds goes up. Mr. Norbits requested information about the city's debt and amounts owed. Director Becker explained that he would get Mr. Norbits an updated copy of that information. Director Becker explained that the bond rating was downgraded a few years ago and it has been steady recently; however, the city is trying to make up for the downgrade in the rating. Mayor Kahl explained that the city has done some policy changes in order to help the bond rating and one includes not acquiring more debt.

Mayor Kahl asked for any other comments from the audience. There was no response.

Mayor Kahl explained that Director Becker will send out a budget for review with the first reading of the budget planned for March 17, 2020.

Motion by Commissioner Mingus, seconded by Commissioner Decker; Mr. Mayor, I move you that we adjourn the meeting.

Yeas: Commissioners Decker, Hill, Mingus, and Sutherland and Mayor Kahl.

Nays: None.

Mayor Kahl declared the motion carried and the meeting adjourned at 4:57 P.M.

/s/ Morgan R. Cadwalader

Morgan R. Cadwalader, City Clerk

**City of East Peoria
FY 20-21 : 5-Year Capital Improvement Plan**

FUND	DEPT	DESCRIPTION	Proposed			Estimate		Total	Notes
			FY20-21	FY21-22	FY22-23	FY23-24	FY24-25		
01	Public Property	KUV	35,000	-	-	-	-	35,000	Central Station (Police & Fire) Fire Department
01	Public Property	Window Replacement	-	20,000	-	-	-	20,000	
01	Public Property	Parking Lots	-	-	-	25,000	50,000	75,000	
01	Public Property	Buildings	-	-	-	-	50,000	50,000	
01	Public Property	4 - Garage Doors	-	20,000	-	-	-	20,000	
03	Police	Police Cars	135,000	135,000	135,000	135,000	135,000	675,000	(\$45,000 ea.)
03	Police	Taser Replacement	35,200	21,600	21,600	21,600	21,600	121,600	50 Tasers
03	Police	AED Replacement	15,400	-	-	-	-	15,400	
04	Fire	AED Replacement	13,000	-	-	-	2,500	15,500	Fire & City Hall
04	Fire	Monitors	52,000	26,000	-	26,000	26,000	130,000	Grant?
04	Fire	Air Packs	-	30,000	-	-	-	30,000	
04	Fire	Engine	-	-	240,000	120,000	-	360,000	
04	Fire	Ambulance	-	-	-	-	250,000	250,000	
05	Solid Waste	Garbage Truck	-	-	-	275,000	-	275,000	
11	Streets	Plow Truck	100,000	100,000	-	-	200,000	400,000	
11	Streets	Street Reconstruction Highview	-	500,000	-	-	100,000	600,000	
25	Camp St. TIF	Camp & River (1 of 2)	504,735	-	-	-	-	504,735	(Const. \$542,945, Eng. \$111,790, (-)H/M \$150K) Year 1&2(Eng.), Year 3(Land \$30k, Eng. \$210K, Const. \$375k), Year 4(Const.)
25	Camp St. TIF	Camp & Riverside	110,100	110,100	615,000	375,000	-	1,210,200	
25	Camp St. TIF	Bass Pro AHU-24 HVAC Replacement	20,000	-	-	-	-	20,000	
25	Camp St. TIF	Bass Pro Parking Lot Striping	-	7,000	-	-	-	7,000	
25	Camp St. TIF	Striping	-	-	-	-	30,000	30,000	
25	Camp St. TIF	Bass Pro Maint.	-	-	-	50,000	120,000	170,000	
26	W. Wash. TIF	Striping, Slab jacking, & Sidewalk	-	45,000	-	-	40,000	85,000	(Striping \$40k, Slab Jacking \$20k, Sidewalk Replacement\$25k)
General Capital Subtotal			1,020,435	1,014,700	1,011,600	1,027,600	1,025,100	5,099,435	
Amount for capital			1,000,000	1,000,000	1,000,000	1,000,001	1,000,002		
Remaining Capital Dollars			(20,435)	(14,700)	(11,600)	(27,599)	(25,098)		

FUND	DEPT	DESCRIPTION	Proposed			Estimate		Total	Notes	
			FY20-21	FY21-22	FY22-23	FY23-24	FY24-25			
23	Hotel/Motel	Camp & River (2 of 2)	150,000	-	-	-	-	150,000	(Const. \$562,100, Eng. \$39,480)	
23	Hotel/Motel	Altorfer Ln.	601,580	-	-	-	-	601,580		
23	Hotel/Motel	ESC - Fields	175,000	-	60,000	-	-	235,000		
23	Hotel/Motel	LED Scoreboards	15,000	-	-	-	-	15,000		
23	Hotel/Motel	Concrete/Fence Repair/Paving	25,000	45,000	15,000	250,000	265,000	600,000		
23	Hotel/Motel	F-250	-	25,000	25,000	-	-	50,000		
23	Hotel/Motel	Concession Buildings	-	50,000	-	-	-	50,000		
23	Hotel/Motel	Par 3 Ln. (1 of 2)	-	200,000	-	-	-	200,000		
23	Hotel/Motel	Festival Parking Lot	-	60,000	-	-	-	60,000		
23	Hotel/Motel	ESC - Roofs	-	-	100,000	-	-	100,000		
23	Hotel/Motel	Winners Way	-	-	120,000	-	-	120,000		
23	Hotel/Motel	Mariners Way	-	-	60,000	-	-	60,000		
23	Hotel/Motel	Field Drags	-	-	-	15,000	15,000	30,000		
23	Hotel/Motel	F-250 w/Plow	-	-	-	35,000	35,000	70,000		
23	Hotel/Motel	Gateway Signage	-	25,000	25,000	-	-	50,000		
23	Hotel/Motel	Railings & Concrete Repair	-	50,000	50,000	-	-	100,000		Riverfront Park
Hotel/Motel Subtotal			966,580	455,000	455,000	300,000	315,000	2,491,580		
50	Water/Sewer	CPS Study 5-Year	50,000	-	-	-	-	50,000		
50	Water/Sewer	iPads	10,000	-	-	-	-	10,000		
50	Water/Sewer	GPS Collector/iPads	15,000	-	-	-	-	15,000		
	Water/Sewer	Highview Reconstruction	176,000	672,306	-	-	-	848,306		
50	Water/Sewer	Water Main	400,000	175,000	150,000	150,000	500,000	1,375,000		
50	Water/Sewer	Sewer Main	350,000	150,000	150,000	150,000	500,000	1,300,000		
50	Water/Sewer	N. Main WTP	-	-	700,000	700,000	-	1,400,000		
Water/Sewer Subtotal			1,001,000	997,306	1,000,000	1,000,000	1,000,000	4,998,306		
75	MFT	Street Maint.	900,000	900,000	900,000	900,000	900,000	4,500,000		
Total Capital			3,888,015	3,367,006	3,366,600	3,227,600	3,240,100	17,089,321		

Street Capital Summary						
MFT - Street Maint.	900,000	900,000	900,000	900,000	900,000	4,500,000
General Capital	614,835	610,100	615,000	375,000	100,000	2,314,935
Street Maint. (11-00-0-163)	100,000	100,000	100,000	100,000	100,000	500,000
Total Capital	1,614,835	1,610,100	1,615,000	1,375,000	1,100,000	7,314,935

01	Accts. & Finance	Software Package	-	250,000	250,000	-	-	-	Not included, could use Cannabis tax.
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