Monday, January 17, 2022
City Council Meeting at 6:30 pm

CITY COUNCIL MEETING AGENDA
Council Chambers - First Floor
212 Third Avenue

1. Meeting Opening

Subject :	A. Call to Order
Meeting :	Jan 17, 2022 - City Council Meeting at 6:30 pm
Type :	Procedural

1. Meeting Opening

Subject :	B. Roll Call
Meeting :	Jan 17, 2022 - City Council Meeting at 6:30 pm
Type :	Procedural

1. Meeting Opening

Subject :	C. Pledge of Allegiance
Meeting :	Jan 17, 2022 - City Council Meeting at 6:30 pm
Type :	Procedural

2. Communication from Visitors

Subject :	A. Public Comment
Meeting :	Jan 17, 2022 - City Council Meeting at 6:30 pm
Type :	Information

File Attachments

public comment policy.pdf (75 KB)

3. Consent Agenda

Subject :	A. Approval of Minutes
Meeting :	Jan 17, 2022 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Approval of Minutes as presented

File Attachments

cc01032022.pdf (89 KB)

Consent

Our adopted rules of Parliamentary Procedure, Robert's Rules, provide for a consent agenda listing several items for approval of the Board by a single motion. Most of the items listed under the consent agenda have gone through Board subcommittee review and recommendation. Documentation concerning these items has been provided to all Board members and the public in advance to assure an extensive and thorough review. Items may be removed from the consent agenda at the request of any board member.

3. Consent Agenda

Subject :	B. Approval of Bills and Payroll
Meeting :	Jan 17, 2022 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Approval of Bills and Payroll as presented

Public Content

File Attachments

admin_20220113_120225.pdf (604 KB)
Accounts Payable by G_L Distribution Report 01_13_2022 12_18_03 PM_Mary McCormick_3D408F75.pdf (392 KB)
12-31-21 Budget Performance Report.pdf (399 KB)
12-31-21 Balance Sheets.pdf (338 KB)

Consent

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3. Consent Agenda

Subject :	C. Proclamation for National Mentoring Month
Meeting :	Jan 17, 2022 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Approval of the Proclamation for National Mentoring Month

Public Content

Every January, the mentoring movement unites in celebration of National Mentoring Month and uses the power of our collective voice to recruit new mentors, advance the mentoring fields legislative priorities, and drive meaningful change for young people.

File Attachments

Mentoring Proclamation.pdf (509 KB)

Consent

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3. Consent Agenda

Subject :	D. Proclamation Recognizing Martin Luther King Day
Meeting :	Jan 17, 2022 - City Council Meeting at 6:30 pm
Type :	

Public Content

Please find attached a proclamation honoring the life and lasting legacy of Dr. Martin Luther King, Jr.

File Attachments

admin_20220114_143111.pdf (423 KB)

3. Consent Agenda

Subject :	E. Pay Request #6 to Martin and Company for 1st Avenue in the amount of $312,7563.09
Meeting :	Jan 17, 2022 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Approve Pay Request #6 to Martin and Company for 1st Avenue in the amount of $312,7563.09

Public Content

City Council awarded a contract to Martin & Company for the reconstruction of 1st Ave in the amount of $2,486,500. This invoice includes work done from December 5, 2021 through January 17, 2022. Scope of work includes fire hyrdant relocation, traffic signal control cabinet, traffic control protection and traffic signals.

File Attachments

Council Agenda Item - Pay Request Martin - 1st Avenue #6.pdf (858 KB)

Consent

Our adopted rules of Parliamentary Procedure, Robert's Rules, provide for a consent agenda listing several items for approval of the Board by a single motion. Most of the items listed under the consent agenda have gone through Board subcommittee review and recommendation. Documentation concerning these items has been provided to all Board members and the public in advance to assure an extensive and thorough review. Items may be removed from the consent agenda at the request of any board member.

5. Recommended Personnel Action

Subject :	A. Swearing in of Officer Lucas Nease
Meeting :	Jan 17, 2022 - City Council Meeting at 6:30 pm
Type :	Information

Public Content

Lucas Nease is originally from Rock Falls, IL and graduated from Newman Central Catholic Highschool in 2011. He earned his bachelors degree in Law Enforcement and Justice Administration with a minor in Psychology in 2018. Lucas experience includes time worked as a Corrections Officer with the Illinois Department of Corrections, a Probation/Parole Officer with the North Carolina Department of Public Safety, and Detention Officer and Deputy Sherriff with Guilford County Sherriffs Office, North Carolina. Lucas and his wife, Kaitlyn, recently relocated back to the area after living several years in Greensboro, North Carolina. He is looking forward to serving the community where he was raised.

6. Presentations and Awards

Subject :	A. Sterling Police Officer of the Year
Meeting :	Jan 17, 2022 - City Council Meeting at 6:30 pm
Type :	Information

8. Business Items

Subject :	A. Ordinance 2022-01-02 Authorizing the Issuance of not to Exceed $27,500,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2022A, Providing the Details of such Bonds and for an Alternate Revenue Source and the Levy of Direct Annual Taxes Sufficient to Pay the Principal of and Interest on Such Bonds, and Related Matters
Meeting :	Jan 17, 2022 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Approval of Ordinance 2022-01-02 Authorizing the Issuance of not to Exceed $27,500,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2022A, Providing the Details of such Bonds and for an Alternate Revenue Source and the Levy of Direct Annual Taxes Sufficient to Pay the Principal of and Interest on Such Bonds, and Related Matters

Public Content

Staff is recommending the City issue up to $27,500,000 Taxable General Obligation Bonds to finance a most of the Citys unfunded accrued actuarial liability (UAAL) of the Citys Police Pension Plan and the Firefighters Pension Plan and achieve 95% funded status.

The actuaries at Lauterbach & Amen provided an updated analysis of the Citys unfunded liabilities this week, accounting for changes including the very good returns to the pension funds achieved this year. The updated analysis allows for slightly lower annual payments while also moving the City from the prior assumption of 90% funded to 95% funded.

Since the last analysis:

1. The amortization schedule now is run out to fiscal year 2037 (the date the Citys actuaries have been targeting for 100% funded in its analysis)
2. Even with a shift in the goal to 95% funded from 90% funded, because the investment returns were so good this year, the funding needed to achieve 95% dropped from $21,421,454 to $20,567,161.
3. The average payment for the police drops from $1,296,621 to $1,113,005.
4. The average payment for the fire drops from $1,231,058 to $1,133,267.
5. The total combined potential savings increases from $5,805,272 to $7,130,326 (27% Net Present Value Savings to potentially 34.67% Net Present Value savings) over the next 15 year. This assumes an average 6.5% investment return vs a 2.56% bond borrowing rate. Annual savings start in year 2 at $50,000 to and grows to a potential savings of $900,000 by the final year.

Every dollar saved on annual costs to pay down the unfunded liability portion of the pension costs, is a dollar that doesnt not need to be levied for in property taxes.

To reiterate, and summarize, if the bonds are issued at a rate of 2.56%, and the investment return averages 6.5% over 15 years, the City will levy $7,130,326 dollars less in property taxes over the next 15 years. After the bond is paid off, if the same assumptions hold, and the City continues to properly fund the normal cost for the fire and police pensions, the City will no longer need to levy for the bond payments and unfunded liability. As such, in year 2038, the City will need around $2,000,000 less in property tax than year 2037, meaning additional savings to property tax payers of that amount going forward.

Pension costs will still continue to increase over time just as wages rise over time. As the current liabilities will continue to increase (unless investments return better than our assumed average of 6.5%), but those increases will be far more manageable than trying to fund both the current and unfunded liability as we are now. For example, in our current year, of the $1,511,171 in actuarially recommended contributions to our police pension fund, $1,257,390 is to pay down the unfunded portion while just $253,781 is paying for current liabilities (normal cost).

File Attachments

Ord No 2022-01-02 Bonds.pdf (316 KB)

8. Business Items

Subject :	B. Ordinance 2022-01-03 Authorizing the Issuance of General Obligation Bonds (Alternate Revenue Source), Series 2022b in an Aggregate Principal Amount not to Exceed $8,000,000 for the Purpose of Financing Various Public Infrastructure Projects Including Stormwater and Road Improvement Projects and Paying Certain Costs of Issuance of The Bonds, and Providing for the Levy of a Direct Annual Tax Sufficient to Pay the Principal of and Interest on Said Bonds
Meeting :	Jan 17, 2022 - City Council Meeting at 6:30 pm
Type :	Action

Recommended Action :	Approval of Ordinance 2022-01-03 Authorizing the Issuance of General Obligation Bonds (Alternate Revenue Source), Series 2022b in an Aggregate Principal Amount not to Exceed $8,000,000 for the Purpose of Financing Various Public Infrastructure Projects Including Stormwater and Road Improvement Projects and Paying Certain Costs of Issuance of The Bonds, and Providing for the Levy of a Direct Annual Tax Sufficient to Pay the Principal of and Interest on Said Bonds

Public Content

The City has numerous, high-profile and large multi-million dollar capital projects at various stages of planning and engineering, including Lefevre Road from near Ave K to Ave C, E. 2nd Street from 1st Avenue to Broadway, Wallace Street from 1st Ave to west of Ave B and Griswold Ave. Some projects have various mixes of funding from State and federal sources, but require a local match. Other projects will be funded locally in their entirety. There are numerous smaller projects that are in the queue as well.

Staff is proposing a 15-year bond for up to $8,000,000 to pay for the above infrastructure projects.

Funds for repayment will come from both of the local option sales taxes. The local option sales tax for stormwater generates roughly $1.3million per year. Our original 2017 stormwater bond funded projects such as the Northland Retention, Dillon Avenue, the Douglas Park subdivision, 2nd Ave/Miller Road, Sanborn Street and detention, and 4th and 5th Avenues north of 19th. This bond was set up to have the payments drop more than $350,000 this year so that we could bond out again once we were ready to do more projects following the completion of the aforementioned projects. The combined 2017 bond and 2022 bond will use up nearly $940,000 per year of the $1.3 million in stormwater half-cent revenues per year through 2037.

The half-cent sales tax for roads also generates around $1.3million per year. Currently, $287,000 per year from the $1.3million goes toward the repayment of a $2.8million 10-year bond (2020B) which was issued for the purpose of reconstructing 1st Avenue and potentially Wallace Street. The lowest bid for 1st Avenue far exceeded the engineer's early rough estimates and required nearly $2.4million of the $2.8million. The combined annual payments for the 2020B bond and 2022B bond will be $600,000+/- per year through 2031, decreasing to $315,000+/- from 2032-2037.

File Attachments

Ord No 2022-01-03 Bonds.pdf (332 KB)

8. Business Items

Subject :	C. Resolution 2022-01-01 Adopting a City of Sterling Pension Policy Obligation Bond Policy
Meeting :	Jan 17, 2022 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Staff recommends approval of Resolution 2022-01-01 Adopting a City of Sterling Pension Policy Obligation Bond Policy

Public Content

As the City endeavors to issue pension bonds, the adoption of a policy regarding the use of the pension bond proceeds is a way to further provide confidence in the bond market as to the City's intent for the use of the funds. The proposed policy acknowledges the inherent risk of issuing bonds should average investement returns be less than the interest rate of the bonds, that the proceeds are for the unfunded liability and not the "normal cost," and commits the City to holding back a portion of the proceeds to create a localPension Budget Stabilization Fund, to be used to pay unfunded liabilities of the Pension Funds or other amounts due to the Pension Funds. It also acknowledges certain risky investments that should not be made with the funds and a list of City revenue sources that are to be made available to repay the bonds.

File Attachments

Res No 2022-01-01 Pension Bond Policy Resolution (For 1.17.22 Council Meeting).pdf (144 KB)

8. Business Items

Subject :	D. Refer to the Planning Commission for Zoning Ordinance Text Amendments for Consideration
Meeting :	Jan 17, 2022 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Staff Recommends Referral to the Planning Commission for Zoning Ordinance Text Amendments for Review and Consideration.

Public Content

Staff is recommending changes to the existing zoning code to meet changing trends. Allowing for additional uses along the Lincolnway corridor, particularlly to accommodate the reuse of big box stores was discussed during the Comprehensive Plan rewrite. Staff is recommending the Plan Commission re-evaluate uses. Additionally, the City was approached about creating a retail incubator area in the downtown utilizing small, limited service chalet style shops to grow a business with the hope of them growing into a traditional brick and mortar location in the downtown. An amendment to the Code would be required to accommodate such a development.

File Attachments

M-Econ Development Genrators_Zoning Text Amendments_2022 01 13.pdf (147 KB)