

Monday, November 15, 2021
City Council Meeting at 6:30 pm

CITY COUNCIL MEETING AGENDA

Council Chambers - First Floor

212 Third Avenue

Zoom webinar information.

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/86266387237>

Webinar ID: 862 6638 7237

1. Meeting Opening

Subject : A. Call to Order
Meeting : Nov 15, 2021 - City Council Meeting at 6:30 pm
Type : Procedural

1. Meeting Opening

Subject : B. Roll Call
Meeting : Nov 15, 2021 - City Council Meeting at 6:30 pm
Type : Procedural

1. Meeting Opening

Subject : C. Pledge of Allegiance
Meeting : Nov 15, 2021 - City Council Meeting at 6:30 pm
Type : Procedural

2. Communication from Visitors

Subject : A. Public Comment
Meeting : Nov 15, 2021 - 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 : Nov 15, 2021 - City Council Meeting at 6:30 pm
Type : Action (Consent)
Recommended Action : Approval of Minutes as presented

File Attachments

[cc11012021.pdf \(106 KB\)](#)

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 :	Nov 15, 2021 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Approval of Bills and Payroll as presented

Public Content

File Attachments

[10-31-21 Balance Sheets.pdf \(336 KB\)](#)

[10-31-21 Budget Performance Report.pdf \(396 KB\)](#)

[admin_20211110_085616.pdf \(648 KB\)](#)

[Accounts Payable by G_L Distribution Report 11_10_2021 9_10_27 AM_Mary McCormick_3D4089GI.pdf \(326 KB\)](#)

Consent

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3. Consent Agenda

Subject :	C. Pay Request #4 to Martin and Company for 1st Avenue in the amount of \$624,001.04.
Meeting :	Nov 15, 2021 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Staff recommends approval of Pay Request #4 to Martin and Company for 1st Avenue in the amount of \$624,001.04.

Public Content

City Council awarded a contract to Martin & Company for the reconstruction of 1st Ave in the amount of \$2,486,500. Work in the amount of \$1,580,014.15 has been completed. This payment includes work to the sidewalks, storm sewers, and adjustments to manholes.

File Attachments

[Council Agenda Item - Pay Request Martin - 1st Avenue.pdf \(705 KB\)](#)

Consent

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3. Consent Agenda

Subject :	D. Sterling-Rock Falls Jaycees to hold a bucket brigade on 12/4/2021
Meeting :	Nov 15, 2021 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Approve the petition from Sterling Rock Falls Jaycees to hold a bucket brigade on 12/04/2021 for their Christmas for Kids program

Public Content

This is the Sterling Rock Falls Jaycees annual campaign to raise funds for their Christmas for Kids program.

File Attachments

[admin_20211110_143628.pdf \(232 KB\)](#)

Consent

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3. Consent Agenda

Subject :	E. Pay Request #4 to Fischer Excavating for the 4th and 5th Avenue drainage project in the amount of \$485,462.89
Meeting :	Nov 15, 2021 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Staff recommends approval of Pay Request #4 to Fischer Excavating for the 4th and 5th Avenue drainage project in

the amount of \$485,462.89

Public Content

Pay Request #4 covers work for the 4th and 5th Avenues stormwater and road project, including materials and traffic control. Remaining items for pay are primarily for paving and pavement markings. While the binder course was recently put down, it is not reflected in this pay request.

File Attachments

[Council Agenda Item - Pay Request #4 Fischer 4th & 5th Drainage.pdf \(211 KB\)](#)

Consent

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5. Recommended Personnel Action

Subject :	A. Firefighter Promotions
Meeting :	Nov 15, 2021 - City Council Meeting at 6:30 pm
Type :	Information

Public Content

Captain Jason Williamson is being promoted to the rank of Deputy Chief for the Sterling Fire Department. Deputy Chief Williamson began his career with the Sterling Fire Department December 12th 1993. He is being pinned this evening by his father, retired Sterling Fire Department Captain Gerry Williamson.

Lieutenant Trevor Meyers is being promoted to the rank of Captain for the Sterling Fire Department. Captain Meyers began his career with the Sterling Fire Department January 5th, 2005. He is being pinned this evening by his daughter Ellison Meyers.

Firefighter Adrian Avelar is being promoted to the rank of Lieutenant for the Sterling Fire Department. Lieutenant Avelar began his career with the Sterling Fire Department October 31st, 2012. He is being pinned this evening by his wife Stacey Avelar.

6. Presentations and Awards

Subject :	A. Sauk Valley Community College Foundation's Impact Program
Meeting :	Nov 15, 2021 - City Council Meeting at 6:30 pm
Type :	Information

Public Content

Chris Pilling from the Sauk Valley College Foundation requests to present to the Council members to bring the Foundation's request to support Sterling Impact Program students

6. Presentations and Awards

Subject :	B. Presentation on Bonds for Pensions
Meeting :	Nov 15, 2021 - City Council Meeting at 6:30 pm
Type :	Information

Public Content

John Vezzetti from Bernardi Securities will provide an update for a potential issuance of bonds. Mr. Vezzetti works closely with Mr. Vail, who is unavailable for this meeting.

Staff has worked with Bob Vail from Bernardi in the past and has been consulting with him on a potential issuance for pension bonds to reduce the unfunded liabilities in the police and fire pension funds. These bonds would be repaid using the existing tax levy for fire and police pensions. Other bonds would be used to facilitate future projects including, but not limited to, E. 2nd Street, Griswold Avenue and Wallace Street using the revenues from both of the local option sales taxes.

File Attachments

[11.15 Presentation.pdf \(722 KB\)](#)

8. Business Items

Subject :	A. Tax Levy Estimate
Meeting :	Nov 15, 2021 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Staff recommends the City Council approve the Tax Levy Estimate of \$5,412,155, which is below the requirement for a Truth-in-Taxation hearing.

Public Content

Each year the City is required to prepare a Tax Levy Estimate prior to adopting the tax levy for the upcoming fiscal year in accordance with the Illinois Truth in Taxation law. The purpose of the tax levy estimate is to determine whether the estimated levy extension is 5% or greater than the previous years actual levy extension. If the upcoming levy extension is 5% or greater than the actual prior levy, the City must conduct a public hearing. Staff is proposing a tax levy estimate of \$5,412,155, an increase of \$205,746 or 3.95%.

The projected Equalized Assessed Value (EAV) of the City is projected to increase approximately 2.83%. This will provide a 2.83% dollar increase for levies such as police protection and fire protection if the levy rate remains unchanged, which is past practice. The aforementioned levy rates are at the Statutory cap, thus the amount collected for those specific levies can only increase through overall growth in property values.

Most of the increase to the levy is going into the police pension fund. Pension funds do not have levy rate caps under State Statutes in order to provide a guaranteed source of funding for the pensions. The pension funds tax levies have grown far faster than inflation and EAV growth for most of the recent years. The actuary is recommending a contribution to the fire pension fund of \$1,421,342 compared to \$1,391,298 for the prior year. This is a \$30,044 increase over last year, just a 2.16% increase. This amount represents 106% of payroll down from 107% of payroll. The City continues to pay more for firefighter pensions than for active firefighter payroll.

The actuary recommended a minimum contribution to the police pension fund of \$1,511,171 this year versus \$1,349,242 the prior year. This is a \$161,855 or 12% increase over the prior year. The new amount represents 75.1% of projected payroll, compared to 75.39% from last year. This represents a demographic shift as low and mid-range officers ascend the wage scale and overall increased wages in the department are contributing to the increasing funding requirements.

Staff gives consideration to several factors when recommending a tax levy, including: property tax rates to businesses and citizens, adequate funding of operation, increasing funding ratios to the pension funds to increase their stability and save long-term and the statutory requirements with which the City must comply. Council and staff have expressed a desire to level out annual increases in the future to avoid sharp spikes in levies to property taxpayers. Increasing the funding ratio and making recommended contributions is key to avoiding spikes and a negative spiral.

Staff has always expressed concerns over the ramifications of not funding the pensions by the amount recommended by the actuary, if not more. The sooner the City contributes funds to the pension funds for investment, the more the compounding interest will work in our favor to reduce pension levy increases over the long-term future, lower the risk of funding spikes to meet the State requirements for funding ratios and reduce the risk of the State from seizing our local funding in the event our fire and police pension funds are not adequately funded as State statute allows. Failure to fund adequately today creates higher future tax increases due to the loss of funds for investment. Costs for fire and police services provided today and in yesteryear should not be borne by the next generation.

The State of Illinois passed a law consolidating all of the local fire and police pension funds into two respective funds for the purpose of increasing investment returns and lowering administrative expenses. Like IMRF, each city will have its own account with contributions based on each city's own assets and liabilities. Unlike IMRF, the City will still be in charge of administering the pension checks.

The tax levy estimate staff proposes funds the pensions at the actuarially recommended contribution level. In recent years, the City has been able to exceed the recommendations to help further reduce the unfunded liabilities in the pension funds. The fire pension funding ratio increased by nearly 4% from 50.34% to 54.3% and the police pension funding ratio rose slightly from 55.74% to 56.01%. The fire pension made good headway in part due to the market gains, though many gains were made after the Actuarial report, so the outlook is positive for now. The police pension made gains, but also increased its liabilities. Again, the report was done before some of the more recent market gains, so the fund is still going in the right direction so long as the recommended contributions are made. As of now, State law requires us to be 90% funded by 2040, which is less than 20 years to make up 35 percentage points, but we're trending in the right direction.

File Attachments

[2021 Tax Levy Estimate.pdf \(27 KB\)](#)

8. Business Items

Subject :

B. Ordinance 2021-11-29 to sell surplus City property
Portable Radios

Meeting :

Nov 15, 2021 - City Council Meeting at 6:30 pm

Type :	Action
Recommended Action :	Approve Ordinance 2021-11-29 to sell surplus City property

Public Content

The Sterling Fire Department has replaced 12 outdated portable Vertex handheld radios. The radios will be sold.

File Attachments

[Ordinance 2021-11-29 Disposal of Surplus Property portable radios.pdf \(150 KB\)](#)

8. Business Items

Subject :	C. Ordinance No. 2021-11-30 Establishing and designating the Lincoln Highway Business District Plan and approving the Lincoln Highway Business District within the City of Sterling, Whiteside County, Illinois.
Meeting :	Nov 15, 2021 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Staff recommends approval of Ordinance No. 2021-11-30 Establishing and designating the Lincoln Highway Business District Plan and approving the Lincoln Highway Business District within the City of Sterling, Whiteside County, Illinois.

Public Content

The Business Development District (BDD) creates an additional 1% sales tax, only within the BDD area, to be used to reimburse the developer for redevelopment costs. The boundary of the BDD is smaller than the surrounding newly created Lincoln Highway TIF District and only includes the former Kmart property and associated out lots.

By reimbursing the developer through sales taxes generated in the area, it lowers the amount the developer needs to recoup in lease rates, thus allowing the developer to offer more attractive lease terms to help attract new retail tenants to the site.

The BDD does not impose a new sales tax on any property outside the BDD area. This does not include nor affect the former Beef-a-Roo site nor former Moore Machine Shop for instance.

The establishment of a BDD requires a public hearing, a report finding the area to be blighted, and the adoption of this ordinance.

File Attachments

[City of Sterling - Lincoln Highway Business District Eligibility Study and Plan - 2021_04_21.pdf \(749 KB\)](#)
[Ordinance No 2021-11-30 Lincoln Highway BDD Ordinance Imposing Tax.pdf \(86 KB\)](#)

8. Business Items

Subject :	D. Approve Proposal for Strategic Planning Update with NIU Center for Governmental Studies
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Meeting :	Nov 15, 2021 - City Council Meeting at 6:30 pm
Type :	Action, Discussion
Recommended Action :	Staff recommends Council approve the attached Proposal for a Strategic Planning Update with the NIU Center for Governmental Studies

Public Content

The attached proposal for Strategic Planning with the City Council describes a series of activities and components that will take place over a few months to conduct the City's strategic planning process. The intent is to first gather stakeholder feedback through interviews with Council members followed by workshop time to engage in conversations with Council and senior staff to work through the visioning, strength-weakness-opportunities-challenges, and goal setting. This is to be followed with a priority setting follow-up and an implementation plan.

The Council last went through a Strategic Plan process in 2015-16 with a minor goal setting follow-up session in 2018.

While Northern Illinois University is second fiddle to the University of Kansas for local government studies, NIU is still among the top and long-standing leaders in local government.

Dr. Greg Kuhn, Director of the NIU Center for Governmental Studies is available to introduce himself and the program as well as take any questions from Council members.

File Attachments

[City of Sterling Strategic Planning Update Proposal Revised_Transmittal_10.6.21.pdf \(993 KB\)](#)

8. Business Items

Subject :	E. Change Order Number 1 in the amount of \$16,787.00 to Gehrke Construction for the former National Training Building Demolition and Renovation
Meeting :	Nov 15, 2021 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Staff recommends approval of Change Order Number 1 in the amount of \$16,787.00 to Gehrke Construction for the former National Training Building Demolition and Renovation

Public Content

The State Plumbing Inspector is mandating changes to the building that require the installation of an oil /water separator to the building because it has a floor drain and could have vehicles parked in it. The architect and staff looked into other options to avoid the cost, but found no acceptable or more cost-effective alternatives that would pass inspection.

File Attachments

[1037D20 - CHANGE ORDER 01.pdf \(2,184 KB\)](#)

