Monday, December 16, 2019
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 :	Dec 16, 2019 - City Council Meeting at 6: 30 pm
Type :	Procedural

1. Meeting Opening

Subject :	B. Roll Call
Meeting :	Dec 16, 2019 - City Council Meeting at 6: 30 pm
Type :	Procedural

1. Meeting Opening

Subject :	C. Pledge of Allegiance
Meeting :	Dec 16, 2019 - City Council Meeting at 6: 30 pm
Type :	Procedural

2. Communication from Visitors

Subject :	A. Public Comment
Meeting :	Dec 16, 2019 - 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 :	Dec 16, 2019 - City Council Meeting at 6: 30 pm
Type :	Action (Consent)
Recommended Action :	Approval of Minutes as presented

File Attachments

cc120219.pdf (70 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 :	Dec 16, 2019 - City Council Meeting at 6: 30 pm
Type :	Action (Consent)
Recommended Action :	Approval of Bills and Payroll as presented

Public Content

File Attachments

Balance Sheets 11-30-19.pdf (331 KB)
Budget Perform 11-30-19.pdf (387 KB)
Accts Pay 12-16-19.pdf (324 KB)
apsummary 12-16-19.pdf (389 KB)

Consent

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3. Consent Agenda

Subject :	C. Approval of Plan Commission Minutes
Meeting :	Dec 16, 2019 - City Council Meeting at 6: 30 pm
Type :	Action (Consent)
Recommended Action :	Approve minutes as presented

File Attachments

10 24 19 PC Minutes.pdf (126 KB)

Consent

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3. Consent Agenda

Subject :	D. Pay Request #5 for Sterling Public Market to Porter Brothers in the amount of $292,299.30
Meeting :	Dec 16, 2019 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Consulting Engineers and City Staff recommend approval of partial payment #5 in the amount of $292,299.30 to Porter Brothers Asphalt & Sealing of Rock Falls, Illinois.

Public Content

At the May 20, 2019 Council Meeting, Porter Brothers was awarded the bid to build out a parking area and covered structure for use as a Public Market area adjacent to the indoor Twin City Market. The project also includes the reconstruction of 2nd Street including ADA improvements at the corners.

Partial Pay Request #5 includes work through December 9th in the amount of $292,299.30. The combined payments to date reflect approximately 73% of the total project being complete.

The project is funded through TIF Central Business District West funds, Capital Funds and a donation from Sterling Today.

File Attachments

pr5-market.pdf (371 KB)

Consent

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3. Consent Agenda

Subject :	E. Pay Request for Avenue G Bridge to ERA Valdivia Contractors in the amount of $34,370.27
Meeting :	Dec 16, 2019 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Consulting Engineers and City Staff recommend approval of partial payment #4 in the amount of $34,370.27 to ERA Valdivia Contractors.

Public Content

At the September 17, 2018 meeting, the City Council approved a contract with ERA Valdivia to repair the concrete on the piers and the slope walls underneath the bridge, apply a special epoxy coating to the steel beneath the joints in the bridge, and replace the deck joints. The work on the slope wall is still incomplete and requires bituminous, so the work will not be complete underneath the deck until 2020.

File Attachments

pr4-ave G bridge.pdf (1,084 KB)

Consent

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3. Consent Agenda

Subject :	F. Pay Request for DIllon Avenue Phase 2 to Civil Constructors in the amount of $124,516.58
Meeting :	Dec 16, 2019 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	The Citys consulting engineer and staff recommend Council approve Pay Request #2 in the amount of $124,516.58 to Civil Constructors for the Dillon Avenue Phase 2 Project

Public Content

As part of the stormwater improvement projects, Dillon Avenue was identified as a priority project for drainage and road improvements. Phase 1 was completed in 2019. At the August 5th, 2019 Council meeting, the Council awarded Phase 2 of the Dillon Avenue project from 11th Street to 4th Street to Civil Constructors of Freeport, Illinois in the amount of $1,242,131.69. Phase 2 includes new storm sewers, roadways and sidewalks.
Partial Pay Request #2 to Civil Construction covers the beginning of the Phase 2. Work to date includes tree removal, some storm sewer installation and excavation work associated with a new detention basin to help manage stormwater runoff.

File Attachments

pr2-dillon phase 2.pdf (329 KB)

Consent

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3. Consent Agenda

Subject :	G. Pay Request for Light Street Sanitary Sewer to Civil Constructors in the amount of $74,437.00 and Change Order #1 in the amount of $3,860.00
Meeting :	Dec 16, 2019 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	The Citys consulting engineer and City staff recommend Council approve Change Order #1 and final payment to Civil Constructors in the amount of $78,297 for the Light Street Sewer Project

Public Content

Public Works had numerous calls over the years pertaining to a plugged City sanitary sewer in the Light Street alley. The line was too small for Public Works to use their equipment so outside plumbing contractors had to be called to open the line each time. A break was found in the line in addition to tree root infiltration and several taps from now demolished buildings that may not be capped. Issues with this line combined with roof drains not being separated have caused flooding in 3 businesses in the downtown during rain events. At the August 19,2019 Council Meeting, Council awarded the low bid to Civil Construction in the amount of $74,437 to install a sanitary manhole and replace the sanitary main to help prevent issues in the future. Change Order #1 reflects an adjustment in final quantities and additional work required to work through a concrete wall. This project was not budgeted for in the FY 19-20 budget, but will be paid out of the Wastewater Funds Replacement Account.

File Attachments

pr-light street & co.pdf (493 KB)

Consent

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3. Consent Agenda

Subject :	H. Final Pay Request for Second Avenue and Miller Road Drainage Improvements to Martin & Company in the amount of $50,808.65
Meeting :	Dec 16, 2019 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Approve Final Pay Request for Second Avenue and Miller Road Drainage Improvements to Martin & Company in the amount of $50,808.65

Public Content

The area around Miller Road and 2nd Ave were identified as a high priority in the Citys stormwater management plan. Strand Engineering designed a plan to mitigate flooding in the area and improve drainage. The scope of the project includes new inlets, new storm sewer piping, an enlarged culvert, curb, gutter, sidewalk and a reconstructed 2nd Ave.
Council awarded the low bid of $909,467.50 to Martin & Company Excavating of Oregon, Illinois at the April 16, 2018 Council Meeting. The $909,467.50 bid was under the engineers estimate of $948,000. The final project cost with change orders was $961,783.29.

File Attachments

fpr-2nd&miller.pdf (429 KB)

Consent

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8. Business Items

Subject :	A. Ordinance #2019-12-34 authorizing the issuance of not to exceed $3,750,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2020A, not to exceed $3,500,000 General Obligation Bonds (Alternate Revenue Source), Series 2020B, and not to exceed $4,900,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2020C, of the City of Sterling, Whiteside County, Illinois, for the purpose of refunding certain outstanding obligations of the City, financing various public infrastructure projects including 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 :	Dec 16, 2019 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Approve Ordinance #2019-12-34 to issue bonds

Public Content

Two of the Citys outstanding bond issuances are callable as of January. The City has the opportunity to refinance these bonds at lower interest rates which will save nearly $1,000,000 in interest payments pending actual rates at the time of reissuance. The first bond is 2010A, which was issued as part of a TIF district and redevelopment agreement with Continental to revitalize the site where Kohls and PetSmart now occupy. The second bond is the 2010D which was issued to finance the renovations of the Coliseum. 2010A is projected to save approximately $600,000 in interest by dropping the rate from 5.12% to an estimated 2.80% and 2010D is projected to save approximately $390,000 in interest by dropping the rate from 4.33% (net of the Federal subsidy associated with the Build America Bonds) to an estimated 2.75%.

A third bond is proposed to issue up to $3,750,000 in bonds for infrastructure work in the community. The near record low borrowing rates in the last several decades makes this an opportune to time to get work done ahead of construction inflation costs and allows for big projects to be done sooner than later. Repayment of this bond would come from the local option sales tax that currently supports infrastructure projects. Final amount recommended for issuance pending estimates from civil engineers.

File Attachments

[2019-12-34 bonds.pdf (308 KB)]

8. Business Items

Subject :	B. Award Low Bid for Johnson Avenue Reconstruction to Twin City Construction in the amount of $294,777.77
Meeting :	Dec 16, 2019 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Consulting Engineers and City Staff recommend awarding the low bid for reconstruction of Johnson Avenue in the amount of $294,777.77 to Twin City Construction of Sterling, Illinois.

Public Content

Johnson Avenue was identified as a priority project for the City based on its condition and proximity to the Sterling High School campus. The road has deteriorated and has poor drainage. It has a flat profile with no curb & gutter. The sidewalk is missing in several locations and in very poor condition in other areas. Willett Hofmann & Associates engineered plans to begin the reconstruction of Johnson Avenue. This project reconstructs Johnson Avenue from Lefevre to 14th Street, upgrading the surface from a seal coat to bituminous, adding a crown to the road for drainage, adding curbs and catch basins and installing a 6 sidewalk at the back of curb on the west side of the road.

Bids were opened on December 11th. The low bid was in the amount of $294,777.77 from Twin City Construction. Funds for this project will come from local option sales taxes. The contractor has 35 working days to complete after May 1. Work is anticipated to finish around Memorial Day.

File Attachments

johnson ave.pdf (311 KB)
Johnson ave plans.pdf (1,144 KB)

Consent

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8. Business Items

Subject :	C. Resolution #R2019-12-30 declaring prior vacation of right of way to be rescinded for non-compliance with the conditions set forth in Ordinance 2018-02-05
Meeting :	Dec 16, 2019 - City Council Meeting at 6:30 pm

Type :	Action (Consent)
Recommended Action :	Approval of Resolution #R2019-12-30 declaring the prior vacation of right of way to be rescinded for non-compliance with the conditions set forth in Ordinance 2018-02-05.

Public Content

On February 20, 2018 City Council passed Ordinance #2018-02-05 vacating a portion of the ROW on the west side of 3rd Avenue between E 3rd Street and Brinks Circle to allow for development of the properties. The ordinance listed several conditions to said vacation petitioner had until December 31, 2019 to complete the project which has not happened and unfortunately the petitioner no longer owns the property.

File Attachments

R2019-12-30 3rd ave.pdf (13 KB)

Consent

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8. Business Items

Subject :	D. Ordinance #2019-12-35 Annexing certain territory contiguous to the City of Sterling (Steelton Subdivision - Group 1)
Meeting :	Dec 16, 2019 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Approval of Ordinance #2019-12-35 annexing certain territory contiguous to the City of Sterling (Steelton Subdivision - Group 1).

Public Content

On November 4, 2019 the City Council referred this matter to the Plan Commission for a public hearing. A public hearing was held at a special Plan Commission meeting on December 5, 2019 regarding the proposed annexation and zoning recommendations for the 6 properties. These properties have been connected to city sewer for years and have signed pre-annexation agreements on file. All propertyowners received notification of the annexation and staff spoke with the majority of the property owners.

File Attachments

2019-12-35 steelton 1.pdf (150 KB)
R2019-11-21 annex Steelton 1 ex a.pdf (21 KB)
R2019-11-21 annex Steelton 1 ex b.pdf (238 KB)

8. Business Items

Subject :	E. Resolution #R2019-12-31 Referring consideration to annex certain territory contiguous to the City of Sterling (Steelton Subdivision - Group 2)
Meeting :	Dec 16, 2019 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Approve Resolution #R2019-12-31 Referring consideration to annex certain territory contiguous to the City of Sterling (Steelton Subdivision - Group 2) to the Plan Commission for a public hearing on January 16, 2020

Public Content

These 8 parcels have connected to city sewer and have annexation agreements to annex once contiguous. This is the 2nd wave of the process to annex the Steelton subdivision. The 8 property owners will begin to receive notification of the proposed annexations.

File Attachments

R2019-12-31 steelton 2.pdf (310 KB)
steelton 2 map.pdf (237 KB)

Consent

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8. Business Items

Subject :	F. Resolution #R2019-12-32 Authorizing Execution of a Settlement Agreement with Comcast to Resolve Issues from the Franchise Fee Audit Conducted by Azavar on Behalf of the City of Sterling
Meeting :	Dec 16, 2019 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	The City staff recommends approval of Resolution #R2019-12-32 Authorizing Execution of a Settlement Agreement with Comcast to Resolve Issues from the Franchise Fee Audit Conducted by Azavar on Behalf of the City of Sterling

Public Content

In May of 2018, the Council entered into an agreement with Azavar Government Solutions, which conducts municipal revenue reviews on utility tax, telecommunications tax, cable franchise fees, sales tax, food and beverage tax, hotel/motel tax, amusement tax, and motor fuel tax to help governmental entities recover lost revenue.

We recently were notified that Azavars audit has resulted in a settlement offer from Comcast in the amount of $41,565.80. This settlement is a result of 1) incorrectly coded addresses and 2) certain sources of revenue generated by Comcast that have been wrongly excluded from the definition of gross revenue as defined in the franchise agreement. The breakdown of the settlement is as follows:

Address errors $34,963.00

Gross revenue compensation $ 6,602.80

Total proposed resolution $41,565.80

Please note that this is part of the agreement with Azavar and the settlement amount will be subject to the 45% contractual recovery fee.

File Attachments

R2019-12-32 comcast.pdf (85 KB)
comcast letter.pdf (109 KB)

8. Business Items

Subject :	G. Ordinance to Annex Certain Territory Wholly Bounded by The City, North of the Union Pacific Railway
Meeting :	Dec 16, 2019 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Table Ordinance to Annex Certain Territory Wholly Bounded by The City, Nrth of the Union Pacific Railway

Public Content

At the December 5th Plan Commission meeting, the Plan Commission voted to continue the discussion on whether to recommend annexation of the wholly surrounded properties on the far west end until the December 19th Plan Commission meeting. The original notification to property owners indicated the annexation ordinance would be on the December 16th City Council meeting agenda. The ordinance will be considered for approval on January 6th following the receipt of a recommendation from the Plan Commission.

8. Business Items

Subject :	H. Tax Levy Ordinance #2019-12-36
Meeting :	Dec 16, 2019 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Approve Tax Levy Ordinance #2019-12-36 in the amount of $4,999,395, a 2.83% increase

Public Content

The projected Equalized Assessed Value (EAV) of the City is projected to increase 3.02%. This will provide a 3% dollar increase for levies such as police protection and fire protection if the levy *rate* remains unchanged, which has been the past practice. These levies are at the Statutory cap.

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 minimum contribution to the fire pension fund of $1,248,142 compared to $1,189,446 for the prior year. This is a $58,696 increase over last year, or a 4.93% increase. This amount represents 104% of payroll up from 101.9% of payroll. The City continues to pay more for firefighter pensions than for active firefighter payroll. No less, this is one of the smaller fire pension increase since 2008-09. This reflects the fire pension funds improved investment performance and additional capital in the fund due to past increased contributions using the actuarys recommendations.

The actuary recommended a minimum contribution to the police pension fund of $1,219,667 this year versus $1,180,013 the prior year. This is a $39,654 or 3.4% increase over the prior year. The new amount represents 75.63% of projected payroll, up from 73.21% last year. This reflects the police pension funds improved investment performance and additional capital in the fund due to past increased contributions using the actuarys recommendations.

When setting the tax levy, the City must take into consideration the property tax rates to businesses and citizens, increasing funding ratios of the pensions and the Statutory requirements. The Council has also expressed a desired goal of leveling future increases as much as practicable.

The more the City contributes funds to the pension funds for investment, the more the compounding interest will work in the Citys favor to reduce future pension levy increases, 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 the past should not be unfairly borne by the next generation. Further, with the probable consolidation of the local pension funds, the more assets we have in the funds, the lower our mandatory contributions to the statewide consolidated fund once established. Future contributions will change depending on the actuarial assumptions the statewide consolidated funds will choose to use. The consolidated systems should work similar to the successful IMRF system which requires mandatory payments as calculated by the statewide fund. Like IMRF, each city will have its own account with contributions based on each citys own assets and liabilities. The better condition the Sterling funds are going in, the lower our contribution requirement once combined.

During the review of the Tax Levy Estimate, Council expressed its desire to continue contributing toward the pension funds in a manner consistent with keeping increases steady to moderate potential future spikes. Council proposed a levy of $4,999,395, with an estimated rate of 3.0201. This represents a slight decrease to the rate, but an increase in revenues of $137,540 or 2.83%. due to the overall estimated EAV increase of 3.02%. This would be the third year in a row the estimated levy rate reflected no increase. If the median home value of an owner-occupied home of $83,300 remained unchanged, the owner would see a decrease of $1.22 for the year in the City portion of the property taxes.

File Attachments

2019-12-36 tax levy.pdf (107 KB)