

Monday, December 17, 2018
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 17, 2018 - City Council Meeting at 6:30 pm
Type : Procedural

1. Meeting Opening

Subject : B. Roll Call
Meeting : Dec 17, 2018 - City Council Meeting at 6:30 pm
Type : Procedural

1. Meeting Opening

Subject : C. Pledge of Allegiance
Meeting : Dec 17, 2018 - City Council Meeting at 6:30 pm
Type : Procedural

2. Communication from Visitors

Subject : A. Public Comment
Meeting : Dec 17, 2018 - 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 17, 2018 - City Council Meeting at 6:30 pm
Type : Action (Consent)
Recommended Action : Approval of Minutes as presented

File Attachments

[cc120318.pdf \(107 KB\)](#)

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 17, 2018 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Approval of Bills and Payroll as presented

Public Content

File Attachments

[Balance Sheet 11-30-18.pdf \(331 KB\)](#)
[Budget Performance 11-30-18.pdf \(391 KB\)](#)
[Acct Pay 12-17-18.pdf \(363 KB\)](#)
[apsummary 12-17-18.pdf \(385 KB\)](#)

Consent

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3. Consent Agenda

Subject :	C. Final Pay Request to O'Brien Civil Works in the amount of \$10,585.45 for the Avenue D Sanitary Sewer Replacement
Meeting :	Dec 17, 2018 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Staff recommends approval of the Final Pay Request in the Amount of \$10,585.45

Public Content

The final pay request for the Ave D project is submitted for approval as the project is now complete. This project repaired and replaced a damaged sewer line behind the 1809 and 1813 Locust Street properties and rerouted a portion of the line that runs to Ave D as that portion laid beneath a house on Ave D.

File Attachments

[FP Avenue D sewer.pdf \(214 KB\)](#)

Consent

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3. Consent Agenda

Subject :	D. Partial Pay Request #3 for Twin City Construction in the amount of \$37,507.35 for the Dillon Avenue Project
Meeting :	Dec 17, 2018 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Staff recommends approval of Partial Pay Request #3 in the Amount of \$37,507.35

Public Content

This partial pay request covers work completed as of December 8th on the storm sewer project from 11th to LeFevre on Dillon Ave. Most of the work is now on hold until the spring.

File Attachments

[PPR3-Dillon Avenue.pdf \(330 KB\)](#)

Consent

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3. Consent Agenda

Subject :	E. Resolution #R2018-12-27 MFT Supplemental Resolution in the amount of \$666.36
Meeting :	Dec 17, 2018 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Pass Resolution #R2018-12-27 MFT Supplemental Resolution in the amount of \$666.36

Public Content

The Council must pass resolutions authorizing the exact expenses for all Motor Fuel Tax (MFT) Funds. The MFT calendar runs on a January-December calendar and any differences need to be accounted for even

though the City's fiscal year is still running. The City has not spent all of the budgeted MFT funds for the year. MFT funds are spent on cold patch, salt, labor for winter maintenance and patching as well as street lighting.

File Attachments

[R2018-12-27 mft supp.pdf \(57 KB\)](#)

Consent

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8. Business Items

Subject :	A. Tax Levy Ordinance #2018-12-39
Meeting :	Dec 17, 2018 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Pass Tax Levy Ordinance #2018-12-39 in the amount of \$4,908,575

Public Content

The projected Equalized Assessed Value (EAV) of the City is projected to increase 4%. This will provide a 4% increase in dollars for levies such as police protections and fire protection if the levy *rate* remains unchanged, which has been the past practice. In real dollars, most of these levies have been relatively steady due to a relatively flat EAV since the Great Recession.

Pension funds do not have levy rate caps under State Statutes in order to provide a guaranteed source of funding. The pension funds tax levies have grown far faster than inflation and EAV growth for many years. The actuary is recommending a minimum contribution to the fire pension fund of \$1,189,446 compared to \$1,159,533 for the prior year. This is a \$29,913 increase over last year, or a 2.57% increase. This amount represents 101.9% of payroll up from 99.84% of payroll. In other words, the City is now paying more for firefighter pensions than for active firefighter payroll. No less, this is the third smallest fire pension increase since 2008-09. This reflects the fire pension funds improved investment performance this year and additional capital in the fund due to past increased contributions using the actuaries recommendations.

The actuary recommended a minimum contribution to the police pension fund of \$1,180,013 this year versus \$1,137,726 the prior year. This is a \$42,287 or 3.7% increase over the prior year. The new amount represents 73.21% of projected payroll, up from 70.95% last year. This is the 3rd lowest increase since 2011-12. This reflects the police pension funds improved investment performance this year and additional capital in the fund due to past increased contributions using the actuaries recommendations.

Staff considered various factors when setting next years levy, including: property tax rates to businesses and citizens, increasing funding ratios and minimum statutory requirements for pension funding versus recommended funding levels in relation to our own experiences. The staff has always expressed concerns over the ramifications to future budgets and taxes for not funding the pensions by the amount recommended by the actuary or 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 tax increases in the future and lower the risk of future large funding spikes to meet Statutory requirements for funding ratios. Properly funding

pensions sooner than later mitigates the risk of the State seizing local funding as State statute allows. Failure to fund adequately today creates higher future tax increases due to the lack of required funds for investment for current and future pension payouts. The unfunded portion of the fire and police pension funds is a transfer of the cost of services already received to the next generation of taxpayers.

Staff is proposing a tax levy estimate of \$4,908,575, an increase of \$184,829 or 3.91%. Because the overall EAV increased 4% and the levy *amount* is proposed to increase 3.91%, the proposed property tax *rate* is actually slightly *lower*. This would be the second year in a row the levy rate posted a light decrease. If the median home value of an owner-occupied home of \$83,300 remained unchanged, the owner would see a decrease of \$1.12 for the year in the City portion of the property taxes.

The tax levy staff proposed funds the pensions at higher levels than the minimum recommended contributions (\$75,554 more for the fire pension and \$49,987 more for the police pension). There were three reasons staff is recommended this: 1) Even with lower recommended contribution increases than in the past, the percentage of payroll continues to climb as were still trying to recover from a combination of Great Recession investment losses and a large number of personnel in police and fire choosing to retire and collect pensions in the years immediately following the Great Recession. This is evidenced by the City now needing to contribute more to the firefighters pension than what we anticipate spending on payroll for firefighters next year; 2) Our funding ratios, while very slightly improved, remain in critical territory. The fire pension funding ratio increased 1.3 points to 49.64% and the police pension funding ratio rose 1.03 points to 54.73%. The State average for downstate fire and police pension funds in 2016 was 57.1% and 57.9%. We need to be aggressive, or at least not passive, in trying to return to stable footing. As of now, State law requires us to be 90% funded by 2040. Thats 22 years to make up 40 and 35 percentage points. 3) If were going to strive to level out levy increases as discussed in 2017, we have to put in more in the low years if there is hope to put in less in the high years. Putting in more now helps reduce the risk of a higher increase next year.

File Attachments

[2018-12-39 tax levy.pdf \(107 KB\)](#)

11. Adjourn

Subject :	A. Adjourn to Study Session of Draft Sewer Service Agreement for Connections Outside of City Limits
Meeting :	Dec 17, 2018 - City Council Meeting at 6:30 pm
Type :	Discussion

Public Content

The City Attorney has drafted a Sewer Service Agreement for the Council to consider adopting for use with property owners that receive sewer service outside of the City limits.