Monday, December 21, 2020
City Council Meeting at 6:30 pm

CITY COUNCIL MEETING AGENDA

Pursuant to Governor Pritzkers Executive Order No. 2020-07 (COVID-19 Executive Order No. 5), Governor Pritzker has suspended certain rules of the Open Meetings Act specifically the Executive Order permits remote public meetings. In light of the current COVID-19 public health emergency and the prohibition of public gathering of 10 or more, the City Council has chosen to conduct the board meeting remotely.

If you would like to listen to the meeting, please go to
Please click the link below to join the webinar:
https://us02web.zoom.us/j/81778828676
Or iPhone one-tap :
US: +13126266799,,81778828676# or +13017158592,,81778828676#
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Dial(for higher quality, dial a number based on your current location):
US: +1 312 626 6799 or +1 301 715 8592 or +1 929 205 6099 or +1 346 248 7799 or +1 669 900 6833 or +1 253 215 8782
Webinar ID: 817 7882 8676
International numbers available: https://us02web.zoom.us/u/kdC6T9HNCE

1. Meeting Opening

Subject :	A. Call to Order
Meeting :	Dec 21, 2020 - City Council Meeting at 6:30 pm
Type :	Procedural

1. Meeting Opening

Subject :	B. Roll Call
Meeting :	Dec 21, 2020 - City Council Meeting at 6:30 pm
Type :	Procedural

1. Meeting Opening

Subject :	C. Pledge of Allegiance
Meeting :	Dec 21, 2020 - City Council Meeting at 6:30 pm
Type :	Procedural

2. Communication from Visitors

Subject :	A. Public Comment
Meeting :	Dec 21, 2020 - 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 21, 2020 - City Council Meeting at 6: 30 pm
Type :	Action (Consent)
Recommended Action :	Approval of Minutes as presented

File Attachments

cc120720.pdf (84 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 Plan Commission Minutes
Meeting :	Dec 21, 2020 - City Council Meeting at 6: 30 pm
Type :	Action (Consent)
Recommended Action :	Approve minutes as presented

File Attachments

10 15 20 PC Minutes.pdf (159 KB)
11 19 20 Minutes.pdf (154 KB)

Consent

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3. Consent Agenda

Subject :	C. Approval of Bills and Payroll
Meeting :	Dec 21, 2020 - City Council Meeting at 6: 30 pm
Type :	Action (Consent)
Recommended Action :	Approval of Bills and Payroll as presented

Public Content

File Attachments

Accounts Payable by G_L Distribution Report 12_18_2020 10_47_39 AM_Mary McCormick_3D407C7L.pdf (305 KB)
11-30-20 Balance Sheets.pdf (332 KB)
11-30-20 Budget Performance Report.pdf (391 KB)
admin_20201218_103529.pdf (651 KB)

Consent

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3. Consent Agenda

Subject :	D. Pay Request # 2 to Civil Constructors, INC. in the amount of $$10,320.43 for Brinks Circle Reconstruction Project.
Meeting :	Dec 21, 2020 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Staff recommends approval of Pay Request # 2 to Civil Constructors, INC. in the amount of $10,320.43 for Brinks Circle Reconstruction Project.

Public Content

This invoice should be the 2nd to last invoice for the Brinks Circle reconstruction to Civil. The only outstanding item is a 1% retainage for seeding work in the area. The engineer recommends a 1% retainage to cover the approximate value of the seeding work. The engineer will verify germination in the spring, then recommend final payment to the City.Illinois American Water Company contributed $11,343.50 toward the reconstruction of Brinks, the cost they would have otherwise spent patching the road due to the water main replacement.

File Attachments

THG JB Progress Invoice with Units14.pdf (102 KB)

Consent

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3. Consent Agenda

Subject :	E. Pay Request # 6 to Martin and Company Excavating in the amount of $48,915.89 for the Roundabout project.

Meeting :	Dec 21, 2020 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Staff recommends approval of Pay Request # 6 to Martin and Company Excavating in the amount of $48,915.89 for the Roundabout project.

Public Content

The Roundabout and the repaving of Lynn from LeFevre to Old Route 2 is nearly complete. A 1% retainage is being withheld for final punch list work including seeding. The contractor is also working to remove a bump in the intersection before final payment.

File Attachments

Martin Company Pay Request Roundabout December 2020.pdf (1,668 KB)

Consent

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3. Consent Agenda

Subject :	F. Pay Request # 4 (Final Payment) to Twin City Construction in the amount of $4,922.15 for the Johnson Avenue Phase II Project.
Meeting :	Dec 21, 2020 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Staff recommends approval of Pay Request # 4 (Final Payment) to Twin City Construction in the amount of $4,922.15 for the Johnson Avenue Phase II Project.

Public Content

This is the final invoice for the Johnson Avenue work. The City completed the complete reconstruction, including new curb and sidewalk from LeFevre to 12th over a 2 phase project utilizing the stormwater management local option sales tax.

File Attachments

Twin Cities Construction Pay Request Johnson Ave December 2020.pdf (1,196 KB)

Consent

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3. Consent Agenda

Subject :	G. Pay Request # 8 to Martin and Company for Northland Mall Regional Detention Pond in the amount of $34,578.38
Meeting :	Dec 21, 2020 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Staff recommends approval of Pay Request # 8 to Martin and Company for Northland Mall Regional Detention Pond in the amount of $34,578.38

Public Content

The Northland Detention Pond has some minor dirt work and seeding in the west pond to do in the spring. The contractor had to address some issues with water seepage at the end of construction. Once the work is complete in the spring, the retainage can be released with final payment.

File Attachments

Martin Company Pay Request Northland Mall December 2020.pdf (69 KB)

Consent

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3. Consent Agenda

Subject :	H. Pay Request # 8 to Civil Constructors for Dillon Avenue reconstruction in the amount of $23,702.39
Meeting :	Dec 21, 2020 - City Council Meeting at 6:30 pm
Type :	Action (Consent)
Recommended Action :	Staff recommends approval of Pay Request # 8 to Civil Constructors for Dillon Avenue reconstruction in the amount of $23,702.39

Public Content

Dillon Avenue reconstruction from 11th Street to 4th Street is complete with the exception of a $6,103 retainage for the final wrap up. Funds for this project came from the stormwater local option sales tax.

File Attachments

Civil Contractor Pay Request Dillon Reconstruction December 2020.pdf (1,706 KB)

Consent

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8. Business Items

Subject :	A. Ordinance No. 2020-12-48 Annexing certain territory contiguous to the City of Sterling (Steelton Subdivision Group 13)
Meeting :	Dec 21, 2020 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Staff recommends approval of Ordinance 2020-10-48 Annexing certain territory contiguous to the City of Sterling (Steelton Subdivision Group 13)

Public Content

On December 7,2020, the City Council referred this matter to the Plan Commission. A public hearing was held at the Plan Commission meeting on December 17, 2020, regarding the proposed annexation and zoning recommendations for 1parcel to be zoned SR-8. Theproperty ownerhasbeen connected to city sewer for years and hasa signed pre-annexation agreementon file. Theproperty owner has received notification of the annexation.

File Attachments

Ordinance No. 2020-12-48 Annexing Property (Group 13) 1-29-20.pdf (311 KB)
STERLING Group 13 Territory Map 1-29-20.pdf (250 KB)

8. Business Items

Subject :	B. Resolution No. 2020-12-29 to Refer Consideration to Annex Certain Territory Contiguous to the City of Sterling (Steelton Subdivision - Group 14) to the Plan Commission
Meeting :	Dec 21, 2020 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Staff Recommends approval of Resolution No. 2020-12-29 to Refer Consideration to Annex Certain Territory Contiguous to the City of Sterling (Steelton Subdivision - Group 14) to the Plan Commission.

Public Content

This is Round 14of the annexations of the Steelton Subdivision. This single parcel isconnected to The City sewer and has anannexation agreementto annex once contiguous.

File Attachments

[Resolution 2020-12-29 Referring Annexation to Plan Commission (Steelton Group 14) 1-29-20 (1).pdf (306 KB)]
[STERLING Group 14 Territory Map 1-29-20.pdf (250 KB)]

8. Business Items

Subject :	C. Tax Levy Ordinance #2020-12-46 in the amount of $5,214,394
Meeting :	Dec 21, 2020 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Approve Tax Levy Ordinance #2020-12-46 in the amount of $5,214,394

Public Content

The projected Equalized Assessed Value (EAV) of the City is projected to increase approximately 5%. This will provide a 5% 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 can only increase through overall growth in property values.

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 $1,391,240 compared to $1,248,142 for the prior year. This is a $143,098 increase over last year, or an 11.46% increase. This amount represents 107.5% of payroll up from 104% 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 $1,349,242 this year versus $1,219,667 the prior year. This is a $129,575 or 10.6% increase over the prior year. The new amount represents 75.39% of projected payroll, compared to 75.63% from last year.

The actuarially determined contribution recommendations reflect the assets and liabilities from a snapshot in time. The current pandemic has created volatility in the pension funds portfolios. While markets have recovered since earlier declines, some investment vehicles havent fared as well. Further post-election volatility and a pandemic induced economic slowdown over the winter could further negatively affect the pension funds. In March, the Dow and S&P lost 3 years-worth of gains. It has taken most of the year for those indices to rebound. That has contributed to the 11% contribution increases to the fire and police pensions.

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 tax payers. 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. In advance of the consolidation, which is expected to occur in the latter half of 2021, the more assets we have in the pension funds, the lower our mandatory contributions to the statewide consolidated fund in the future. Future contributions will change depending on the actuarial assumptions the statewide consolidated funds will choose to use. As of this writing, the States consolidated funds have not established the actuarial assumptions they will use to calculate future contributions.

For the Tax Levy Estimate in November, staff proposed a tax levy amount of $5,214,394, an increase of $247,942 or 4.99%. Because the overall EAV is expected to increase 5% and the levy *amount* is proposed to increase 4.99%, the proposed property tax *rate* is actually very slightly *lower* (3.0744 vs 3.0746 or 0.01%). This would be the fourth year in a row the levy rate did not increase. As such, a homeowner will not see an increase in the City portion of the property taxes. The increased tax collection comes from growth in the EAV, primarily from industrial property values. Commercial and residential saw slight increases to overall property values, some of which has come from annexations.

The recommended tax levy 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 decreased by 0.06% percentage points to 50.34% and the police pension funding ratio rose 0.25 percentage points to 55.74%. The stagnant ratios are not unexpected due to the volatility earlier in the year. The State average for downstate fire and police pension funds in 2016 was 57.1% and 57.9%. The City needs 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, which is 20 years to make up 40 and 35 percentage points. To level out levy increases as discussed in 2017 while still making progress toward the goal of meeting the mandated funding requirements, the City should strive to contribute more in the lower actuarial contribution 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

2020 Tax Levy Final.pdf (27 KB)
Tax Levy Ordinance 2020-12-46.pdf (105 KB)

8. Business Items

Subject :	D. Ordinance No. 2020-12-45 Providing for the Abatement of Certain Taxes Levied Against Real Property Previously Annexed to The City
Meeting :	Dec 21, 2020 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Staff recommends approval of Ordinance No. 2020-12-45 Providing for the Abatement of Certain Taxes Levied Against Real Property Previously Annexed to The City

Public Content

As the City annexed territory to the west, including areas without pre-annexation agreements. In an effort to ease the transition into the City, the City Council agreed to abate a portion of the City property taxes for the first couple of years. The attached ordinance abates two-thirds of the Citys portion of the taxes payable in 2021

File Attachments

Ord 2020-12-45 Abating Tax 2-28-20.pdf (358 KB)

8. Business Items

Subject :	E. Resolution No. 2020-12-30 Providing for a feasibility study on the designation of a portion of the City of Sterling, Illinois, as a redevelopment project area under the Illinois Tax Increment Allocation Redevelopment Act and to induce development interest within such study area
Meeting :	Dec 21, 2020 - City Council Meeting at 6:30 pm
Type :	Action
Recommended Action :	Staff recommends approval of Resolution No. 2020-12-30 Providing for a feasibility study on the designation of a

portion of the City of Sterling, Illinois, as a redevelopment project area under the Illinois Tax Increment Allocation Redevelopment Act and to induce development interest within such study area

Public Content

The City is working with a prospective developer for the former Kmart site. To help facilitate the redevelopment of the long-vacant site and induce investment, the City is investigating the potential to create a TIF district for the area. This resolution is necessary to recoup the costs for conducting a TIF feasibility study and establishing a TIF. It allows the City and developer to be reimbursed from future TIF funds should a TIF district to become established. Ideally, a TIF would be created in early 2021 with the developer beginning improvements in mid-2021.

File Attachments

R2020-12-30 TIF Inducement Resolution (Kmart).pdf (91 KB)