

DANVILLE CITY COUNCIL
OCTOBER 18, 2016

#1....THE REGULAR MEETING of the City Council of the City of Danville was called to order at 6:02 p.m. by Mayor Scott Eisenhauer at the Robert E. Jones Municipal Building, 17 W. Main Street, Danville, Illinois.

THE ROLL CALL was answered by Mayor Scott Eisenhauer, Vice Mayor Rickey Williams Jr., Aldermen Brenda Brown, Jon Cooper, Dan Duncheon, Steve Foster, Sharon McMahan, Steve Nichols, Michael O'Kane, Sherry Pickering, Michael Puhr, Lloyd Randle, Tom Stone, and Rick Strebing. Absent was Alderman R.J. Davis. A quorum was present.

Staff Members Present: Assistant Corporation Counsel Bethany Nystrom, City Clerk Lisa Monson, City Comptroller Gayle Lewis, Corporation Counsel Dave Wesner, Engineering & Urban Services Director David Schnelle, Human Relations Administrator Sandra Finch, Human Resources Administrator Bill Westphal, Planning & Urban Services Manager Christopher Milliken, Public Safety Director Larry Thomason, Public Transportation Director Lisa Beith, Public Works Director Doug Ahrens, and Risk Manager Kathy Courson.

There were also 14 audience members and 3 news media in attendance.

#2....INVOCATION was given by Elder Tommie Reed, Pastor of Saints Synagogue C.O.G.I.C. Church, followed by

#3....THE PLEDGE OF ALLEGIANCE led by Alderman O'Kane.

#4....THE MINUTES of the regular meeting held, October 4, 2016 having been published and distributed, was presented. Alderman Cooper moved for approval as presented, seconded by Alderman Stone. On the voice vote, the motion so ordered.

#5....THE AGENDA for the evening was presented. Mayor Eisenhauer announced the removal of Item 8-B Ordinance: Amending Zoning Ordinance and Map to Approve Rezoning Petition #254 for Estate of John T. Gulick at 912-914 N. Vermilion Street and Item 12-A-1 City Clerk's Report. Item 8-B will be postponed to the November 1, 2016 City Council meeting. Mayor Eisenhauer asked Urban Services Manager Christopher Milliken to explain the reason for postponement of Item 8-B. Manager Milliken stated when we pass out zoning petition packets to petitioners we try to go through all of the information in the packet and in this case we did not verbalize the fact that the ordinance requires a 2/3 vote in the affirmative of the Council, which is stated in Chapter 151.73. It was not verbally communicated to the petitioner far enough in advance and in this case it was in the packet. Mayor Eisenhauer stated the removal was at his request due to the petitioner not being verbally informed of the 2/3 super majority requirement. The petitioners agreed to postpone the vote. There being no further changes, Alderman Cooper moved for approval as amended, seconded by Alderman Randle. On the voice vote, all ayes, no nays; the motion so ordered.

#6....MAYOR'S REPORT

#6-A..Proclamations – None

#6-B..Board/Committee Appointments

#6-B-1..Mayor Eisenhauer announced the appointment of Cynthia Parr-Barrett to the Danville Public Library Board, to replace Maggie Hoover, term to expire July, 2019. Alderman Randle moved to concur, seconded by Alderman Cooper. There being no questions or discussion, on the voice vote, all ayes, no nays; the motion so ordered.

#6-B-2..Mayor Eisenhauer announced the appointment of Thomas Stone to the East Central Illinois Community Action Agency Board, to replace Doug Ahrens. Alderman Brown moved to concur, seconded by Alderman McMahon. There being no questions or discussion, on the voice vote, all ayes, no nays; the motion so ordered.

#6-C..Reports of Boards, Agencies, Commissions - None

#6-D..Items of Information

Mayor Eisenhauer announced the temperature is warm in the Municipal Building due to the air handler being shut down due to the replacement of the HVAC system.

#7....PETITIONS, COMMUNICATIONS, AUDIENCE COMMENTS

- Cyril Ostiguy of Danville spoke concern of the City budget and feels more cuts can be made to various material purchases.
- Vince Koers of Danville voiced opposition to drive-up windows in package liquor stores and feels customers should have to get out of their car to make a purchase.
- Janis Ostiguy of Danville voiced concern of the City budget and is aware of the crisis the City is facing. She served as Chairman to the Fire Division Sustainability Committee that met two years ago and asked Council to review the graphs and charts included in the booklet that was put together by the Committee. She reminded Aldermen to look at the facts and what the City can control regarding the number of people the City employs.
- Allen Dixon, Jr. of Danville spoke concern of unfair citations that have been issued to him and feels people in the City do not have a voice.
- Ed Strahl of Danville thanked the Aldermen who voted "no" to the sales tax increase.

#8....ZONING PETITIONS

#8-A...Mayor Eisenhauer presented Rezoning Petition #253, ORDINANCE NO. 9069, amending the Zoning Ordinance and Map to change the zoning commonly known as 603 and 605 Cunningham Avenue be rezoned from R2 Single Family Residential to R4 Multi-Family Residential to allow for construction of additional parking lots for the adjacent nursing home facility for petitioner Heritage Manor Real Estate Danville LLC. After hearing testimony during a Public Hearing on October 6, 2016, the Planning & Zoning Commission voted 8 to 0 with 1 absent to recommend approval.

Alderman Foster moved to concur with the Planning & Zoning Commission's recommendation to grant approval, seconded by Alderman O'Kane. After all questions were addressed, the roll call vote being:

Ayes: Aldermen Brown, Duncheon, McMahon, Stone, Williams, Strebing, Pickering, O'Kane, Randle, Cooper, Puhr, Nichols, Foster

Nays: None

Absent: Alderman Davis

Motion carried 13 to 0 with 1 absent.

#8-B...previously removed.

#9....PAYROLL

Mayor Eisenhauer presented Payrolls for October 7, 2016, of \$78,381.04 and for October 14, 2016 of \$548,900.93. Alderman Stone moved to dispense with the readings and asked for approval as presented, seconded by Alderman Cooper. There being no questions, the roll call vote being:
Ayes: Aldermen Duncheon, McMahon, Stone, Williams, Strebing, Pickering, O’Kane, Randle, Cooper, Puhr, Nichols, Foster, Brown

Nays: None

Absent: Alderman Davis

Motion carried 13 to 0 with 1 absent.

#10...SCHEDULE OF VOUCHERS PAYABLE

Mayor Eisenhauer presented the Schedule of Vouchers Payable, having been published, posted, and distributed, for October 11, 2016, of \$2,364,903.26, and for October 18, 2016 of \$2,037,379.46.

Alderman Cooper moved to dispense with the readings and asked for approval as presented, seconded by Alderman Stone. There being no questions, the roll call vote being:

Ayes: Aldermen McMahon, Stone, Williams, Strebing, Pickering, O’Kane, Randle, Cooper, Puhr, Nichols, Foster, Brown, Duncheon

Nays: None

Absent: Alderman Davis

Motion carried 13 to 0 with 1 absent.

#11...PUBLIC WORKS COMMITTEE REPORT

#11-A..Chairman Puhr presented RESOLUTION NO. 2016-119 approving a Lease Between the City of Danville, County of Vermilion, and the Danville Public Building Commission for Public Safety Building for a supplement entitled “Sublease for Operations and Maintenance of the Public Safety Building”, moved to dispense with the reading and asked for approval as recommended by Committee, seconded by Alderman Cooper. There being no questions or discussion, the roll call vote being:

Ayes: Aldermen Stone, Williams, Strebing, Pickering, O’Kane, Randle, Cooper, Puhr, Nichols, Foster, Brown, Duncheon, McMahon

Nays: None

Absent: Alderman Davis

Motion carried 13 to 0 with 1 absent.

#11-B..Chairman Puhr presented RESOLUTION NO. 2016-120 authorizing Inter-Fund Borrowing for Danville Mass Transit to authorize the Comptroller to borrow up to \$400,000.00 from Sanitary Sewer Fund and borrow up to \$400,000.00 from the Solid Waste Fund with the funds to be paid back in same order they are borrowed in plus interest prior to the end of the fiscal year, moved to dispense with the reading and asked for approval as recommended by Committee, seconded by Alderman Cooper. There being no questions or discussion, the roll call vote being:

Ayes: Aldermen Williams, Strebing, Pickering, O’Kane, Randle, Cooper, Puhr, Nichols, Foster, Brown, Duncheon, McMahon, Stone

Nays: None

Absent: Alderman Davis

Motion carried 13 to 0 with 1 absent.

Chairman Puhr presented Items C, D, & E for a single vote, moved to dispense with the readings and asked for approval of all three items as recommended by Committee. There being no objections, Alderman Cooper seconded. Those items being:

#11-C..RESOLUTION NO. 2016-121 creating Community Reinvestment Fund 310, to accurately account for the revenue and expenditures associated with the additional .50% Home Rule Sales Tax in the 2016-2017 fiscal year;

#11-D..RESOLUTION NO. 2016-122 creating IHDA (Illinois Housing Development Authority) Blight Reduction Program, Fund 710, to accurately account for the revenue and expenditures associated with the award from IHDA for the 2016-2017 fiscal year; and

#11-E..RESOLUTION NO. 2016-123 authorizing Application to IHDA for Funds for Securing, Maintaining and Demolishing Abandoned Properties;

There being no questions or discussion, the roll call vote being:
Ayes: Aldermen Strebing, Pickering, O’Kane, Randle, Cooper, Puhr, Nichols, Foster, Brown, Duncheon, McMahan, Stone, Williams
Nays: None
Absent: Alderman Davis
Motion carried 13 to 0 with 1 absent.

Chairman Puhr presented Items F, G, H, I, J, K, & L for a single vote, moved to dispense with the readings and asked for approval of all seven items as discussed in Committee, but without recommendation. There being no objections, Vice Mayor Williams seconded. Those items being:

#11-F..RESOLUTION NO. 2016-124 authorizing Agreement Extension for Flexible Spending Program with Benefit Planning Consultants, Inc. for the plan year of January 1, 2017 through December 31, 2017;

#11-G..RESOLUTION NO. 2016-125 authorizing Agreement for Voluntary Vision Insurance with VSP (Vision Service Plan) for a two year contract for the period of January 1, 2017 to December 31, 2018;

#11-H..RESOLUTION NO. 2016-126 authorizing a one year agreement with Met Life for Dental Insurance for the period of January 1, 2017 to December 31, 2017;

#11-I..RESOLUTION NO. 2016-127 authorizing a one year agreement with Met Life through Old National Risk Partners, Inc. for Group Term and AD&D Life Insurance, and Voluntary Life Insurance for the period of January 1, 2017 to December 31, 2017;

#11-J..RESOLUTION NO. 2016-128 authorizing a one year agreement with Health Alliance for the City’s Medicare Advantage plan offered to Medicare Part B eligible retirees for the period of January 1, 2017 to December 31, 2017;

#11-K..RESOLUTION NO. 2016-129 authorizing a one year agreement with Blue Cross/Blue Shield of Illinois through Old National Risk Partners, Inc. for the City’s PPO and a PPO HDP (high deductible plan) with HSA (health savings account) Health Insurance for a 1.5% increase from the current plan; and

#11-L..RESOLUTION NO. 2016-130 authorizing a Spousal Incentive to Lower Monthly Health Insurance Premiums, an incentive program to qualified employees which provide the appropriate incentive payment of \$500, \$2,000 or \$2,500, minus all applicable taxes to employees on, December 9, 2016, in exchange for the monthly premium savings and utilization to the City of Danville’s health insurance from January 2017 through December 2017;

Alderman McMahan asked if the increase was only the 1.5% and Manager Courson stated “yes” and added there was a two week long negotiation process. She also stated there are some changes to the 2017 plan from the 2016 plan such as the PPO plan will be a “true PPO” plan where there will be more out of pocket expenses for the employee versus what the employee currently has with the PPO plan that has HMO co-pays which minimized the out of pocket for several employees. The City will no longer have some of the specific co-pays such as hospitalization, but office visits and ER visits will

still have co-pays on the 2017 plan with the rest of the medical procedures will apply towards their \$500.00 yearly deductible and be processed at 90/10 and the patient will be responsible for the 10% co-insurance until an out of pocket is reached at \$2,500.00. Mayor Eisenhauer stated he and Kathy met with the leadership of the unions and they all understand what we are trying to accomplish. He then gave credit to Manager Courson, and to Dan Grelecki and Don Carless with Old National Risk Partners, Inc. for their efforts in negotiating to keep the increase at being no more than 1.5%. He also thanked the City employees for the steps they have taken over the course of the last five years to bring the City's health insurance plan much more in line with what is traditionally seen across the State and the Midwest which has taken a great deal of effort on behalf of everyone.

There being no further questions or discussion, the roll call vote being:

Ayes: Aldermen Pickering, O'Kane, Randle, Cooper, Puhr, Nichols, Foster, Brown, Duncheon, McMahon, Stone, Williams, Strebing

Nays: None

Absent: Alderman Davis

Motion carried 13 to 0 with 1 absent.

#11-M..Chairman Puhr presented RESOLUTION NO. 2016-131 amending Contract for CDBG Housing Rehabilitation Project at 510 Bensyl Avenue, to amend and increase the purchase order for the project by \$2,600.00 for a total amount of \$24,975.00, with funds of \$1,028.70 to come from the Community Development Community Projects line item 106-106-14-54090 and \$1,571.30 to come from Community Projects line item 106-106-15-54090, moved to dispense with the reading and asked for approval without recommendation by Committee, seconded by Alderman Cooper. Manager Milliken stated the additional work is due to the need for a back porch roof. There being no questions or further discussion, the roll call vote being:

Ayes: Aldermen O'Kane, Randle, Cooper, Puhr, Nichols, Foster, Brown, Duncheon, McMahon, Stone, Williams, Strebing, Pickering

Nays: None

Absent: Alderman Davis

Motion carried 13 to 0 with 1 absent.

#11-N..Items of Information

[The next Public Works Committee meeting is scheduled for Tuesday, November 8, 2016 at 6:00 p.m.]

#12...PUBLIC SERVICES COMMITTEE REPORT

#12-A..previously removed.

#12-B..Items of Information

Chairman Nichols announced the next Public Services Committee meeting will be held Tuesday, October 25, 2016 at 6:00 p.m.

[Alderman Strebing left the meeting at 7:17 p.m. and Alderman Randle left the meeting at 7:35 p.m. during discussion of the next item.]

#13...DISCUSSION OF 2016 TAX LEVY AND FISCAL YEAR 2017-2018 PROPOSED BUDGET

Presentation from Lauterbach & Amen, LLP

Comptroller Lewis stated Lauterbach & Amen, LLP provided the actuarial consulting services for the City for the first time this year as Timothy Sharpe, Actuary, previously provided the actuarial services.

She introduced Todd Schroeder, Principal, Actuary with Lauterbach & Amen, LLP. Mr. Schroeder gave a PowerPoint presentation titled "City of Danville, Illinois Pension Fund Reporting" and highlighted the following information and results of the actuary for the Danville Police and Fire Pension Funds for fiscal year ended April 30, 2016:

- Current Year Contribution Requirement-Fire \$3,775,404; Police \$3,354,175
- Prior Year Contribution Requirement-Fire \$2,714,487; Police \$2,494,048
- Current Year Funded Percentage-Fire 18.87%; Police 30.95%
- Unfunded Actuarial Liability-Fire \$53,343,547; Police \$45,692,762 for a total of \$99,036,309
- Active Member Count-Fire 44; Police 64
- Inactive Member Count-Fire 82; Police 73
- Change in Net Position-Fire (\$1,129,612); Police (\$780,210)
- Current Benefit Payments-Fire \$3,467,010; Police \$3,026,517 for a total of \$6,493,527
- Expected Benefit Payments in 5 Years-Fire \$4,140,000; Police \$3,940,000 for a total of \$8,080,000
- Expected Benefit Payments in 10 Years-Fire \$5,040,000; Police \$4,880,000 for a total of \$9,920,000
- Changes in Contributions such as salary increase greater/(less) than expected, demographic changes, assumption changes, asset return less than expected, contributions (greater)/less than expected, and actuarial procedure for Total Actuarial Experience-Fire \$677,588; Police \$562,743
- Current Funded Percentage Summary Based on Actuarial Value of Assets-Fire 18.87%; Police 30.95%
- Transition Plan Scenarios which include projected results in three year transition scenarios that range from a total budget for both funds in 2016 at \$4,367,460 to \$8,398,703 in 2021.
- Net Pension Liability-Fire \$54,395,334; Police \$47,256,259
- Total Pension Expense-Fire \$5,173,936; Police \$4,285,479

Mayor Eisenhower thanked Mr. Schroeder for his presentation and opened the floor for questions. Mr. Schroeder addressed questions from Council members and discussion ensued.

Presentation from Mayor Eisenhower

Mayor Eisenhower handed out his presentation titled "Public Safety Pensions" that was presented to the Public Works Committee on October 11th, Spreadsheets of 2016 Tax Levy Scenarios numbered one to ten with sample Property Tax bills, Spreadsheets on Utility Tax Usage and Revenue for Electric Service and Gas Service along with a listing of Illinois municipalities with utility taxes. He summarized each tax levy scenario as follows:

Scenario#1: No Public Safety Fee and No General Fund Abatement for a projected Tax Rate of \$2.8871. Scenario#2: Public Safety Fee Only and No Abatement from General Fund for a projected Tax Rate of \$2.6960. Scenario#3: Public Safety Fee Remains at \$4 Per Month, Abate \$602,000 from General Fund for a projected Tax Rate of \$2.4873. Scenario#4: Same Property Tax Rate, Public Safety Fee and New Designated Revenue Source for a projected Tax Rate of \$2.0823. Scenario#5: Designated Revenue-Lowering Property Tax Rate for a projected Tax Rate of \$1.8469. Scenario#6: No Pension Funds Included in the Tax Levy, Funds Determined by Another Revenue Source for a projected Tax Rate of \$0.6244. Scenario#7: Public Safety Fee Remains at \$4 Per Month, Abate \$300,000 from General Fund for a projected Tax Rate of \$2.5920. Scenario#8: Property Tax Rate Decrease and Designated Revenue Source for a projected Tax Rate of \$1.6799. Scenario #9: Property Tax Rate Similar and Designated Revenue Source for a projected Tax Rate of \$2.0896. Scenario#10: Property Tax Rate Increase and \$15.00 Fire Division Fee for a projected Tax Rate of

\$2.1499. He stated someone had previously asked for a savings amount if the City replaced lighting with LED lighting and the approximate savings would be \$2,000,000.00. Director Ahrens responded Ameren does not have LED lighting for street lights, but staff is researching a grant for municipal owned lighting. Alderman Duncheon stated if the City went with scenario #4 and proposed another .50% in sales tax for an additional designated revenue source that would generate another \$1,800,000.00 and asked if there is interest from the other aldermen. Aldermen Foster and Vice Mayor Williams feel the previous sales tax increase should have been proposed at the end of the budget and tax levy discussions. Alderman Cooper stated he would like to look at a Utility Tax, eliminate the Public Safety Fee, and try to lower the property tax. Vice Mayor Williams stated he does not like the fees, but likes the idea of the Public Safety Fee being increased so the citizens will know what they are paying for and it is directly going to a certain place. He will not be supporting any increases, but feels it would be better to spread it out as much as possible because it is not fair to keep going to homeowners for increases. He also asked for the percent of salary increases in the proposed budget for the non-union personnel and Mayor Eisenhower responded there is a 2% salary increase in the budget and Comptroller Lewis stated there are 48 non-union employees. Vice Mayor Williams asked for the total and Mayor Eisenhower stated he will have to get the number for non-union only. Mayor Eisenhower stated cuts can be made, but as the Actuary stated this is a problem that is not going away soon. He agrees with the Vice Mayor and likes the idea of showing the public exactly what the money is being used to go towards such as the local Motor Fuel Tax and will be done with demolitions. His fear is if we keep abating or cutting out of the General Fund which means we either raise something in the General Fund or cut more out of the General Fund, at the end of the day, people are not recognizing the true impact that our pension costs are creating. It is a \$1.3 million dollar addition to what we had in pensions last year. There will also be back-pay for three years when the Firefighter contract is awarded, then that will be included in next year's pension calculation. The problem with pensions is not going away. If we continue to cut each year, by the fourth or fifth year you will have eliminated every single City service except those within an enterprise fund and police and fire and you will still have a \$90 million dollar unfunded obligation if we do not lose funding ratio, so we are looking for direction, but also trying to figure out ways like the Vice Mayor said at indicating what the true costs of pensions are to the community and then how do we address those true costs. Alderman Pickering stated she would like to see a little from each place such as a slight sales tax increase, a utility tax, and an increase to the public safety fee so the burden would not be on just one. Vice Mayor Williams likes the idea of a source where others do not pay property tax will pay such as a utility tax. Alderman Foster stated there is damage with the utility tax and larger businesses and asked Mayor Eisenhower his opinion on the economic development aspect on attracting new businesses. Mayor Eisenhower stated we have not gone around to see what everyone's KWH is to see what their bills might be and stated other communities who have a utility tax seem to be able to attract new businesses. Vice Mayor Williams asked for a spreadsheet that specifically outlines cuts that have been made. Mayor Eisenhower stated everyone will receive a budget next week that will include cuts that have been made. Alderman O'Kane asked if you can specifically show in the new budget the increase in sales tax did to alleviate some of the areas in the budget and where the money is going to and Mayor Eisenhower stated "yes" and stated the only relief to the General Fund is to the \$441,000.00 going from the General Fund to offset Bond and Interest and everything else was in enterprise funds. Comptroller Lewis stated the Community Reinvestment Fund creation was passed earlier this evening and the budget was included as part of the resolution. Alderman Stone likes distributing among several sources. Mayor Eisenhower stated he will bring proposals next Tuesday to the Public Services Committee.

#14...ITEMS OF INFORMATION

- Director Thomason announced the Fire Division's new rescue pumper truck, Engine 1, is on display in the parking lot this evening. The pumper is taking the place of two units and will be operating from Fire Station #1. On behalf of the Department of Public Safety and especially the Fire Division, Director Thomason thanked the Council for going forward and supporting the purchase of the new equipment.
- Alderman Brown announced the Laura Lee Fellowship House will be hosting a community appreciation breakfast on Saturday, October 29th at 9:00 a.m. and invited everyone to attend.

#15...CLOSED SESSION was not needed.

#16...ADJOURNMENT

There being no further business to discuss, the meeting was adjourned by acclamation at 8:16 p.m. following a motion by Alderman Pickering and a second by Alderman Cooper.



Lisa K. Monson, City Clerk

I, Lisa K. Monson, City Clerk of the City of Danville, Illinois, do hereby certify that the foregoing Minutes are a true and correct copy of the regular meeting held October 18, 2016, as the same appears on the records of the City now in my custody and keeping.

Lisa K. Monson, City Clerk

Approved: 11/1/16
Posted Publicly: 11/2/16