
Also present were City Attorney Tim Zollinger, City Manager Scott Shumard, Engineer Brian Frickenstein with Willettt Hofmann, Superintendent of Building and Zoning Amanda Schmidt, Finance Director Cindy Von Holten, Superintendent of Public Works Brad Schrader, Fire Chief Gary Cook, Deputy Fire Chief Mike Dettman, Police Chief Tim Morgan, and City Clerk Marie Rombouts.

The Pledge of Allegiance was recited.

Mayor Bill Wescott from Rock Falls thanked the Mayor and Council for an opportunity to speak on the progress of the dispatch consolidation. 24 years ago, E911 was started in Whiteside County with a Public Service Answering Point (PSAP). The state has now mandated that each County have only two dispatch centers. Whiteside County will keep their center and Sterling and Rock Falls will combine with calls being answered in Sterling. The County, CGH, Rock Falls and Sterling need to come to agreement to proceed with this transition. All dispatchers will be moved to Sterling with wages, seniority, and vacation time worked out for all employees. A few bumps in the road have developed. The primary one is the Director of the combined dispatch. Two candidates were considered. The Mayors were not part of the interviews. An outside candidate had 15 years of dispatching experience which most of the panel wanted to help with the transition. The remainder of the panel favored an internal candidate from Sterling. Wescott wants a dispatch center that everyone can be proud of.

Dennis Hemminger lives on Dillon Avenue and takes care of his property. When Illinois American Water Company opened the east side of the road, it was not resurfaced. It is in 30% worse condition than before they started. Hemminger stated that Dillon Avenue is in bad shape and wants some bang for his tax dollar.

Louis Beggs asked that since Sterling has a City Manager form of government if the Aldermen are puppets of the City Manager. Mayor Lee stated that the Council members are not the Manager’s puppets.

Matthew Reglin, a Sterling dispatcher, understood Mayor Wescott’s concerns and is happy that no one is losing their job. Reglin’s concern is the new director. Reglin believes that the other candidate may be preferred because of friendships.
Alderman Elston made a motion approve the Consent Agenda as follows:

A) Approval of Minutes from November 21, 2016
B) Bills and Payroll totaling $706,847.61
C) Petition from Toys for Tots to hold a bucket brigade on December 17, 2016
D) Final Pay Request for Wallace Street/Avenue B Round-About Project to O’Brien Civil Works in the amount of $10,976.89

The motion was seconded by Alderman Conklin. Voting: Ayes – Aldermen Conklin, Elston, Martin, Schuchard, Stauter and Wilen. Nayes – None. Motion carried.

Because of a recent retirement by Captain Mike Wheeler, Chief Cook introduced two firefighters for promotion, Jeremy Billeb and Mike Mackey. Jeremy’s father, Bill Billeb, retired captain from Dixon Rural Fire Department, pinned Jeremy Billeb as Captain. Mike’s father, Lynn Mackey, retired Sterling Firefighter, pinned Mike Mackey as Lieutenant.

Mayor Lee opened the Truth in Taxation Hearing at 6:50 pm.

Manager Shumard gave an overview of the proposed tax levy. The Equalized Assessed Value rose very slightly. All levies are projected to increase 1% or less except Tort & Liability with a 4% increase, Police Pension with an 8.15%, and Fire Pension with a 16.29% increase. Sterling has funded the pension funds at or near the recommended actuarial contribution level annually. Police and Fire Pensions are over 47% of the tax levy. The proposed increase of 6.06% would cost the average homeowner an additional $2.98 per month. The City does not set pension benefits or employee contributions; both are controlled by the State. If the City underfunds pensions, the State can take funds due to the City. To reduce or slow the growth in contributions, investment returns need to increase, number of retirees decrease, or reduce current staffing. The City used a different actuarial opinion this year. Shumard stated that decreasing the tax levy would mean reducing pension funding which will cause future tax increases to be even higher. Shumard also asked the Council to consider a referendum on home rule so the City can make sales tax changes instead of property taxes.

Louis Beggs asked if there was a tax that the City didn’t like.

Marsha Stern asked if there is alternative funding. Manager Shumard explained that last year the City added a utility tax on gas and electric. Personnel would have to be cut to eliminate costs. If Home Rule was approved by referendum, the City could add a food and beverage tax.

Dennis Hemminger stated last year’s tax levy increase was almost 19% and wanted to know when enough is enough.
Mikki Dettman asked if new businesses could generate revenue to help defray costs. Mayor Lee explained the City works closely with the Chamber, Main Street, and the Development Corporation to find new businesses.

Patty Celestino asked why the pension charts estimate people to live to be 120 old. Manager Shumard explained new tables were used but the chance of someone living to be 120 years old is very rare. Alderman Conklin explained life expectancy increases steadily because of new technology and discoveries. Alderman Martin stated that people are living longer. Alderman Conklin added that we had several retirees in a short time period.

Denise Hager asked how long we have had the same investment manager and suggested that it be reviewed regularly. Chief Morgan explained the Police Pension Board changed their investment manager about two years ago and have reduced the costs $70,000 to $80,000.

Manager Shumard explained there are 300 pension funds throughout the state that are run independently by municipalities. If funds were combined like IMRF, there would be fewer expenses and the fund could be better managed.

Alderman Martin asked what happens by 2040 if we are not 90% funded and the percentage of funding continue to dwindle. Manager Shumard explained the actuary predicts the funding to level off at 4 to 5% annually.

Mayor Lee compared the pensions to a 401K. The actuary determines how much is necessary to meet that goal. Sterling has not taken a tax holiday because it only makes tax increases more painful.

Rod Kleckler explained the tax levy increase is due to pension costs that are controlled by the State. He asked if there is any other funding for pensions. Manager Shumard stated there is some replacement tax. Kleckler encouraged everyone to contact their representatives in Springfield to get this pension problem resolved.

Randy Davis believes the City has shirked its responsibility to their citizens. It is not the employees’ fault. These pensions receive a 3% compounded annual increase. If that was cut in half it would be better for the long haul. Some employees also receive pension sweeteners before they retire. Davis faults municipalities for not informing citizens. You take an oath to include, inform, and advocate for citizens. The majority of votes are to dip into funds from the citizens. The City is then seeking a sales tax increase for streets. Mayor Lee suggested talking with state representatives. The newspaper has covered the information very well and got the information out there. Davis wants to know more about pension plans. Mayor Lee stated the basic structure is the problem. Every City has their own pension plan.
Mayor Lee closed the Truth in Taxation hearing at 7:24 pm

Attorney Zollinger informed the Council that Ordinance #2016-12-23 will need to be amended because Sterling already has a ½% sales tax and is seeking an additional ½%. Zollinger will prepare the new ordinance for the next meeting so it can be submitted to the County before January 3. Mayor Lee opened the floor for discussion on this item but no action will be taken.

Alderman Martin stated that the last ½% sales tax increase has been used strictly for streets. The proposed increase will be used for infrastructure, such as storm water management or streets. Manger Shumard stated the use of the money is not part of the referendum. Alderman Martin wants to assure citizens that the sales tax will be used for capital expenditures such as storm water management or streets. Martin stated that he does not want the storm water utility fee but understands why the City Manager considers it a better option. Martin knows we can charge a fee to resolve the storm water issues but we cannot charge additional fees for street reconstruction.

Mayor Lee stated the capital expenditure list was presented to consider how we will pay for future expenditures. Alderman Stauter wants the sales tax to be designated to address storm water issues. Attorney Zollinger explained the statute says it can be used for infrastructure. The Council would take action if the referendum passes to designate its use by passing a resolution.

Alderman Conklin made a motion to waive the bid procedure and accept Sterling Commercial Roofing’s proposal to repair the roof at the Lawrence Brothers Building in the amount of $51,450; seconded by Alderman Schuchard. Alderman Stauter asked how long this roof will last. Manager Shumard stated it should last three years. This temporary roof will help preserve the building so that it can be safely assessed and remediated for environmental purposes in the future. If the building continues to deteriorate, the whole building may have to be treated as hazardous waste rather than simply abating the actual hazardous conditions. Voting: Ayes – Aldermen Conklin, Elston, Martin, Schuchard, Stauter, and Wilen. Nayes – None. Motion carried.

Mayor Lee asked for Council reports. Alderman Elston reminded everyone that December 9 is the last day for yard waste pick-up. She also believes that citizens were happy with the snow removal because she did not receive any calls. Alderman Stauter thanked Kris Noble and Janna Groharing for the great Christmas Walk events. Mayor Lee reported the loss of Police Officer Frank Hopes’s father but was happy to announce that Officer Hopes also has a new baby girl. Mayor Lee also commended the Public Works crews for their snow plowing over the weekend.
Alderman Stauter made a motion to move to “closed session” at 7:45 pm to discuss personnel matters as covered under subsection (2) of 5 ILCS 120/2(c); seconded by Alderman Schuchard. Voting: Ayes – Aldermen Conklin, Elston, Martin, Schuchard, Stauter, and Wilen. Nayes – None. Motion carried.

Alderman Conklin made a motion to reconvene the regular Council meeting at 8:49 pm; seconded by Alderman Martin. Voting: Ayes – Aldermen Conklin, Elston, Martin, Schuchard, Stauter, and Wilen. Nayes – None. Motion carried.

With no further business, the meeting adjourned at 8:49 pm.

Marie Rombouts
City Clerk