

MINUTES
WOODSTOCK CITY COUNCIL
November 17, 2015
City Council Chambers

The regular meeting of the Woodstock City Council was called to order at 7:00 PM by Mayor Brian Sager on Tuesday, November 17, 2015 in the Council Chambers at City Hall. Mayor Sager explained the consent agenda process and invited public participation.

A roll call was taken.

COUNCIL MEMBERS PRESENT: Daniel Hart, Maureen Larson, Mark Saladin, Joseph Starzynski, RB Thompson, Michael Turner, and Mayor Sager

COUNCIL MEMBERS ABSENT: None

STAFF PRESENT: City Manager Roscoe Stelford, City Attorney Ruth Schlossberg, Finance Director Paul Christensen, Public Works Director Jeff Van Landuyt, Economic Development Director Garrett Anderson, Chief Robert Lowen, Assistant Public Works Director Tom Migatz, Sgt. Tino Cipolla, Officer Andy Reitz, and Officer Sharon Freund and K-9 Blue.

OTHERS PRESENT: City Clerk Cindy Smiley

FLOOR DISCUSSION

Introduction of Canine Officer Sharon Freund and Blue

Mayor Sager noted this evening he has a special opportunity to introduce the City's new Canine Officer Sharon Freund and K-9 Blue. He invited them to approach the podium and asked Chief Robert Lowen to say a few words about Officer Freund and Blue.

Chief Lowen noted that Officer Freund has been with the Woodstock Police Department for three years serving as a Field Training Officer and an Explorer Post Advisor. He stated that she has participated in Shop with a Cop and the Special Olympics Torch Run and has also been recognized by the Alliance Against Intoxicated Motorists for her dedication to traffic safety.

Chief Lowen further noted that Officer Freund and Blue recently completed eight weeks of rigorous Police Canine Training at Topps Kennels. He stated that they have already been involved in the identification of drugs and drug paraphernalia in a few stops. He noted that Officer Freund is joined this evening by her family.

Mayor Sager thanked Officer Freund for her service and for coming forward to serve in this capacity. He also noted that it is wonderful to celebrate this with her family and fellow employees. He further stated that it has not taken long for benefits to be derived from this program.

Proclamation Recognizing #McHenry County Gives

Mayor Sager noted this this proclamation recognizes the #McHenry County Gives...A Day of Giving Back and invited Laurie Bivona from the Pioneer Center to approach the podium.

Mayor Sager read the proclamation noting that it proclaims Tuesday, December 1, 2015, as *#McHenry County Gives...A Day of Giving Back* in the City of Woodstock. He thanked Ms. Bivona for promoting this and for being part of this effort on behalf of the community. He stated he is grateful for the fact that the Pioneer Center is making this concerted effort.

Ms. Bivona thanked the City Council for making this a priority in the City of Woodstock. She noted that there are many not-for-profits in the County who are hoping the community will give back.

Public Comment

Lydia Baltalbos, 621 Dean Street, stated she picked up today's Northwest Herald and displayed the front page. She stated at the last school board meeting there were individuals and business people begging to have their taxes looked at. She noted one business person is paying \$48,000 per year.

Ms. Baltalbos stated she does not beg as Council can tell, but she is present this evening because faith is lost and people are going to be facing more problems. She stated the public has been told that growth is going to be the solution again as it was supposed to be the solution back then. People have been given this same line. She stated she has no clue as to how this financial situation will be resolved.

She again noted the Northwest Herald article stating she read on line that other taxing bodies are being sued. She stated she doesn't think people go this route unless extremely frustrated and that this involves promises that are not kept. She stated citizens have no option as they cannot ignore their tax obligations.

She stated when Joe came and has been involved in this process and pointed out the faith aspect she wanted to point out something else that goes back before there was writing, but people got it and people understood. She stated some people use a turtle and some like to use a frog, but that is not what makes the difference. The character that makes a difference is the scorpion. She stated the scorpion was in trouble and asked the turtle for a ride across the stream to which the turtle asked how he knew the scorpion would not sting him. She continued, the turtle did give the scorpion a ride across the stream and sure enough after he was across the stream, the scorpion stung him. She stated as the turtle was going down, he asked "why did you do that, it is not logical" to which the scorpion replied, "my dear, logic has nothing to do with it." Ms. Baltalbos stated people are figuring out they are being taken for a ride like this frog, turtle, scorpion relationship that was exposed with TARP, with the housing collapse and people losing their homes and things.

She then stated let's go back to this and asked if anybody knows how this happened, if anybody knows if this has happened in this county, has anybody looked into this, and have discussions been held. She asked if there are any answers to this question.

Ms. Baltalbos stated she does not want to be part of this process, but knows there are a lot of people starting to feel so frustrated that perhaps there are these types of discussions taking place. She noted she is out of the loop but asked if there is a history of this in this county. She asked if anyone has an answer for this and what are the results of this.

Ms. Baltalbos stated she appreciates the Northwest Herald putting this on the front page and understands Cal's blog has something on this, noting she is not involved in the internet. She noted there is an undercurrent and hopes that people at this table as representatives of the taxpayers are understanding people's frustration and the situation of once accepting the solution they were given before as a solution for the problem today.

There were no further public comments forthcoming.

Council Comment

RB Thompson noted the Marian Central girls' volleyball team won the State Championship on Saturday.

Mayor Sager introduced the newest member of staff, Tom Migatz, the City's new Assistant Director of Public Works. He stated that Tom comes to Woodstock after 11 years of public service in the City of Elgin. He gave a summary of Tom's experience and service, thanked him for choosing Woodstock, and welcomed him.

M. Saladin noted there will be an Enterprise Zone meeting at 10:00AM on Friday at the County building.

RB Thompson also wished to recognize Luke Beattie who placed 9th in the IHSA State Cross Country Meet.

CONSENT AGENDA

Motion by M. Turner, second by M. Saladin, to approve the Consent Agenda.

- D. Hart requested the removal of item E-1 from the Consent Agenda

Item B – Minutes of Previous Meetings

M. Larson requested a revision to the minutes of the November 2, 2015 Special Council Workshop:

- Page 2, Paragraph 6, Line 1 should read "M. Larson stated John Harris has been attending the business owners' meetings..."

A roll call vote was taken on Consent Agenda items B through D:

B. MINUTES OF PREVIOUS MEETINGS

November 2, 2015 Special Council Workshop Meeting
November 3, 2015 Regular City Council Meeting

C. WARRANTS: 3688 3689

D. MINUTES AND REPORTS:

Human Resources Report – October 2015
Police Department Monthly Report – October 2015
Economic Development Report – November 2015
Cultural and Social Awareness Commission Minutes – October 5, 2015
Parks and Recreation Commission Minutes – October 13, 2015
Transportation Commission Minutes – October 21, 2015

A roll call vote was taken. Ayes: D. Hart, M. Larson, M. Saladin, J. Starzynski, RB Thompson, M. Turner, and Mayor Sager. Nays: none. Absentees: none. Abstentions: none. Motion carried.

Item E-1 – Liquor Application Moratorium Waivers

D. Hart recused himself from the proceedings at 7:22PM.

Motion by M. Saladin, second by J. Starzynski, to approve a waiver of the moratorium on the

acceptance of applications for a Class A-2 Liquor License for Supermarket La Trinidad located at 1230 Davis Road and for a Class A-5 Liquor License for the VFW Banquet Hall located at 240 N. Throop Street with the understanding there is no guarantee of license approval and this is a one-time waiver for the identified addresses only.

A roll call vote was taken. Ayes: M. Larson, M. Saladin, J. Starzynski, RB Thompson, M. Turner, and Mayor Sager. Nays: none. Absentees: D. Hart. Abstentions: none. Motion carried.

D. Hart returned to the proceedings at 7:25PM.

DISCUSSION ITEMS

2. Transmittal and Presentation of the FY14/15 Audit

Mayor Sager welcomed Jim Savio, Partner with the firm of Sikich, LLP. Mr. Savio thanked the Council for the opportunity to present the audit. He also thanked Finance Director Paul Christensen, City Manager Roscoe Stelford, Chief Accountant Bill Straczek, and City Staff for their assistance. He noted that all questions were answered and all requested information and documentation was provided.

Mr. Savio then discussed various aspects of the audit noting that his firm provided an unmodified opinion which is the highest level of assurance that can be presented to the City.

Mayor Sager noted in reviewing the audit he did notice some slight deviations from last year and asked if this is anything to be concerned about. In response, Mr. Savio stated these deviations are negligible. He noted that water and sewer cash flow is actually positive which is good and that the City is building cash reserves for capital improvements.

J. Starzynski quoted from Page MD&A 7 of the audit stating, "General Government expenses ended the year at \$5.5 million and reported a \$1.5 million increase compared with the prior year. As mentioned about \$0.5 million was a result of the City taking over garbage billing." He asked what resulted in the other \$1.0 million increase. R. Stelford noted that page MD&A 5 shows Highways and Streets decreasing by \$1.0 million so feels this was a reclassification into General Government. He stated Staff will investigate and provide a response to Council.

M. Turner asked about the "Other Post-Employment Benefits" item. In response, R. Stelford noted this is an estimate of how much health insurance exposure the City has for retirees, for whom, by law the City is required to allow them to purchase the City's health insurance at the group rate. He stated further that the City's exposure is as low as it can be as the City takes the most conservative approach, with retirees paying their health insurance premiums in their entirety. He stated this is the implicit subsidy for the health insurance costs for retirees.

M. Turner asked if state law requires that the City insure its retirees to which R. Stelford replied that the City is required to offer insurance, but the retiree must pay 100% of the premium with the City paying no part of it, which makes it the most conservative approach. He further stated, however, this is an implicit liability because seniors cost more while still paying the same group insurance rate as required by law.

In response to a question from M. Saladin concerning the role of the auditor to ensure the financial well-being of the City in light of the issues in Dixon and Fox Lake. Mr. Savio stated the auditors are an extra set of eyes, but are not an internal control system. He noted the auditors consider processes

and procedures to detect fraud, but the audit is not specifically designed to find fraud. He stated most often this is reported by employees. He noted the situation in Dixon, however, should have been found by the auditors. A brief discussion followed of methods used to consider fraud when performing the audit, including interviews with random employees without management present.

Lydia Baltalbos, 621 Dean Street, speaking from the audience, wished to ask how policy is constructed. She noted it was mentioned at the school board when finances were discussed they stated when new policy was formulated a comprehensive committee was convened and the school board decided to take the advice of the Committee. She noted she is asking particularly because of what happened going back to 1991 when a public-private process was implemented. She asked if she can find out if this is the case with the City, noting the school board took the advice of the people. She asked who does come together to put the process together to form policy.

Noting the topic under discussion at present is the audit, Mayor Sager provided the following response:

- 1) He stated it is a fact that one of the most significant policy decisions made by the City Council is the budget process. He noted the public is encouraged to come forward and participate in this process, stating there is a Public Hearing and a Public Workshop both of which are open to the public for their participation. He again stated this is the most significant policy decision made by the City and is open for public participation.
- 2) Mayor Sager then noted the City of Woodstock has 14 different Boards and Commissions which are made up of members of the public. These members serve based upon their interests and experience. Mayor Sager stated this is the City's approach to public participation in the formulation of policy.

2. Pavement Management Report

Mayor Sager invited Jason Fluhr of Baxter & Woodman to approach the body to discuss the Pavement Management Report included in Council's packet.

Mr. Fluhr noted that all City streets were evaluated and the report detailed the standard used. He reviewed the study's findings with the overall condition of the City's streets rated as poor, with 70% in fair or failing condition. He stated the cost to complete all necessary improvements is estimated at \$69 million dollars. Mr. Fluhr then discussed a five-year plan with the goal being to resurface/maintain streets which fall in the 50-80 pavement condition index (PCI) range rather than the current worst-to-first approach. He noted pavement deteriorates much more quickly as it ages and moves from fair to poor very quickly. He stated it is much better to address pavement issues when it is in fair condition. He acknowledged this would be a change to conventional thinking. He stated this assumes a \$1 million annual budget, but that the City would need to expend \$5 million per year to just maintain the current PCI, which demonstrates that the City's streets are deteriorating rapidly.

Mr. Fluhr then stated that while many of the streets are in failed condition which needs to be addressed, this should not be at the expense of the maintenance budget which keeps the other streets from becoming failed also. He suggested possibly identifying failed streets as a different line item within the City's budget.

Mayor Sager expressed appreciation to Mr. Fluhr for the comprehensive, well done report. He stated it helps the City grasp the difference between a good street and a failed street and is grateful for the approach taken with the pavement condition index.

Mayor Sager stated the City has recognized that it is behind the eight ball in this infrastructure which is the reason it has risen as an important priority within the budget. He noted the Council and the Administration have significant concerns regarding this item and stated this report will help Council to understand the factors that must be considered.

Mayor Sager then expressed shock and concern about 1) the overall rating of the streets; 2) the high costs associated with their associated repair; 3) the fact that this is expressed in current dollars, but represents future costs so is even more costly; and 4) how can the streets be maintained once we manage to rehabilitate them.

Mayor Sager noted the City of Woodstock has tried very hard to provide for maintenance within the budget constraints, but this is not really dealing with the ultimate problem. Further, he noted the City does not have \$5 million to put into streets every year. He asked how the City could finance \$69 million of local dollars needed for improvements to bring streets to good condition and then continue a maintenance program.

Mr. Fluhr expressed the opinion that it would not be wise to spend \$69 million to fix all streets because this would be needed again in five years. Rather, he said the idea of the plan is to change the mindset from worst to first. He stated these “worst” streets do need to be taken care of, but from a dollars and cents approach, it would be better to spend the money in crack sealing, for example.

In response to a question from RB Thompson, Mr. Fluhr stated there may be an opportunity to secure federal funding on the FAU (Federal Aid – Urban) route system. In addition, streets identified as such would be eligible to apply for other funding. Also, some streets could be classified as collector streets which would qualify them as FAU eligible. Mayor Sager noted that other communities are doing exactly the same thing and competition for available funds is fierce.

In response to a question from M. Turner, Mr. Fluhr stated while there is no set ratio, probably 25% of the budget could be allocated to the streets that need to be reconstructed and the remainder to maintenance activities such as crack sealing.

Mayor Sager noted over the past few years, the City has dedicated \$1 million per year to streets. He noted this is not even to dedicate 25% in dealing with worst to first and 75% to try to keep the other streets from going from fair to poor. He asked where the City is going to get more dollars aside from the federal government.

Mr. Fluhr stated he does not have the answer and every community is facing this challenge. He noted the first step was investing in this report, which objectively analyzed the streets and identified the best way to use the limited funds.

In response to a question from J. Starzynski, Mr. Fluhr stated that while it may be a good idea to look at alternative transportation ideas on streets with a lot of truck traffic, in reality this would not have much effect on other roads as the primary factors in street deterioration are weather and age.

In response to a question from Mayor Sager as to how the City might pay for this, R. Stelford stated the only way to generate more revenue is through taxes. He stated the City could look at alternate taxes and invest the revenue in streets. He stated the other way would be to reduce spending in other areas.

Mr. Stelford noted he has discussed with Public Works looking at other ways to reconstruct and maintain streets and instructed them to think outside the box. He has asked them to find more cost-effective and efficient ways to do this, encouraging them to find a new approach. He noted, however, moving from expending 1/30 of the City's budget to expending 1/6 of the budget on streets is a huge challenge. Again, he stated the City must find additional revenues or prioritize where the money is being spent.

M. Turner noted he does hear from people that the roads are bad. He stated the City has not seen growth here and that growth does fund things. He expressed his opinion that sales tax is an option that warrants consideration, providing it contains a sunset provision and is used only for roads. He also stated this is the reason he supported the Governor's agenda addressing Prevailing Wage because he wants the \$1 million the City spends to go as far as possible.

R. Stelford called Council's attention to the map provided in the report illustrating how far \$5 million will go toward street resurfacing, noting it is not a lot of streets.

In response to Mayor Sager's question concerning the possibility of bonding, R. Stelford stated the concerns would be that the City must be able to pay the bonds off and can only bond what we are currently spending. He also noted the rule of thumb is that the life of the bond cannot exceed the life expectancy of what is being bonded. He then stated that underwriting companies do not like dealing with maintenance projects. All of these factors could mean the City's debt rating could go down. He then discussed the bonding that was done for other roads and why these cases were different.

P. Christensen stated this would also increase the cost of the projects as the City would have to pay interest and so, long-term, could do less.

In response to comments by M. Larson concerning new technology, J. Fluhr stated there is new technology developing all the time regarding pavement mixes and thickness and how to make residential roads last longer. He discussed some of these new technologies.

Noting the budget has been increased to \$1 million, M. Larson asked where Woodstock falls in expenditures for roads compared to other communities. R. Stelford stated this can be investigated, but the comparison should be made to communities that have similar weather, with many freeze and thaw cycles.

A brief discussion ensued of the Rt. 14 project and how long those roads will last, with J. Fluhr noting a completely different process is used for highways than for residential roads.

Mayor Sager stated he would like R. Stelford to form a taskforce to look at a five-year plan to address the Pavement Management Report, with the plan then being presented to Council. He suggested that the plan address the following items:

- 1) New technology
- 2) Identification of opportunities for additional lobbying efforts
- 3) Concerns regarding bonding opportunities
- 4) Future revenues and approaches such as Home Rule sales taxes that would be dedicated to roads, and the positives and negatives of these approaches
- 5) What types of collaborative efforts can be taken with other governmental bodies, perhaps using labor, expertise, and equipment
- 6) Extension of the contract with Baxter & Woodman to use their expertise

In response to a question from M. Turner concerning what percentage of a \$2 million budget for roads would go to labor vs. material, J. Fluhr stated he would guess 60% would be material and 40% labor.

In response to a question from M. Turner about whether joining with another community to complete joint projects at the time would save money or allow more roads to be completed for the same money, J. Fluhr stated that theoretically this would be the case, but that some significant challenges would be introduced to the projects. M. Turner asked that R. Stelford investigate this as well.

In response to a question from M. Larson concerning whether the City could complete this work in-house, R. Stelford stated this has been investigated and was not found to be feasible as a single municipality, but that it may work through an organization like MCOG. He stated he has already spoken with Dorr Township about this possibility, but noted this is more complicated than some of the other partnerships in which the City has entered with other governmental bodies.

In response to a question from M. Larson, J. Fluhr stated the road construction season general runs from April through November, although IDOT projects run from May 1 through November 15.

Mayor Sager opened the floor to public comment.

Lydia Baltalbos, 621 Dean Street, speaking from the audience, stated when the solution to our stalled City was growth, she had a negative reaction because the City would have the obligation to put in the infrastructure. She stated her opinion that current roads would suffer. She noted the city depends on the Square as its identity and asked for a commitment that work would be done on roads near the Square such as the street the Groundhog Day house is on. She expressed the opinion that the condition of this road makes one wonder about the City's commitment. She asked Council when they consider future growth as the answer to the problem, does that mean the current roads will move farther down the list.

It was the consensus of Council that staff would advance this to another level as indicated previously by Mayor Sager and report back to Council. Following further discussion, it was the consensus that staff would attempt to report back to Council in March, but should that not be possible due to other projects such as formulation of the CIP and Budget, it would report back in May.

It was the consensus of Council that staff may continue discussions with Baxter and Woodman during its investigation of this issue and development of the report.

3. Future Council Workshop

R. Stelford noted the Administration wishes to discuss with Council its spending priorities for the next budget year, with this information to be used to formulate the budget. In addition, the topic of the use of the old fire station could be placed on the Workshop agenda.

Following a brief discussion, it was the consensus that the City Council Workshop would be held on Monday, December 7th from 3:30 PM to 5:30 PM at Stage Left Café.

FUTURE AGENDA ITEMS

There were no changes or additions to the Future Agenda.

ADJOURN

Motion by M. Larson, second by M. Turner, to adjourn this meeting of the Woodstock City Council to the next regularly scheduled meeting on Tuesday, December 1, 2015, at 7:00 PM in the Council Chambers at City Hall. Ayes: D. Hart, M. Larson, M. Saladin, J. Starzynski, RB Thompson, M. Turner, and Mayor Sager. Nays: None. Absentees: None. Abstentions: None. Meeting adjourned at 8:37 PM.

Respectfully submitted,

Cindy Smiley
City Clerk