

Mayor Charles "Skip" Lee called a meeting of the Sterling City Council to order at 6:30 pm on Monday, November 17, 2014. Roll call. Present: Aldermen Barry Cox, Retha Elston, Joe Martin, Chris Schuchard, Lou Sotelo, and John Stauter. Absent: None.

Also present were City Attorney Ron Coplan, City Manager Scott Shumard, City Management Intern Kevin Smith, Superintendent of Building and Zoning Amanda Schmidt, Fire Chief Gary Cook, Police Chief Ron Potthoff, and City Clerk Marie Rombouts.

The Pledge of Allegiance was recited.

There was no communication from Visitors.

Alderman Cox made a motion to approve the Consent Agenda as follows:

- A) City Council Minutes of November 3, 2014
- B) Bills and Payroll totaling \$412,845.15
- C) Petition to allow Home of Hope to solicit funds at the intersections of Second Street/Second Avenue and Fourth Street/Second Avenue from 8:00 am to 2:00 pm on Saturday, November 29, 2014
- D) Partial Pay Request #1 for Hey's Lift Station Sanitary Force Main to Fischer Excavating in the amount of \$205,424.05
- E) Partial Pay Request #8 for the 2013 Street Project Contract #2 for Twin City Construction in the amount of \$19,059.97
- F) Partial Pay Request #3 for the 2014 Street Project Contract #2 for Civil Constructors in the amount of \$70,740.27

The motion was seconded by Alderman Schuchard. Alderman Stauter asked about the status of Hey's Lift Station. Manager Shumard reported that they have tested one of the valves. Shumard left a message with the engineers and is waiting for an update. Voting: Ayes – Aldermen Cox, Elston, Martin, Schuchard, Sotelo, and Stauter. Nays – None. Motion carried.

Alderman Elston made a motion to approve the Proclamation declaring Saturday, November 29, 2014 as Small Business Saturday; seconded by Alderman Sotelo. Voting: Ayes – Aldermen Cox, Elston, Martin, Schuchard, Sotelo, and Stauter. Nays – None. Motion carried. Alderman Stauter read the proclamation into the record.

Superintendent Schmidt presented the proposed Ordinance Amending the Municipal Code to provide for registration and periodic inspections of residential rental property in order to protect, preserve and promote public health, safety, and welfare. Schmidt stated that Sterling staff has been working with Rock Falls on this ordinance. Sterling had attempted the rental inspection program five or six years ago and failed. The

object is to ensure adequate housing stock for residents. There will be a grading system with grades A, B, C, and D. Class "A" will be units in excellent condition. "B" will be with minor violations. "C" will be multiple or significant violations that can be repaired. Class "D" has serious health and safety violations that pose a threat and cannot be occupied until violations are corrected. Registration fees are determined according to the number of units. Rock Falls is concerned about the cost and having only one inspector. We want consistency between the two cities.

Mayor Lee asked what consists of substandard conditions. Schmidt stated that the Property Maintenance Code outlines these conditions and we are currently working on a checklist.

Alderman Cox asked if inspections will include life safety items only. Schmidt stated inspections will look for immediate threats. Alderman Cox would like to see the checklist before passing the ordinance.

Mayor Lee stated this presentation is for information only; the ordinance will not be acted on tonight.

Alderman Elston asked if we might share an inspector with Rock Falls so inspections remain consistent. Schmidt stated that a shared inspector has been considered.

Alderman Sotelo was concerned that information may be collected differently by individual inspectors. Schmidt stated that open communication is important and a checklist will take doubt away.

Alderman Elston reiterated that this is not a money maker for the City. Schmidt stated that compliance is the goal. Schmidt admitted that tenants can be bad but regular inspections will give everyone a level playing field.

Alderman Cox asked about single-family homeowners. Schmidt stated that property owners choose to live in their homes as they are; tenants do not make that choice. Inspections are done when properties are vacant.

Alderman Cox asked if landlords can call when tenants are creating violations, such as not disposing of garbage properly. Schmidt stated that landlords can contact the City and we will fine tenants but the City cannot evict tenants. Alderman Cox believes the City could receive a subpoena to substantiate violations. Schmidt agreed they could. Schmidt reported photos will be taken and written reports will be done during inspections.

Alderman Martin asked how 50 miles was determined for the distance of a local agent. Schmidt stated it was a distance used in similar codes. Martin wanted penalties to cover expenses of the program instead of registration fees for Grade A and B rental

units. Martin also wanted to assure that inspections will be uniform with no preferential treatment. Schmidt admitted that Rock Falls may charge more to offset expenses.

Alderman Cox stated this program is to provide quality housing, not to harrass landlords.

Alderman Martin asked what the time limits are for compliance. Schmidt stated the inspection takes place, the checklist is given to the owner, with a set amount of days to bring it into compliance, a re-inspection takes place, and then a Certificate of Occupancy is issued. Fines are determined by the Administrative Hearing Officer.

Alderman Sotelo asked about an appeals process. Schmidt explained they are hoping for compliance across the board. The Property Maintenance Board of Appeals is in place to hear appeals. The board consists of professionals in various construction fields. The board makes a recommendation.

Alderman Cox asked what the minimum fine is. Schmidt stated that it has been updated from the copy distributed; the minimum fine is \$75. Staff believes that \$20 is not enough motivation to correct violations.

Alderman Stauter asked what happens if water is shut off because a tenant has not paid bills. Schmidt stated that a residential unit is condemned if water is shut off, in accordance with State law. Sterling's inspectors are out there on the streets and know those tenants that move around a lot.

Alderman Schuchard asked if registration fees apply in tenants don't change. Schmidt stated that fees are annual even if occupancy does not change.

Alderman Sotelo reminded the hidden costs are the neighbor living next door to a dilapidated rental property when he tries to sell his property. Alderman Cox stated that rental properties are not the only ones that affect resale values.

Mayor Lee asked if Class A properties still pay the registration fee annually. Schmidt stated that fees are annual for all properties. Landlords will be able to advertise that they have Class A rental units, which can, in turn, bring better money for a rental.

Alderman Cox asked if the City would have liability for classifying a property as an "A" and deficiencies were found after the sale of the property. Schmidt stated the classifications are for rental purposes not buying or selling properties.

Rod Kleckler, President of the Sauk Valley Landlords Association, presented his viewpoints on the proposed Rental Inspection Program. If a "C" property is brought up to code then it should become an "A" and not need yearly inspections. Words such as adequate, sufficient, and obsolete are subjective and vary from one person to another.

How are "A" rentals protected from "D" owner-occupied neighbors? Rock Falls proposed hiring a pizza delivery person and pay them minimum wage; what would they know about code violations? If a tenant calls for a re-inspection, who pays the fee? If government-owned rentals are exempt, what others are exempt?

Alderman Cox left the meeting at 7:29 pm.

Manager Shumard presented the tax levy estimate. The projected Equalized Assessed Value (EAV) of properties is approximately one-third of the property value. The EAV for next year will decline 1.04% as pension funding continues to grow. To meet actuary recommendations, fire pension funding will increase 9.6% and police pension funding will increase 6.9%. The estimated tax levy for 2014 is \$3,637,306, a 4.24% increase over last year's \$3,489,477. Because the increase is less than 5%, a public hearing is not necessary. This proposal can be changed but no significant changes are anticipated.

Chief Cook stated the Holiday parade will take place on Saturday and invited Council members to meet at the Fire station at 12:45 pm to ride on the fire truck for the parade.

Management Intern Smith reminded Council members of the paperless agenda training at 5:30 pm on December 1, before the next meeting.

Alderman Elston reported that roads were slick on Saturday evening and asked what mandates salt trucks being dispatched. Manager Shumard stated that plows are dispatched after 2" of snow and icy conditions depend on when the Police Department calls the Public Works crew. Chief Potthoff offered to explain the circumstances to citizens, if necessary.

Alderman Elston encouraged everyone to take part in the holiday celebration beginning with the parade on Saturday.

Alderman Schuchard thanked Superintendent Schmidt for her presentation on the rental inspection program.

Mayor Lee stated the Council will begin working on strategic planning. He also thanked everyone for their participation in the Veteran's Day celebration.

With no further business to discuss, the meeting adjourned at 7:43 pm.