

: OFFICIAL PROCEEDINGS :**: OF THE CITY OF PEORIA, ILLINOIS :**

Council Chambers, Peoria, Illinois, September 30, 2003, a Regular Meeting of the City Council was held this date at 6:15 P.M., at City Hall, Council Chambers, 419 Fulton Street, Mayor David P. Ransburg presiding.

ROLL CALL

Roll call showed the following Council Members present: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg (arrived at 6:20 P.M.), Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11; Absent: None.

INVOCATION & PLEDGE OF ALLEGIANCE

Mayor Ransburg requested a moment of silent prayer and he then requested that Boy Scout Troop #156 from St. Vincent dePaul Grade School lead the Pledge of Allegiance.

PROCLAMATIONS, COMMENDATIONS, ETC.

PROCLAMATION: WEEK-TV 25 – 50th ANNIVERSARY

PROCLAMATION: SICKLE CELL DISEASE AWARENESS WEEK: September 28 –
October 4, 2003

CONGRATULATIONS TO JOURNAL STAR REPORTER SONYA KLOPFENSTEIN

Mayor Ransburg announced that Journal Star Reporter Sonya Klopfenstein had been promoted to the Lifestyles Section of the Journal Star and would no longer continue as the City Hall reporter. He wished her well in her new position.

MINUTES

Council Member Nichting moved to approve the minutes of the Regular City Council Meeting and Executive Sessions held on September 23, 2003; seconded by Council Member Turner.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Spears, Teplitz, Thetford, Turner, Mayor Ransburg
- 10;

Nays: None.

PETITIONS, REMONSTRANCES & COMMUNICATIONS – CITY OF PEORIA

**CONSIDERATION OF CONSENT AGENDA ITEMS BY OMNIBUS VOTE, for the City of Peoria,
with Recommendations as Outlined:**

**(03-577) NOTICE OF LAWSUIT on Behalf of RICHARD E. CORDER Regarding an Incident
on November 1, 1999, with Recommendation to Receive and File and Refer to the Legal
Department.**

- (03-578) **PAYMENT ESTIMATES FOR PUBLIC IMPROVEMENT PROJECT: KNOXVILLE AVENUE – MT. HAWLEY CONNECTOR ROAD** (Construction of a new street between Knoxville Ave. and Mt. Hawley Rd. opposite the relocation of Country Meadows Lane and a Church Entrance. Included is the widening of the N.B. right turn lane at Northgate and construction of a directional median, the removal of a median north of Teton Dr., p.c.c. widening, bituminous base course, storm sewers, earthwork, traffic signals, bituminous resurfacing & other misc. work.) **R.A. CULLINAN & SON, INC. - PAY ESTIMATE #6: TOTAL AUTHORIZATION APPROVED: \$263,208.64. (For Information Only)**
- (03-579) **BIDS for UNIVERSITY STREET and MIRAMAR STREET TRAFFIC SIGNALS** Recommending the Low Bid of **ADVANCED ELECTRIC CO.** in the Amount of **\$82,940.38**
- (03-580) **Communication from Corporation Counsel Recommending Adoption of ORDINANCE NO. 15,534 Amending Chapter 10 of the Code of the City of Peoria Relating to Increasing the FEES for the ISSUANCE of REVENUE BONDS for Economic Development Projects.**

RECOMMENDATION TO RECEIVE AND FILE THE FOLLOWING REPORT BACKS:

- (03-536) **Communication from Corporation Counsel and Superintendent of Police Regarding**
* **REPORT BACK on PROSTITUTION ENFORCEMENT.**
- (03-558) **Communication from Assistant City Manager with REPORT BACK Regarding IMRF**
EARLY RETIREMENT PROGRAM. (Refer to 03-375 and 03-333)

Council Member Sandberg arrived at the meeting at 6:20 P.M.

Council Member Nichting moved to approve the Consent Agenda items as outlined in the Council communications; seconded by Council Member Grayeb.

Council Member Thetford requested Item No. 03-536 be removed from the Consent Agenda for further discussion.

Item Nos. 03-577 through 03-580, and 03-558 (excluding Item No. 03-536 which was removed from the Consent Agenda for further discussion) were approved by roll call vote under the Omnibus Vote Designation.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg - 11;

Nays: None.

- (03-536) **Communication from Corporation Counsel and Superintendent of Police Regarding**
* **REPORT BACK on PROSTITUTION ENFORCEMENT.**

Council Member Thetford re-emphasized the importance of the Chief of Police and the States Attorney doing everything possible to keep prostitutes from returning to their previous areas, which she said had often occurred in the past.

Council Member Thetford moved to receive and file the report back on prostitution enforcement; seconded by Council Member Teplitz.

Council Member Grayeb said this measure had been used effectively in other major cities, but he said it was pointed out that a City could not prohibit such a person from living in a neighborhood. He said this had been upheld in other judicial circuits and he was hopeful these efforts would be useful. He said this was an ongoing problem and was City-wide, and he said it affected everyone's real estate taxes and livability in the neighborhoods.

Motion to receive and file the report back on prostitution enforcement was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner,
Mayor Ransburg - 11;

Nays: None.

(03-581) Communication from Corporation Counsel Requesting Authorization to RETAIN C. (KEES) W. CORSSMIT as the CITY'S APPRAISER on the Three Member Appraisal Commission Established by the 1904 Amendment to the Water Franchise Ordinance.

Council Member Morris moved to approve C. (Kees) W. Corssmit as the City's Appraiser on the Three Member appraisal Commission established by the 1904 Amendment to the Water Franchise Ordinance; seconded by Council Member Turner.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner,
Mayor Ransburg - 11;

Nays: None.

(03-582) Communication from Director of Economic Development Requesting Approval of a PROFESSIONAL SERVICES CONTRACT with MACTEC (f/k/a Harding ESE, Inc.) for Completion of the Environmental Investigation Activities for the MUSEUM PROJECT and Authorization for the Interim City Manager to Execute the Necessary Documents.

Council Member Grayeb moved to approve the professional services contract with MACTEC (f/k/a Harding ESE, Inc.) for completion of the environmental investigation activities for the museum project and authorize the Interim City Manager to execute the necessary documents; seconded by Council Member Nichting.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner,
Mayor Ransburg - 11;

Nays: None.

UNFINISHED BUSINESS

**(03-375) Communication from Interim City Manager Regarding BUDGET
** RECONCILIATION PLAN – 2004 BUDGET. (Refer to 03-333 & 03-558)**

Interim City Manager Steve Van Winkle distributed a communication regarding background information relative to the Budget Reconciliation Plan to all members of the Council.

A communication from the Peoria Civic Center General Manager Debbie Ritschel was also distributed to all members of the City Council.

Interim City Manager Steve Van Winkle explained the communication that was distributed to the Council, and he said the budget gap that was reported in late August in the amount of \$500,000 was enlarged due to the fact that the Administration did not have numbers in the budget to cover pension costs and several other items that were brought to the Council's attention in the communication.

Interim City Manager Van Winkle reported that the budget gap was now approximately \$2 million. He said Department Heads made presentations to the Council on September 9th and 16th outlining the serious staffing and service delivery problems. He said recommendations were made in the communication that would allow the Administration to provide a certain level of service. He said his recommendations were built on what had already been accomplished in budget discussions. He said the Council voted twice to keep Fire House #11 open so he decided to find ways the Fire Department could cut costs and procedures. He said this was founded on the basis that the Council had already made their wishes known on this issue. He also discussed the extension of the garbage contract which would be coming before the Council on October 21, 2003, and the proposed \$150,000 in savings. He said funding for salaries would be taken out of the Capital Budget for those positions that supported capital projects. He added this was no different than what had occurred in the past. He said programs were protected as much as possible.

Assistant City Manager Alan Pennington discussed the gap reduction recommendations as outlined in the communication in the amount of \$2,151,436. He said the gap in the pension funds amounted to \$1,202,756, rental inspection fees would come in less than budgeted of \$79,000, the \$6.00 a month refuse user fee revenue shortfall totaled \$89,128, plus the Fire House 11 deficit of \$500,000, for a total of \$1,870,884 shortfall. He further discussed proposed staffing changes that would increase Staff in Public Works and Planning by a net total of two with four positions being added, but two positions being eliminated.

Interim City Manager Van Winkle further expressed his concerns regarding the use of a garbage collection user fee. He said the communication provided information he felt the Council should have and he urged the Council to reconsider this issue. He said he was not prepared at this time to offer anything to take its place if the Council wanted to reconsider the garbage collection user fee, but he would be prepared in about a month with an alternative.

Interim City Manager Van Winkle urged the Council to consider each component of his recommendation independently. He said if the Council had other ideas how to close the budget gap, once the idea was presented, he suggested that a motion be made and voted. He said he would follow up on each idea that had the support of the majority of the Council.

In discussion with Council Member Morris, Assistant City Manager Alan Pennington clarified that keeping Fire Station #11 open would require \$600,000 per year.

Council Member Morris said he felt the Council had not given the Administration a fair choice in closing the budget gap. He said he felt the recommendations were a hodge-podge attempt of short-term solutions for a long-term problem. He said he was unwilling to vote on any of the recommendations, even though there may be a couple of good components, until the long-term budget problems had been solved for 2004. He said there was a \$250,000 problem for 2003 and the 2004 problems needed to be solved.

Council Member Morris moved to deny the recommendations outlined in the communication regarding Budget Reconciliation Plan for the 2004 Budget in full with the understanding this Council would give further direction; seconded by Council Member Turner.

Council Member Grayeb said he felt the motion was irresponsible and was holding a well-crafted budget hostage, even though he said he disagreed with parts of it. He said the recommendations would get the City through 2004 and would finish 2003. He expressed concern that other Council Members still had problems with keeping Fire Station #11 open and he felt some could not accept the fact that a majority of the Council had repeatedly voted to maintain Fire Station #11. He said he would not support undemocratic moves that he felt were destructive. He added the budget proposal was not perfect but it was built on what the Council had already voted for, which had been proposed by the former Interim City Manager Bern Ewert.

Council Member Morris said, on a point of clarification, he did not support the former Interim City Manager's budget and he said his motion did nothing to reverse the decision of the Council regarding Fire Station #11. He said there were a number of other issues presented that had long-term implications. He said his motion was strictly to deny what he felt was a hodge-podge short-term solution.

Council Member Gulley said he voted to keep Fire Station #11 open, but he said he would support the motion because the time had come to make difficult decisions. He expressed concern that if the Council did not make these kinds of difficult decisions, the City would die. He said he would support the motion.

Council Member Turner said more City government had been created by adding programs and services, and now the taxpayers in the community could no longer afford those programs and services. He said the Council needed to accept that fact. He stated cities throughout the nation were still experiencing the same economic woes that they had begun to experience ten months ago, with no end in sight. He said the Council had to be accountable and responsible so difficult decisions had to be made for the best interest of the taxpayers.

Council Member Turner said he could not support turning the control of ESDA over to the Fire Department only to have the possible option of those positions being eliminated in favor of new fire positions. He also said he would not support robbing the capital budget to fund operations as spending continued to increase by the increase of salaries and the hiring of more personnel. He expressed concern that if money from the capital budget was used, there was no plan to restore those funds to the capital budget within a reasonable amount of time.

Council Member Turner referred to Fire Station #11 and he stated he was not interested in a one-year solution to address this issue. He said in 2005, there would be a \$1.1 million deficit to be paid by the taxpayers. He said keeping Fire Station #11 open was not in the best interest of the taxpayers, unless they wanted to pay for it. He said, at best, Fire Station #11 should be staffed with emergency services only. He said not one Fire Fighter would lose their job if Fire Station #11 was closed. He explained that staffing for Fire Station #11 was currently being paid by overtime that was not in the budget, which would need to be addressed at some point in time. He indicated there were too many unknown factors in the recommendations and he said he would not support a property tax increase. He said the City would have to do more with less money.

Council Member Thetford said the bulk of the reductions in capital would undercut the capital infrastructure needs primarily in the older neighborhoods and she indicated she could not support the transfer from IMRF. She expressed concern that personnel would be hired with no long-term solution to pay salaries and she expressed concern regarding the proposed structural reorganization and reduction of ESDA at a time when Homeland Security was a top priority with no explanation how it would work. She also expressed concern regarding a \$125,000 revolving door contract with a former employee who took advantage of the Early Retirement Incentive. She suggested maybe a few components of the recommendation could be used to address the \$250,000 deficit for 2003. She further suggested that the 2003 deficit be solved first before solving the 2004 deficit.

Council Member Teplitz said she had reviewed the recommendations against the budget dilemmas for 2003 through 2007 when there would not be sufficient revenue to offset costs. She indicated the creation of the problem was shared by the Council and Administration and she felt the City was behind the times of restructuring services and how resources were allocated. She pointed out that the Council's role was to look out for the well being of the City by the creation of new jobs, industry, and new sources of revenue, yet the budget for the Economic Development Department was \$600,000 this year. She said there was a proposal to take \$50,000 from Economic Development which was revenue identified to be spent on the development of the medical-technical district, which was the one solid hope for economic development and job creation at this time. She said it would be a mistake to take money away from that project.

Council Member Teplitz expressed concern that Fire Station #11 would be kept open because it had very few fire calls in the past. She said her decision to vote in favor of closing Fire Station #11 was based on facts. She said it was time to make decisions to reallocate how the money was being spent. She indicated she could not support a short-term solution for long-term problems and she looked forward to working with the Council to find long-term solutions.

In discussion with Council Member Nichting, Assistant City Manager Alan Pennington confirmed that approximately \$345,000 of capital funds were used to support base salaries to support the capital program in the existing budget and this was consistent with other communities, and was considered by the CMA to be an acceptable practice.

Council Member Nichting said if a department no longer existed and there was capital money allocated for their projects, he questioned how the work would be completed or how the money would be reallocated.

Assistant City Manager Pennington said the budget passed by Council in July and August included capital programs that were supported by the revenues that flowed directly to the capital program. He said operations had cuts made based upon recommendations which came in from all departments regarding positions that could be eliminated but the services would still be provided.

In further discussion with Council Member Nichting regarding percentage of IMRF funding, Finance Director/Comptroller Jim Scroggins said that most other cities' IMRF Funds were approximately 80% funded and he confirmed that the City's IMRF fund was also approximately 80% funded.

Council Member Nichting pointed out there was \$1.37 million, which included the reduction in rental inspection fees, and the revenue shortfall, in the amount of \$89,000, for six months which were not included in the most recent budget proposed by the former Interim City Manager and approved by a majority of the Council.

In discussion with Council Member Nichting regarding the Gateway Building, Assistant City Manager Alan Pennington explained those using the building could bring in their own caterer. He said a possible policy change could be for the Park District to enter into a catering contract with one individual company to provide catering for all functions at the Gateway Building. He said another change could be to charge all users something for the use of the building. He explained that currently some individuals could use the Gateway Building for free and he proposed that individuals should have to pay something for the costs for set up and costs for utilities.

In discussion with Council Member Nichting regarding a proposed City/County Planner position and duties, Interim Director of Planning and Growth Management Pat Landes said she had a copy of the memo which was directed to the former Interim City Manager Bern Ewert that indicated some joint planning projects. She added, following further questions by Council Member Nichting, that she learned from the County Planning Department there had been discussion on a committee level, with a recommendation going to the County Board, about having the City's \$50,000 being donated toward other purposes.

Council Member Nichting expressed concern regarding the City's \$50,000 being donated toward other purposes.

In discussion with Council Member Nichting, Finance Director/Comptroller Scroggins confirmed the IMRF fund balance could only be used to pay for IMRF. He said there was a difference between the local IMRF fund and the money the City sent to the State's IMRF fund. He explained when the IMRF calculations were done for the next year, an estimated gross wage number times a rate was used, and the City levied that tax. He said the City only remitted to IMRF the amount that was actually paid. He added, as a result of additional people taking advantage of the Early Retirement Incentive, not as much was paid to IMRF as was anticipated. He said in order to capture that savings, the fund balance would need to be used.

Council Member Nichting said some of the other pension funds had been missing their mark for a number of years and there have been deficiencies in those funds. He said he felt it was important to recognize that this did not just happen but had been ongoing, and he said this information was known by the Administration and those working with the pension funds.

Finance Director/Comptroller Jim Scroggins explained, in the past ten years, the amounts funded each year were based on actuarial recommendations. He said a dollar amount was levied and approximately 99% of the property taxes were collected so under-funding occurred over a number of years with some years being under-funded more than others.

Council Member Nichting indicated he felt that under-funding had happened over a forty-year period. He added that if statistical averages were missed for one year, then there was a growing shortfall thereafter.

Director Scroggins agreed and he said the under-funded portion would not be captured until 2033.

Interim City Manager Van Winkle said it was obvious that not all recommendations were agreeable to the Council. He requested direction from the Council. He suggested that a motion be made on each recommendation so he would have some kind of direction.

Council Member Nichting indicated he would make a substitute motion. Council Member Morris suggested dividing the question. He said he would only support a motion to deny all recommendations as a whole.

Council Member Grayeb pointed out the proposed recommendations were not lavish and he reminded the Council how far the Council had come in the budget process. He urged the Council to vote against the motion.

Motion to DENY the recommendations outlined in the communication regarding Budget Reconciliation Plan for the 2004 Budget in full with the understanding this Council would give further direction was approved by roll call vote.

Yeas: Gulley, Morris, Teplitz, Thetford, Turner, Mayor Ransburg - 6;

Nays: Ardis, Grayeb, Nichting, Sandberg, Spears - 5.

Clerk's Note: See Page 26265 for further discussion.

(03-556) Communication from Interim Director of Planning and Growth Management with Recommendation by the Zoning Commission to Adopt an ORDINANCE Amending Ordinance No. 14,964, an EXISTING SPECIAL USE in a Class R-4 (Single-Family Residential) District for a YOUTH SOCIAL, EDUCATIONAL, RECREATION PROGRAMS FACILITY to Include BUILDING ADDITIONS for the FRONT ENTRANCE VESTIBULE, EQUIPMENT ROOM, and SPECTATOR SEATING for the GYMNASIUM for Property Located at 2701-03 W. GRINNELL AVENUE, AND with Staff Recommendation to Adopt the Ordinance Subject to the Petitioner Locating the Proposed Parking in an Area that is in Compliance with the Zoning Ordinance not in the Required Front Yard.

Interim Director of Planning and Growth Management Pat Landes distributed a replacement Ordinance with a new site plan to all members of the City Council.

Council Member Gulley moved to approve the replacement Ordinance, with a new site plan, amending Ordinance No. 14,964, an Existing Special Use in a Class R-4 (Single-Family Residential) District for a Youth Social, Educational, Recreation Programs Facility to include building additions for the front entrance vestibule, equipment room, and spectator seating for the gymnasium for property located at 2701-03 W. Grinnell Avenue; seconded by Council Member Turner.

Council Member Nichting moved to grant Privilege of the Floor to Mr. Pat Sullivan; seconded by Council Member Sandberg.

Hearing no objections, Mayor Ransburg granted Privilege of the Floor to Mr. Pat Sullivan.

Mr. Pat Sullivan, 100 State Street, volunteer for the Boys and Girls Club, thanked the Council for their support, and he especially thanked Council Member Sandberg for providing the architectural drawings for the facility that would insure the club staying open without additional costs.

Motion to approve the replacement ORDINANCE NO. 15,535, with a new site plan, amending Ordinance No. 14,964, an Existing Special Use in a Class R-4 (Single-Family Residential) District for a Youth Social, Educational, Recreation Programs Facility to include building additions for the front entrance vestibule, equipment room, and spectator seating for the gymnasium for property located at 2701-03 W. Grinnell Avenue was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner,
Mayor Ransburg - 11;

Nays: None.

**(03-375) Communication from Interim City Manager Regarding BUDGET
** RECONCILIATION PLAN – 2004 BUDGET. (Refer to 03-333 & 03-558)**

Council Member Spears moved that Staff come back with their recommendation regarding a special census in the area of where Lutheran Home was built and other areas, if the census for other areas could be done at a reasonable price to generate additional revenue; seconded by Council Member Ardis.

Council Member Spears explained that in 2000 when the census was calculated, there were not very many residents in the Lutheran Home area and there could be a budget gain of approximately \$40,000.

Motion that Staff come back with their recommendation regarding a special census in the area of where Lutheran Home was built and other areas, if the census for other areas could be done at a reasonable price to generate additional revenue was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner,
Mayor Ransburg - 11;

Nays: None.

Council Member Spears referred to the recommendation that ESDA be moved under the Fire Department's supervision and he said he would like to review the plan and it may be a way to use Fire Fighters more efficiently. He suggested that grants could be obtained from the Federal government that could reduce the amount of money that was spent on ESDA. He said this could save approximately \$185,000.

Council Member Spears moved that Staff bring back the plan to move ESDA under the supervision of the Fire Department for the Council to review; seconded by Council Member Nichting.

Council Member Morris objected to the motion because he felt this was a recommendation included in the package of recommendations by the Interim City Manager earlier in the meeting that was denied by the Council. He said he did not support going back through each item.

Council Member Spears spoke in support of the Council moving toward adopting a budget. He said if the Council did not understand what the plan for ESDA was, then it should be brought before the Council and discussed. He said this could represent \$185,000 in savings. He said he did not intend to address the spending side of the budget, but he would address the savings recommendations. He said this was one of the recommendations that he was interested in obtaining more information about.

Council Member Sandberg pointed out Council Morris' earlier motion placed the burden of responsibility on the Council to give direction regarding the budget. He spoke in support of Council Member Spears' motion. He discussed Council action in the prior months regarding the budget and he expressed concern regarding those events.

Council Member Teplitz spoke in support of obtaining more information. She said she would not support piece mealng a budget together because long-term solutions were needed.

Council Member Grayeb said he was anxious for those Council Members who voted against the budget recommendations to give the Interim City Manager the needed direction on what they wanted him to bring back for their consideration. He said he felt the Council was not performing the business of the City and he felt it was irresponsible not to give direction to the Interim City Manager. He urged the Council to make motions to make the City fiscally responsible and provide direction.

Council Member Teplitz said she objected to Council Member Grayeb's comments.

Council Member Grayeb said he felt that not providing direction to the Interim City Manager was wrong.

Mayor Ransburg said he objected to those characterizations and he did not feel he was irresponsible for casting a vote that reflected his opinion. He said there were several points made by the passage of the last motion. He said there was an objection to the form of the motion and taking money out of capital for operating costs. He said the previous motion did not provide long-term solutions. He said he felt the Interim City Manager should fashion something that would be long-term in character for 2004 and beyond.

Council Member Grayeb challenged the Council to provide a responsible blue-print for the citizens of the community.

Council Member Teplitz said she looked forward to solving the budget challenges with the entire Council.

Council Member Thetford said she could support the Interim City Manager bringing forward other re-organizations. She expressed concern that cuts would be made to ESDA without further information. She said she could support the motion.

Motion that Staff bring back the plan to move ESDA under the supervision of the Fire Department for the Council to review was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner,
Mayor Ransburg - 11;

Nays: None.

Council Member Spears said he supported reviewing a long-term solution to the budget problems. He referred to the Gateway Building and he said he would like to know what the Gateway Building was costing each year. He suggested opening up the building for a full bid or possibly selling the building to relieve a long-term problem.

Council Member Spears moved that detailed financial information be brought back to the City Council regarding the Gateway Building and what costs were for bonding and operations for review; seconded by Council Member Sandberg.

Council Member Thetford said the Gateway Building was central to the redevelopment efforts of the Riverfront. She said she would not support the idea of selling the building nor bringing forth information on such a proposal. She said she would support the motion.

Council Member Turner left the Council Chambers.

Council Member Gulley referred to the catering contract and he requested more information on the projected revenues so the benefits could be reviewed. He said there was also a cost associated when the Gateway Building was used for free by groups and he wanted to analyze whether or not the free service should be halted.

Motion that detailed financial information be brought back to the City Council regarding the Gateway Building and what costs were for bonding and operations for review was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Mayor Ransburg - 9;

Nays: Thetford - 1.

Council Member Turner returned to the Council Chambers.

Council Member Nichting moved that capital funded projects, that did not have the personnel to complete the projects, be identified and brought before the Council to determine if the money could be moved to fund balance; seconded by Council Member Sandberg.

Council Member Nichting explained if there was money for a project but no personnel to do the project, then the project would not be done.

Council Member Teplitz pointed out that these particular capital-funded issues generally were services or projects for the older portions of the City. She expressed concern regarding the proposed motion, and she urged the Council to consider a balance. She referred to the \$25,000 and she said she hoped there would be the ability to use that \$25,000 in the Med-Tech District. She said she could not support the motion. She said a comprehensive review needed to be made on how staff was being used throughout the City, not just on these few projects. She said she would be working in the next week to provide a comprehensive report back to the Council on where the funds were being expended and how much of the Staff was being used to support all those things.

Council Member Sandberg referred to the sidewalk program and he said there was a desire to challenge Staff to come up with a different way to construct sidewalks around schools. He said he felt the motion could bring forward different ways to get concrete poured. He suggested rather than hiring a sidewalk inspector or a permit engineer for the school program, hire three laborers who would actually perform the work. He indicated this would eliminate bureaucracy and provide a more efficient use of funds and staff time to install sidewalks around schools for safety issues.

Council Member Thetford expressed concern regarding the motion and she said she felt the Council had established priorities which were reflected in the capital budget. She said if the requested information was provided, some re-organization efforts would have to be included also.

In discussion with Council Member Morris, Council Member Nichting clarified his motion that the Interim City Manager provide a list of issues that could not be addressed because there were no employees to perform the projects. He said the information was needed so restructuring could be discussed, to know what funds were available and to determine how it would be spent. He said the current capital system, without funding, could not be addressed.

Council Member Sandberg stated that when the earlier request to hire staff was denied, it meant that certain projects would not be done because there would not be enough staff. He said he did not feel reorganization around retirements was a progressive way to reorganize. He indicated if the organization did not have personnel to get the tasks accomplished, there would be money in capital left over. He said he understood that left over funding could be funneled into the Med-Tech District, which was a solution, but it should not be the default solution unless the majority of the Council wanted that to happen.

Council Member Grayeb said money from the Capital budget had been used previously to fund operations, and he indicated this excuse should not be used to block the proposed budget.

Mayor Ransburg expressed concern regarding the concept of using capital money for operations aggressively, and he said he felt it was not inappropriate to use it, but the issue to go from \$340,000 to \$800,000 was excessive and to balance the deficit by taking money out of capital for salaries of 25% was inappropriate.

Council Member Gulley said he had no problem with using capital for salaries. He questioned when this information would be returned to the Council because he wanted Staff to have more time than just a few days for Staff to put this information together.

Council Member Sandberg said he agreed that money for salaries should not be taken from the capital budget unless the operation was capital intensive. He said there could be a strong argument for this because he felt all costs for a project should be borne by the project.

Motion that capital funded projects, that did not have the personnel to complete the projects, be identified and brought before the Council to determine if the money could be moved to fund balance was DEFEATED by roll call vote.

Yeas: Ardis, Grayeb, Nichting, Sandberg, Spears – 5;

Nays: Gulley, Morris, Teplitz, Thetford, Turner, Mayor Ransburg - 6

Council Member Ardis referred to the \$2.5 million from collection of the garbage fee, and he said he would be interested in reviewing information from the Interim City Manager for alternative revenue that would replace that fee. He said he felt the Interim City Manager brought up some very valid points in his communication.

Council Member Ardis moved that the Administration bring back at the Regular City Council Meeting on October 28, 2003, an alternative for revenue for the Council's consideration to replace the \$2.5 million which was projected to be collected as the garbage fee; seconded by Council Member Spears.

Council Member Thetford said she would not support the motion because she felt there had been quite a bit of discussion and the Administration would have enough problems addressing the present deficit without adding \$2.5 million.

Council Member Teplitz said she agreed with Council Member Thetford. She said this issue was debated and approved and was presently a part of the budget. She further indicated the projected revenue from this fee would fund programs addressing crime problems and the litter problem, which were needs in the older parts of the City. She said she supported retaining the garbage fee and she was not interested in revisiting this item.

Council Member Sandberg expressed concern that these kinds of fees affected the poorest of the poor of the City. He said this revenue stream would not affect commercial businesses and four-unit apartment buildings. He said he supported the Administration bringing back more information, and broader information, that would gain revenue from all areas of the community.

In discussion with Council Member Spears, Interim City Manager Van Winkle said the Council would still need to vote at a future Council Meeting on the details of how the garbage fees would be collected so a vote on the contract with the Illinois American Water Company was still needed.

Council Member Spears said he did not support a \$6.00 garbage fee. He said citizens in his Fourth District would rather have the fee added to their real estate tax so they could write it off on their income taxes.

Council Member Turner said he would be willing to review an alternative revenue source in place of the garbage fee. However, he said, he would not support a property tax increase.

In discussion with Council Member Grayeb, Interim City Manager Van Winkle said he would be reviewing two issues. He said he felt the most efficient manner of providing the garbage service was by having 100% of the fee be included in the taxes. He explained it was efficient because there would be a savings with no accounts receivable or billing costs. He said he also felt that by far it was the most environmentally efficient. He explained when people were not responsible for their garbage, then they were irresponsible which was not environmentally sound or smart. He said he did not feel he would be able to come up with another \$2.5 million without some kind of a tax increase.

Motion that the Administration bring back at the Regular City Council Meeting on October 28, 2003 an alternative for revenue for the Council's consideration to replace the \$2.5 million which was projected to be collected as the garbage fee was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Sandberg, Spears, Turner - 6;

Nays: Morris, Nichting, Teplitz, Thetford, Mayor Ransburg - 5.

Council Member Sandberg referred to optional bids received in the early 1990's coupled with recent estimates provided by Waste Management regarding curbside recycling, and he requested that the Administration provide the Council with a copy of the bid packages from the early 1990's bids. He said he recalled a firm from Ohio that provided curbside recycling to every household as part of their base bid. He said he would like to review those facts. He added that the City chose BFI at that time, but they were not the lowest bid.

Council Member Sandberg moved that the Administration provide the Council with a copy of the bid packages from the early 1990's when BFI was chosen; seconded by Council Member Morris.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg - 11;

Nays: None.

Council Member Morris said personnel was the dominant part of the operating budget. He said, over the past several months, a decision had been made to hire some new staff members, and the recommendation that came from the Interim City Manager indicated that additional staff needed to be hired.

Council Member Morris moved for an informational report back to come to the Council regarding what positions the City would be hiring for at this time and how much would these positions cost in compensation and benefits, etc.; seconded by Council Member Turner.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg - 11;

Nays: None.

CITIZEN REQUESTS TO ADDRESS THE COUNCIL

(03-583) REQUEST from CITIZENS to Address the CITY COUNCIL Regarding VARIOUS ISSUES.

Hearing no objections, Mayor Ransburg granted Privilege of the Floor to those who wished to address the Council.

Mr. David Pittman, 818 W. Moss Avenue, spoke in support of the City bidding out the garbage contract with a stipulation of a phase-in curbside recycling program with costs to be paid by the hauler. He thanked the Council for beginning those discussions at this meeting.

Mr. Tom Edwards, 2702 N. Peoria, distributed a memo concerning Nova Scotia's Waste Division Accomplishments to all members of the City Council. He said there were a number of other cities that were doing a better job of handling their garbage and he spoke in support of a recycling program.

Ms. Joyce Blumenshine, 2419 E. Reservoir, representing the Heart of Illinois Sierra Club, urged the Council to pursue reviewing the contract that they would be voting on in the near future.

EXECUTIVE SESSION

(03-584) Recommendation to Approve a Motion for the City Council to go into EXECUTIVE SESSION to Discuss 2(c)(1) The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body, including hearing testimony on a complaint lodged against an employee to determine its validity.

Council Member Grayeb moved that the City Council go into Executive Session to Discuss 2(c)(1) The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body, including hearing testimony on a complaint lodged against an employee to determine its validity seconded by Council Member Gulley.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner,
Mayor Ransburg - 11;

Nays: None.

ADJOURNMENT

Council Member Grayeb moved to adjourn the Council Meeting; seconded by Council Member Gulley.

Approved by viva voce vote.

The Council Meeting adjourned at 8:50 P.M.

Mary L. Haynes, MMC
City Clerk of Peoria, Illinois