

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

Council Chambers, Peoria, Illinois, November 19, 2002, a Regular Meeting of the City Council and Town Board was held this date at 6:18 P.M., at City Hall, 419 Fulton Street, Mayor David P. Ransburg presiding.

ROLL CALL

Roll call showed the following Council Members present: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Teplitz, Thetford, Turner, Mayor Ransburg – 10; Absent: Spears - 1.

INVOCATION & PLEDGE OF ALLEGIANCE

Mayor Ransburg requested a moment of silent prayer and then he led the Pledge of Allegiance.

PROCLAMATIONS, COMMENDATIONS, ETC.

PROCLAMATION: AMERICAN CANCER SOCIETY GREAT AMERICAN SMOKE OUT DAY – NOVEMBER 21, 2002

PROCLAMATION: PEORIA NOTRE DAME SOCCER TEAM 3RD PLACE IN THE IHSA SOCCER TOURNAMENT

MINUTES

Council Member Nichting moved to approve the Minutes of the Special City Council Meeting held on November 15, 2002, as printed, and the Regular City Council Meeting held on November 12, 2002, as printed, with a change to the vote under Item No. 02-746, on Page 25838, to reflect that Council Member Grayeb was present and voted which would change the final vote to 11 yeas; 0 nays; seconded by Council Member Turner.

Approved by roll call vote.

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

Nays: None.

PETITIONS, REMONSTRANCES & COMMUNICATIONS – TOWN OF THE CITY OF PEORIA

(02-758) Communication from Town Officials Budget Committee Requesting Approval of the ESTIMATE of TAXES to be LEVIED Pursuant to 35 ILCS 200/18/60 for the TOWN of the CITY OF PEORIA, in the Amount of \$1,674,856.00.

Trustee Nichting explained this represented a decrease in the tax rate compared to one year ago, and it also was the sixth consecutive property tax rate reduction.

Trustee Nichting moved to approve the estimate of taxes to be levied pursuant to 35 ILCS 200/18/60 for the Town of the City of Peoria, in the amount of \$1,674,856.00; seconded by Trustee Morris.

Approved by roll call vote.

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

Nays: None.

(02-759) Communication from Township Collector with RESOLUTION Adopting a REVISED INVESTMENT POLICY for the TOWN of the CITY of PEORIA.

Trustee Nichting explained the proposed changes would bring the Township Investment Policy in line with the City's current policy.

Trustee Nichting moved to approve the Resolution adopting the Revised Investment Policy for the Town of the City of Peoria; seconded by Trustee Turner.

Approved by roll call vote.

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

Nays: None.

PETITIONS, REMONSTRANCES & COMMUNICATIONS – CITY OF PEORIA

CONSIDERATION OF CONSENT AGENDA ITEMS BY OMNIBUS VOTE.

- (02-760) PAYMENT ESTIMATE for PUBLIC IMPROVEMENT PROJECT: ALLEN ROAD IMPROVEMENT (from Park 74 Drive to just N. of Illinois Route 6) (PCC widening, bituminous base course and base course widening, bituminous resurfacing, storm sewers, earthwork, traffic signals and other miscellaneous work.) P.J. HOERR, INC. – PAY ESTIMATE #8: \$131,598.27. (For Information Only)**
- (02-761) Communication from Director of Planning and Growth Management with ORDINANCE NO. 15,389 Amending Ordinance No. 13,932, an Existing SPECIAL USE in a Class C-2 (Large Scale Commercial) District for a SHOPPING CENTER to Include LOCAL SIGN REGULATIONS for SIGNAGE PLANS that were not Included in the Original Special Use for Property Located at 5201 W. ROUTE 150, per the Submitted Signage Site Plan and Elevations.**
- (02-762) Communication from Director of Planning and Growth Management with ORDINANCE NO. 15,390 Amending Ordinance No. 7303, an Existing SPECIAL USE EXCEPTION in a Class R-3 (Single -Family Residential) District for a RETIREMENT HOME to Include a FRONT ENTRANCE CANOPY with SIGNAGE for Property Located at 1408 E. LONDON AVENUE, with Condition.**
- (02-763) Communication from Director of Planning and Growth Management with ORDINANCE NO. 15,391 Approving the FINAL PLAN of TRAILCREEK TOWNHOME CONDOMINIUM, a Multi-Family Residential Development Located to the North of Victoria Villas.**
- (02-764) Communication from Director of Planning and Growth Management Requesting Adoption of the Following:**
- A. ORDINANCE NO. 15,392 Approving the FINAL PLAN of TRAILCREEK ESTATES CONDOMINIUM, a Multi-Family Residential Development Located to the North of Victoria Villas;**
 - B. ORDINANCE NO. 15,393 Approving the PRIVATE STREET, PRIVATE STREET NAMES, and PRIVATE STREET MAINTENANCE AGREEMENT for TRAILCREEK ESTATES CONDOMINIUM, a Multi-Family Residential Development Located to the North of Victoria Villas.**

- (02-765) **Communication from Finance Director/Comptroller Requesting to Receive and File the POLICE and FIREFIGHTER PENSIONS ACTUARIAL REPORTS.**

CONSIDERATION OF REPORT BACKS as Follows:

- (02-699) **Communication from Director of Public Works Regarding MIDTOWN OUTLOT TRAFFIC GENERATION.**

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

Item Nos. 02-760 through 02-765, and 02-699 were approved by roll call vote under the Omnibus Vote Designation.

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

Nays: None.

- (02-766) **Communication from Labor and Management Co-Chairs of the Joint Labor/Management Healthcare Committee Regarding CITY HEALTHCARE PLAN PROGRESS REPORT PRESENTATION. (For Information Only)**

Director of Human Resources Pat Parsons reported the City had a very good year thus far in 2002, and it was hopeful the trend would continue. He referred to changes made to the plan in 2001, especially in the prescription drug plan and he said the City was still under budget, and the budgeted number was \$1 million saved from last year.

Hearing no objections, Mayor Ransburg granted Privilege of the Floor to Mr. William Hembree.

Mr. William Hembree from Health Research Institute, who served as a consultant to the Joint Labor/Management HealthCare Committee, gave a progress report of the Committee's activities and accomplishments in the past six months. He said the plan was under Budget for the first three quarters of 2002, and he felt, after decisions were made regarding changes to the plan for next year, the Council would be pleased that the Committee still had the ability to make more changes in the coming year. He said the changes regarded behavioral changes, rather than a shift in cost to the employees.

Mr. Hembree thanked the participants for their efforts and their cooperation in achieving these accomplishments. He said a book on how to use the healthcare plan wisely would be distributed to the participants of the plan in a few weeks. He further discussed proposed actions and goals for the upcoming year. He said the Committee would be reviewing some alternatives for retirees that would provide some choices, but would not remove them from the plan.

Mr. Hembree said other medical plans were faced with increases of 15% to 16% for the coming year, with pharmacy costs increasing 18% to 20%. He indicated he felt the City's plan would be considerably lower than the other cities compared. He said the Committee's purpose was to hold medical care costs at a level that would be less than those in other comparable cities, and this plan was definitely on the right track.

Council Member Thetford moved to receive and file the communication regarding City Healthcare Plan Progress Report and presentation; seconded by Council Member Morris.

Approved by roll call vote.

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

Nays: None.

(02-767) Communication from Labor and Management Co-Chairs of the Joint Labor/Management Healthcare Committee Regarding 2002 THIRD QUARTER HEALTHCARE REPORT. (For Information Only)

Director of Human Resources Pat Parsons pointed out that costs for prescription drugs were currently 10% under budget. He said, overall, the plan was under budget for the quarter. He explained the changes implemented last year regarding points of service charges, and he said he was hopeful the costs did not spike at the end of the year as they had in previous years.

Following a brief comment, Council Member Thetford moved to receive and file the communication regarding 2002 Third Quarter Healthcare Report; seconded by Council Member Morris.

Approved by roll call vote.

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

Nays: None.

(02-768) Communication from Labor and Management Co-Chairs of the Joint Labor/Management Healthcare Committee Requesting Approval for the City Manager to Enter into and Execute a Minimum TWO-YEAR AGREEMENT with EMPLOYEE BENEFITS CORPORATION to Provide THIRD PARTY ADMINISTRATION SERVICES for the City's Healthcare Plan.

Director of Human Resources Pat Parsons commended the excellent performance of Employee Benefits Corporation in providing Third Party Administration Services in the past. He said, as plan design changes were made, the firm had acted in an aggressive manner in bringing items to the City's attention and working as a partner, and he indicated he was pleased they were the low cost bidder.

Council Member Thetford moved to approve the City Manager entering into and executing a Minimum Two-Year Agreement with Employee Benefits Corporation to provide Third Party Administration Services for the City's Healthcare Plan; seconded by Council Member Morris.

Approved by roll call vote.

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

Nays: None.

(02-769) Communication from Labor and Management Co-Chairs of the Joint Labor/Management Healthcare Committee Requesting Approval for the City Manager to Enter into and Execute a Minimum TWO-YEAR AGREEMENT with SHPS, INC., to Provide UTILIZATION REVIEW SERVICES for the City's Healthcare Plan.

Director of Human Resources Pat Parsons said SHPS, Inc. had made a significant number of improvements and he said there would be more analysis available so this firm could assist the City in doing a better job in cost containment.

Council Member Thetford moved to approve the City Manager entering into and executing a minimum Two-Year Agreement with SHPS, Inc. to provide Utilization Review Services for the City's Healthcare Plan; seconded by Council Member Grayeb.

Approved by roll call vote.

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

Nays: None.

(02-770) Communication from Labor and Management Co-Chairs of the Joint Labor/Management Healthcare Committee Requesting Approval for the City Manager to Enter into and Execute a ONE-YEAR AGREEMENT, with an OPTION for RENEWAL for an Additional One Year, with WALGREEN'S HEALTH INITIATIVES to Provide PRESCRIPTION DRUG SERVICES for the City's Healthcare Plan.

Director of Human Resources Pat Parsons stated this process was one of the most difficult requests for proposals he had ever dealt with. He said there was an extensive amount of time spent determining the exact costing in the different components, such as dispensing fees, discounts, maximum generic pricing, mail order pricing, the formulary, rebates, etc. He said Walgreen's was the low cost bidder and he recommended that the Council vote for approval. He said the last change made to the plan saved over \$400,000 and the plan was still 10% under the estimated budget.

Council Member Thetford indicated there had been some issues and concerns with Walgreen's but they had been responsive in the past and she expected that to continue.

Council Member Thetford moved to approve the City Manager entering into and executing a One-Year Agreement, with an option for renewal for an additional one year, with Walgreen's Health Initiatives to provide prescription drug services for the City's Healthcare Plan; seconded by Council Member Morris.

In discussion with Council Member Sandberg regarding the amount received by PALM when the Walgreen's Drug Plan was used, Director Parsons reported there was an amount received by PALM on each prescription, which he said may be ten cents. He said part of the pricing was due to PALM. He explained the City had been able to bid with PALM, otherwise the City would not be able to get the cost break and it was cost effective to take the bid.

Hearing no objections, Mayor Ransburg granted Privilege of the Floor to Mr. Dave Koehler.

Mr. Dave Koehler, Executive Director of PALM, reported there was a ten cent per prescription fee built into the contract. He said they also shared a portion of the rebate with their clients, which was their Board policy. Upon request from Council Member Sandberg, he said he would provide the rebate information.

Motion to approve the City Manager entering into and executing a One-Year Agreement, with an option for renewal for an additional one year, with Walgreen's Health Initiatives to provide prescription drug services for the City's Healthcare Plan was approved by roll call vote.

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

Nays: None.

(02-771) Communication from Human Resources Director Requesting Authorization to Pay the Cost of the MEDICARE PART B PREMIUM at the Rate of \$58.70 per Month for RETIRED CITY EMPLOYEES and their SPOUSES on the HEALTHCARE PLAN Who are Age 65 and over and Eligible for Medicare, for the Budget Year 2003, at an Approximate Cost of \$220,477.00.

Following a brief comment, Council Member Thetford moved to approve authorization to pay the cost of the Medicare Part B Premium at the rate of \$58.70 per month for Retired City Employees and their spouses on the Healthcare Plan who are age 65 and over and eligible for Medicare, for the budget year 2003, at an approximate cost of \$220,477.00; seconded by Council Member Grayeb.

Approved by roll call vote.

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

Nays: None.

(02- 772) Communication from Director of Planning and Growth Management with Recommendation from the Neighborhood Development Commission to Receive and File the 2002 PRIORITY NEIGHBORHOOD/FOCUS BLOCK REPORT for OLDE TOWNE SOUTH NEIGHBORHOOD, COUNCIL DISTRICT ONE.

Following a brief comment by Council Member Gulley, he requested that Neighborhood Development Specialist Leslie McKnight make the presentation.

Neighborhood Development Specialist Leslie McKnight gave a presentation regarding the 2002 Priority Neighborhood Focus Block Program. She said the Olde Towne South area was selected for the program which was bounded by Lincoln, Jefferson and Western Avenues within the First Council District. She further explained the focus block selected was the 800 Block of Greenlawn. She discussed the application process for housing rehab and sidewalk programs. She displayed before and after pictures of the renovated homes, and she pointed out the improvements encouraged reinvestment in other parts of the focus area.

Council Member Gulley moved to grant Privilege of the Floor to those who wished to address this issue; seconded by Council Member Sandberg.

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

Ms. Levetta Ricca, member of Olde Towne South Neighborhood Association, discussed the combined efforts of residents to make their neighborhood a better place to live. She thanked the City for their assistance in these kinds of projects and she thanked City Staff, officers of the Neighborhood Association and the construction workers. She said she hoped this was just the beginning of many success stories to come.

Ms. Bobette Shrode, 709 S. Greenlawn, thanked the City and all those involved in helping to rehab her home and others in the neighborhood.

Following further discussion, Council Member Gulley moved to receive and file the 2002 Priority Neighborhood Focus Block Report for Olde Towne South Neighborhood; seconded by Council Member Teplitz.

Approved by roll call vote.

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

Nays: None.

(02-773) Communication from Director of Public Works with RESOLUTION Regarding HIGHWAY IMPROVEMENTS on ROUTE 150 to be Made by AMERICAN TV & APPLIANCE.

Mayor Ransburg said he would be abstaining from discussion and the vote due to the fact that the proposed property abutted his business property. He requested that Mayor Pro Tem Morris assume the Chair.

Council Member Nichting moved to approve the Resolution regarding highway improvements on Route 150 to be made by American TV & Appliance; seconded by Council Member Sandberg.

RESOLUTION NO. 02-773 was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Nichting, Sandberg, Teplitz, Thetford, Turner,
Mayor Pro Tem Morris - 9;

Nays: None;

Abstention: Mayor Ransburg - 1.

(02-774) Communication from Corporation Counsel with RESOLUTION Pertaining to RESIDENCY REQUIREMENTS for PROMOTIONS for MANAGEMENT, CONFIDENTIAL and NON-REPRESENTED POSITIONS.

Following a brief explanation, Council Member Ardis moved to approve the Resolution pertaining to residency requirements for promotions for Management, Confidential and Non-Represented Positions; seconded by Council Member Sandberg.

Council Member Grayeb referred to the current Early Retirement Program and the fact that several of the more senior Department Heads would be leaving, and he questioned if the passage of the proposed Resolution would hamper the City's ability to promote knowledgeable people into the more senior level positions.

Director of Human Resources Pat Parsons said the proposed Resolution could very well affect the City's ability to promote from within. He said it could limit the availability of the pool of applicants. He said there were 145 City employees who currently lived outside the City's limits, which included all bargaining units. He said employees would have to agree, after accepting an offer of promotion, that they would move into the City within one year from the date of promotion.

Council Member Morris said there would probably be circumstances which would require the appointment of an interim or acting department head to fill a management position until someone could be chosen to be the permanent department director. He said it was feasible that the acting department head could serve in that post for more than a year, and he questioned if a situation such as this was covered in the proposed Resolution.

Director Parsons indicated the acting department head would not have to move into the City while serving as Acting Director.

Council Member Grayeb expressed concern that the proposed Resolution would not allow the City to draw from their most experienced pool of employees when departments were affected by the Early Retirement Program. He said he felt the proposed Resolution would be destructive to some of the original goals of the Council, and he expressed concern that this would establish some difficult situations in terms of the governance of this City. He said he preferred all employees to live in the City of Peoria, but he did not want the irony of unintended consequences to create a host of other problems.

Motion to approve RESOLUTION NO. 02-774 pertaining to residency requirements for promotions for Management, Confidential and Non-Represented Positions was approved by roll call vote.

Yeas: Ardis, Gulley, Morris, Nichting, Sandberg, Teplitz, Thetford, Turner,
Mayor Ransburg - 9;

Nays: Grayeb - 1.

(02-775) Communication from Finance Director/Comptroller Requesting Approval of the ESTIMATE of TAXES to be LEVIED Pursuant to 35 ILCS 200/18/60 of \$17,716,936.00 at a Rate not to Exceed \$1.2649.

Council Member Turner moved to approve the estimate of taxes to be levied pursuant to 35 ILCS 200/18/60 of \$17,716,936.00 at a rate not to exceed \$1.2649; seconded by Council Member Morris.

In discussion, it was determined this number was an estimate and could be changed at a later date.

Motion to approve the estimate of taxes to be levied pursuant to 35 ILCS 200/18/60 of \$17,716,936.00 at a rate not to exceed \$1.2649 was approved by roll call vote.

Yeas: Grayeb, Gulley, Morris, Sandberg, Teplitz, Thetford, Turner, Mayor Ransburg - 8;

Nays: Ardis, Nichting - 2.

UNFINISHED BUSINESS

**(99-546) Communication from Director of Planning and Growth Management with
REPORT BACK Regarding AN ALTERNATIVE for FRONT YARD FENCES.**

Council Member Sandberg expressed concern regarding the current Zoning Ordinance. He questioned why the Ordinance protected the owner of a house that was three feet away from the property line if the owner wanted to install a fence. He said he felt this issue needed more thought and possible change.

Director of Planning and Growth Management Wayne Anthony stated the Zoning Ordinance could be changed, if that was the will of the Council.

Discussion was held regarding the 40% open in design for four foot high front yard fences. Director Anthony explained the criteria was established for picket fence types of standards. He added the 40% could be changed, but he recommended that the fence not be solid. He referred to a recent survey taken, and he said the survey indicated there was a desire for 50% or more open in design.

Council Member Grayeb said he hoped the fence ordinance could be more streamlined and more concerned about the aesthetics of fencing and encourage the use of a higher grade of fencing, rather than a lower grade. He suggested that a review should be made of how other communities have handled front yard fences.

Director Anthony explained it had been difficult to find any consensus on this subject and he said he would be willing to keep working to arrive at regulations that would be satisfactory for the community.

Discussion was held regarding criteria for fences in subdivisions and older neighborhoods. It was stated that a neighborhood could determine front yard fencing for their area but the area would have to be defined as a subdivision or a neighborhood of a certain size. Director Anthony stated that as long as everyone in the neighborhood or subdivision agreed with the plan for front yard fencing, the plan may be approved.

Following discussion, Council Member Thetford said front yard fencing was an important issue in her district. She suggested that Staff explore the possibility of less than 40% openness in regulations regarding front yard fences as it related to security.

Council Member Teplitz questioned if the Planning and Growth Management Department had had an opportunity to review fence ordinances in other communities. She said all neighborhoods were not the same, so she felt the design standards should not be the same. She said she was concerned about the aesthetics issue.

Director Anthony said he would be glad to bring a report back to the Council. He said he did not think other communities had much more than what was in the City's Ordinance. He said that when aesthetics were considered, his department learned that art was in the eye of the beholder and it was difficult to determine what would be acceptable. He said they had tried a flexible system so neighborhoods could determine their own standards for fencing. He said he would attempt to bring something back that would address aesthetics in the next couple of weeks.

Council Member Nichting moved to defer this item for two weeks; seconded by Council Member Teplitz.

Council Member Sandberg expressed concern that discussion could not continue unless it addressed the deferral.

Council Member Nichting amended the motion to defer until December 3, 2002. No objections were heard. Council Member Nichting then withdrew his motion so discussion could continue.

Council Member Grayeb suggested reducing the number of rules and regulations pertaining to fencing. He recommended simple regulations that everyone could understand and emphasize aesthetics. He suggested that fencing regulations for Sun City, Arizona, and St. Louis, Missouri, be reviewed by Staff. He also requested that the review include the possibility that one-size does not fit all.

Council Member Gulley expressed concern regarding the 50% requirement. He said he felt this requirement would prevent investment in older neighborhoods, so he felt the requirement should be deleted from the plan.

Council Member Sandberg expressed concern regarding solid fences because of safety reasons. He said he would like fences opened as much as possible.

Council Member Teplitz expressed concern that a solid fence gave a homeowner a false sense of security.

Following further discussion, Council Member Thetford moved to defer this item until the Council Meeting scheduled for the second Tuesday of January, which would be January 14, 2003; seconded by Council Member Nichting.

Motion to defer this item until January 14, 2003, was approved by roll call vote.

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

Nays: None.

(02-742) SITE APPROVAL for a CLASS "A" (TAVERN) LIQUOR LICENSE for 7334 N. UNIVERSITY, with Recommendation of the Liquor Commission to Approve, AND with Request from the Petitioner to WITHDRAW.

Council Member Nichting moved to accept the withdrawal of this item; seconded by Council Member Morris.

Motion to accept the withdrawal of this item was approved by roll call vote.

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

Nays: None.

(02-755) Communication from Finance Director/Comptroller with 2003 PRELIMINARY BUDGET DOCUMENTS and ADDITIONAL 2003 BUDGET INFORMATION:

- A. FIVE YEAR CAPITAL IMPROVEMENT PROGRAM SUMMARY WITH REQUESTED AMOUNTS;**
- B. 2003 CAPITAL REQUESTS DETAIL;**
- C. CONTRACTUAL SERVICES VARIANCE ANALYSIS;**
- D. SUPPLY AND MATERIALS VARIANCE ANALYSIS;**
- E. UNDISTRIBUTED BENEFITS;**

- F. EFFECT OF \$0.01 INCREASED PROPERTY TAX RATE ON VARIOUS HOMES;**
- G. REPORT BACK CLARIFYING PLANNING AND GROWTH MANAGEMENT DEPARTMENT BUDGET QUESTIONS.**

Finance Director/Comptroller Ellie Hogan distributed a chart showing employee reductions vs. annualized tax increase and property tax increase, and an Operating Plan Summary 2002-2007 dated 11/19/2002 to all members of City Council.

City Manager Michael McKnight said he would like the Council to agree on items to close the budget. He said there were still exceptions that needed to be discussed so it could be finalized and he would like the Council to consider revenue options to get to the net deficit which would reflect the number of layoffs that would be needed.

Council Member Turner said he wanted to make it clear that he did not feel this was the year to consider any budget exceptions other than those which had been mandated by the Federal or State government. Nor, he said, was this the year to add any consultants, regardless of how promising the long-range implications of those projects may be. He referred to Council exceptions and he pointed out most were for consultants. He further stated, in previous budget discussions, it had been determined there would be 57 employees laid off, but with these added budget exceptions, that number was raised to 97 employees. He discussed the negative impact a layoff of this magnitude would have on City services.

Council Member Thetford said she did not feel employees should be laid off while expenses for travel, computer purchases and professional dues were increased in the proposed 2003 Budget. She indicated she felt reductions should be made in contractual services and supplies. She pointed out that approximately \$13,305,000 was spent in 2001 for contractual services and \$14,961,658 was budgeted in the proposed 2003 Budget for contractual services. She said this was an addition of \$1.656 million. She referred to supplies and materials and she said an additional \$326,343 was proposed to be spent over the 2001 Budget.

Council Member Thetford moved to direct the City Manager, before layoffs were considered, to hold the 2003 contractual services line and the supply line to the 2001 actuals, which meant \$1,982,623 less would be budgeted in operations; seconded by Council Member Sandberg.

Council Member Thetford said it was her understanding that the reduction of each \$1,000,000 would save 25 employees.

Council Member Sandberg pointed out that, out of the \$1,982,623 identified, \$795,000 of this amount was a shift in accounting procedures so the \$795,000 was not a savings. He also pointed out that \$72,169 for demolitions was also in question. He said the savings would now be much less than the \$1,982,623. He said he agreed with the philosophy of scrutinizing contractual services and supplies before the number of layoffs were determined.

City Manager McKnight said he would be glad to review the contractual line item for 2003. He reminded the Council that his instruction to the Department Heads in preparing the Budget was there would be no increases in contractual services and supplies and any increases could be explained. He said a big portion of the \$1.9 million was an accounting shift from capital into operations. He said he would go back and reconsider contractual services.

Council Member Thetford amended her motion to hold the line at the 2001 actuals in Contractual Services and Supplies, unless there was an accounting shift that really was not a savings; seconded by Council Member Sandberg.

Council Member Sandberg expressed concern regarding the differences between 2001 actuals and the 2002 adjusted budget. He said he felt there had not been enough time allowed to discuss these numbers and their meaning.

Council Member Thetford expressed concern regarding the amount of funding budgeted for training in several departments.

In discussion with Council Member Nichting regarding the closure of the Jefferson Street Code Enforcement Office and his question as to why it was still being budgeted, City Manager McKnight said the Administration had been in the process of obtaining estimates on the move and they were still working on that. He said he would report back.

Council Member Thetford referred to the 2002 adjusted budget and the year-to-date actual for contractual services, and she pointed out on the basis of the figures provided, \$3,235,583 less was spent compared to the 2002 adjusted budget. She requested a report back on how much of the \$3,235,583 had been committed and whether or not the Administration would be spending what had been budgeted in 2002 in contractual. She referred to supplies and she said there was \$682,518 difference between what was budgeted in 2002 and actually spent year-to-date. She said she thought the Council needed to know what monies would not be spent and/or committed.

In discussion with Council Member Nichting regarding changes on the spread sheet and the determination of the number of employees to be laid off, Accounting Coordinator Jim Scroggins explained the revised plan in detail and gave an overview of the spread sheet.

Discussion was held regarding the expenses for consultants and Mayor Ransburg urged the Council's support to address the need to grow the community for the future.

Council Member Nichting urged the Administration to request input from employees regarding how the City could become more efficient. He also requested the Department Heads begin to review all efficiencies.

Discussion was held regarding the details of the spread sheet regarding the Operating Plan Summary for 2002 and 2003.

Council Member Thetford moved to amend her motion to request the City Manager to review contractual services and supplies and materials and to the extent possible, absent any accounting measures, to attempt to hold the line as close to the 2001 actuals as possible, and to look for unspent budgeted funds with the understanding that departments would have some discretion; seconded by Council Member Sandberg.

It was determined that the motion was informational and non-binding.

Motion to amend the motion to direct the City Manager to review contractual services and supplies and materials and to the extent possible, absent any accounting measures, attempt to hold the line as close to the 2001 actuals as possible, and to look for unspent budgeted funds with the understanding that departments would have some discretion approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Thetford, Turner, Mayor Ransburg
- 9;

Nays: Teplitz - 1.

Council Member Teplitz referred to the amount budgeted for consultants and she said that the City had invested money for one year with the Washington consultant and there was possibly \$1.2 million in funding at stake. She added that the Heart of Peoria Plan had also been a good investment and the Council should adopt it and begin some kind of action. She also pointed out that some Zoning Code changes needed to be done to encourage investment in older neighborhoods. She said she understood that employees would have to be laid off, but planning and studying for the City future should not stop.

In further discussion, City Manager Michael McKnight stated that the exceptions made the deficit worse.

Executive Director of the Library Sue Herring said that their exceptions included additional computers and the Library Board had requested her to inform the Council of their strong desire to open the Library on Sundays. She said that expense was also on the exception list but it was a priority that the Library would like to move forward on.

Council Member Turner moved to delete \$500,000 in consultant fees from the proposed 2003 Budget; seconded by Council Member Sandberg.

Following a brief discussion, Council Member Turner referred to Page 3 of the Operating Plan Summary for 2002 dated 11/19/2002 and said he would be willing to amend his motion to retain Council Exceptions relating to the National League of Cities, IML November Meeting, Misc. Gifts, awards, etc., and Activity Based Management Pilot Program; seconded by Council Member Sandberg.

Council member Nichting requested that the motion be divided.

Council Member Turner referred to Page 3 of the Operating Plan Summary for 2002 dated 11/19/2002 and amended his motion to retain Council Exceptions relating to the National League of Cities, IML November Meeting, and Misc. Gifts, awards, etc., and to delete Activity Based Management Pilot Program; seconded by Council Member Sandberg.

Council Member Thetford expressed concern that the funding for the Washington consultant, in the amount of \$40,000 was not included in the motion.

Council Member Thetford referred to Page 3 of the Operating Plan Summary for 2002 dated 11/19/2002 and moved for a substitute motion to retain Council Exceptions relating to the National League of Cities, Washington consultant, IML November Meeting, and Misc. Gifts, awards, etc.; seconded by Council Member Morris.

Substitute motion was DEFEATED by roll call vote.

Yeas: Grayeb, Morris, Thetford – 3;

Nays: Ardis, Gulley, Nichting, Sandberg, Teplitz, Turner, Mayor Ransburg – 7.

Amended motion to retain Council Exceptions relating to the National League of Cities, IML November Meeting, Misc. Gifts, awards, etc., and to delete Activity Based Management Pilot Program was approved by roll call vote.

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

Nays: Morris, Teplitz, Thetford, Mayor Ransburg - 4.

Council Member Grayeb said the deficit should be reduced to the point where it was manageable. He suggested placing a tax on some luxury items such as movie tickets and movie rentals. He added that the Library should be allowed to provide adequate services to the public. He said he could not vote for a Budget that would reduce personnel by 70 employees. He suggested there was a need to discuss revenue enhancement as a reasonable way to obtain more funding. He requested a report back showing an increase in the amusement tax and how much revenue that would add to the proposed budget.

Council Member Sandberg expressed concern that the report back was not presented with the Council packet that related what projects would be affected by the \$2 million transfer from the Capital Budget. He said he would like to have the list before the next Budget discussion.

City Manager Michael McKnight encouraged the Council to review the listing of exceptions and determine what they wanted included in the 2003 Budget.

Discussion was held regarding Workers Comp Claims/Settlements and Workers Comp Medical Payments and Council Member Sandberg indicated he felt these two items should be included in the Budget.

Finance Director/Comptroller Ellie Hogan referred to Out-Bound Messaging Upgrade and stated that there had been revenue pledged to offset this expense so it should also be included in the Budget.

Council Member Sandberg moved to include Workers Comp Claims/Settlements, Workers Comp Medical Payments, and Out-Bound Messaging Upgrade in the 2003 Budget; seconded by Council Member Turner.

Approved by roll call vote.

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

Nays: Thetford - 1.

Council Member Morris moved to include Library Computer Upgrade, in the amount of \$112,000, in the 2003 Budget; seconded by Council Member Sandberg.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Thetford, Turner,
Mayor Ransburg - 9;

Nays: Teplitz - 1.

Council Member Sandberg moved to delete PAWS Overtime Expense, Outsource Repairs of Laptops, Outsource Repairs for In-car Videos, J.U.L.I.E., Library Computer Upgrade in the amount of \$48,000, and Extra Day Open – Downtown Library from the 2003 Budget; seconded by Council Member Nichting.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Morris, Nichting, Sandberg, Thetford, Turner, Mayor Ransburg - 8;
Nays: Gulley, Teplitz - 2.

NEW BUSINESS

MEETINGS with PUSH CART AND RESTAURANT OWNERS

In discussion with Council Member Gulley, Corporation Counsel Randy Ray said that the Council would not be discussing the pushcart issue until January 14, 2003, and the meetings with the pushcart and restaurant owners would be held prior to that time, but not at Council Meetings.

CITIZEN SUMMIT TO BE HELD ON NOVEMBER 25, 2002, AT GATEWAY BUILDING

Council Member Morris announced that a Citizen Summit would be held on Monday, November 25, 2002, at the Gateway Building from 6:00 P.M. until 9:00 P.M. He explained the meeting was open to the public, but the panel was by invitation only.

IML COMMITTEE MEETING HELD IN PEORIA ON NOVEMBER 14, 2002

City Clerk Mary Haynes said that IML Committee Members were very pleased with the meeting that was hosted in Peoria and they were anxious to come back. She said many made comments regarding the excellent hotels, amenities, food, and the Civic Center. She thanked all those who participated in the event.

CITIZEN REQUESTS TO ADDRESS THE COUNCIL

No citizens came forward to address the Council.

EXECUTIVE SESSION

- (02-776) Consideration of a Motion for the City Council to go into EXECUTIVE SESSION to Discuss 2(c)(2) Collective negotiating matters between the public body and its employees or their representatives, or deliberations concern salary schedules for one or more classes of employees; and 2 (c)(6) The setting of a price for sale or lease of property owned by the public body.**

Council Member Morris moved for the City Council to go into Executive Session to Discuss 2(c)(2) Collective negotiating matters between the public body and its employees or their representatives, or deliberations concern salary schedules for one or more classes of employees; and 2 (c)(6) The setting of a price for sale or lease of property owned by the public body; seconded by Council Member Grayeb.

Approved by roll call vote.

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

Nays: None.

ADJOURNMENT

Council Member Morris moved to adjourn the Council Meeting; seconded by Council Member Sandberg.

Approved by viva voce vote.

The Council Meeting adjourned at 11:00 P.M.

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

bb