

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

Council Chambers, Peoria, Illinois, December 3, 2002, a Regular Meeting of the City Council was held this date at 6:15 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, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11; Absent: None.

**INVOCATION & PLEDGE OF ALLEGIANCE**

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

**MINUTES**

Council Member Nichting moved to approve the Minutes of the Vision 2020 Citizen Summit Meeting held at the Gateway Building on November 25, 2002, and the Regular City Council Meeting held on November 26, 2002, as printed; 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.

**PETITIONS, REMONSTRANCES & COMMUNICATIONS****(02-787) PUBLIC HEARING Regarding the 2003 CITY OF PEORIA BUDGET**

Mayor Ransburg opened the Public Hearing for public comments. The Public Hearing opened at 6:19 P.M.

Ms. Betty Jones, 3614 N. Rochelle Lane, suggested that previous spending be placed on hold until after the budget crisis was past, such as the planned nature walk and the downtown apartment project. She also suggested that the Federal government be petitioned for emergency funds for the budget crisis. She urged the Council not to lay off City employees.

Ms. Roberta Parks, 124 S. W. Adams, Chief Operating Officer of the Peoria Chamber of Commerce speaking for the Peoria Area Chamber Board of Directors to encourage the Council to find ways to balance the Budget without any tax increases. She urged the Council to cut costs, find savings, reduce employees and realign work. She said the Board understood how difficult cuts were but a tax increase would affect the local economy. She added the Chamber was campaigning for local purchasing to build revenue for the City, which would help to address the problem for the future.

Ms. Christina Hessing, Manager of the Willow Knolls 14 Movie Theater, presented petitions bearing 1,315 signatures opposing any increase in the amusement tax.

Council Member Nichting moved to enter the petitions, bearing 1,315 signatures, opposing any increase in the amusement tax into the record; seconded by Council Member Ardis.

Motion to enter the petitions, bearing 1,315 signatures, opposing any increase in the amusement tax into the record was approved by roll call vote.

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

Nays: None.

Mr. John White, 1309 E. Elmhurst, discussed the City's deficit and he said quality fire and police services attracted new residents into the City. He discussed the loss of industry and the need to bring new revenue to the City. He suggested that owner-occupied homeowners should be allowed tax breaks.

Following the third call by Mayor Ransburg, Council Member Nichting moved to close the Public Hearing regarding the 2003 City of Peoria Budget; 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.

The Public Hearing closed at 6:33 P.M.

**(02-788) PUBLIC HEARING Regarding ANNEXATION of 7800 N. ROUTE 91.**

Council Member Nichting moved to open the Public Hearing regarding the annexation of 7800 N. Route 91; seconded by Council Member Turner.

Mayor Ransburg opened the Public Hearing at 6:33 P.M. for public comment.

Ms. Sandra Birdsall, 124 S. W. Adams Street, Attorney representing the Petitioner, Cullinan Properties, spoke in support of the annexation and urged the Council to vote in favor of the proposed annexation.

Following the third call by Mayor Ransburg, Council Member Nichting moved to close the Public Hearing regarding the annexation of 7800 N. Route 91; seconded by Council Member Grayeb.

Approved by roll call vote.

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

Nays: None.

The Public Hearing closed at 6:35 P.M.

**(02-789) Communication from Director of Planning and Growth Management  
Recommending Adoption of the Following:**

**A. RESOLUTION Approving the ANNEXATION AGREEMENT for Certain  
Property Located at 7800 N. ROUTE 91, all Located within One and One -  
Half Miles of the City of Peoria;**

Council Member Nichting moved to approve the Resolution approving the Annexation Agreement for certain property located at 7800 N. Route 91, all located within one and one-half miles of the City of Peoria; seconded by Council Member Turner

RESOLUTION NO. 02-789 was approved by roll call vote.

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

Nays: None.

**B. ORDINANCE Annexing Territory Contiguous to the City of Peoria – 7800 N. ROUTE 91;**

Council Member Nichting moved to adopt the Ordinance annexing territory contiguous to the City of Peoria known as 7800 N. Route 91; seconded by Council Member Turner.

ORDINANCE NO. 15,395 was adopted by roll call vote.

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

Nays: None.

**C. ORDINANCE Rezoning Property Located at 7800 N. ROUTE 91 from the Present Class A-2 (Agriculture) District in the County to a Class C-2 (Large Scale Commercial) District.**

Council Member Nichting moved to adopt the Ordinance rezoning property located at 7800 N. Route 91 from the present Class A-2 (Agriculture) District in the County to a Class C-2 (Large Scale Commercial) District; seconded by Council Member Turner.

ORDINANCE NO. 15,396 was adopted by roll call vote.

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

Nays: None.

**CONSIDERATION OF CONSENT AGENDA ITEMS BY OMNIBUS VOTE.**

- (02-790). **Communication from ESDA Director Requesting Authorization to DONATE a 10KW GENERATOR to the LOCAL AMERICAN RED CROSS CHAPTER.**
- (02-791) **BIDS for REFURBISHING FIRE AERIAL LADDER TRUCK and DISPOSING of an OLDER AERIAL LADDER TRUCK by GLOBAL EMERGENCY VEHICLES, in the Amount of \$42,996.00.**
- (02-792) **Communication from Director of Planning and Growth Management with RESOLUTION NO. 02-792 Approving the PRELIMINARY PLAT of CROSSROADS CENTER SUBDIVISION, a Commercial Development Located at 4800 N. UNIVERSITY STREET.**
- (02-793) **Communication from Director of Planning and Growth Management with ORDINANCE NO. 15,397 Approving the FINAL PLAN of KNOXVILLE POINTE PHASE III, a Multi-Family Residential Development Located East of Northtrail Meadows Subdivision and West of Knoxville Avenue, Along the South Side of Hickory Grove Road.**
- (02-794) **Communication from Peoria Civic Center General Manager Regarding the PEORIA CIVIC CENTER 2003 FISCAL YEAR BUDGET, with a Request to Receive and File.**
- (02-795) **REPORTS:**
- A. **Communication from Finance Director/Comptroller Regarding OCTOBER 2002 REVENUE AND OPERATING EXPENDITURE REPORT and OCTOBER 2002 ACTIVE CIP PROJECTS FINANCIAL REPORT - UNAUDITED.**
- B. **CITY TREASURER'S REPORT – October, 2002.**

**C. PEORIA PUBLIC LIBRARY FINANCIAL REPORT – October 31, 2002.****D. PEORIA PUBLIC LIBRARY STATISTICAL REPORT – October 31, 2002.**

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

Item Nos. 02-790 through 02-795 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.

**(02-796) Communication from Director of Planning and Growth Management with ORDINANCE Amending APPENDIX A of the Code of the City of Peoria Relating to the SUBDIVISION REVIEW PROCESS.**

Following a brief explanation by Director of Planning and Growth Management Wayne Anthony, Council Member Nichting moved to adopt the Ordinance amending Appendix A of the Code of the City of Peoria relating to the Subdivision Review Process; seconded by Council Member Morris.

ORDINANCE NO. 15,398 was approved by roll call vote.

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

Nays: None.

**UNFINISHED BUSINESS**

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

**A. Communication from Finance Director/Comptroller with REPORT BACK on INCREASE in AMUSEMENT TAX RATE and EXPANDING the AMUSEMENT TAX BASE.**

City Manager Michael McKnight distributed a copy of a communication regarding 2003 Deficit Reduction and Staff Reductions and a chart regarding contractual services and supplies and materials to all members of the City Council.

City Manager McKnight said he had met with department heads to discuss how to close the \$1.1 million gap in the Budget and staff reductions. He discussed the communication which proposed 22 positions being reduced in the Fire Department, five positions being reduced from the Police Department, and five positions being reduced in the Public Works Department for a grand total of \$1,093,084, and further reallocations and reductions in the Planning and Growth Management and Inspection Services Departments of an additional savings of \$182,327. He cautioned the Council that, even though this would allow for a small surplus to go into the General Fund, the Administration would be back before the Council to deal with this funding issue again within the next year, and there would still be a shortfall projected for 2004.

Council Member Teplitz expressed concern that if 22 Firefighters were laid off, this would require the closure of two fire stations. She questioned what criteria had been used to determine which two fire stations would be closed.

City Manager McKnight explained that if Fire Station #11 on Florence Avenue and Fire Station #8 on Hurlburt Street were closed, it would still allow 85% of the City to have four minute response time.

Council Member Nichting referred to past Budgets and he pointed out the Council thought they had passed a balanced budget only to find out by April or May of the following year that the City was actually operating in the red. He said these situations had contributed to reducing the fund balance to what it was currently, and he questioned what reassurances there were that this would not reoccur for the 2003 Budget.

City Manager McKnight agreed the opportunity existed for a deficit situation to reoccur, and until the year ended and the numbers were audited, the amounts were just a projection. He said if projections were off, then the deficit would be reflected in a reduction of the Fund balance.

Council Member Thetford distributed a copy of a proposal to bridge the funding gap in the amount of \$1,692,763 to all members of the City Council. She said this proposal would not lay off employees and would not address the operating deficit on a long-term basis, but would address the gap for now and would allow some time to seriously evaluate restructuring and lay offs. She gave a brief explanation of the proposal and she pointed out that the \$700,000 in 2002 healthcare savings was estimated through changes made to the healthcare plan. She added, even if the \$700,000 in healthcare savings was over-estimated, the \$1,692,763 was over the \$1.1 million deficit, plus she did not want to totally count on the \$500,000 from the sale of the Jefferson Street building until the building was actually sold.

Council Member Thetford moved to utilize the funds as outlined in the proposal, in the amount of \$1,692,763, to bridge the \$1,158,000 projected 2003 deficit with the caveat that beginning February 1, 2003, the City Manager would begin the 2004 budget process which would include an evaluation of City services and an evaluation of a restructuring of City government; seconded by Council Member Turner.

In discussion with Council Member Sandberg, Director of Planning and Growth Management Wayne Anthony and Director of Inspections John Kunski explained the proposed reductions in their respective departments.

Following a brief discussion, Inspections Director Kunski referred to temporary help for weeds and litter and he said adjustments would be made so their focus would be on housing through the winter and but would focus on environmental in the spring and summer, with less of a focus on housing.

In further discussion with Council Member Sandberg, Planning and Growth Management Director Anthony explained a higher percentage of CDBG monies would be assigned to Staff salaries. He said his department was about 51% to 52% dependent on CDBG monies for their budget. He stated for 2003, he would have 21 employees, with 13 employees being funded by CDBG or Weed and Seed funds.

In discussion with Council Member Ardis regarding the \$700,000 healthcare savings, Finance Director/Comptroller Ellie Hogan explained if revenues were equal to or less than the expenditures, there were no savings when the budget line had a surplus. She said those amounts would actually come out of General Fund Balance. She added she did not expect \$1 million of actual cash surplus this year. She said the \$700,000 was a budget surplus in the healthcare budget, and she said revenues were not coming in to meet expenditures but if operating revenues were equal to or less than the actual expenditures, it was considered a deficit situation whether or not there was a surplus. She said she hoped to break even this year. She said if the motion was approved, these amounts would be taken out of fund balance.

Director Hogan also pointed out when healthcare expenses were down, healthcare revenue was down also because of reimbursements. She added with the proposed lay offs, there would be less premiums being paid.

In discussion regarding the \$700,000 portion of the motion, Director Hogan explained that it was fortunate these savings were garnered from healthcare, but when the Council looked for extra dollars, it was not just budget to actual that had to be reviewed, it was actual to actual that needed to be taken into consideration. She said a budget was a plan and sometimes it was adjusted, and if there was a surplus in expenditures, the budget was usually not adjusted down. She said if there was a surplus from actual revenues to actual expenditures, the surplus flowed into Fund balance.

City Manager McKnight said projections were for a revenue shortfall and savings could not be counted as cash until the revenue side was in line.

In further discussion with Council Member Thetford, Director Hogan said whether or not the Council decided to use the \$700,000, it would appear in the Budget to be a use of Fund balance because any excess or surplus would go into Fund balance at the end of the year.

In discussion regarding right-sizing government, Council Member Grayeb said he felt right-sizing government meant the Fire Station on Skyline Drive would be reopened and that Police and Fire would be second to none. He suggested a future revenue stream could be derived from other Fire Departments contracting with the City for training at the Peoria Training Academy.

Council Member Spears discussed savings that could be found in combining departments with the County, changing the vehicle take home policy for a \$60,000 a year savings, finding reductions that could be made in the Economic Development Department, and other departments. He said it was time the Council started to discuss what their economic goals were for next year and started to put a plan into place. He indicated he would not be able to support a motion until these actions occurred.

In further discussion, Director Hogan indicated that there would be approximately \$600,000 in Fund balance, which would not meet the Fund Balance Policy set in 1997.

Motion to utilize the funds as outlined in the proposal, in the amount of \$1,692,763, to bridge the \$1,158,000 projected 2003 deficit with the caveat that beginning February 1, 2003, the City Manager would begin the 2004 budget process which would include an evaluation of City services and an evaluation of a restructuring of City government was DEFEATED by roll call vote.

Yeas: Grayeb, Gulley, Teplitz, Thetford, Turner - 5;

Nays: Ardis, Morris, Nichting, Sandberg, Spears, Mayor Ransburg - 6.

Council Member Turner suggested consideration of a wage freeze, from top management down, which could save \$1.5 million annually, or a 37½ hour work week, or voluntary furlow of one to four days a month. He questioned if any of these suggestions were feasible.

Director of Human Resources Pat Parsons explained that a majority of the employees were in a bargaining group and when the bargaining groups were contacted about such a suggestion, it was determined that most groups would not be interested in coming forward regarding a wage freeze. It was learned later in the meeting, from Council Member Turner, that Firefighters Local #50 had indicated they would be willing to discuss a wage freeze. Director Parsons also explained that for those departments who were on a 24/7 work schedule, only about one-fourth of the jobs would show any savings in a 37½ hour work week. He added that all these issues could be presented to the bargaining groups to explore and to determine if the groups would want to enter into negotiations. He said it was a possibility that some employees would be interested in shorter hours and/or furlowing some days per month.

Accounting Coordinator Jim Scroggins distributed a copy of a chart showing updated projections for operating revenues and operating expenditures. He said the estimated 2002 revenue actuals were \$89,827,600.

Council Member Thetford referred to \$182,327, identified by the City Manager, and \$500,000 for the Jefferson Street building sale, and suggested these amounts be dedicated toward reducing the \$1.158 million deficit. She questioned how this reduction would impact the number of lay offs.

Director Hogan said the proposed lay offs of 32 would be reduced by approximately 19 to 13 employees. She explained it would depend on what positions were eliminated, which could make the number a few more or less.

In discussion with Council Member Morris regarding Staff reductions for 2002 and 2003, Director Hogan said, if no lay offs were done this year, the net number of 32 was figured on salaries, less any unemployment benefits and termination pay, which for the first year would be \$35,000 per person, and for the second year, it was \$42,000 per person. She further stated that for 2002, for 32 people, the cost would be \$1.093 million, but for the same 32 people in 2003, the cost went up to \$1.881 million for just salaries.

Council Member Thetford moved to dedicate \$500,000 from the sale of the Jefferson Street building and the \$182,327 in reductions proposed by the City Manager, for a total of \$682,327, to reduce the number of layoffs from 32 to 13, and to direct the Administration to bring back a plan to address the remaining deficit; seconded by Council Member Turner.

Approved by roll call vote.

Yeas: Grayeb, Spears, Teplitz, Thetford, Turner, Mayor Ransburg - 6;

Nays: Ardis, Gulley, Morris, Nichting, Sandberg - 5.

Council Member Grayeb moved to receive and file the report back regarding the increase in amusement tax rate and expanding the amusement tax base; seconded by Council Member Morris.

Council Member Sandberg expressed concern that the motion did not provide direction to the Administration regarding the Council's feelings for any kind of increase in the amusement tax.

Council Member Sandberg moved for a substitute motion to increase the amusement tax by one-quarter of 1% or greater and direct the Administration to bring back an Ordinance increasing the tax; seconded by Council Member Nichting.

Substitute motion was DEFEATED by roll call vote.

Yeas: Grayeb, Mayor Ransburg - 2;

Nays: Ardis, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner - 9.

In discussion, it was determined that the remaining deficit was now \$475,673, and it was also pointed out that the City would not receive the entire \$500,000 from the sale of the Jefferson Street building if there was a fee that had to be paid for realtor. In further discussion, the City Manager was directed to bring back a plan outlining the intended layoffs to the next Council Meeting.

### **CITIZEN REQUESTS TO ADDRESS THE COUNCIL**

#### **(02-797) 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.

Ms. Betty Jones, 3614 N. Rochelle Lane, requested a clarification on her previous comments, which was provided by Mayor Ransburg.

### **EXECUTIVE SESSION**

#### **(02-798) Consideration of 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; 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; 2(c)(6) The setting of a price for sale or lease of property owned by the public body; and 2(c)(11) Litigation, when an action against, affecting, or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that such an action is probable or imminent.**

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; 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; 2(c)(6) The setting of a price for sale or lease of property owned by the public body; and 2(c)(11) Litigation, when an action against, affecting, or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that such an action is probable or imminent; 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.

### ADJOURNMENT

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

Approved by viva voce vote.

The Council Meeting adjourned at 9:05 P.M.

---

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

bb