

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

Council Chambers, Peoria, Illinois, October 28, 2008, a Joint City Council & Town Board Meeting was held this date at 6:20 P.M., at City Hall, Council Chambers, 419 Fulton Street, with Mayor Jim Ardis presiding, and with proper notice having been posted.

**ROLL CALL**

Roll call showed the following Council Members physically present: Gulley, Jacob, Manning, Montelongo, Nichting, Sandberg (Arrived at 6:33 P.M.), Spain, Spears, Turner, Van Auken, Mayor Ardis – 11; Absent: None.

**INVOCATION & PLEDGE OF ALLEGIANCE**

Mayor Ardis requested a moment of silent prayer or silent reflection and he requested that the family of Percy Baker, former Executive Director of the George Washington Carver Center, be remembered due to his recent passing. Then Mayor Ardis led the Pledge of Allegiance.

**PROCLAMATIONS, COMMENDATIONS, ETC.**

**COMMENDATION:** RECOGNITION OF CITY EMPLOYEES CURRENTLY ACTIVE IN THE ARMED FORCES

**PROCLAMATION:** OPERATION SANTA

**PROCLAMATION:** HEAD START AWARENESS MONTH - OCTOBER 2008

**MINUTES**

Council Member Nichting moved to approve the minutes of the Regular City Council Meeting held on October 14, 2008, the Special City Council Meeting held on October 21, 2008, and Executive Sessions held on October 11, 2008, October 14, 2008, and October 21, 2008, as printed; seconded by Council Member Turner.

Approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Sandberg, Spain, Spears, Turner, Van Auken, Mayor Ardis – 11;

Nays: None.

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

**(08-527) PUBLIC HEARING Regarding the PROPOSED HOSPITALITY IMPROVEMENT ZONE BUSINESS DISTRICT DEVELOPMENT PLAN.**

Council Member Nichting moved to open the Public Hearing regarding the proposed Hospitality Improvement Zone Business District Development Plan; seconded by Council Member Montelongo.

Hearing no objections, Mayor Ardis opened the Public Hearing.

The Public Hearing opened at 6:37 P.M.

Following the third call by Mayor Ardis for citizens to address the City Council and after determining that no one else wished to address this issue, Council Member Nichting moved to close the Public Hearing regarding the proposed Hospitality Improvement Zone Business District Development Plan; seconded by Council Member Montelongo.

Motion to close the Public Hearing was approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Sandberg, Spain, Spears, Turner, Van Auken, Mayor Ardis – 11;

Nays: None.

Hearing no objections, Mayor Ardis closed the Public Hearing.

The Public Hearing closed at 6:39 P.M.

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

- (08-528)      TAG DAY REQUEST from BRADLEY UNIVERSITY'S SPECIAL EVENTS DIRECTOR to Raise Money for the DANCE MARATHON by Soliciting Donations from Pedestrians Near Courthouse Plaza on WEDNESDAY, OCTOBER 29, THURSDAY, OCTOBER 30, 2008, and FRIDAY, OCTOBER 31, 2008 (from 11:00 A.M. until 1:30 P.M. all Three Days). (Dates are Open)**
- (08-529)      Communication from Interim City Manager and Fire Chief Requesting Approval of the BID for the PURCHASE of a HEAVY-DUTY MOBILE POWER SYSTEM that Includes a JUMP STARTER and AIR COMPRESSOR from the LOWEST BIDDER, MIDWAY TRUCK PARTS, in the Amount of \$14,115.00.**
- (08-530)      Communication from Interim City Manager and Fire Chief Requesting Approval to Declare Two FIRE ENGINES, One PFD FIRETRUCK and Twelve PFD THERMAL IMAGING CAMERAS as EXCESS PROPERTY and to Donate Them to the Office of the State Fire Marshal's Equipment Assistance Program for Dissemination to Other Fire Departments within the State of Illinois as Needed.**  
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- (08-531)      Communication from Interim City Manager and Emergency Communications Center Director Requesting Approval of a TWO-YEAR AGREEMENT for ELECTRONIC RADIO MAINTENANCE SERVICES from the LOWEST RESPONSIBLE BIDDER, SUPREME RADIO COMMUNICATIONS, in the Amount of \$84,376.20, and Requesting Approval to CONTRACT with SUPREME RADIO COMMUNICATIONS, RAGAN COMMUNICATIONS and UNITED RADIO SERVICE to Provide Installation and Removal of Electronic Components in City Vehicles.**  
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- (08-532)      Communication from Interim City Manager and Director of Public Works Requesting Approval of the FIRST EXTENSION of the WINDOW WASHING SERVICES CONTRACT with DAVE'S WINDOW CLEANING, for a ONE-YEAR SOLE SOURCE CONTRACT EXTENSION, in the Amount of \$14,820.00. (Extends 05-628)**

- (08-533)**      **Communication from Interim City Manager and Director of Public Works Requesting Approval for the PURCHASE of REAL ESTATE Located at 1501 W. JOHN H. GWYNN, JR. AVENUE for the Purchase Price of \$40,000.00 as an Opportunity Acquisition for the Future Widening of Dr. Martin Luther King, Jr. Drive.**  
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- (08-534)**      **Communication from Interim City Manager and Director of Public Works Requesting Adoption of an ORDINANCE 16,344 Granting a SPECIAL USE in a Class I-2 (Railroad/Warehouse Industrial) District for an EXPANSION of a Nonconforming Use to Permit the Construction of a 196-SQUARE FOOT DECK on the Rear of a Single-Family Residential Structure for the Property Located at 1304 N. BOND STREET.**
- (08-535)**      **Communication from Interim City Manager and Corporation Counsel Requesting Approval of the SITE APPLICATION for a CLASS B (Restaurant, Full-Service Bar) at 4114 NORTH BRANDYWINE, with Recommendation from the Liquor Commission to Approve.**  
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- (08-536)**      **Communication from Interim City Manager and Corporation Counsel Requesting Approval of the SITE APPLICATION for a CLASS B (Restaurant, Full-Service Bar) with a SUBCLASS 2 (Live Entertainment) at 5201 W. WAR MEMORIAL, SUITE 502, with Recommendation from the Liquor Commission to Approve.**  
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- (08-537)**      **APPOINTMENT by Mayor Jim Ardis to the PUBLIC BUILDING COMMISSION, with Recommendation to Concur:**  
  
**Brian J. Meginnes (Voting) -Term Expires 9/30/2013**
- (08-538)**      **APPOINTMENT by Mayor Jim Ardis to the RENAISSANCE PARK ADVISORY COUNCIL, with Recommendation to Concur:**  
  
**Fulvio Zerla (Voting) - Term Expires 6/30/2009**
- (08-539)**      **APPOINTMENTS by Mayor Jim Ardis to the RENAISSANCE PARK COMMISSION, with Recommendation to Concur:**  
  
**Dr. John C. Engdahl (Voting) - Term Expires 6/30/2012**  
**Carole Hoke (Voting) - Term Expires 6/30/2011**
- (08-540)**      **APPOINTMENT and REAPPOINTMENT by Mayor Jim Ardis to the HISTORIC PRESERVATION COMMISSION, with Recommendation to Concur:**  
  
**APPOINTMENT:**  
**Pam Hall (Voting) - Term Expires 6/30/2011**  
  
**REAPPOINTMENT:**  
**Geoffrey A. Smith (Voting) - Term Expires 6/30/2011**

- (08-541)      APPOINTMENT and REAPPOINTMENT by Mayor Jim Ardis to the PEORIA CIVIC CENTER AUTHORITY, with Recommendation to Concur:**

**APPOINTMENT:**

**Patrick Roesler (Non-Voting) - Term Expires 7/01/2010**

**REAPPOINTMENT:**

**Leonard A. Unes (Voting) - Term Expires 7/01/2009**

- (08-542)      APPOINTMENT and REAPPOINTMENTS by Mayor Jim Ardis to the PEORIA PUBLIC LIBRARY BOARD OF TRUSTEES, with Recommendation to Concur:**

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**REAPPOINTMENT:**

**F. Eugene Rebholz (Voting) - Term Expires 6/30/2011**

**REAPPOINTMENT:**

**Doug Crew (Voting) - Term Expires 6/30/2011**

- (08-543)      Communication from Interim City Manager and Director of Public Works Requesting to Receive and File the STUDY REPORT of T.Y. LIN INTERNATIONAL Providing a Review of the KELLAR BRANCH/ROCK ISLAND/PIMITEOUI TRAIL ANALYSIS (Refer to 08-187 and 08-283).**

- (08-544)      Communication from Interim City Manager and Director of Public Works Requesting to Receive and File the 2008-09 SNOW PLAN for the CITY of PEORIA.**

- (08-545)      Communication from Interim City Manager and Director of Planning and Growth Management Requesting to Receive and File for Further Public Disclosure a Potential Conflict of Interest Involving a HOME IMPROVEMENT PROGRAM APPLICATION so that such Conflict can be Submitted to HUD for an Exception Determination.**

- (08-546)      REPORT of the CITY TREASURER, REGINALD A. WILLS for AUGUST 2008.**

- (08-547)      TOWN OF THE CITY OF PEORIA FINANCIAL REPORT for the Period Ending SEPTEMBER 30, 2008, with Recommendation to Receive and File.**

Mayor Ardis questioned if the Council wished to have any of the Consent Agenda items removed for further discussion.

Council Member Sandberg requested that Item Nos. 08-531 and 08-542 be removed from the Consent Agenda for further discussion.

Council Member Spain requested that Item No. 08-533 be removed from the Consent Agenda for further discussion.

Council Member Jacob requested that Item Nos. 08-530, 08-535 and 08-536 be removed from the Consent Agenda for further discussion.

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

Item Nos. 08-528 through 08-547 (excluding Item Nos. 08-530, 08-531, 08-533, 08-535, 08-536 and 08-542, which were removed for further discussion) were approved by roll call vote under the Omnibus Vote Designation.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Sandberg, Spain, Spears, Turner, Van Auken, Mayor Ardis – 11:

Nays: None.

**(08-530)            Communication from Interim City Manager and Fire Chief Requesting Approval to Declare Two FIRE ENGINES, One PFD FIRETRUCK and Twelve PFD THERMAL IMAGING CAMERAS as EXCESS PROPERTY and to Donate Them to the Office of the State Fire Marshal's Equipment Assistance Program for Dissemination to Other Fire Departments within the State of Illinois as Needed.**

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In response to Council Member Jacob's inquiry, Fire Chief Tomblin stated that the proposed engines had already been pulled from front-line as well as reserve equipment and were no longer serving any purpose. He stated that rehabilitation had been explored, but it was very expensive for the number of years (approximately 5 – 7 years) it extended the life of the equipment.

In discussion with Council Member Sandberg, Chief Tomblin stated, to his knowledge, the City had not pursued selling the equipment to a broader audience in an auction forum such as eBay. He stated there had been discussion about this idea over the past two years, but he did not know how Finance would handle the issue. Council Member Sandberg stated that if the City went through this process, a smaller community could perhaps benefit by using this equipment as their front-line equipment, and the citizens of Peoria would benefit as well by using the money to help balance the budget.

Council Member Nichting moved to approve declaring two fire engines, one PFD Firetruck and twelve PFD thermal imaging cameras as excess property and to donate them to the Office of the State Fire Marshal's Equipment Assistance Program for dissemination to other Fire Departments within the State of Illinois as needed; seconded by Council Member Van Auken.

Approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Spain, Spears, Turner, Van Auken, Mayor Ardis – 10;

Nays: Sandberg – 1.

**(08-531)            Communication from Interim City Manager and Emergency Communications Center Director Requesting Approval of a TWO-YEAR AGREEMENT for ELECTRONIC RADIO MAINTENANCE SERVICES from the LOWEST RESPONSIBLE BIDDER, SUPREME RADIO COMMUNICATIONS, in the Amount of \$84,376.20, and Requesting Approval to CONTRACT with SUPREME RADIO COMMUNICATIONS, RAGAN COMMUNICATIONS and UNITED RADIO SERVICE to Provide Installation and Removal of Electronic Components in City Vehicles.**

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In discussion with Council Member Sandberg regarding both direct and indirect costs totaling approximately \$120,000 that were associated with the existing employee compared to the cost of the contract, ECC Manager David Tuttle explained that the difference afforded walk-in service for the Police, Fire and Public Works Departments.

Interim City Manager Henry Holling stated the driving force behind the decision to provide walk-in service to those involved in public safety was to ensure and guarantee there would be no interruption in electronic communication radio service.

Council Member Spain moved to approve a two-year agreement for electronic radio maintenance services from the lowest responsible bidder, Supreme Radio Communications, in the amount of \$84,376.20, and to approve a contract with Supreme Radio Communications, Ragan Communications and United Radio Service to provide installation and removal of electronic components in City vehicles; seconded by Council Member Jacob.

Approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Spain, Spears, Turner,  
Van Auken, Mayor Ardis – 10;

Nays: Sandberg – 1.

**(08-533)      Communication from Interim City Manager and Director of Public Works  
\*\*\*      Requesting Approval for the PURCHASE of REAL ESTATE Located at 1501  
W. JOHN H. GWYNN, JR. AVENUE for the Purchase Price of \$40,000.00 as  
an Opportunity Acquisition for the Future Widening of Dr. Martin Luther  
King, Jr. Drive.**

Council Member Spain noted that the purchase price of this opportunity acquisition seemed to be higher than those in the past related to this project, and he asked Public Works Director David Barber for an update as to what the status was of this project.

Director Barber replied that he would provide a report back on the properties that had been purchased as well as what was left to purchase, along with where the funds would come from for the demolition as well as when the demolition was scheduled.

Council Member Spain moved to defer this item until the November 10, 2008, Rescheduled Regular City Council Meeting; seconded by Council Member Van Auken.

Motion to defer this item until November 10, 2008, was approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Sandberg, Spain, Spears, Turner,  
Van Auken, Mayor Ardis – 11;

Nays: None.

**(08-535)      Communication from Interim City Manager and Corporation Counsel  
\*\*\*\*      Requesting Approval of the SITE APPLICATION for a CLASS B (Restaurant,  
Full-Service Bar) at 4114 NORTH BRANDYWINE, with Recommendation  
from the Liquor Commission to Approve.**

Council Member Jacob said he would be abstaining from discussing and voting on this item because he was a liquor licensee and was prohibited from voting on liquor related matters by State Statute 235 ILCS 5/6-2.

Council Member Nichting moved to concur with the recommendation from the Liquor Commission to approve the Site Application for a Class B (Restaurant, Full-Service Bar) at 4114 North Brandywine; seconded by Council Member Manning.

Approved by roll call vote.

Yeas: Gulley, Manning, Montelongo, Nichting, Sandberg, Spain, Spears, Turner, Van Auken, Mayor Ardis – 10;

Nays: None;

Abstention: Jacob – 1.

**(08-536)      Communication from Interim City Manager and Corporation Counsel  
Requesting Approval of the SITE APPLICATION for a CLASS B (Restaurant,  
Full-Service Bar) with a SUBCLASS 2 (Live Entertainment) at 5201 W. WAR  
MEMORIAL, SUITE 502, with Recommendation from the Liquor  
Commission to Approve.**

Council Member Jacob said he would be abstaining from discussing and voting on this item because he was a liquor licensee and was prohibited from voting on liquor related matters by State Statute 235 ILCS 5/6-2.

Council Member Nichting moved to concur with the recommendation from the Liquor Commission to approve the Site Application for a Class B (Restaurant, Full-Service Bar) with a Subclass 2 (Live Entertainment) at 5201 W. War Memorial, Suite 502; seconded by Council Member Manning.

Approved by roll call vote.

Yeas: Gulley, Manning, Montelongo, Nichting, Sandberg, Spain, Spears, Turner, Van Auken, Mayor Ardis – 10;

Nays: None;

Abstention: Jacob – 1.

**(08-542)      APPOINTMENT and REAPPOINTMENTS by Mayor Jim Ardis to the PEORIA  
PUBLIC LIBRARY BOARD OF TRUSTEES, with Recommendation to  
Concur:**

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**APPOINTMENT:**

**F. Eugene Rebholz (Voting) - Term Expires 6/30/2011**

**REAPPOINTMENT:**

**Doug Crew (Voting) - Term Expires 6/30/2011**

Council Member Sandberg expressed concern regarding the appointment of F. Eugene Rebholz due to the Library Board's current project, which was at a critical stage.

Council Member Manning expressed his gratitude to the Mayor for taking the opportunity and time over the past three months to find the right person to add to the Board. He said he felt that Dr. F. Eugene Rebholz possessed the engineering and construction background along with skills and expertise which will be much needed.

Council Member Manning moved to concur with the appointment of F. Eugene Rebholz and reappointment of Doug Crew to the Peoria Public Library Board of Trustees; seconded by Council Member Gulley.

Approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Spain, Spears, Turner,  
Van Auken, Mayor Ardis – 10;

Nays: Sandberg – 1.

Mayor Ardis stated that the citizens appointed to the various commissions in the City were invaluable to the way the City operated. He commended Dr. Gold's outstanding service to the community. Mayor Ardis stated he also wanted to make sure that the public was aware of the Council's sincere appreciation to the hundreds of people that served voluntarily on the various Commissions for the City.

**(08-548)      Communication from Interim City Manager and Director of Public Works  
Requesting Concurrence to Implement a RAIN BARREL PROGRAM for the  
City of Peoria to be Implemented to Help Increase Awareness of WATER  
QUALITY ISSUES.**

Mayor Ardis asked Public Works Director David Barber to provide an explanation about this project in respect to green initiatives for public information before a motion was made.

Director Barber explained that the City was working on developing a long-term control plan along with regulations in respect to storm water quality. He explained that the City had been approached by the Lieutenant Governor's office to consider the possibility of working together on a rain barrel program. He continued to explain that rain barrels were 55 gallon plastic drums that were attached to downspouts in which people would collect water to water their yards. He stated that the plan included purchasing quantities of barrels for the City and they would sell them back to the community at a reduced rate. He stated the program would be kicked off in the upcoming Spring. He said that Illinois American Water Company had approached the City for some assistance with printing the flyers, so it would be a joint effort to put the program in place. He said he felt this was a good program for things that would need to be done in the future regarding water quality issues.

Council Member Spain moved to concur with the implementation of a Rain Barrel Program for the City of Peoria in order to help increase awareness of water quality issues; seconded by Council Member Gulley.

In response to Council Member Sandberg, Director Barber said he would look at the current Ordinances in respect to standing water. He stated after a rain, the rain barrel water would be used first and percolated into the ground which would drain the water fairly quickly.

Mayor Ardis stated that this pilot program would be used by citizens who were interested in using the water as intended and he was comfortable that citizens would be educated in safety. He stated that he had a strong confidence level that Director Barber would meet with Director of Inspections John Kunski in order to ensure there was no conflict with any current Ordinances.

Motion to concur with the implementation of a Rain Barrel Program for the City of Peoria in order to help increase awareness of water quality issues was approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Sandberg, Spain, Spears, Turner,  
Van Auken, Mayor Ardis – 11;

Nays: None.



**(08-549)      Communication from Interim City Manager and Corporation Counsel  
Requesting the Council to Take Action on a RESOLUTION to PURCHASE  
the WATER WORKS.**

Council Member Manning moved to approve a Resolution to purchase the Water Works; seconded by Council Member Van Auken.

Council Member Manning said a privately owned water company did not share the same goals and objectives as a municipal-owned water system. He said a private company must deliver profits to its executives and shareholders, which impacted the quality and quantity of repairs, infrastructure improvements, and customer service. He stated, leading up to the referendum in 2005, the former President of Illinois American stated the company was not for sale and the company had no plans to seek rate increases. He said, later, the company was put up for sale and the President of Illinois American Water Company finally admitted they were seeking a rate hike of 8%. He said the plan for a rate increase was discovered during the City's due diligence period, but this past summer, Illinois American Water Company requested a 20% increase. He said Illinois American Water Company received 15% of the 20% requested, but it was the second largest rate increase in 25 years, and the average was 13.5%.

Council Member Manning said he used an assumption in his financial model that a City-owned water system would increase rates at 3% per year every year. He said, during due diligence, it was found that Illinois American Water Company's assumption for increases was 4.3%, and the difference compounded over the 34 year debt-service life was \$480 million. He stated, if the City purchased the Water Company, the City would contract out the operations of the water system to a professional firm. He said there could be significant opportunities for working together with the City's Public Works Department that did not exist today.

Council Member Manning referred to a letter mailed from Illinois American Water Company to all citizens in which they indicated they had installed over \$16 million in utility infrastructure during the past five years. He said, in his opinion, this amount was inadequate. He said, in the past model, over \$23 million in utility infrastructure was projected for the first three years. He added the public would pay for infrastructure improvements no matter who owned the Water Company, but he preferred that Peoria water users fund their own improvements and not subsidize projects and improvements in other parts of the State of Illinois.

Council Member Manning proposed that the City's purchase of the Water Company would be financed over 34 years much like a mortgage. He said an increase in property taxes would not be needed to finance this purchase. He added the debt would be repaid using a dependable and reliable stream of revenue paid for by water users. He projected that a City-owned water system could and would generate a positive surplus in year one. He said these revenues could be used to address budget shortfalls and the expense of a Combined Sewer Outflow project obligation. He said if the proposed Resolution was approved by the City Council at this meeting, it would not obligate the City to purchase the Water Company, but this would inform Illinois American Water Company that the City wished to pursue the purchase of the Water Company. He said the City would seek to perform due diligence to determine financial liability and a new selling price.

In discussion with Council Member Gulley regarding how the expense would be covered, Council Member Manning said he felt the most likely source of funds would be the City's Fund balance, which could be up to \$2 million for this preliminary stage. He stated the City had an opportunity to obtain updated information from Illinois American Water Company.

Finance Director/Comptroller Jim Scroggins reported there was approximately \$10 million in Fund balance at the end of 2007. He said, if the City went through with the purchase of the Water Company, the \$2 million could be reimbursed to the Fund balance through the purchase of a bond, but if the City decided not to purchase the Water Company, the \$2 million would not be reimbursed.

In discussion with Council Member Turner regarding current economic conditions and whether or not it would be a prudent decision for the City to decide to move forward, Director Scroggins said he could not recommend removing \$2 million from Fund balance at this time.

Council Member Van Auken said a focus should be placed on the City's future costs and revenues, and unfortunately the opportunity to purchase the Water Company only presented itself once every five years. She said she felt the Council needed to focus on needed revenues to fund the CSO project and she spoke in support of Council Member Manning's findings that the City would realize revenues from the beginning, if the City purchased the Water Company

Council Member Montelongo said he felt more information should be gathered on the proposal. He discussed his research and he spoke in support of the City owning the Water Company.

Council Member Sandberg also spoke in support of purchasing the Water Company. He said, even though a possible \$2 million price was big, this expenditure would provide due diligence for the City for this project. He questioned, based on the current bond rate and recent economic turmoil, how much the current rate structure would support. He further discussed a portion of history from 1889 when the ability to purchase the Water Company was first negotiated. He said, if the bond rates were found to be too high, he would not support going through the process. He expressed concern that the information regarding the bond rate was not available at this time.

In discussion with Council Member Nichting regarding the general overall current bond market, Finance Director Scroggins stated he talked with Speer Financial this past week and it was reported that no one was purchasing bonds, but there had some sales in the past week, which were bank qualified and fully insured. He further reported the bond market was beginning to move and stabilize. He added it was unknown what the bond market would do in the next few months.

In discussion with Council Member Nichting regarding taking money from the Fund balance to cover the \$2 million for due diligence and the affect it would have on the deficit for 2009, Director Scroggins confirmed the deficit would grow to \$4.2 million and, if the City did not move forward with the purchase of the Water Company, that \$2 million would not be recoverable.

Council Member Nichting further discussed risk avoidance and different scenarios to raise revenues. He further discussed proposed rates and fluctuation of rates in order to cover costs and increase revenues.

In discussion with Council Member Spain regarding restrictions that may apply to revenues raised by the purchase of the Water Company, Corporation Counsel Ray stated there was a case that indicated a municipality was entitled to make a reasonable profit from a water utility. He said this may not be the answer to every financial problem facing the City, but there was a question as to the definition of "reasonable profit," which may be in the 5% to 7% range. He further explained that if rates were contested by citizens, the process for resolving the dispute would occur through the Court system rather than the Illinois Commerce Commission.

Council Member Spain said he felt the City's purchase of the water utility could provide a significant revenue source for the City and he discussed the many advantages for municipal ownership, but the purchase price was unknown at this time. He expressed concern regarding significant public opposition to the City's ownership of the Water Company. He expressed further concern that the City was only eight days away from the deadline of having to notify Illinois American Water Company regarding their intentions to purchase the Water Company. He said he felt more time was needed to address the issues of negative public opinion and the process of determining the valuation of this water utility and the purchase price. He said there were significant concerns regarding the methodology to determine the purchase price the last time and he felt there needed to be more understanding of how to arrive at a better solution. He stated, in light of these two issues and the downturn in the economic situation, he felt this was not the right time to move forward with the proposed purchase of the Water Company.

Council Member Turner said he agreed with comments made regarding this issue by other Council Members. He stated sometimes major decisions were based on timing. He quoted information he learned recently that there were 218 homes in the Peoria currently in foreclosure with an additional 458 in the process of foreclosure. He also expressed concern that local companies were cutting back on jobs and laying people off and the City was facing a \$2.2 million deficit in the 2009 Budget. He said he could not support taking money from the Fund balance without knowing what would be happening economically in the next few years. He said he would not support moving forward with the purchase of the Water Company.

Council Member Sandberg urged the Council to consider that now was the time to make this investment in Water Company for the community because bond rates were low and in five years when this opportunity would present itself again, bond rates may be higher.

Council Member Jacob stated he felt the City needed to educate the public regarding how revenues would be raised and how the purchase of the Water Company would be made. He said the Water Company had a broader footprint that included and would incorporate property outside the City, which would be a positive thing. He said he felt the opposition by the public was significant and he suggested that more public discussion should be held regarding this very large project. He said public support was significant and he felt the public and the City needed to share the vision. He said he would not support the proposed Resolution at this time. He thanked Council Member Manning for his work on this endeavor and he said Council discussion needed to continue for the future.

Council Member Spears expressed concern that the \$2 million would be taken from Fund balance. He also stated his concern regarded whether or not the 2009 Budget would be balanced if the money was taken from Fund balance.

Director Scroggins stated the 2009 Budget would be balanced with funds from Fund balance. He added the 2009 Budget would not be balanced with current year revenues generated in 2009.

Mayor Ardis thanked Council Member Manning for his efforts on this project. He said he wanted to remind the public that Illinois American Water Company was not being held by them for the City. He said the Illinois American Water Company was privately owned. He commended the 1889 community leaders for negotiating a purchase option for the City, which occurred every five years since 1889. He said, if there was public support and if a reasonable purchase price was established, he would support the City moving forward with purchasing the Water

Company. He said he could not support the use of Fund balance for the \$2 million needed to go forward with the proposed purchase at this time. He suggested providing more research and public education prior to the next five-year option.

In discussion with Mayor Ardis, Corporation Counsel Randy Ray explained that the term “due diligence” was not really the correct term. He said the \$2 million would really be used for the cost of hiring a proper appraiser for the panel and for the asset-based approach analysis, which was costly, and would assist with the due diligence portion.

Council Member Manning spoke in support of moving forward with purchasing the Water Company. He expressed concern that rates would go higher in the future and it would be too expensive for the City to purchase the Water Company. He stated this was the time to pursue the purchase. He pointed out this would be a reliable revenue stream and interest rates were historically low. He urged the Council to proceed step by step and he said some of the steps would not cost anything. He added, if there were costs involved, those costs could be brought before the Council for approval at that time.

Hearing no objections, Mayor Ardis granted Privilege of the Floor to the President of the Illinois American Water Company Carla Teasley.

Ms. Karla Teasley, President of Illinois American Water Company, discussed the history of Illinois American Water Company. She explained the services their company provided and she stated Illinois American Water Company did not want to sell the Peoria District even though the City had a right to purchase. She said the information that a purchase would provide a good source of revenue to the City was flawed. She discussed the investment Illinois American Water Company had made in the Peoria District over the past five years while maintaining reasonable rates. She said she felt the Water Company was in good hands and the City should focus on other issues. She urged the Council to vote against the proposed Resolution.

Motion to approve a Resolution to purchase the Water Works was DEFEATED by roll call vote.

Yeas: Manning, Montelongo, Sandberg, Van Auken – 4;

Nays: Gulley, Jacob, Nichting, Spain, Spears, Turner, Mayor Ardis – 7.

**(08-550)      Communication from Interim City Manager and Director of Economic Development Requesting Adoption of the Following Ordinances:**

Director of Economic Development Craig Hullinger provided a brief explanation of the three proposed ordinances.

**A.      ORDINANCE Approving the HOSPITALITY IMPROVEMENT ZONE TAX INCREMENT REDEVELOPMENT PLAN and PROJECT;**

Council Member Gulley moved to adopt an Ordinance approving the Hospitality Improvement Zone Tax Increment Redevelopment Plan and Project; seconded by Council Member Turner.

Council Member Sandberg spoke in opposition to adopting the proposed Ordinance.

Council Member Manning confirmed with Director Hullinger that there would be tax increases regardless because operating expenses continued to escalate.

Motion to adopt ORDINANCE 16,345 approving the Hospitality Improvement Zone Tax Increment Redevelopment Plan and Project was approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Spain, Spears, Turner,  
Van Auken, Mayor Ardis – 10;

Nays: Sandberg – 1.

**B.     ORDINANCE Designating the HOSPITALITY IMPROVEMENT ZONE REDEVELOPMENT PROJECT AREA;**

Council Member Gulley moved to adopt an Ordinance designating the Hospitality Improvement Zone Redevelopment Project Area; seconded by Council Member Turner.

Council Member Sandberg spoke in opposition to adopting the proposed Ordinance.

Motion to adopt ORDINANCE 16,346 designating the Hospitality Improvement Zone Redevelopment Project Area was approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Spain, Spears, Turner,  
Van Auken, Mayor Ardis – 10;

Nays: Sandberg – 1.

**C.     ORDINANCE Adopting TAX INCREMENT FINANCING for the City of Peoria, Peoria County, Illinois, in Connection with the Designation of the HOSPITALITY IMPROVEMENT ZONE REDEVELOPMENT PROJECT AREA.**

Council Member Gulley moved to adopt an Ordinance adopting Tax Increment Financing for the City of Peoria, Peoria County, Illinois, in connection with the designation of the Hospitality Improvement Zone Redevelopment Project Area; seconded by Council Member Turner.

Council Member Sandberg spoke in opposition to adopting the proposed Ordinance.

Motion to adopt ORDINANCE 16,347 adopting Tax Increment Financing for the City of Peoria, Peoria County, Illinois, in connection with the designation of the Hospitality Improvement Zone Redevelopment Project Area was approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Spain, Spears, Turner,  
Van Auken, Mayor Ardis – 10;

Nays: Sandberg – 1.

**(08-551)     Communication from Interim City Manager and Director of Planning and Growth Management Requesting Adoption of an ORDINANCE Amending APPENDIX C of the Code of the City of Peoria Relating to FORM DISTRICT SPECIAL USES.**

Council Member Van Auken moved to adopt an Ordinance amending Appendix C of the Code of the City of Peoria relating to Form District Special Uses; seconded by Council Member Manning.

Council Member Sandberg stated he felt that the Council wasn't dealing with the problem of understanding the application of Code which, as a result, made every case a Special Use. He stated that he believed this had been an ever present problem, and he also believed the Council adjusted the standards through the Special Use variance process instead of understanding the application. He said he felt the Council had not shown any conformity to the standards.

Council Member Van Auken stated because she felt some of the Zoning Codes were so dense and could be difficult to understand upon first reading, she was asking for a review because she found the application was not at all what was intended. She additionally stated this was a complex process and the City had excellent consultants, however, upon reflection, she would not have supported some of the individual recommendations they made.

Planning & Growth Management Director Pat Landes stated that the interpretation of the Code had been challenging this first year. She requested that the Council remember this was a significant change in the coding and she did not believe it was irresponsible to bring the Code to the Council for review. She stated they were asking for any request for variances from the standards in the Form Base District to go through a Special Use process which was determined on a case by case review instead of going through the variance process, which had a higher level of consideration of standards. She said this was a way for those projects that were having difficulty with some of the standards, particularly the street walls, to be reviewed and not stalled by having to go through the variance process. She said instead, these types of projects could come to the Council with more of a degree of flexibility.

Council Member Jacob commented that this was a difficult balancing act as the Council wanted to be business friendly and flexible while trying to dramatically change some of the standards. He stated some have commented that the length and breadth of the document lends itself to trapdoors that could only be understood by some which created problems for those without political power who could not achieve the same result.

In response to Council Member Jacob, Director Landes said if the proposed Ordinance was adopted, it would impact all four Form Districts which Council Member Jacob had expressed concern for fairness and consistency.

Council Member Sandberg pointed out there were three different building programs and the Council should not confuse the difference between them.

Motion to adopt ORDINANCE 16,348 amending Appendix C of the Code of the City of Peoria relating to Form District Special Uses was approved by roll call vote.

Yeas: Gulley, Manning, Montelongo, Nichting, Spain, Spears, Turner,  
Van Auken, Mayor Ardis – 9;

Nays: Jacob, Sandberg – 2.

**(08-552)      Communication from Interim City Manager and Director of Planning and Growth Management Requesting Adoption of an ORDINANCE Rezoning Property from the Present Class C-1 (General Commercial) District to a Class C-2 (Large Scale Commercial) District and Granting a SPECIAL USE for a SHOPPING CENTER and MINI-STORAGE FACILITY for the Property Located at 7501 N. UNIVERSITY, with Conditions.**

A letter from Steve Kerr of Mohr & Kerr Engineering & Land Surveying, P.C. requesting space deferral of this item until November 10, 2008, was distributed to all members of the City Council.

Council Member Nichting moved to defer this item until the November 10, 2008, rescheduled Regular City Council Meeting; seconded by Council Member Spain.

Motion to defer this item until November 10, 2008, was approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Sandberg, Spain, Spears, Turner, Van Auken, Mayor Ardis – 11;

Nays: None.

**(08-553)     Communication from Interim City Manager and Director of Planning and Growth Management Requesting Adoption of an ORDINANCE Granting a SPECIAL USE in a Class I-3 (General Industrial) District for STOCKYARD FACILITIES and the ADDITION of a LOCKER ROOM BUILDING for Property Located at 1 SOUTH STREET, with Conditions.**

Following an explanation and clarification regarding this project, Council Member Gulley moved to adopt the Ordinance granting a Special Use in a Class I-3 (General Industrial) District for Stockyard Facilities and the addition of a Locker Room Building for property located at 1 South Street, with conditions as amended to read: 1) Addition of a handicapped accessible parking space near the business office, and 2) Compliance with any applicable flood plain Ordinance requirements; seconded by Council Member Turner.

Following further discussion, Council Member Gulley suggested that a Policy Session be held regarding parking surfaces and driveway requirements for handicapped areas, residential and commercial properties and discuss possible changes.

Mayor Ardis spoke in support of moving forward with the project and he suggested that a Policy Session be held after January 1, 2009.

Motion to adopt ORDINANCE NO. 16,349 granting a Special Use in a Class I-3 (General Industrial) District for Stockyard Facilities and the addition of a Locker Room Building for property located at 1 South Street, with conditions as amended to read: 1) Addition of a handicapped accessible parking space near the business office, and 2) Compliance with any applicable flood plain Ordinance requirements, was approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Sandberg, Spain, Spears, Turner, Van Auken, Mayor Ardis – 11;

Nays: None.

**(08-554)     Communication from Interim City Manager and Director of Planning and Growth Management Requesting to Concur with the Recommendation from the Zoning Commission to DENY the Request for a SPECIAL USE in a Class R-3 (Single-Family Residential) District for the Placement of a U.S. CELLULAR COMMUNICATIONS TOWER on the Property Located at 2503 N. UNIVERSITY STREET.**

On behalf of the Petitioner, Council Member Van Auken moved to defer this item until the November 10, 2008, Rescheduled Regular City Council Meeting; seconded by Council Member Manning.

Motion to defer this item until November 10, 2008, was approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Sandberg, Spain, Spears, Turner, Van Auken, Mayor Ardis – 11;

Nays: None.

- (08-555)      Communication from Interim City Manager and Director of Planning and Growth Management Requesting to Concur with the Recommendation from the Zoning Commission to ADOPT or Recommendation from Staff to DENY, an ORDINANCE Amending Ordinance No. 16,210, an Existing Special Use in a Class C-2 (Large Scale Commercial) District for an EXISTING SHOPPING CENTER to Amend Condition No. 5 which Required a Fee-in-Lieu of Constructing Public Sidewalks, to Exempt that Portion for the Frontage on Willow Knolls from the West Side of the Property Line to Approximately 187 Feet West of Radnor Road for the Property Located at 7301 N. RADNOR ROAD.**

Council Member Nichting moved to concur with the recommendation of the Zoning Commission to adopt the Ordinance amending Ordinance No. 16,210, an Existing Special Use in a Class C-2 (Large Scale Commercial) District for an Existing Shopping Center to amend Condition No. 5 which required a fee-in-lieu of constructing public sidewalks, to exempt that portion for the frontage on Willow Knolls from the west side of the property line to approximately 187 feet West of Radnor Road for the property located at 7301 N. Radnor Road; seconded by Council Member Turner.

Council Member Sandberg expressed concern that sidewalks would not be installed and there would be no money set aside for sidewalks in the future.

Motion to adopt ORDINANCE NO. 16,350 amending Ordinance No. 16,210, an Existing Special Use in a Class C-2 (Large Scale Commercial) District for an Existing Shopping Center to amend Condition No. 5 which required a fee-in-lieu of constructing public sidewalks, to exempt that portion for the frontage on Willow Knolls from the west side of the property line to approximately 187 feet West of Radnor Road for the property located at 7301 N. Radnor Road was approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Spears, Turner, Van Auken, Mayor Ardis – 9;

Nays: Sandberg, Spain – 2.

- (08-556)      Communication from Interim City Manager and Corporation Counsel Requesting the Council to Take Action on an ORDINANCE Setting COMPENSATION for ELECTED OFFICIALS of the CITY of PEORIA, and an ORDINANCE Setting COMPENSATION for Certain ELECTED TOWN OFFICIALS.**

Council Member Van Auken distributed a replacement Ordinance setting compensation for City Elected Officials to all members of the City Council.



Council Member Van Auken moved to separate the vote regarding the proposed Ordinance setting compensation for Elected Officials of the City of Peoria and the proposed Ordinance setting compensation for certain Elected Town Officials; seconded by Council Member Nichting.

Motion to separate the two proposed Ordinances was approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Sandberg, Spain, Spears, Turner, Van Auken, Mayor Ardis – 11;

Nays: None.

Council Member Van Auken moved to adopt the replacement Ordinance, which applied to the Mayor, District Council Members, At-Large Council Members, City Clerk, and City Treasurer, and as amended to reflect \$475.00 auto allowance per month for the Mayor, and \$400.00 auto allowance per month for the District Council Members and At-Large Council Members, and the salaries for the District and At-Large Council Members, City Clerk and City Treasurer would remain the same as they were presently, but in 2010 those salaries would increase or decrease according to the Consumer Price Index; seconded by Council Member Nichting.

Council Member Nichting expressed concern that the proposal was to possibly lower salaries because, according to State Statutes, salaries could not be lowered during an elected official's term.

Council Member Van Auken agreed that the base salary could not decrease during a term. She amended her motion regarding the proposed Ordinance that the words "or decrease" be deleted in all paragraphs throughout the proposed Ordinance relating to the Consumer Price Index.

Council Member Van Auken said she intended to defer the proposed Ordinance setting compensation for certain Elected Town Officials until the November 3, 2008, Special City Council Meeting.

In discussion with Council Member Manning, Finance Director/Comptroller Jim Scroggins said the increase in the proposed auto allowance would be approximately \$6,000 for the year.

Several Council Members expressed concern regarding increases tied to the CPI.

In further discussion, Corporation Counsel Randy Ray explained how Elected Officials' salaries were set and he confirmed that Elected Officials' salaries could not be changed after their terms began.

Following a brief statement by Council Member Nichting regarding support for a compromise, he moved to defer this item until the November 3, 2008, Special City Council Meeting; seconded by Council Member Turner.

Motion to defer the City Ordinance and the Town Ordinance until November 3, 2008, was approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Sandberg, Spain, Spears, Turner, Van Auken, Mayor Ardis – 11;

Nays: None.

- (08-557)      Communication from Interim City Manager and Corporation Counsel Requesting the Council to Take Action on the SITE APPLICATION for a CLASS C-1 (Package Liquor) at 5001 NORTH BIG HOLLOW ROAD, with NO Recommendation from the Liquor Commission.**

Council Member Jacob said he would be abstaining from discussing and voting on this item because he was a liquor licensee and was prohibited from voting on liquor related matters by State Statute 235 ILCS 5/6-2.

Council Member Spears moved to approve the Site Application for a Class C-1 (Package Liquor) at 5001 North Big Hollow Road; seconded by Council Member Nichting.

Council Member Turner expressed concern regarding consistency in these matters. He said, if one of these types of stores was denied, then all should be denied.

Motion to approve the Site Application for a Class C-1 (Package Liquor) at 5001 North Big Hollow Road was DEFEATED by roll call vote.

Yeas: Nichting, Spears, Mayor Ardis – 3;

Nays: Gulley, Manning, Montelongo, Sandberg, Spain, Turner, Van Auken – 7;

Abstention: Jacob - 1.

Council Member Jacob left the Council Chambers.

#### **UNFINISHED BUSINESS**

- (08-502)      Communication from Interim City Manager and Director of Public Works Requesting Approval of the LOW BID of CRESCENT ELECTRIC, in the Amount of \$12,676.80, for the PURCHASE of LIGHT FIXTURES, (Eight Inch Canned Light) for the CITY HALL REHABILITATION PROJECT, and with Request to Receive and File SUPPLEMENTAL INFORMATION.**

Council Member Sandberg expressed concern regarding the bidding process used on this project.

Council Member Nichting moved to approve the low bid of Crescent Electric, in the amount of \$12,676.80, for the purchase of light fixtures, (eight inch canned light) for the City Hall Rehabilitation Project and to receive and file the Supplemental Information; seconded by Council Member Montelongo.

Approved by roll call vote.

Yeas: Gulley, Manning, Montelongo, Nichting, Spain, Spears, Turner, Van Auken, Mayor Ardis – 9;

Nays: Sandberg - 1.

Council Member Jacob returned to the Council Chambers.

- (08-356)      Communication from the Interim City Manager Regarding Continued DISCUSSION of the City of Peoria Community Investment Plan Issues Related to the Development of the Proposed 2009 Budget and Review of Current Capital Projects, with Public Comment Relating to the Budget. No Final Action will be Taken.**

Following a request by Interim City Manager Henry Holling, Council Member Nichting moved to defer this discussion until the November 3, 2008, Special City Council Meeting; seconded by Council Member Manning.

Motion to defer this item until November 3, 2008, was approved by roll call vote.

Yeas: Gulley, Jacob, Manning, Montelongo, Nichting, Sandberg, Spain, Spears, Turner, Van Auken, Mayor Ardis – 11;

Nays: None.

### **NEW BUSINESS**

There was no New Business to come before the Council.

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

#### **(08-558)      Request for CITIZENS to ADDRESS the CITY COUNCIL Regarding VARIOUS ISSUES.**

Hearing no objections, Mayor Ardis granted Privilege of the Floor to those citizens wishing to address the City Council.

Mr. Roger Sparks, a Peoria resident, reminded citizens that October 29, 2008, was Disability Awareness Day and he explained challenges disabled persons faced on City sidewalks and at bus stops. He also expressed concern that City Hall needed to arrange for accessible restrooms after 5:00 P.M. each day.

Mr. Bill King, a Peoria resident, suggested that the City of Peoria change their Council Districts so that all citizens had representation.

Mr. Robert Johnson, a Peoria resident and a member of the Peoria Park Board, expressed concern regarding problems at the Apollo Club. He urged the Council to address this issue so the problems would not continue to disrupt the surrounding neighborhoods and their quality of life.

Ms. Peg Pendell, a Peoria resident, said she represented people with invisible disabilities. She stated, even though the City had made some positive changes recently, she felt some of these people were targeted by law enforcement and the States Attorney.

Mr. C. J. Summers, a Peoria resident, thanked the Council and City Staff for being open in their budget process this year. He suggested that the budget meetings be podcast on the City's web site or live feed over the internet.

### **EXECUTIVE SESSION**

It was determined that an Executive Session was not needed.

**ADJOURNMENT**

Council Member Spain moved to adjourn the Regular City Council Meeting; seconded by Council Member Jacob.

Approved by viva voce vote.

The Regular City Council Meeting adjourned at 9:25 P.M.

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

bb/kj