

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

Council Chambers, Peoria, Illinois, December 7, 2010, a Special City Council Meeting was held this date at 5:04 P.M., at City Hall, Council Chambers, Room 400, 419 Fulton Street, with Mayor Jim Ardis presiding, and with proper notice having been posted.

ROLL CALL

Roll call showed the following Council Members were physically present: Gulley, Irving, Montelongo, Riegenbach, Sandberg, Spain, Spears (arrived at 5:55 P.M.), Turner, Van Auken, Mayor Ardis - 10. Absent: Jacob - 1.

INVOCATION & PLEDGE OF ALLEGIANCE

Mayor Ardis requested a moment of silent prayer or silent reflection, and then he led the Pledge of Allegiance.

PROCLAMATIONS, COMMENDATIONS, ETC.

PROCLAMATION: ROMANIAN PRISON MINISTRY OFFICIALS

PETITIONS, REMONSTRANCES & COMMUNICATIONS

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

- (10-541) Communication from the Acting City Manager and Acting Director of Human Resources Requesting Approval to Enter into a ONE-YEAR CONTRACT for STOP LOSS COVERAGE to the CITY'S HEALTH CARE PLAN with HUMANA for the Year 2011, at an Annual Estimated cost of \$683,110.00.**
- (10-542) Communication from the Acting City Manager and Acting Director of Human Resources Requesting Authorization for the City Manager to Execute the COLLECTIVE BARGAINING AGREEMENT Negotiated Between the CITY OF PEORIA and AFSCME Local 3464 and its District Council 31, Covering the Period from January 1, 2010, through December 31, 2012.**
- (10-543) Communication from the Acting City Manager and Corporation Counsel with Recommendation to ACCEPT the RESIGNATION of CITY MANAGER SCOTT MOORE Effective NOVEMBER 24, 2010, and to Approve the AGREEMENT and RELEASE, and to Authorize the Mayor to Sign the Agreement and Release.**
- (10-544) * Communication from the Acting City Manager and Corporation Counsel Requesting Adoption of an ORDINANCE LEVYING a TAX for the Fiscal Year 2011 for the WESTLAKE SPECIAL SERVICE AREA.**

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

Council Member Turner requested Item No. 10-544 be removed from the Consent Agenda for further discussion.

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

Items No. 10-541 through 10-544 (excluding Item No. 10-544, which was removed for further discussion) were approved by roll call vote under the Omnibus Vote Designation.
Yeas: Irving, Montelongo, Riggenbach, Sandberg, Spain, Turner, Van Auken,
Mayor Ardis - 8;
Nays: Gulley - 1.

**(10-544) * Communication from the Acting City Manager and Corporation Counsel
Requesting Adoption of an ORDINANCE LEVYING a TAX for the Fiscal Year
2011 for the WESTLAKE SPECIAL SERVICE AREA.**

Corporation Counsel Randy Ray distributed a replacement Ordinance to all members of the City Council.

Council Member Turner moved to adopt the replacement Ordinance levying a Tax for the Fiscal Year 2011 for the Westlake Special Service Area; seconded by Council Member Montelongo.

ORDINANCE NO. 16,630, as amended, was adopted by roll call vote.
Yeas: Irving, Montelongo, Riggenbach, Sandberg, Spain, Turner, Van Auken,
Mayor Ardis - 8;
Nays: Gulley - 1.

UNFINISHED BUSINESS

**(INCLUDING BUT NOT LIMITED TO MOTIONS TO RECONSIDER ITEMS, IF ANY,
FROM THE PREVIOUS REGULAR MEETING)**

**(10-464) Communication from the Acting City Manager and Finance
Director/Comptroller Requesting for the City Council to Provide Final
Direction to the Administration on the FY 2011 CITY OF PEORIA BUDGET,
with Public Comments.**

A memo from Peoria Economic Development President Vickie Clark was distributed to all members of the City Council.

Mayor Ardis stated this Council Budget discussion would provide final direction to the Administration to complete the FY 2011 City of Peoria Budget. He stated following this discussion, a Resolution adopting the 2011 City of Peoria Budget would be placed on the December 14, 2010, Regular City Council Meeting Agenda for Council to approve. He requested that Finance Director/Comptroller Jim Scroggins explain the current status.

Finance Director/Comptroller Jim Scroggins reported the current deficit was down to approximately \$1.8 million and he explained the changes that had occurred since the November 23, 2010, City Council Meeting, when the deficit was at approximately \$2.2 million as outlined in the Council communication. He said there were three options available regarding the implementation of a Natural Gas Tax to close the budget deficit and he stated Staff was recommending Option C. He explained Option C, which was a hybrid and would generate an estimated \$2.2 million leaving the City with a small surplus.

In discussion with Council Member Van Auken, Director Scroggins confirmed the City's beginning budget deficit was \$13.4 million, but was reduced to approximately \$2.2 million before the November 23, 2010, City Council Meeting. He said this would include an increase in fines and fees of approximately \$209,000, but he confirmed that, other than those increases, the City had reduced expenses extensively in order to cover the budget deficit.

In discussion with Council Member Irving, Acting City Manager Kent Tomblin explained the 2010 Travel and Training Budget was reduced substantially by Department Heads due to Budget constraints, but some employees would need to address licensing and certifications in 2011, which could not be addressed in the 2010 Budget. He said this could be the reason the 2011 Travel and Training Budget was higher in 2011 than in 2010.

Mayor Ardis said he did not feel the Council had been provided with enough information regarding the reduction of one position in the EEO Office and one position in the Economic Development Department. He said he did not have a clear understanding of what the impact would be if these two positions were eliminated. He added there had been ongoing discussions with EDC and a conclusion had not been reached regarding what could be provided and how much it would cost the City. He said it would make sense to fund the two positions for the first six months of 2011, with firm direction to the Administration that the Council expected to have a clear understanding, within 90 days or less, of what the impact would be if those two positions were eliminated. He stated further discussion should be held with EDC before a final decision would be made. He also stated the two positions could be impacted in some manner by the reorganization that will be occurring in the near future.

Council Member Riegenbach requested the motion include the request for a recommendation to be brought back to the Council within 90 days or less.

Council Member Gulley moved to fund the one position in Economic Development Department and the one position in EEO, which had been scheduled for elimination, for six months and to direct the Administration to provide a recommendation regarding these positions to the City Council within 90 days or less; seconded by Council Member Van Auker.

Approved by roll call vote.

Yeas: Gulley, Irving, Montelongo, Riegenbach, Sandberg, Spain, Turner, Van Auker,
Mayor Ardis - 9;

Nays: None.

Finance Director/Comptroller Jim Scroggins explained in detail the three options regarding the Natural Gas Tax as outlined in the communication. He said Staff's recommendation was for Option C and the adoption of a Natural Gas Utility Tax of 3.5% and a Natural Gas Use Tax at a rate of \$0.005 per therm that would generate approximately \$2.4 million annually.

Director Scroggins said the Administration met with ADM regarding the impact of the City's proposed tax increase on their business. He said the original proposal would have caused ADM to pay over \$4 million in taxes, which would have severely impacted their business and would have hampered their ability to continue investing in their business here in Peoria. He said following discussion regarding other options, it was agreed that ADM would be taxed at a lesser rate by using the hybrid system.

In discussion with Council Member Turner, Director Scroggins said the average user would pay approximately \$33.00 to \$34.00 on average per year.

Council Member Sandberg expressed concern regarding a Natural Gas Tax increase and the impact it would have on those on a fixed income and those already struggling financially.

Following further discussion, Council Member Van Auker moved to adopt a Natural Gas Utility Tax of 3.5% and a Natural Gas Use Tax at a rate of \$0.005 per therm; seconded by Council Member Turner.

Mayor Ardis agreed with other Council Members' comments regarding the difficulties that had occurred in the past year and he said this was a vote that no one was comfortable with making, but there was a \$2 million gap in the 2011 Budget to close. He also pointed out this vote would not address the possible \$13.5 million deficit in 2012 or fund reserves.

Council Member Spears arrived at 5:55 P.M.

Motion to adopt a Natural Gas Utility Tax of 3.5% and a Natural Gas Use Tax at a rate of \$0.005 per therm was approved by roll call vote.

Yeas: Gulley, Irving, Riggerbach, Spain, Turner, Van Auken, Mayor Ardis - 7;

Nays: Montelongo, Sandberg - 2.

Clerk's Note: Council Member Spears did not vote.

PUBLIC COMMENTS Regarding the 2011 CITY OF PEORIA BUDGET

A Peoria resident spoke in opposition to the Natural Gas Utility Tax increase. He said people were struggling financially because of job loss and the downturn in the economy, and this tax increase would have a further negative impact. He urged the Council to reconsider their actions of imposing a higher tax.

(10-537) Communication from the City Manager and Director of Planning and Growth Management with Request to SET ASIDE \$10,000.00 from the City of Peoria's DOWN PAYMENT ASSISTANCE PROGRAM for an EAST BLUFF NEIGHBORHOOD HOUSING SERVICES HOUSING REHABILITATION and SALE PROJECT Located at 719 E. ILLINOIS STREET.

Council Member Riggerbach commended the changes in the organization that had occurred in the past year and the progress that had been made. He said their accountability and financial transparency was much better and healthy dialogue had been conducted so a true partnership had been formed with the City. He discussed the restoration of 719 E. Illinois Street and he said he felt the City respected organizations who supported homeownership and were following the City's need for more homeownership opportunities.

Council Member Riggerbach moved to set aside \$10,000.00 from the City of Peoria's Down Payment Assistance Program for an East Bluff Neighborhood Housing Services Housing Rehabilitation and Sale Project located at 719 E. Illinois Street; seconded by Council Member Van Auken.

Discussion was held regarding licensing processes and Council Member Sandberg said the role of Government was to ensure safety precautions were in place for potential buyers and to protect the long-term viability of the community. He expressed concern regarding the past performance of the East Bluff Neighborhood Housing Services Board and he said there was no assurance that procedures had changed.

Council Member Riggerbach said the EBNHS was following the Code and procedures. He stated, if there were violations, there would be ramifications and he wanted that to be clear. He agreed this was a policy decision, but he saw no problems and this proposal was a logical next step forward. He urged private developers to take similar interest in older portions of the City and he urged the Council to support the motion.

Motion to set aside \$10,000.00 from the City of Peoria's Down Payment Assistance Program for an East Bluff Neighborhood Housing Services Housing Rehabilitation and Sale Project located at 719 E. Illinois Street was approved by roll call vote.

Yeas: Gulley, Irving, Riggerbach, Spain, Turner, Van Auken, Mayor Ardis - 7;

Nays: Montelongo, Sandberg, Spears - 3.

EXECUTIVE SESSION

It was determined that an Executive Session was not needed.

ADJOURNMENT

Council Member Spain moved to adjourn the Special City Council Meeting; seconded by Council Member Irving.

Approved by roll call vote.

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

Nays: None.

The meeting adjourned at 6:15 P.M.

bb

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