

: OFFICIAL PROCEEDINGS:

: OF THE CITY OF PEORIA, ILLINOIS :

A Special Meeting of the City Council of Peoria, Illinois, was held on Monday, October 17, 2011, at 6:15 P.M., at City Hall, Council Chambers, 419 Fulton Street, with Mayor Jim Ardis presiding, and with proper notice having been given.

ROLL CALL

Roll call showed the following Council Members physically present: Akeson, Gulley, Irving, Riggerbach, Spain, Spears, Turner, Van Auken, Weaver, Mayor Ardis – 10; Absent: Sandberg - 1.

INVOCATION & PLEDGE OF ALLEGIANCE

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

PETITIONS, REMONSTRANCES & COMMUNICATIONS

(11-447) Communication from the City Manager Requesting Approval of a DATE SET for a SPECIAL CITY COUNCIL MEETING to be Held TUESDAY, NOVEMBER 1, 2011, at 6:15 P.M. for the Purpose of Discussing the FY2012 BUDGET and Other Matters as the City Manager May Place on the Agenda.

Council Member Irving moved to approve a date set for a Special City Council Meeting to be held Tuesday, November 1, 2011, at 6:15 P.M. for the purpose of discussing the FY2012 Budget and other matters as the City Manager may place on the agenda; seconded by Council Member Turner.

Approved by roll call vote.

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

Nays: None.

UNFINISHED BUSINESS

(11-433) Communications from the City Manager as follows:

E. Request for the City Council to Provide DIRECTION on the FY2012 OPERATING BUDGET.

City Manager Ulrich distributed a replacement communication for this item, as well as a copy of a PowerPoint presentation regarding the proposed 2012 City of Peoria Operating Budget, to members of the City Council.

City Manager Ulrich gave an overview of the proposed budget. He noted the City of Peoria was very reliant on tax revenues. He said, with the State being fiscally unstable, it provided an even bigger challenge for cities to balance their budgets. He noted the local economy was recovering, but slowly. He noted home sales in the City of Peoria were down approximately 20%, with flat EAV growth. He said there had been a 0.8% decline in the tax base.

City Manager Ulrich explained the growth of the City's expenses compared to revenue growth and illustrated the affects of the City not making any structural changes to correct the budget deficit. He noted the City would be unsustainable and the deficit would continue to grow. He said the proposed budget for 2012 included 51% of expenses coming from operations, 18% for inter-fund transfers, and 18% for capital expenses. He noted the revenue side included 25%

coming from sales tax, 19% from property taxes, 17% from local sources, 15% from income/utility Taxes, 14% from grant funds, and 10% from other taxes.

City Manager Urich said he recommended the following to help correct the Structural Operating Deficit: 1) Reduction in Force – 52 net employees reduced, providing \$5 million saving in Salaries and Benefits; 2) Early Retirement Incentive – window open from November 1, 2011, through November 1, 2012; and 3) Restructuring Options – including new reporting relationships, managed competition, and shared services with the County.

City Manager Urich noted his goal with Staff was to present a balanced budget to the City Council. He said from the budget presented, he would take recommendations and suggestions from the City Council.

City Manager Urich further recommended increasing the refuse collection fee from \$6 to \$14. He provided fee comparisons for cities across Illinois and he proposed changing this revenue stream to be self-sustaining. He noted, currently, the refuse collection fee being collected was not enough to sustain itself. He said he would like to segregate the Refuse Collection Fund, the General Fund, and the Road Fund. He added the direct streaming of funds would create efficiencies. He said the City needed to maximize its impact with limited resources and live within its means.

City Manager Urich said a challenge to him by the City Council when he was hired was to make organizational restructuring a priority. He noted he currently had 18 people who reported to him. He said he recommended the following for restructuring: 1) Information Systems – share services with the County; 2) Community Development Department – merging Planning, Inspections, and Economic Development; 3) Managed Competition – strategically partner with private sector for Engineering/Building Inspections; 4) Parking Services – consolidate this function from different departments into one department; 5) Reporting Relationships – creation of Assistant City Manager to oversee divisions (i.e. Info Systems, ECC, etc.), move EEO position to Human Resources and change it to a Diversity Officer; and 5) Business Process Reengineering – fine tune existing processes utilizing upgrades to current software to create efficiencies.

City Manager Urich further suggested considering the reduction of the City's contribution to the Peoria Area Convention and Visitors Bureau to 71% from the current 81%. He added there would be no additional debt service costs in 2012 for the Pere Marquette Hotel Project. He suggested the consideration of a 2% Package Liquor Tax to generate additional revenue. He also said he would like to work closely with the City's Labor Unions to create more flexible and realistic labor contracts so that cost-effective negotiating could take place, especially during difficult budget years.

Mayor Ardis clarified the information brought forth by the City Manager was an initial proposal. He said he had received feedback from citizens regarding the proposed increase in garbage fees. He noted the City was currently subsidizing the fee being collected. He said the increase in the fee would allow the program to pay for itself and free up the money being used to subsidize the program.

Council Member Gulley said he had been under the impression that the original garbage fee was created to enhance public safety, specifically to fund the POP team from the Police Department and to assist with litter collection.

Council Member Van Auken expressed concern regarding the proposed increase in the garbage fee. She questioned whether or not this fee could be phased in. She also requested investigating the possibility of different sizes of totes. She noted the 95 gallon ones were too

large for some single member households and were difficult for some people to maneuver. She also said she did not want to over-sell this proposal as a solution to litter.

Council Member Van Auken further noted she had asked the former City Manager in 2007 to investigate the possibility of a Package Liquor Tax. She asked City Manager Urich to look into the amount of revenue that could be generated. She added the \$700,000 figure was the original figure presented in 2007.

Council Member Spain thanked the City Manager and Staff for bringing forward the statistics of comparable communities regarding the garbage fees. He said this information helped put the proposed fee into context. He noted the estimated revenue generated was based on \$14 each for 40,000 customers. He asked for a report back regarding how the proposed fee amount was determined, specifically listing any communities in the State charging less than \$6.

City Manager Urich noted the collection rate was closer to 35,000 households. He said Staff was hoping to work out an agreement with PDC for them to finance the purchase of garbage totes City-wide, rather than citizens being charged an additional fee.

Public Works Director Dave Barber reported the financing of the garbage totes would include maintenance of the carts. He said the actual number of customers being served by PDC needed to be defined and covered in the contract. He added a great time to do this would be during cart distribution.

Council Member Spain expressed concern that there had not yet been a resolution to the discrepancy of customers numbers being served by PDC. He said he felt this was unacceptable and needed to be resolved as soon as possible.

Council Member Riggerbach said he appreciated the information presented regarding the proposed increase in the garbage fee. He said he felt this was a step in the right direction in regard to transparency of the budget process. He said he also had concerns regarding the tote size and applying the same fee to households regardless of how much or how little garbage was produced. He said he also felt yard waste needed to be included in the variables.

Council Member Turner thanked the City Manager for providing a good analysis of the proposal for the increase in the garbage fee. He said he did have some concerns regarding the proposed Package Liquor Tax. He noted some consumers would travel to bordering towns to save money on their liquor purchases, which would place Peoria's liquor establishments at a disadvantage.

Council Member Irving agreed that the reconciliation of the number of households served by PDC needed immediate attention. He also expressed concern that many of his constituents did not have room for storage of the 95 gallon totes and he suggested Staff explore the possibility of offering a variety of sizes. He noted how the use of totes by all customers would help to create efficiencies for PDC, as well, and he questioned whether or not the City would see a savings in the total amount of the contract due to these efficiencies. He also reiterated the need to do further investigation of the proposed Package Liquor tax.

Council Member Akeson said she was in favor of the City-wide use of the garbage totes, but she said she felt it was important to investigate incentives to reward those citizens who choose to recycle.

Council Member Spears expressed concern that Staff was hitting the middle class with the proposed increase in fees and taxes. He said he believed Staff was just moving money around. He said he felt the City still had a large amount of money in the budget that could be cut and

there were better ways to deliver services. He said revenue needed to be increased and that would only happen by bringing more consumers into the City of Peoria to do business.

Council Member Spain said he agreed the City needed to create additional revenue streams. He said he was sympathetic to those concerned about the size of the toters, but he said he felt there was a danger in setting different tiers of disposal. He noted there were already those neighbors who did not pay for garbage services and threw their garbage in alleys and empty lots, or utilized dumpsters behind businesses to avoid paying for disposal.

Council Member Gulley expressed concern that the proposed plan would not work in older neighborhoods. He said he had discovered less than 10 households on the Southside were taking advantage of the free recycling program already in place. He said the City should not use other cities as comparables for the fee structure, as each city was unique.

Council Member Van Auken said she agreed with Council Member Spears and she questioned whether or not the appropriate cuts had been made. She noted, when the 2% HRA tax was proposed, the City did not lose restaurants as was predicted. She said she felt, overall, citizens would still make their package liquor purchases in the City of Peoria. She said a Package Liquor Tax should be considered as an additional source of revenue, as liquor was a non-essential item for consumers.

Council Member Turner noted he had spoken with area package liquor sellers and he had discovered approximately 60% of sales in some of these businesses were due to volume purchases.

Council Member Irving suggested the City Manager review the Shared Services Committee and identify areas where bids could be shared or services could be privatized. He also challenged the City Manager to look specifically at the Finance Department and work with current software vendors to find ways to create efficiencies with processes already in place. He further noted the proposed Reduction in Force. He said he felt it was important to identify what can be done with less Staff. He also questioned the decrease in funding for the PACVB and the impact it would have on Staff at that organization.

Mayor Ardis requested the City Manager post the PowerPoint presentation on the City's website for public access. He clarified the Budget process was not beginning by adding new taxes or fees. He said the proposed budget was a starting point for discussion. He reiterated the City Council had asked the City Manager to address the reorganization for the City and make it his number one priority. He noted, as the ERI and RIF evolved, the restructure would be phased in throughout the process.

Council Member Weaver moved to receive and file the 2012 City of Peoria Budget Proposal; seconded by Council Member Van Auken.

Approved by roll call vote.

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

Nays: None.

B. PUBLIC COMMENTS Regarding the FY2012 CITY OF PEORIA BUDGET.

Hearing no objections, Mayor Ardis requested Privilege of the Floor for any member of the public to address the City Council regarding the FY2012 City of Peoria Budget.

Lorraine Carter, President of the Martin-Warren Southside Neighborhood Association, expressed concern regarding the number of City of Peoria employees who were subject to layoffs, especially Code Enforcement Officers and how it would affect quality of life in neighborhoods. She suggested taxing cigarettes and liquor and fining residents for not keeping up their properties as possible revenue streams.

Maury Brucker, Peoria resident and President of the Peoria Botany Society, expressed concern regarding the extensive mowing being done at Springdale Cemetery. He said it was not necessary to mow the large 20 acre area of the cemetery and eliminating this task would be a large cost savings for the City.

Roger Sparks, Peoria resident, expressed concern that certain areas were being targeted for violations by Code Enforcement and others were being ignored. He said he was also concerned that Building Inspectors were giving passes to buildings, even though they did not meet ADA Code Standards. He said he hoped these positions would be taken into consideration when the final budget was approved.

Lavetta Ricca, President of Olde Towne South Neighborhood Association, expressed concern that the proposed budget included laying off Code Enforcement Staff. She said the older neighborhoods would really suffer with fewer Staff to address violators.

Pastor Joseph Wilson, Peoria resident, said he had recently moved to Peoria and he noted the City was very unique. He expressed concern that the restructuring could take away from the character of the City.

(11-435) Communication from the City Manager and Director of Public Works Requesting Approval of the SOLE SOURCE CONSTRUCTION CONTRACT with CENTURY RAILROAD BUILDERS, INC., in the Amount of \$157,755.47, for the RECONSTRUCTION of the RAILROAD CROSSINGS on PIONEER PARKWAY and RADNOR ROAD, and with Request to Receive and File the REPORT BACK.

MOTION ON THE FLOOR: Move to Approve as Outlined.

Council Member Irving noted this repair was requested by the Interstate Commerce Commission and, according to an agreement made with Pioneer Rail by a previous City Council, it was the City's responsibility to maintain the crossing. He said he had received a number of complaints from constituents about the condition of the crossing. He said from a usage standpoint, this crossing was highly traveled each day.

Council Member Gulley said the point of deferring this item was to avoid complaint-driven repairs and to prioritize crossings that were in worse condition for repairs ahead of this one. He said he drove through the crossing and felt this area did not need repairs at the present time. He said he hesitated to vote on this item without Council Member Sandberg present for the discussion, as he was the maker of the Motion to defer.

Director Barber noted Staff had just spent 3 ½ weeks doing concrete work on Pioneer Parkway to make it drivable. He said this was only a temporary repair which he expected would deteriorate again by the end of winter. He said if the Council wished, he could provide a detailed report on all of the crossings. He said the ICC request and the condition of the crossing prompted this project to come forward.

Council Member Gulley noted, with the information just provided, he would support the motion. He said the Council could use Director Barber's report to make future decisions about these crossings.

Council Member Spears offered a Substitute Motion to repair Radnor Road and to hold off on the Pioneer Parkway crossing repair until spring. He said he felt the City needed to renegotiate with Pioneer Rail to remove the rail completely. He said then, this could be rebid in the spring.

In discussion with Council Member Spears, Corporation Counsel Randy Ray said the City would have to contact the STB (Surface Transportation Board) in order to attempt to discontinue rail service to get the tracks completely removed. He noted, if contested, the whole process could take up to a couple of years to complete. He said the City was not able to abandon rails.

In further discussion with Council Member Spears, Corporation Counsel Ray clarified the City had not received any revenue from Pioneer Rail and was charged \$1.00 per year for rent.

Council Member Gulley seconded the Substitute Motion.

Council Member Irving said he would not support the Substitute Motion. He said this was a major thoroughfare in need of repair and he reiterated the City Council had already made an agreement to maintain this crossing. He asked for his colleagues to support the original motion to approve this item.

Motion to approve the Substitute Motion to repair Radnor Road and to hold off on the Pioneer Parkway crossing repair until Spring, renegotiate with Pioneer Rail to remove the rail completely, and rebid the project in the Spring was DEFEATED by roll call vote.

Yeas: Akeson, Gulley, Spain, Spears – 4;

Nays: Irving, Riggerbach, Van Auken, Turner, Weaver, Mayor Ardis – 6.

Motion to approve the sole source construction contract with Century Railroad Builders, Inc., in the amount of \$157,755.47, for the reconstruction of the railroad crossings on Pioneer Parkway and Radnor Road, and to receive and file the report back was approved by roll call vote.

Yeas: Irving, Riggerbach, Spain, Van Auken, Turner, Weaver, Mayor Ardis – 7;

Nays: Akeson, Gulley, Spears – 3.

CITIZENS' OPPORTUNITY TO ADDRESS THE CITY COUNCIL/TOWN BOARD

Council Member Van Auken congratulated citizen Bernadine Nolan for receiving this year's Mayor's Award.

Council Member Weaver requested Public Works Director Barber to bid future railroad crossing projects in the months of January and/or February.

Council Member Akeson reminded citizens to be sure to attend the October 21, 2011, Anti-Bullying Rally at Westlake Shopping Plaza, from 3:30 P.M. to 5:30 P.M.

EXECUTIVE SESSION

(11-448) Consideration of a Motion to enter into EXECUTIVE SESSION to Discuss 2(c)5 The purchase or lease of real property for the use of the public body, including meetings held for the purpose of discussing whether a particular parcel should be acquired; 2(c)6 The setting of a price for sale or lease of property owned by the public body; and 2(c)21 Discussion of minutes of meetings lawfully closed under this Act, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06.

Council Member Irving moved to enter into Executive Session to discuss 2(c)5 the purchase or lease of real property for the use of the public body, including meetings held for the purpose of discussing whether a particular parcel should be acquired; 2(c)6 The setting of a price for sale

or lease of property owned by the public body; and 2(c)21 Discussion of minutes of meetings lawfully closed under this Act, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06; seconded by Council Member Turner.

Approved by roll call vote.

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

Nays: None.

ADJOURNMENT

Council Member Weaver moved to adjourn the Special City Council Meeting; seconded by Council Member Van Auken.

Approved by roll call vote.

Yeas: Akeson, Gulley, Irving, Riggerbach, Spain, Spears, Turner, Van Auken, Weaver, Mayor Ardis - 10;

Nays: None.

The Special City Council Meeting adjourned at 8:34 P.M.

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

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