

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

A Special Meeting of the City Council of Peoria, Illinois, was held September 1, 2020, at 6:00 P.M. at City Hall, Council Chambers (Room 400), 419 Fulton Street, with Mayor Ardis presiding, and with proper notice having been posted.

ROLL CALL

Roll Call showed the following Council Members were physically present: Ali, Cyr, Grayeb, Jensen (Arrived at 6:06 P.M.), Kelly, Montelongo, Moore, Oyler, Riggenschach, Ruckriegel, Mayor Ardis – 11. Absent: None.

COVID-19 PUBLIC NOTICE

In accordance with Governor JB Pritzker's Executive Order 2020-48 which continues to limit any gatherings of more than fifty people, and Executive Order 2020-44 requiring the provision of video, audio or telephonic access to meetings – and the CDC recommending social distancing of at least six feet between persons, City Hall is implementing changes and restrictions for the City Council Meeting on September 1, 2020, while complying with the Open Meetings Act.

The Council Meeting will be conducted in person with members of the Council present in Council Chambers with plexiglass barriers, with Department Heads in their offices and some City Staff in room 404 with the ability to remotely answer questions while maintaining a six foot distance. Fifteen members of the public and one member of the media will be present inside Council Chambers. Temperature screenings are required upon entry to City Hall and face coverings are always required while inside.

Members of the public and media are invited to watch through the live stream, YouTube, Television Channel 22 or through WCBU Radio. Submissions for Public Comment were received through the City Clerk's Office. The agenda, minutes and video podcast of the meeting will be available online through the City website.

INVOCATION & PLEDGE OF ALLEGIANCE

Mayor Jim Ardis requested a moment of silent prayer or silent reflection and then he led the pledge of allegiance.

PETITIONS, REMONSTRANCES & COMMUNICATIONS – CITY OF PEORIA**20-221 Communication from the Mayor and Corporation Counsel with a Request to APPROVE the DECLARATION OF LOCAL STATE OF EMERGENCY.**

Council Member Riggenschach moved to approve the Declaration of Local State of Emergency; seconded by Council Member Moore.

Approved by roll call vote.

Yeas: Ali, Cyr, Grayeb, Kelly, Moore, Oyler, Riggenschach, Ruckriegel, Mayor Ardis - 9;

Nays: Montelongo - 1.

(20-222) Communication from the City Manager and Finance Director/Comptroller with a Request to ADOPT an ORDINANCE Establishing LOCAL CURE PROGRAM FINANCIAL SUPPORT CONDITIONS Authorizing the Mayor to Execute the Certification.

City Manager Patrick Urich said this item was a certification required by the State of Illinois in order to receive reimbursement through the Coronavirus Relief Funds called the Local Cure Program. He said the City was eligible, by formula, for up to \$4.7 million in reimbursement. He said the City currently had approximately \$1.1 million of direct reimbursements with other expenses that would run through the end of the year. He said the certification needed to be approved by the City Council in order to submit for reimbursement.

Council Member Jensen arrived at 6:06 P.M.

Council Member Kelly moved to adopt an Ordinance establishing Local Cure Program Financial Support Conditions authorizing the Mayor to execute the certification; seconded by Council Member Riggbach.

ORDINANCE NO. 17,790 was adopted by roll call vote.

Yeas: Ali, Cyr, Grayeb, Jensen, Kelly, Montelongo, Moore, Oyler, Riggbach, Ruckriegel, Mayor Ardis - 11;

Nays: None.

(20-125) Communication from the City Manager with a Request to APPROVE the Recommended 2020 - 2021 BUDGET RESTRUCTURING as a Result of the COVID-19 Pandemic.

The 2020-2021 COVID-19 Budget Restructuring dated August 25, 2020, and a map of the Fire Zone Boundaries in Peoria, Illinois were distributed to all Council Members.

City Manager Urich reviewed the 2020-2021 COVID-19 Budget Restructuring handout. He reviewed the percent change in the number of small businesses open as of August, reporting 20.4% of small businesses had closed. He reported the percent change in small business revenue, noting a positive change since April 2020; however, those revenues were still down 21.0% since the beginning of the pandemic. He provided an update from the Illinois Department of Employment Security regarding unemployment rates in the City and the State. He compared the COVID-19 revenue projections from April 2020 and August 2020 reporting the August projections were still 20% below the original budget projections by year end. He reported on the 2020 revenue shortfalls outlining the various revenue sources. He compared the 2020 revenue shortfalls to the updated 2021 revenue shortfalls reporting the 2021 shortfalls were still anticipated to be 12% lower than the biennial budget estimate.

City Manager Urich summarized the Council's actions to date for restructuring the budget, and he presented the decisions that still had to be made as it related to Public Safety and short-term borrowing. He reviewed the current staff reductions in operations stating the City would begin layoffs on September 1, 2020, with additional layoffs at the end of the year. He said all non-union positions were taking 17 furlough days between now and December 2021. He asked whether the Council would support any form of reduction to Public Safety, stating if not, then other alternatives had to be explored. He explained the General Fund reserves would be exhausted by the end of 2020 due to large end-of-the-year expenses added to payroll and operations totaling approximately \$6-7 million per month. He said, due to favorable revenues, the City's need for a working cash bond had decreased from \$30 million to \$10 million, noting

revenue growth would allow for repayment of the bond without the need to increase property taxes. He said seeking a higher bond would require the Council to find an additional revenue source for repayment, such as an increase in property taxes.

City Manager Urich reviewed the Peoria Civic Center's budget situation reporting nearly all activities for 2020 and the first three quarters of 2021 had been suspended. He said the Civic Center could not issue their own debt without a referendum, noting it was too late for a referendum to go to vote at the November election. He said the Civic Center would need \$4-7 million of assistance through 2021.

City Manager Urich recapped the budget plan presented last week stating should the Council address the proposed Public Safety and working capital issues as outlined, then the City would be growing its reserves by \$5.8 million over the next four years. He said with no Public Safety reductions, operations would be more expensive, along with increasing Public Safety Pensions, wherein the Council would need to make budgetary decisions in 2021, 2022 and 2023.

Discussions were held regarding a potential Federal relief package and City Manager Urich said if a relief package was forthcoming, then the City would not need to borrow a \$10 million working cash bond. He said if Congress passed a relief package, then the City could look at restructuring its working cash debt.

Discussions were held regarding the Peoria Civic Center, and Council Member Ruckriegel said the building had shut down and large acts were postponed until further notice. He said the only activity in the Civic Center's parking lot was for COVID-19 testing. He said there was still a need for security and utilities; however, he said with the building not being used, there would be a form of wear-and-tear. He said while staffing had been reduced, a few employees were kept for coordinating future events. City Manager Urich added it would cost between \$4 - \$7 million to keep the Civic Center facility functional and ready to open in the future. He said the City still had to make debt payments from a previous remodel, in the amount of \$6.5 million per year until 2026. As far as providing aid to the Civic Center, he said the City would need to discuss the matter with its own financial advisors, noting it currently had no cash flow. In response to Council Member's Cyr's question regarding the duties of SMG, City Manager Urich said the Peoria Civic Center Authority contracted with SMG to manage the operations of the facility; however, he said the Authority was responsible for overseeing the operations.

Discussions were held regarding the savings provided by the furloughs. With the working cash bond decreasing from \$30 million to \$10 million, it was mentioned the bond would not cover the cost of two Fire Engines along with the legacy costs of the pensions in the outyears. Discussions were held regarding private funding of the Civic Center, and City Manager Urich said there was very little private sector funding coming in at this time.

Council Member Ali said she would not be able to vote in favor of decommissioning two Fire Engines. She said no one on the Council had the appetite to cut Public Safety. She said she had considered avoiding layoffs by approving the Voluntary Separation Incentive. She expressed a concern for putting lives at risk by decommissioning any of the Fire Engines.

Council Member Rigenbach expressed a concern that concerts at the Civic Center had been pushed back to the fourth quarter of 2021. He said, even with the recent increases in revenues, those increases were based on a large decrease in the first half of the year, and he asked everyone to be mindful of that when making decisions.

City Manager Ulrich said, in response to Council Member Riggerbach regarding the City's reserves over the next four years, with the decommissioning of three Fire Engines the City would have seen a \$5.8 million growth across all funds over the next three years. He said without decommissioning those engines, that number would be considerably smaller.

Discussions were held regarding the decommissioning of two machines or one machine and how it would impact the City's operating budget. It was mentioned if only one machine was decommissioned, then the City would run out of reserves trying to pay for those operations. Discussions were held regarding the City's reserves and whether it was possible to not decommission any engines. City Manager Ulrich said the legacy costs of public safety pensions in the outyears would continue to increase without the decommissioning of engines. He said if the Council did not want to make any budget reductions, then a new revenue source would need to be found to compensate for those expenses. He said a property tax increase could be a revenue source dedicated to pensions only.

Mayor Ardis said hotel revenues dropped drastically since the pandemic, stating there had been little to no business in the downtown area. He said the majority of business travel had stopped. He expressed his appreciation to Mark Peterson who was able to open the Louisville Slugger late in the season and was able to salvage part of the year. He said they worked closely with the Peoria County Health Department and developed a plan that was utilized by other venues in the State. He said the kids and their families were safe and were able to stay in the hotels and shop at the Shoppes of Grand Prairie.

Council Member Grayeb said focusing on the City's reserves was not the primary issue, but rather the safety of their constituents. He said it was his belief that City would rebound financially in 2021 with additional government assistance forthcoming. He recommended the Council get through the pandemic first and then focus on its reserves.

Council Member Cyr moved to decommission two fire engines and to borrow \$10 million in working cash bonds to pay for operations; seconded by Council Member Oyler.

Council Member Cyr briefly recapped the budget discussions and votes that occurred at the previous Council Meeting. He said he had met with the Firefighter Local 50 and with Fire Chief Ardis several times over the last four months. He remarked on the importance of going back to the fundamentals and the basics. He commented on the amount of communication he received from his constituents over the last week, and he expressed his appreciation for their input. He said he had to go back to the reasons why he ran for City Council, identifying the need to cut property taxes and to help the businesses in the community. He said District 5 paid more taxes than any other District in the City. He said he was opposed to closing Fire Station 20, but he said he was willing to work with the rest of the Council Members and Staff to equalize the response times for all Council Districts, noting the response times in District 5 could be as much as two to three times as long as other Districts in the City.

Discussions were held regarding the decommissioning of Fire Engines and what engines would be impacted. Council Member Moore asked for the engines being impacted be included in the motion, and Council Member Cyr recommended letting the professionals decide which engines to decommission. He said he wanted to work with all Districts across the City in order to equalize the fire service.

City Manager Ulrich said he interpreted the motion to include discussions directed towards equalizing the response times of the Fire Department throughout the City and to defer the decision of which engines to decommission to the Fire Chief.

Council Member Kelly said not only were Fire Department response times important, but so was the safety of the Firefighters. He said the Fire Chief spoke on behalf of the safety of his people and how to keep them safe while responding to calls and waiting for backup.

Council Member Montelongo said he would not be able to support the motion on the floor, and he recommended the motion be amended to outline which Fire Engines would be decommissioned.

Mayor Ardis commented that the Fire Chief previously indicated which two Fire Engines would be decommissioned should the motion pass; however, he asked Council Member Cyr to clarify his motion.

Council Member Cyr said he understood there needed to be budgetary cuts, and he said he understood what the Fire Chief was explaining. He said the people of District 5 paid over half of the property taxes and revenues for the City. He said the people of District 5 were tired of increased taxes. He said once a decision was made, everyone needed to collaborate to develop a plan that would include District 5, noting the current response times were not equitable in all Council Districts. He said the people of District 5 deserved to be just as safe as the other Districts. He said part of his motion was to give the authority to Fire Chief Ardis to decide which machines should be decommissioned; however, he reiterated the need to keep the citizens in District 5 safe.

Council Member Montelongo moved to divide the question by first approving a \$10 million working cash bond and then to approve the decommissioning of specific Fire Engines.

Motion died for lack of a second.

Council Member Grayeb expressed a concern for decommissioning any Fire Engines stating there would be consequences for the entire City by doing so. He said reducing fire service by two engines would greatly reduce the Fire Department's ability to cover the City. He said the current motion on the floor would have an impact on all Districts across the City.

Fire Chief Ardis indicated his reluctant recommendation, in the interest of Firefighter safety and response times, would be to decommission Engines #20 and #4.

Council Member Montelongo said he would not support the current motion on the floor. He said Fire Engine 20 was not in his District and was not impacting his constituents, but he said it was the wrong motion for District 5. He said there were four firehouses in District 1, noting that if there was an area that could be modified it was District 1. He said he would not vote in favor of the motion on the floor.

Council Member Jensen said she could not support the motion on the floor, noting the City had made too many cuts to the Fire Department over the last several years. She said the Council wanted the City to prosper and grow, and she said it was her intent as a Council Member to make the City of Peoria a better place to live. She said in order to do those things, the City had to start with basic City services. She said there were other options to review that had not yet been explored. She said it was her belief they would receive government funding. She said it was irresponsible to cut the Fire Department during a pandemic. She said she would not support the motion on the floor, and she said it was her hope the majority would not support the motion as well.

Motion to decommission two Fire Engines as determined by the Fire Chief to be Engines #4 and #20, and to borrow \$10 million in working cash bonds to pay for operations was approved by roll call vote.

Yeas: Cyr, Kelly, Oyler, Riggenbach, Ruckriegel, Mayor Ardis - 6;

Nays: Ali, Grayeb, Jensen, Montelongo, Moore - 5.

Council Member Oyler said the original proposal provided by the City Manager asked for a reduction of three fire engines; however, the Council's recent action was to reduce the budget by two fire engines. He said there was still a budget gap that needed to be addressed that was left by one engine not being decommissioned. At the conclusion of his comments, he moved to freeze all capital expenditures that were unspent, aside from the stormwater utility projects that had a dedicated funding source; seconded by Council Member Riggenbach.

Mayor Ardis inquired as to the implications of freezing the capital expenditures and the impact it would have on the ability to run the City's daily operations. City Manager Urich said the City had approximately \$26 million of capital projects still pending or uncompleted for 2019 or slated for 2020 that had not yet begun. He said freezing the capital expenditures would pause all projects until the end of the year. He said the motion would help the City preserve its cash with those projects being paused until 2021.

For clarity, Council Member Moore asked the City Manager to specify exactly what would happen should the capital projects be frozen, stating she was not prepared to vote on such a motion without additional information. City Manager Urich said he would provide a list of projects to the City Council that would be affected by the motion.

Council Member Grayeb said he concurred with Council Member Moore stating he needed more information before he could vote on the motion.

Noting it was a good motion to be made, Council Member Montelongo said additional information was still needed before he would cast his vote.

Discussions were held regarding the deferral of the motion until the next City Council Meeting to provide the City Manager time to distribute a list of affected projects. Council Member Oyler said he concurred with a deferral; however, he expressed the importance of deciding on the motion at the next Council Meeting.

Council Member Riggenbach moved for a substitute motion to defer the motion to freeze all capital expenditures that were unspent, aside from the stormwater utility projects, until the September 8, 2020, Regular City Council Meeting; seconded by Council Member Grayeb.

Substitute motion to defer the motion to freeze all capital expenditures that were unspent, aside from the stormwater utility projects, until the September 8, 2020, Regular City Council Meeting was approved by roll call vote.

Yeas: Ali, Cyr, Grayeb, Jensen, Kelly, Montelongo, Moore, Oyler, Riggenbach, Ruckriegel, Mayor Ardis - 11;

Nays: None.

Council Member Jensen asked the City Manager to review the City's top 10-20 major contracts and vendors with a request to negotiate a reduction of those contracts by approximately 1% to 3%.

Council Member Montelongo requested an update on the City's remaining overtime budget with the possibility of a motion at the next Council meeting.

Council Member Riggenbach moved to receive and file the recommended 2020-2021 Budget Restructuring as a result of the COVID-19 Pandemic; seconded by Council Member Jensen.

Approved by roll call vote.

Yeas: Ali, Cyr, Grayeb, Jensen, Kelly, Montelongo, Moore, Oyler, Riggenbach,
Ruckriegel, Mayor Ardis - 11;

Nays: None.

CITIZENS' OPPORTUNITY TO ADDRESS THE CITY COUNCIL/TOWN BOARD

Hearing no objection, Mayor Ardis asked City Clerk Beth Ball to read the citizen comments into the record as follows:

Karen Fulford, a citizen of Peoria, expressed her appreciation for the service of each City Council Member on behalf of the citizens of Peoria. She also expressed her appreciation for the service of all the Firefighters in the community serving to protect the citizens. She said she was concerned about the reduction in the Fire Department and the impact it would have on the community. She encouraged the Council Members to accept Peoria Fire's invitation to be "a Firefighter for a day" to see what Firefighters did for the community. She said a reduced Fire Staff would increase the risk, safety and lives of the remaining Firefighters. She asked the Council to review the City's budget and look for projects that could be postponed or delayed in order to preserve the City's Public Safety sector.

EXECUTIVE SESSION

It was determined that an Executive Session was not needed at this time.

ADJOURNMENT

Council Member Jensen moved to adjourn the Special City Council Meeting; seconded by Council Member Montelongo.

Approved by roll call vote.

Yeas: Ali, Cyr, Grayeb, Jensen, Kelly, Montelongo, Moore, Oyler, Riggenbach,
Ruckriegel, Mayor Ardis - 11;

Nays: None.

The Special City Council Meeting was adjourned at 7:59 P.M.



Beth Ball, MMC, City Clerk
City of Peoria, Illinois