

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

A Special Meeting of the City Council of Peoria, Illinois, was held October 15, 2019, 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 (Arrived at 7:33 P.M.), Cyr, Grayeb, Jensen, Kelly, Moore, Oyler, Riggerbach, Ruckriegel (Attended by teleconference), Mayor Ardis – 10. Absent: Montelongo - 1.

ELECTRONIC ATTENDANCE

After having established a quorum, Mayor Ardis said a notice was received from Council Member Ruckriegel in accordance with the rules established by Ordinance No. 16,142. He said Council Member Ruckriegel would be authorized to attend the meeting electronically unless a motion objecting to his electronic attendance was made, seconded, and approved by two-thirds of the members of the City Council physically present at the meeting. He said if no such motion was made and seconded, then the request by Council Member Ruckriegel to attend electronically shall be deemed approved by the City Council and Council Member Ruckriegel would be declared as present.

Hearing no objection to the request for an electronic attendance, Council Member Ruckriegel was declared present by Mayor Ardis.

INVOCATION & PLEDGE OF ALLEGIANCE

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

PETITIONS, REMONSTRANCES & COMMUNICATIONS – CITY OF PEORIA

(19-319) Communication from the City Manager and Finance Director/Comptroller with a Request to APPROVE the Estimate of TAXES to be LEVIED, in the Amount of \$27,057,301.00 at a Rate of \$1.3466 Pursuant to 35 ILCS 200/18-60.

City Manager Urich explained that the amount presented did not include property taxes levied for bonds, stating that those would be levied through a bond Ordinance at a later date. Because the levy did not represent a 5% increase, he said a Truth in Taxation Hearing would not be required. He said this would be the operating levy that covered pensions, FICA and IMRF.

Council Member Riggerbach moved to approve the estimate of taxes to be levied, in the amount of \$27,057,301.00 at a rate of \$1.3466 pursuant to 35 ILCS 200/18-60; seconded by Council Member Moore.

Discussions were held regarding the process by which the tax levy was approved, and City Manager Urich stated that the estimate had to be approved by Council on file 20 days prior to the adoption of the aggregate levy. It was noted that the proposed levy was 2.5% lower than the amount levied in 2018.

Motion to approve the estimate of taxes to be levied, in the amount of \$27,057,301.00 at a rate of \$1.3466 pursuant to 35 ILCS 200/18-60, was approved by roll call vote.

Yeas: Cyr, Grayeb, Jensen, Kelly, Moore, Oyler, Riggerbach, Ruckriegel,
Mayor Ardis – 9;

Nays: None.

(19-313) Communication from the City Manager and Director of Community Development with a Request to Concur with the Recommendation from the Planning & Zoning Commission and Staff to ADOPT an ORDINANCE Amending Appendix A, the Unified Development Code, Relating to ADULT USE CANNABIS.

Community Development Director Black said there were no changes to the recommendations presented from the First Reading as it related to the zoning component of the cannabis discussion.

Council Member Moore moved to adopt an Ordinance amending Appendix A, the Unified Development Code, relating to adult use cannabis; seconded by Council Member Riggerbach.

Discussions were held regarding the spacing requirement from the property line of child care facilities and schools, and it was noted that the spacing requirement was part of the licensing aspect of adult-use cannabis and was not part of the zoning aspect.

Council Member Grayeb commented that should the Council increase the minimum distance limitation from 500 feet to 1000 feet, it would impact the Trinity facility located on University Street. He said Trinity was met with mixed reviews from the public as to its current location when it first opened, but he said there had been no complaints with regards to that particular establishment.

ORDINANCE NO. 17,718 amending Appendix A, the Unified Development Code, relating to adult use cannabis was adopted by roll call vote.

Yeas: Grayeb, Jensen, Moore, Oyler, Riggerbach, Ruckriegel, Mayor Ardis – 7;

Nays: Cyr, Kelly - 2.

(19-314) Communication from the City Manager and the Corporation Counsel with a Request to ADOPT an ORDINANCE Creating ARTICLE 19 (OPERATION OF A CANNABIS BUSINESS) of CHAPTER 18 (Licenses and Miscellaneous Business Regulations) of the CODE of the City of Peoria.

Senior City Attorney Chrissie Peterson said the revised Ordinance before the Council had few significant differences; however, she said the minimum distance limitation proposed would remain at 500 feet. She said she had researched the 1000 feet requirement, noting that comparables were limited. She said other adult uses had a minimum distance of 350 feet. She said she had difficulty finding the 1000 feet requirement defensible. She provided an overview of what would qualify for the 1000 feet requirement. Because of this, she said the recommendation was to remain at the 500 feet requirement.

Senior Attorney Peterson reviewed the fee schedule stating it was recommended to ramp up the schedule over a 3-year period, noting the fees would double during that time. She commented on the violations and the fine schedule stating that any hearing would be heard before the Mayor and that the amended fine schedule was proposed to be similar to that of the liquor fine schedule. She commented that the proposed revised Ordinance did not provide for a cap on the number of licenses. She said because the State would be rolling out licenses in stages, it made it difficult to provide a recommendable number. She said the State was setting a maximum number of licenses, and she said she did not recommend setting a cap. She said Staff continued to review whether to implement a site approval process for cannabis and she would report those findings at a late date.

Mayor Ardis asked the record to reflect that the fee schedule would double by the third year of licensing and that the title did not indicate that the fee would remain that amount in subsequent years.

Council Member Moore moved to adopt an Ordinance creating Article 19 (Operation of a Cannabis Business) of Chapter 18 (Licenses and Miscellaneous Business Regulations) of the Code of the City of Peoria; seconded by Council Member Riggerbach.

Council Member Jensen expressed a concern of there being a concentration of adult use cannabis businesses in one location, and Community Development Director Ross Black stated that State law provided for a minimum requirement of 1500 feet between dispensaries. As the State begins to allow for more licenses, Council Member Jensen asked to review the location of these establishments to ensure there would not be a concentration within one area.

Council Member Riggerbach said the State law requirement of 1500 feet between dispensaries coupled with the City's Special Use process would provide for a check and balance system. Discussions were held regarding the State allowing a second wave of licenses, and Attorney Peterson said it would be appropriate to review the cap of licenses at that time. Council Member Riggerbach said he was comfortable with the current safeguards in place, and he said he would support the Ordinance as presented.

ORDINANCE NO. 17,719 adopting an Ordinance creating Article 19 (Operation of a Cannabis Business) of Chapter 18 (Licenses and Miscellaneous Business Regulations) of the Code of the City of Peoria was adopted by roll call vote.

Yeas: Grayeb, Jensen, Moore, Oyler, Riggerbach, Ruckriegel, Mayor Ardis – 7;

Nays: Cyr, Kelly - 2.

(19-318) Communication from the City Manager and Finance Director/Comptroller with a Request to RECEIVE and FILE a PRESENTATION and Discussion of the 2020-2021 BIENNIAL BUDGET.

Substitute pages 17, 18, 19, 24.1 through 24.6 were distributed to all Council Members for the Budget Handbook. It was noted that the Budget Handbook available online was updated to include those pages.

A 2020/2021 Biennial Budget Snapshot and the 2020 Budget Presentation dated October 15, 2019, was distributed to all Council Members.

City Manager Urich said each budget decision coordinated with one of the following outcomes: Good Governance for All; Art, Culture and Lifelong Learning; Economic Opportunity and Neighborhood Livability; Environmental Health; Safety; Infrastructure and Mobility. He provided an overview of the budget process, community feedback, budget public meetings, the Budget Challenge and its results. He said 29 strategic indicators were identified with five prioritized by the City Council as follows: Employment/Unemployment Rate, Average Income Level, Property Values, Crime Index and Transportation Asset Condition. He reviewed the 2020 Budget by Strategic Outcome and the Total Sources and Uses (Revenues and Expenses). He reviewed the Revenue Summary Change 2019 Budget to 2020 Budget, noting an increase in the garbage fee to \$21.00 per month. He reviewed key revenue estimates noting an increase of approximately 4.2%. He highlighted the taxes and fees that were reduced along with the taxes and fees that were increased. He commented on the State's Parking Excise Tax Act, which contributed to the increase in parking fees. He said should the General Assembly determine the parking tax did not apply to municipalities, then the Council could rescind its Ordinance. He said the State Sales Tax would increase 2.6% and the income tax would increase 8.5%. He said there was strong growth in the Personal Property Replacement Tax with an increase of 11.5% and the State Motor Fuel Tax of 46.1%. He reviewed assessed values and growth rate from 2010 to 2019. He reviewed new revenue recommendations with miscellaneous fee adjustments, the Cannabis Sales Tax, Foreclosure Registration Fee and Garbage Fee; the Expense Summary Change 2019 Budget to 2020 Budget; Operating Budget Highlights; City's Headcount; 2019 Capital Improvement Program with 67% of the monies allocated toward sewers, sidewalks and streets. He expressed concern for the General Fund and reported that the proposed budget would add \$1.4 million into the General Fund balance in 2020. He said the biennial budget presented was balanced; however, he expressed a concern for the out years noting the drop off of the Public Safety Pension Fee. He said when the Public Safety Pension Fee dropped, the City would move into a deficit.

OPERATING BUDGET

Council Member Cyr expressed appreciation for the budget presentation. He inquired about the revenues and expenses aligning with one another, stating that his constituents did not understand why the City spent more than its revenues. He said he would speak with the City Manager regarding the matter after the meeting to address his constituents' concerns.

Council Member Cyr inquired about the Combined Sewer Overflow suit with the U.S. EPA and asked what the City would do with those monies should the agreement not transpire. City Manager Urich said the CSO was placed in the City's budget as a proposed expenditure with a corresponding revenue. He said that money would not be spent if the City was not at that point. He said the proposed projects in the budget would not be completed should there not be a signed consent decree. He said the City Council could remove the revenue set aside for the CSO until it becomes a reality. He said the CSO was 100% debt supported, noting if the City was not at a point where it was ready to support it, it would not be spent.

Council Member Cyr requested a Report Back on the Capital Improvement Plan (CIP) per Council District and for the entire City.

Council Member Moore said the budget highlighted other operating expenses, and she asked if there was a list of agencies supported by the City. City Manager Urich said the budget outlined support to other agencies that ran across a number of other funds. He said \$2.5 million out of

the General Fund supported the Peoria Civic Center, the Peoria Area Convention and Visitors Bureau, Animal Control, Arts Partners, Springdale Cemetery and March Madness. In response to Council Member Moore, City Manager Urich said he would provide a list of agencies that would receive money allocated towards personnel services and contractual supplies, and support to other agencies.

Discussions were held regarding the Downtown Development Corporation and it was noted that the City had two appointed seats on that council. Council Member Moore said the DDC would no longer receive a monetary contribution from the City, and it was questioned whether that would affect the City's seats on that council. City Manager Urich said he would discuss the matter with the President of the DDC. He provided an explanation for removing the allocation to the DDC from the budget, noting it was time for the DDC to look for financial solvency and sustainability on its own. Council Member Moore requested a follow-up from the conversation with the President of the DDC.

Discussions were held regarding Public Safety Pension costs. In response to Council Member Oyler, City Manager Urich reviewed all the revenue that was dedicated towards payment of those pensions. He commented that pension costs would continue to increase in the out years. Council Member Oyler commented on the importance of letting constituents know that the pension costs were not being paid out of the City's reserves.

Council Member Oyler expressed a concern for the foreclosure fees and how those fees could trickle down to the buyer's cost. City Manager Urich said Staff was looking at what other communities have done, noting that West Peoria and East Peoria had imposed a similar fee.

The Parking Excise Tax implemented by the State of Illinois was mentioned by Council Member Oyler, and City Manager Urich explained that due to the new electronic systems in the City's parking decks, collection of the State's Excise Tax would have to be included in the fee and then remitted back to the State. He said an Ordinance would come before the Council for adoption that would reflect those changes. He said those changes would be reflected in the fee to the monthly pass holders.

Council Member Oyler questioned the status of the Fitch Study, and City Manager Urich said a report was sent to the City Council for review stating that the consultants would provide a presentation in November. He provided an update on the response changes made in the Fire Department and the grant received in the 911 Center. He reported on the issue of keeping the 911 Center fully staffed.

Regarding the new fee implemented in the past for special events and street closures, City Manager Urich said he would update the Council on what had been collected and the impact that fee had on those events and the impact it would have going forward.

Council Member Riggerbach questioned the revenue to expense ratio of the budget, and City Manager Urich said Staff was considering drawing on TIF funds to do infrastructure work, which would fill the budget gap. He explained how TIF funds were adopted and set aside for improvements. He said, as enough money was generated, Staff would make a recommendation to spend those reserves on projects within its corresponding TIF district. He provided an overview of proposed projects and how those projects would be covered by TIF funds.

Council Member Riggerbach mentioned that tobacco licenses were discussed as a new revenue recommendation, and City Manager Urich said a First Reading would be presented to the City Council at the October 29, 2019, Council Meeting, which would outline the proposed fee schedule.

In response to Council Member Jensen's question regarding proposed miscellaneous fees and increases, City Manager Urich provided an example of increasing the cost of police reports for insurance companies to \$25.00, which would generate approximately \$60,000.00. Council Member Jensen requested a detailed list of additional fees or increases in fees that would add to the budget. City Manager Urich said a First Reading would be presented to the City Council on October 29, 2019, with an initial draft presented for review on October 22, 2019.

Council Member Jensen inquired as to the increase in the garbage fee, and City Manager Urich said without the increase, then it would add a deficit to the budget in the amount of \$1.1 million because the City would not be collecting enough revenues to meet its expenses. He said it was previously established by the City Council that the fee would increase annually in order to align expenses and revenues and to put money back into the City's reserves.

Council Member Jensen requested a comparison of the 2020 Fund Summary to 2019 and 2018. She also requested a comparison from the 2019 CIP recommendations to the ones proposed for 2020.

Discussions were held regarding online sales and it was noted that the City would begin receiving its portion of online sales in July.

Council Member Ruckriegel said local and Federal revenue sources were broken down, and he requested a report that compared these projection with what was received in the past in order to have a better understanding as to what could be relied upon and what might need additional support. City Manager Urich said Staff tended to look at the elasticity of those revenues, identifying that the income tax was an elastic revenue.

At the request of Council Member Riggerbach, City Manager Urich said he would provide a report as to the cost per property as it related to PDC collections, disposals and other expenses.

Mayor Ardis commented on the severe disruption in the recycling market. He said even though the City had increased its recycling services, those products were still going back into a landfill. He said the City needed to have a strong conversation with PDC regarding these issues and accommodations needed by the City and he requested a Report Back on the outcome. He said it could provide a significant cost savings to the citizens of Peoria.

Council Member Kelly commented on the foreclosure fee and the potential impact it could have on economic development.

Council Member Ali arrived at 7:33 P.M.

Discussions continued regarding the foreclosure fee and how that fee would not affect the previous owner of the property, but could be passed on to the next buyer of the property.

Council Member Ruckriegel left the meeting at 7:35 P.M.

Land-based casinos were briefly discussed, and City Manager Urich said such a casino could be built in the City of Peoria. He commented that such an operation may help the 2021 budget, but would most likely affect the next biennial budget.

The Public Library operations were discussed, and City Manager Urich said the library was setting its budget in alignment with its property tax levy wherein spending had to be reduced.

Council Member Moore inquired about the six-month foreclosure charge to the bank, and City Manager said that charge was not limited to six months.

CAPITAL BUDGET

City Manager Urich reviewed the Community Investment Plan (CIP) for Fiscal Years 2020 through 2024 listed by funding source. He said it was recommended to allot \$3.5 million towards the proposed projects outlined. He reviewed the various TIF funds and the projects recommended to be covered by those funds.

Council Member Cyr inquired as to the status of the Public Safety Pensions, and City Treasurer Patrick Nichting said the market had been up and down the last couple of months. However, he said the investments were doing pretty good and hoped that the market would stay strong in order to diminish what the City would have to pay. He said the Rate of Return had changed from 6.5% to 6.75% and he commented that State Statute outlined how those funds could be invested and in what percentages. Regarding the required amount the City had to pay into public safety pensions, City Manager Urich said the City contributed the amount established by the Department of Insurance and that the unfunded liabilities would continue to increase.

In response to Council Member Cyr regarding money that was budgeted but not spent, Finance Director/Comptroller Jim Scroggins said those funds would go back into the fund balance and reprogrammed for the following year. He said the City increased its bonding and revenues in order to provide revenues to the sewers. As it related to bonding, he said the City's policy adopted by the City Council was it could bond 10% of the equalized assessed evaluation.

Council Member Riggerbach inquired about the Harrison School demolition and its anticipated cost, and he asked whether Peoria Public Schools could assist in the demolition of the property. City Manager Urich reviewed the City's fund balance and what could be afforded to set aside for the demolition. He said Staff was looking to do a Phase 1 study to see if it would qualify for the Brownfield Cleanup. He said Staff was looking to find a deconstruction firm, however, he said the building had been stripped of most of its assets. He said he anticipated a cost of \$1 million to demolish the building. He said Peoria Public Schools did not have a legal responsibility. He said there was a similar issue with the McKinley School wherein it and the Harrison School were now in the hands of the County Trustee.

Council Member Riggerbach commented on the analysis conducted for the Pavement Preservation Project stating that the report was an important tool the Council Members used to explain to their constituents how the roads were prioritized. He recommended obtaining more feedback from the City's Public Works Department when those decisions were made with a clear explanation of the decisions.

Regarding the River Flood Protection, Council Member Moore inquired about the budgeted amount. City Manager Urich said the amount currently budgeted would allow Staff to conduct research on permanent flood walls. He said that amount would increase in future years in order to install a permanent solution. Regarding the annual Riverfront flooding, City Manager Urich said that was itemized under the Public Works Operating Budget.

Council Member Moore expressed appreciation for reserving funds for improving the Gateway Building, stating it would bring in more revenue if that building was better maintained. She also expressed appreciation for the McArthur Highway Resurfacing between Moss Avenue and Martin Luther King Drive. She inquired about Lincoln Street, Howett Street and Jefferson Street, noting those roads were State thoroughfares and she asked the City to reach out to IDOT to address those roads.

As it related to street lighting, City Manager Urich said Staff proposed to issue a Request for Proposal to do an energy proposal contract. He said the intent was to replace the old system with LED lighting, which would be paid over time by energy savings. Council Member Grayeb commented on the cost of painting ornamental street light poles, and City Manager Urich said that would be covered as an operational expense that Staff would have to perform. Council Member Grayeb asked how soon the painting of these street lights could be done in order to prevent the poles from corroding and becoming more costly, and City Manager Urich said Staff would research the issue and provide a report back.

GENERAL FUND

City Manager Urich said, from an operational standpoint, a Public Hearing regarding the 2020-2021 Biennial Budget was scheduled for Tuesday, October 22, 2019, at 6:00 P.M. He said at that meeting the City Council would continue operating and capital discussions. He said at the Tuesday, October 29, 2019, there would be additional opportunity for budget discussions and a Truth in Taxation Hearing, if necessary. He said the budget was on track to be finalized at the November 5, 2019, Special City Council meeting with a proposed adoption on November 12, 2019.

Mayor Ardis asked the Council, as they continued to review the budget, if there were additional questions, to send those to the City Manager prior to the next meeting so the information could be brought back at the next Council meeting.

Council Member Cyr inquired about transfers to other funds, and City Manager Urich said there were inter-fund transfers to cover the cost of pensions. He said he would provide a report back on those transfers and what those transfers were for in order to see how the money flowed.

Council Member Cyr moved to receive and file a presentation and discussion of the 2020-2021 Biennial Budget; seconded by Council Member Oyler.

Approved by roll call vote.

Yeas: Ali, Cyr, Grayeb, Jensen, Kelly, Moore, Oyler, Riggerbach, Mayor Ardis – 9;

Nays: None.

CITIZENS' OPPORTUNITY TO ADDRESS THE CITY COUNCIL/TOWN BOARD

It was determined that there were no citizens who wished to address the City Council/Town Board.

EXECUTIVE SESSION

Consideration of a Motion to enter into EXECUTIVE SESSION pursuant to 2(c)(11) Litigation, when an action against, affecting, or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that such an action is probable or imminent.

Council Member Cyr moved to enter into Executive Session pursuant to 2(c)(11) Litigation, when an action against, affecting, or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that such an action is probable or imminent; seconded by Council Member Jensen.

Approved by roll call vote.

Yeas: Ali, Cyr, Grayeb, Jensen, Kelly, Moore, Oyler, Riggerbach, Mayor Ardis - 9;

Nays: None.

ADJOURNMENT


Council Member Kelly moved to adjourn the Special City Council Meeting; seconded by Council Member Riggerbach.

Approved by roll call vote.

Yeas: Ali, Cyr, Grayeb, Jensen, Kelly, Moore, Oyler, Riggerbach, Mayor Ardis - 9;

Nays: None.

The Special City Council Meeting was adjourned at 8:10 P.M.



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

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