

: OFFICIAL PROCEEDINGS :

: OF THE CITY OF PEORIA, ILLINOIS :

A Special Meeting of the City Council of Peoria, Illinois, was held November 19, 2015, at 6:00 P.M., at City Hall, Council Chambers, 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: Akesson, Grayeb, Jensen, Johnson, Montelongo, Moore, Turner, Mayor Ardis – 8. Absent: Riggerbach, Spain - 2.

### 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

**REGULAR BUSINESS ITEMS, with Recommendations as Outlined:**

- (15-368) Communication from the City Manager with a Request to ADOPT an ORDINANCE Amending Chapter 27 of the CODE of the City of Peoria Pertaining to the RETAILER'S OCCUPATION TAX and the SERVICE OCCUPATION TAX.**

City Manager Urich provided a summary of Item Nos. 15-368 through 15-376. He said there were several proposed Ordinance changes that needed to be adopted prior to the adoption of the Property Tax Levy Ordinance and the Appropriation Ordinance, which were all the revenue elements of the budget. He said the proposed amendments were presented to the Council on November 17, 2015, as First Readings. He said 15-368 recommended increasing the Home Rule Sales Tax by 0.25%; 15-369 recommended increasing the local Motor Fuel Tax by \$0.03; 15-370 recommended increasing the license fees for alcoholic beverages; and 15-371 would impact the Chapter 18 business licenses. He said the other revenue items that needed to be approved by Council included the Building Permit Rental Registration and the hotel tax increase, both of which would be presented at the November 24, 2015, meeting. He remarked that 15-375 was the Property Tax Levy Ordinance, which included the \$1.2 million increase that was passed by preliminary discussions on November 17, 2015. He said a replacement communication for 15-375 was distributed to all Council wherein the tax rate should be corrected to \$1.3499. He said the last item, 15-376, was the Appropriation Ordinance, which would approve the spending plans for 2016 and 2017. He said there was a replacement communication distributed for 15-376, which included \$4 million of additional road funding.

At the conclusion of the overview and hearing no objection, Mayor Ardis granted Privilege of the Floor to those citizens wishing to address the City Council.

Ms. Mary Jo Schettler, Director of Communications for the Peoria Marriott/Pere Marquette and Courtyard, asked Council to vote no on the 2.0% bed tax increase that was proposed on Tuesday evening and the 0.25% sales tax increase until Council had vetted the impact it would have on the hotel and restaurant industry. She said the hotel's managing director, Mr. Joe LoMonaco, who was currently out of town, would like the opportunity to review the implications the increase would have on the industry in Peoria Proper. She said they were just made aware of this potential increase within the last 24 hours, and she asked the Council to delay implementing an increase until it was thoroughly vetted. She said this type of tax would significantly compromise the hotel's ability to attract conventions and large groups to the region. She said this would put hotels at a competitive disadvantage, and this increase would shift occupancy to neighboring communities. She encouraged Council to vote no on this proposed increase and to work together to understand the impact this increase would have on the hotel and hospitality industry in Peoria.

Ms. Karen Nash, on behalf of the Heart of Illinois Hospitality Association, asked Council to vote no on the proposed hotel and sale tax increases until Council had more time to vet the issue further. She said increasing these taxes would deter future group businesses. She said competing cities, such as Springfield, Illinois, have a much stronger advantage with lower hotel/motel taxes and lower food and beverage taxes.

Regarding Item No. 15-368, Council Member Moore asked if Staff had statistics that showed what sales would be lost with a sales tax increase and whether Staff analyzed the pros and cons with a 0.25% increase.

City Manager Urich said Staff took conservative revenue projections. He said a specific economic analysis was not conducted regarding the effect of a 0.25% increase. He said Staff reviewed past trends when there were increases in other revenues in order to provide estimates.

Finance Director/Comptroller Jim Scroggins said, with the proposed 0.25% increase, he took into consideration some decrease in sales within the City. He remarked that 0.25% was not a lot of money, and he said he did not see it deterring people from shopping in Peoria. He said the proposed increase was not as significant as in 2002 when the City increased its sales tax from 1.0% to 1.5%. He said the current projections provided were reasonable.

Council Member Moore remarked that groups booking hotel rooms for large events would see more of a significant increase than individual bookings.

City Manager Urich said the proposed increase was an effort to avoid additional increases on property taxes.

In response to Council Member Jensen's question regarding the impact of deferring the proposed sales tax, City Manager Urich said the Council had until April 1, 2016, to pass a sales tax increase. He said should Council decide not to approve a sales tax increase, a \$1.9 million deficit would be put back into the General Fund. He said the sales tax increase was predicated on closing the deficit in the General Fund, which funded Police Officers, Firefighters, and City Employees. He remarked that the business community had an opportunity for input at

a Chamber Government Affairs meeting held October 1, 2015, wherein the City's challenges were discussed. He remarked that if Council approved the Appropriation Ordinance without approving the revenues, there would be a deficit in the budget that would have to be filled, or the Council would have to go back and reduce expenses. He said the Council had until mid-December to approve the budget, and he remarked there were no meetings scheduled after December 8, 2015.

Council Member Jensen remarked that Council had been discussing the budget for quite some time, along with the proposal to increase sales taxes and fees. Based upon information recently received regarding the sales and hotel taxes, along with the motor vehicle registration fee as an option for roads, she said she would like to defer this item until the December 8, 2016, Regular City Council Meeting. She asked for a further analysis on the proposed sales tax.

Council Member Jensen moved to defer this item to the December 8, 2015, Regular City Council meeting; seconded by Council Member Montelongo.

Council Member Grayeb remarked on the negative impact it would have on the City not to fund it properly. He provided past examples of when the City made cut backs in its Police Department and Code Enforcement and how that impacted the neighborhoods and property values. He said roads were not properly addressed in the past, which now led to the expensive repairs currently facing the Council. He said citizens wanted their property values to stabilize. He expressed a concern for delaying the matter as well as for the request of wanting additional information and data, noting that Council had been discussing these options for quite some time. He said the constituents understood the need for revenue and Council had done everything possible to ensure as much money as possible would go into the rebuilding of roads. He remarked that the health of commercial corridors directly related to the health of neighborhoods. He said he would not support the deferral.

Council Member Akeson expressed a concern that the hotel industry did not oppose a tax that benefited their industry, yet opposed a tax that benefited the City. She remarked that a small portion of a property owner's total tax bill went to the City for operating costs, and she remarked that she did not know the alternatives for finding other revenues.

Council Member Turner said the majority of the complaints heard from Council was about street and road conditions. He said the City implemented a process in the last year called the Budget Challenge in order to get public input. He said none of Council wanted to increase taxes, but he said the alternative was to make massive cuts that would have a negative impact on everyone. He said slightly increasing taxes would assist with balancing the budget in order to help alleviate the main complaint about the roads and streets. He said the City had not raised property taxes since 1989, and he remarked on the importance on addressing the issue as soon as possible.

City Manager Urich recommended deferring all the items presented tonight for two weeks to gain additional information.

Council Member Jensen amended her motion to include Item Nos. 15-368 through 15-376 be deferred until the December 8, 2015, regular City Council Meeting; seconded by Council Member Montelongo.

Motion to defer to the December 8, 2015, regular City Council Meeting was approved by roll call vote.

Yeas: Akeson, Jensen, Moore, Spain, Turner, Mayor Ardis – 6;

Nays: Grayeb, Johnson – 2.

**(15-369) Communication from the City Manager with a Request to ADOPT an ORDINANCE Amending Chapter 27 of the CODE of the City of Peoria Pertaining to MOTOR FUEL TAX.**

Motion to defer to the December 8, 2015, regular City Council Meeting was approved by roll call vote.

Yeas: Akeson, Jensen, Moore, Spain, Turner, Mayor Ardis – 6;

Nays: Grayeb, Johnson – 2.

*CLERK'S NOTE: See discussion under Item No. 15-368.*

**(15-370) Communication from the City Manager with a Request to ADOPT an ORDINANCE Amending Chapter 3 of the CODE of the City of Peoria Pertaining to ALCOHOLIC BEVERAGES.**

Motion to defer to the December 8, 2015, regular City Council Meeting was approved by roll call vote.

Yeas: Akeson, Jensen, Moore, Spain, Turner, Mayor Ardis – 6;

Nays: Grayeb, Johnson – 2.

*CLERK'S NOTE: See discussion under Item No. 15-368.*

**(15-371) Communication from the City Manager with a Request to ADOPT an ORDINANCE Amending Chapter 18 of the CODE of the City of Peoria Pertaining to LICENSES and MISCELLANEOUS BUSINESS REGULATIONS.**

Motion to defer to the December 8, 2015, regular City Council Meeting was approved by roll call vote.

Yeas: Akeson, Jensen, Moore, Spain, Turner, Mayor Ardis – 6;

Nays: Grayeb, Johnson – 2.

*CLERK'S NOTE: See discussion under Item No. 15-368.*

- (15-375) Communication from the City Manager and the Finance Director/Comptroller with a Request to ADOPT an ORDINANCE LEVYING the TAXES for FISCAL YEAR 2016 for MUNICIPAL PURPOSES for the City of Peoria, Illinois.**

Motion to defer to the December 8, 2015, regular City Council Meeting was approved by roll call vote.

Yeas: Akeson, Jensen, Moore, Spain, Turner, Mayor Ardis – 6;

Nays: Grayeb, Johnson – 2.

*CLERK'S NOTE: See discussion under Item No. 15-368.*

- (15-376) Communication from the City Manager and Finance Director/Comptroller with a Request to ADOPT a RESOLUTION ADOPTING the 2016 - 2017 BIENNIAL BUDGET for the City of Peoria.**

Motion to defer to the December 8, 2015, regular City Council Meeting was approved by roll call vote.

Yeas: Akeson, Jensen, Moore, Spain, Turner, Mayor Ardis – 6;

Nays: Grayeb, Johnson – 2.

*CLERK'S NOTE: See discussion under Item No. 15-368.*

#### **CITIZENS' OPPORTUNITY TO ADDRESS THE CITY COUNCIL/TOWN BOARD**

Hearing no objection, Mayor Ardis granted Privilege of the Floor to those citizens wishing to address the City Council/Town Board.

Mr. Savino Sierra, a Peoria resident, expressed a concern for the deferral of the budget and remarked on the importance of the Council to adopt one.

#### **EXECUTIVE SESSION**

**Consideration of a Motion to enter into EXECUTIVE SESSION to 2(c)(1) The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body, including hearing testimony on a complaint lodged against an employee to determine its validity; 2(c)(3) The selection of a person to fill a public office, as defined in the Open Meetings Act, including a vacancy in a public office, or the discipline, performance or removal of the occupant of a public office.**

Council Member Turner moved to enter into an Executive Session to Discuss 2(c)(1) The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body, including hearing testimony on a complaint lodged against an employee to determine its validity; 2(c)(3) The selection of a person to fill a public office, as defined in the Open Meetings Act, including a vacancy in a public office, or the discipline, performance or removal of the occupant of a public office; seconded by Council Member Johnson.

Approved by roll call vote.

Yeas: Akeson, Grayeb, Jensen, Johnson, Montelongo, Moore, Turner, Mayor Ardis – 8;

Nays: None.

### **ADJOURNMENT**

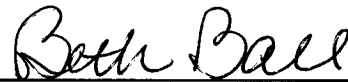
Council Member Moore moved to adjourn the Special City Council Meeting; seconded by Council Member Turner.

Approved by roll call vote.

Yeas: Akeson, Grayeb, Jensen, Johnson, Montelongo, Moore, Turner, Mayor Ardis – 8;

Nays: None.

The Special City Council Meeting adjourned at 6:47 P.M.



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

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