SPECIAL SESSION
Presentation and Discussion of the Pepsi Ice Center Parking Garage Repairs
FY 2015 Budget Discussion

April 7, 2014

Council present: Aldermen Mboka Mwilambwe, Kevin Lower, Judy Stearns, Jim Fruin, David Sage, Karen Schmidt, Scott Black, Rob Fazzini and Joni Painter and Mayor Tari Renner.

Staff present: David Hales, City Manager, Justine Robinson, Economic Development Coordinator, Patti-Lynn Silva, Finance Director, Brendan Heffner, Police Chief and Ken Bays, Asst. Police Chief, John Kennedy, Parks, Recreation & Cultural Arts Director and Bobby, Supt. of Parks Maintenance, and Tracey Covert, City Clerk.

Mayor Renner called the meeting to order at City Hall at 5:30 p.m. He reviewed the meeting's agenda. He cited the presentation/discussion regarding the Pepsi Ice Center Garage. Potentially, there were serious issues. The situation was complicated. The goal was to make the structure whole.

David Hales, City Manager, addressed the Council. He introduced Greg Meeder, attorney with Holland & Knight, (H & K). Mr. Meeder had been retained as special legal counsel. He would inform the Council about what had been found and needed repairs.

Alderman Stearns arrived at 5:33 p.m.

Mr. Hales introduced Kyle Standish, Project Manager with Walker Restoration Consultants, (WRC). Also present at the meeting was Bart Rogers, CIAM's (Central Illinois Arena Management) Vice President, who would address a temporary parking lot.

Mr. Meeder addressed the Council regarding the Pepsi Ice Center Parking Garage. This was a three (3) story structure which served the Pepsi Ice Center and US Cellular Coliseum, (USCC). The garage was closed in the fall 2013. The garage had 278 parking spaces. Limited parking spaces were available in the garage. The latest defects regarding the precast concrete had just been revealed. The garage was built in 2003/2004. The concrete was manufactured off site and assembled/erected in the City. The garage had the capacity to be expanded by two (2) additional floors. There were different types of cracks. Double T beams: one (1) was cracked significantly, there were similar hair line cracks on other beams. V shaped cracks in the walls to the base of columns. Vertical and horizontal beams: hair line cracks on.

H & K had been retained for a number of purposes. He cited forensic analysis. H & K engaged WRC, an engineering firm. Kyle Standish, PhD - engineering, was employed by WRC. Mr. Standish had completed an analysis regarding the cracking. A determination had been reached. The beams were reinforced with steel tendons. They were undersized for the load carried. The preliminary findings believed that the structure was not in compliance. Only seventy percent (70%) of the steel was present. The structure was thirty percent (30%) deficient. The situation for the walls was the same. This was not as critical. Repair would not be as extensive. Some repairs would be easily addressed. There would be some interior changes.

In closed session, Mr. Meeder would address responsible parties. He cited attorney client privilege. Based upon the preliminary findings, the City would file for mediation/arbitration. Demands would be filed. A key concern was the ability to add two (2) more decks.

Alderman Fazzini questioned mediation/arbitration.

Mr. Meeder noted that demands would be filed for both. A sixty (60) day stay would accompany arbitration. He noted his thirty (30) years of experience. The focus would be on the present structural needs and the City's future needs. All parties would be engaged and the process involved peer review.

Alderman Fazzini questioned financial strengths, (insurance, bonds).

Mr. Meeder informed the Council that claim letters had been sent. Some responses had been received. He added that some firms were no longer in business.

Alderman Fazzini questioned the repair time line.

Mr. Meeder stated six to eight (6 – 8) weeks. The scope of work and specifications and plans needed to be drafted. Constructions would take six to eight (6 – 8) months. The work was weather sensitive. The preliminary analysis of cost had been drafted but did not include the bid process. He restated that his presentation this evening was based upon his experience/expertise.

Alderman Fazzini questioned what the City would be held responsible for.

Mr. Meeder restated that the concrete had been manufactured off site. He questioned the specifications. The City had contracted/purchased expert services. This was a latent defect which manifested itself last fall.

Alderman Black thanked Mr. Meeder for the presentation. He questioned the length of time.

Mr. Meeder noted that the initial discovery was made by Faithful and Gould during the City facility inspections. Cracks were found in the tendons. H & K was engaged to perform forensic analysis.

Alderman Black believed that the passage of time would be a significant problem.

Mr. Meeder restated that this was a latent defect. A reasonable inspection would not have detected same.

Alderman Lower questioned testing. He cited material testing, chemistry, temperatures, etc.

Mr. Meeder responded that he did not know. Ground penetrating radar was used on site. He cited construction versus design.

Alderman Lower questioned other testing. The garage was built on site.

Kyle Standish, WRC's Project Manager, cited chlorine strength test and ground penetrating radar.

Alderman Schmidt cited design/build and questioned the guarantee.

Mr. Meeder noted that there were warranties for construction. Any guarantees had expired.

Mr. Standish addressed the size of the tendons.

Mr. Meeder stated that the City would make the repairs. The City would receive the benefit and have the ability to add two (2) additional stories to the parking garage. Steel would be added to the structure. Repairs would be warranted.

Mr. Hales noted that the legal process would be pursued. This process would take time. Another option was for the City to make the repairs upfront. The issue was timing.

Mr. Meeder stated that the City would fund the repairs in order to re-open the garage. The parties would be allowed to inspect and make repair recommendations. The City would make and pay for the repairs. The other option was to follow mediation/arbitration, reach an agreement and then repair the structure. The Council needed to reach a decision regarding whether to expand the garage or not. The garage has been well used and was a good resource for the Pepsi Ice Center and the USCC. A temporary parking lot has been established.

Alderman Mwilambwe questioned if the repair work could be completed in stages.

Mr. Meeder noted that only a part of the first floor of the structure remained open. There would be no access to the parking garage until the repair work is completed. All repair work would be completed at the same time. Mr. Standish held a PhD in engineering. Mr. Standish would address the repair work with projected costs. The repair scope of work and bid documents had not been prepared.

Mr. Standish readdressed the Council. He addressed the structure's appearance and repair work needed. He noted the cracked double T. The cause was due to the wrong

sized steel tendons. He addressed external post tensioning. This impacted every single double T in the structure. He estimated the cost at $1.12 - $1.46 million. He noted the visual impact of the cracks.
Mr. Standish addressed the V cracks on the diagonal spandrel panels. Steel was missing from same. The repair work would involve Fiber Reinforced Polymer (FRP). He estimated the cost at $42,000 - $50,000. The FRP repair area would be painted over.

Mr. Standish addressed the cracked columns. The cause was due to volume change. He estimated the cost at $67,000 - $85,000. Total cost was estimated at $1.2 - $1.6 million. An RFP would be prepared to address the necessary repairs. No soft costs had been addressed.

Mr. Standish addressed replacement costs. He cited the following costs: 1.) demolition – $1 million; 2.) new construction - $3.25 - $4.25 million, (this cost included use of the existing foundation; and 3.) expansion - $2.25 - $3 million.

Mr. Hales noted that the replacement costs were presented for comparison purposes. There were concerns raised regarding the garage's appearance and the ability to expand the structure. He noted that the parking structure had seen heavy use by patrons of the Pepsi Ice Center and the USCC.

Alderman Schmidt noted that these were preliminary numbers. The real numbers were unknown. She questioned if the USCC had been evaluated.

Alderman Stearns believed that the USCC had also been built with precast concrete. She questioned the cost effectiveness of precast.

Mr. Hales noted that the wall panels might be precast. Faithful and Gould had completed an analysis of the USCC. No concerns had been found.

Mr. Meeder added that there were no known defects at the USCC. He added that precast was manufacturer off site and was less labor intensive.

Mr. Standish estimated that precast lowered the cost of the structure by twenty-five percent (25%).

Mr. Meeder noted that there needed to be a finding for in order to move forward.

Bart Rogers, CIAM's Vice President, addressed the Council. The temporary lot would offer 150 parking spaces. He cited the location. He recognized the assistance from various City departments. The temporary lot was used during March for events at the USCC. It will be used weather permitting as it will require constant rolling and grating.

Mr. Hales added that CIAM took the initiative and created a temporary lot.

Motion by Alderman Schmidt, seconded by Alderman Fazzini to recess to closed session regarding Probable or Imminent Litigation, Section 2(c)(11). Time: 6:07 p.m.

Ayes: Aldermen Black, Fazzini, Fruin, Lower, Sage, Mwilambwe, Stearns, Painter and Schmidt.

Nays: None.

Motion carried.

FY 2015 BUDGET DISCUSSION

Mayor Renner introduced this item. He noted the prior Budget Work Session. People have questioned why the City was in its current financial condition. It will cost an additional $4 million to retain the existing staff. This cost can be attributed to health insurance, collective bargaining agreements, and classified staff performance evaluations. The true cost of City labor had not been realized for a number of years. Council approved the Pension Funding Policy that will cost an additional $1.6 million. Revenue has been flat for five (5) years while costs have continued to increase. Local government was at the bottom of the food chain. The majority of City revenue was used to fund public safety, (i.e. police and fire), and public works.

David Hales, City Manager, cited the Saturday Budget Work Session. Council had selected Budget Model D that included a $2.5 million deficit to balance the budget. City staff presented $3.1 million in possible budget reductions for Council's consideration. All of proposed new staff positions had been eliminated as was the revitalizing City government funding. He reviewed the packet which had been provided to the Council. It should assist Council to make informed decisions. It contained objective analysis of the consequences of reductions.

Personnel affected included three (3) police officer positions which would not be filled. Parks, Recreation & Cultural Arts had eliminated the equivalent of nine (9) full time positions. Other cuts listed include various projects and elimination/reduction of replacement equipment.

Revenue enhancements include the local motor fuel tax. Alex McElroy, Asst. to the City Manager, compiled information from surrounding communities regarding same. He urged Council to give consideration to the police and fire positions. He recommended a service/rate study that would include water, sewer and storm water. The Council needed to establish a policy.

The Information Services and Human Resources Departments provided internal support. Both departments needed additional staff in order to adequately support the Police and Fire Departments. City staff was prepared to answer the Council's questions.

Mayor Renner commented that this process would have been easier if the City had not eliminated seventy-five (75) positions five (5) years ago. City staff was doing more with less. He restated that revenue had declined. The goal was to adopt a responsible budget.

The proposed Budget Model D did not specify a source of revenue for pensions. This fact would affect the City's bond rating. The increase to the utility tax could be earmarked for pension and would provide approximately $4 million of the $6 million needed over the next five (5) years. If done properly, the savings to the taxpayers was estimated at $68 million during this time period.

Alderman Stearns questioned the Budget Model D and the proposed reductions. She noted the $10 million bond issue for street resurfacing. She also questioned a $4 million transfer to the General Fund.

Mayor Renner stated that Model D did not provide any funds for pensions. He acknowledged that $4 million was taken from street resurfacing due to the $10 million bond issue. This was not understood by the Council when the bond was passed. This action was needed to get through the fiscal year. The City needed a sound long term funding plan.

Alderman Stearns questioned not funding pensions. Mayor Renner said the Pension Funding Policy was passed without a dedicated revenue source.

Alderman Black questioned if this session was to be a Q&A, (Question and Answer), about the proposed reductions.

Mayor Renner opened the Council discussion regarding the budget. Two (2) Town Hall meetings were scheduled: Tuesday, April 8th at 7 p.m. at the Launch Pad, located at 315 E. Front St. and Wednesday, April 9th from 6:30 p.m. until 7:30 p.m. at the Miller Park Pavilion located at 1020 S. Morris Ave.

Mr. Hales added that the public hearing on the budget would be held on April 14, 2014. Notice had been published in the Pantagraph.

Alderman Black questioned the $3,500 reduction proposed by Justine Robinson, Economic Development (ED) Coordinator. Justine Robinson, ED Coordinator, addressed the Council. This item involved the IEDC spring conference that had two (2) parts. One part addressed training to work towards certification and the other was workshops with national speakers and best practice sessions. Alderman Black asked if potential employers were present. Ms. Robinson responded negatively as the purpose was networking and relationship building.

Alderman Black questioned the internal audit program. Patti-Lynn Silva, Finance Director, addressed the Council. Currently, the City did not have a program. It needed to be developed. The intention was to start with a contract position whose responsibility would be to design a program that the Finance Department would then oversee. The

Finance Department has completed a citywide cash control study and improvements have been made. This would be a continuous ongoing program. An internal audit program was a necessity. Mr. Hales stated that without an internal audit program, there existed risks of error, theft, and noncompliance with federal and state laws. An internal audit program assured compliance.

Alderman Black questioned the $800 reduction for periodicals in Human Resources Department. Mr. Hales stated that these publications provided updates to various laws, (i.e. FSLA/Fair Standards Labor Act), and case law. They offer catch up provisions.

Alderman Schmidt questioned the $130,000 reduction to the Police Downtown hire back. She wanted the three (3) vacancies restored plus the addition of a third Asst. Police Chief. Brendan Heffner, Police Chief, addressed the council. The hire back allowed scheduled shift officers to work their assigned areas and not focus on Downtown issues. The hire back impacts response times and acted as a deterrent. Mr. Hales commented that with designated officers patrolling Downtown, other officers can remain in their assigned areas and not leave unless there is a true emergency. He noted that there were times when twelve to fifteen, (12 – 15), officers have been called to the Downtown. The Council needed to understand the risk.

Mayor Renner cited his observation of an incident that occurred while on a ride along. He witnessed an officer make an arrest and noted the lengthy booking process. Chief Heffner noted that there would be a decrease in the number of DUI arrests with this reduction. There were two (2) vacancies in the department and one (1) upcoming retirement. These positions would be backfilled. The department was authorized for 127 uniformed positions. Currently, there were 124 uniformed positions filled.

Kenneth Bays, Asst. Police Chief, addressed the Council. The department was authorized 127 uniformed positions for full staffing. Currently, three (3) uniformed positions were vacant. If left unfilled, the uniformed force would be reduced to 124. These vacancies would have an impact into the future.

Alderman Schmidt noted that the proposed reductions represented significant dollars and significant budget cuts. She questioned why the City did not look to the property tax in order to increase revenue. Things appeared to be out of sequence.

Mr. Hales noted that in December 2013, Council approved the Pension Funding Policy which increased this expense by $1.6 million. This cost is shown as part of the Property Tax Levy which resulted in a $1.6 million reduction in the General Fund. In addition, there has been a decline in sales tax revenue. In November and December of each year, the Council has the ability to adjust the Property Tax Levy. Council opted to hold the Property Tax Levy flat. The next opportunity to adjust same would be in the fall 2014.

Alderman Stearns stated that the Council cannot vote on the Property Tax Levy at any time. Mr. Hales restated there was an annual opportunity.

Alderman Sage commented that the timing for the Property Tax Levy which was set by state law. He referred to an earlier discussion by Council regarding cost recovery for the Downtown hire back. He suggested a fee for service. Mr. Hales noted that an increase to 'T', Tavern, liquor license fees has been suggested. The Downtown Entertainment Task Force report addressed this as an area of consideration.

Mayor Renner stated that the problem reached beyond the Downtown bar owners.

Alderman Sage clarified that specific businesses were linked to and benefitted from the Downtown hire back. He cited the following costs: Downtown hire back: $130,000; Streets Master Plan: $300,000; and City Hall Roof Replacement : $185,000. These three (3) had a total cost over $500,000. Some of the proposed reductions were inflammatory in nature and were suggested to generate conversation and displeasure.

Mayor Renner noted that the Downtown hire back impacted the entire City.

Mr. Hales assured the Council that it was not staff's intention to present inflammatory reductions. Deep reductions have been identified. The cost for the Street Master Plan might be lower. Research was needed regarding legal justification for cost recovery. City staff performed due diligence with the time allotted. City staff might also present the Council with policy options.

Alderman Sage commented on $370,000 reduction in seasonal employment the Parks, Recreation & Cultural Arts Department. Total reductions were close to $1 million. The focus should have been on large dollar items.

Alderman Mwilambwe requested clarification regarding the Street Master Plan. He also questioned what this plan would mean to the average citizen. Mr. Hales believed that a plan was needed. The City needed to proactive. Underground utilities and sewers must be evaluated in order to plan for street repairs. The City did not have a prioritized list of major street projects. If the City adopted a proactive approach then inventory assessment would be objective. Five (5) years ago, the City had no Capital Improvement Plan. Streets require organized, methodical planning. The public must become engaged. The City does not have the resources to do the research needed to make these decisions. The City was making progress but critical information was lacking. Community input was needed to address the $400 million of infrastructure needs.

Alderman Mwilambwe questioned the $6,250 to replace exit signage. Ms. Silva addressed the Council. This was a life/safety issue identified by the Faithful & Gould Facility Study. It was seen as a small dollar amount.

Alderman Stearns questioned the dollar value for the Downtown hire back detail. This program operated on Thursday, Friday and Saturday nights during the school year. Ken Bays, Asst. Police Chief, addressed the Council. The program cost was over $95,000. Alderman Stearns suggested an Entertainment District be established and a fee charged for this service. She believed that it had been mentioned that there should be a reduction in the number of liquor licenses. Mayor Renner noted that there were five (5) fewer liquor licenses. Alderman Stearns expressed her opinion that if police officers are needed, then they should be paid for by those who need them. Council had asked that the Downtown environment be drastically changed. Citizens should not have to pay for the Downtown detail, but acknowledged that it was needed.

Alderman Fruin questioned what Downtown bar owners would do if the City stopped the hire back program and if they would hire their own security. Chief Heffner responded that he did not know what the owners would do but on duty police officers would respond from other beats. Council has discussed this matter for some time with no progress.

Alderman Lower commented that there must be a better way to allocate expenses. It could include increased fines, per drink fees and/or establishment funded.

Alderman Painter commented on the Rt. 66 Trail funding that was tied to an IGA, (Intergovernmental Agreement). Mr. Hales noted that it would be funded with state grants and the City had no contractual portion. The fee was based on population.

Alderman Painter also questioned the flamingo exhibit at $150,000 and if the City is committed to this project. Mr. Hales requested John Kennedy, Parks, Recreation & Cultural Art Director, to respond this question. Mr. Kennedy noted that the commitment was to the dollar figure. The Miller Park Zoological Society's funding share was forty percent (40%). Over $400,000 private dollars have been raised, some funds were earmarked for specific projects.

Alderman Painter commented on the reduction of one (1) lifeguard per pool and questioned liability. Mr. Kennedy stated that the City would meet minimum standards but would have to close if that standard was not met.

Alderman Painter questioned the $75,000 service fee and rate study. She also questioned if a local university could provide this service. Mr. Hales stated that the City had worked with both universities, (Illinois State University and Illinois Wesleyan University). Studies can become very complex, (i.e. direct and indirect costs). There were consultants who have done this previously and have models. Hopefully some of the work can be completed in-house. It has been a lower priority.

Alderman Painter asked if Motor Fuel Tax (MFT) funds could be spent on other items beyond roads. Ms. Silva stated that local MFT funds were not bound by state's stipulations. It would be a gross receipt tax that would be deposited into the General Fund. State MFT funds have stipulations.

Alderman Lower recognized the hard work done by staff on the budget. There was not a list of priorities. The Downtown hire back program was considered a priority. Things were missing. Basic fundamentals needed to be addressed such as infrastructure and water. Public safety should be at the top of the list. There needed to be a revenue stream to fund pensions. The Council needed to look at lower priorities and not fundamental needs. The Council must support the Downtown hire back program. He cited a recent death and DUI, (Driving Under the Influence). This program must be funded appropriately. Budget reductions were a good start. Firefighter training was a high priority. Council needed to provide leadership and identify fundamental needs. Funds were being spent on programs/projects that were "nice". The City should considered sponsorship from citizens/businesses. Many amenities offered in Pontiac are staffed by volunteers at no cost to that city. Community functions were nice but the Council needed to set priorities. The discussion needed to address wants versus needs. The Council needed to show leadership.

Mayor Renner requested specifics. Alderman Lower cited the Bloomington Center for the Performing Arts, (BCPA), US Cellular Coliseum, (USCC) and City parks. He suggested a fifty percent (50%) reduction in subsidies across the board for the BCPA, USCC and many large projects. Mayor Renner noted that the City was legally obligated to fund the USCC. City is facing an $8 million deficit. Alderman Lower noted that youth and senior services could be reduced. An elderly citizen had requested that the City repair streets and not raise taxes. Budget cuts must be made. The City had a legal obligation to fund public safety, infrastructure and pensions. These areas should be set aside and the remainder should be evaluated. Deeper cuts were needed. People cannot afford a higher tax bill. The local MFT would retard the tax base. Lower gasoline costs would attract business and consumers. The state and federal governments were broke. Mayor Renner stated that low taxes were not a top variable. The City's tax rates were relatively low. Alderman Lower believed that the City was one of the most expensive places to live in the state.

Alderman Stearns also wanted to discuss philosophies and priorities. A Utility Tax was not acceptable. She noted the recent sales tax referendum which failed. Citizens had sent a message. Citizens choose between purchasing food or medication. This would be a significant increase. She had $3 million in immediate budget reductions that could be made. The City had long term problems. She voted against consultant fees and the last two (2) budgets. Pension funding should be first. The proposed Utility Tax was insufficient to fund pensions. She cited the change in General Fund expenditures from 2010 to the proposed 2015 level: a twenty percent (20%) increase. City spending was hurting the City and its citizens.

Alderman Stearns listed her proposed cuts: 1.) moratorium of food/registration/travel estimated savings $250,000; 2.) Administration salaries equaled $5.5 million for six (6) employees – proposed reduction $250,000; 3.) outside attorney fees costs in last year cost $250,000 no improvement in their work; 4.) golf paths – proposed reduction $250,000; 5.) $1 million spent on outside consultants when the City should use common sense; 6.) payment for both an inside Economic Development Coordinator and funding the Bloomington Normal Economic Development Council cost over $100,000; 7.) flamingos at the zoo – proposed reduction $150,000; 8.) Downtown hire back program - $130,000 make Downtown bar owners cover this cost; 9.) sell vacant City properties generate approximately $100,000; 10.) stop funding the Downtown Business Association – proposed reduction $80,000; 11.) eliminate the Rust Façade Grant – proposed reduction

$50,000; 12.) Communications Director is not needed – proposed reduction $100,000; and 13.) take $300,000 of Community Development Block Grant and spend it on infrastructure. The remainder of these dollars should be granted to economically disadvantaged citizens. She also had $2 million in proposed revenue enhancements. Alderman Fruin understood that a portion of the local MFT would be used to fund pensions. He expressed his tolerance for this tax. He was not a fan of consultant studies. He cited $70,000 for a rate study. Council has encouraged directors to evaluate fees and discover what other cities do.

Mayor Renner stated that the County authorized a systematic rate study over ten (10) years ago. A boiler plate procedure will be used in the future.

Alderman Fruin echoed Alderman Lower's comments regarding the time line and evaluating big ticket items from the top down. City staff needed to create a score card and weigh revenue and expenses. This should be simple. He requested that the Mayor and City Manager make a top ten (10) list of high ticket items and the Council would provide feedback/tolerance for. Decisions could be made from same.

Alderman Fazzini prepared a two (2) page memo that identified three (3) main problems. First - the current deficit between $4 - $8 million. Second - structural deficit going forward. Third - $19 million per year hole that has been created by past Councils over thirty (30) years by not balancing the budget.

Alderman Fazzini identified areas to either save money or enhance revenue. Approve additional staff if there are budget reductions to cover their salary and benefits, (i.e. revenue enhancements or expenditure reductions). Reducing the pension funding goal from 100% to 90%. City has not updated traffic signals in the past five (5) years. This year, three (3) were proposed. Only install one (1) new traffic signal per year and save $700,000. He would not vote for a budget that took $4 million from the $10 million street bonds to use it for operations. Take $2 - $4 million from the Utility Tax and set these funds aside for bond. Borrow $45 million for ten/fifteen/twenty (10/15/20) years to take advantage of low interest rates. Dedicate a source to repay streets and pensions. City is facing $400 million in deferred maintenance that needs to be addressed. The bond would provide time to develop a plan to address the structural deficit. A local MFT at $.04 would generate $1.4 million. Thirty percent (30%) of the fuel tax is paid by nonresidents. It is a user tax. The bond issue would solve all three (3) problems.

Mayor Renner clarified that floating a bond would entail a dedicated revenue source.

Alderman Sage had researched budget prioritization in October 2013 and shared his findings with Council with no results. He questioned Council's commitment to prioritization. He reviewed notes from Citizens' Summits. There was limited time to reach a solution. The Council needed to move forward. He cite the $1.9 million in proposed cuts, (Downtown hire back program, master plans, seasonal staff – Parks, kitchen hoods, police officers/two vacant positions, flamingos, overtime – Communications Center, and traffic signals). The Council needed to talk about specifics.

Model D left a $2.5 million shortfall. Council should work together collectively, collaboratively and cooperatively. This was doable.

Alderman Painter took a long term view. Some proposals were cuts and some were deferrals that were not long term solutions. Things would become worse over time. These reductions would lead to a loss of amenities and may lower the City's bond rating. She would support fixing things for this budget but there needed to be a plan for the future and the City needed to adhere to the plan.

Alderman Stearns clarified that she did not support cuts to public safety with the exception of the Public Relations Officer. She was not on board with park reductions. She supported cuts to communications, administration, travel and food expenses. The Council needed to set prioritizes. She had thought that priorities would have been the topic of the retreat but it was about culture change.

Alderman Schmidt supported Aldermen Fruin and Sage's comments regarding examining details and putting expenses on the table. She noted staff's efforts. She expected to learn from the upcoming Town Hall meetings, (i.e. revenue enhancements versus budget cuts). She questioned the decrease in sales tax revenue. Ms. Silva stated that the amount was lowered based on actual receipts. December 2012 was stellar, (i.e. automotive and furniture sales). These items were not replenished every year but every five (5) years on average. This year's projections were not met and the forecast was reduced by $1.8 million based on actual results.

Alderman Fazzini referenced B/N by the numbers which showed that last year was extraordinary.

Motion by Alderman Stearns and seconded by Alderman Black to suspend the rules to allow for public comment.

Motion carried, (unanimously).

Ron Schultz, 1208 E. Oakland Ave., addressed Council. He cited the hard work put forth and the variety of solutions and ideas. He questioned why citizens did not pay for everything they receive from the City, (i.e. water, sewer, refuse, etc.). He was in favor of borrowing $45 million at 2.5%. The Council would have to determine how to pay for it. The ability to pay for the pensions would reduce future outlays. City needed help now to pay for needed repairs and upgrades. He agreed with former Presidents Kennedy and Reagan to attract business and residents, government needed to lower taxes. He appreciated the efforts at finding solutions.

Greg Koos, 305 Woodland Ave., addressed Council. He requested that the City continue to fund the McLean County Museum of History, (MCHM). It has been serving the community for 122 years. The MCHM served school age children from area school districts at no charge, (over 900 last year). The MCHM provided outreach programs to educate children about McLean County. MCHM also works with Evergreen Cemetery on their cemetery walk which children can attend for free. This was an excellent marketing program for the Cemetery that benefited the City. MCHM played an important role in Downtown revitalization. The MCHM has provided space and accommodations for the Farmer's Market which has saved the program money. It served as a free speech area by hosting speaking events on the lawn. It attracted 27,000 people to the Downtown area during daytime hours which benefits the area financially. It operated with the assistance of 160 volunteers from the City out of 240 total volunteers. He requested the City's continue assistance as the MCHM benefited the area.

Gary Lambert, 3018 E. Oakland Ave., addressed Council. Last fall, the City borrowed $10 million for operating expenses. Now an Alderman suggested borrowing an additional $45 million for operating expenses.

Bob Moews, 107 S. Vale St., Supt. of Parks Maintenance, addressed Council. He expressed his pride in the Parks' staff as they were hard working. The proposed cuts would hurt in the long run. The loss of seasonal employees would impact services. He cited refuse pick up from park grounds after weekend picnics and events. These positions were needed and would affect the appearance and quality of the parks. The proposed cut to flowers and Downtown plant watering affected the appearance of the area. Currently, the plan was to cut down 150 – 200 damaged/diseased trees and without seasonal help, none would be replaced. Eliminating chemical treatments to grass and ponds will lead to unsightly weeds and pond algae and duck weed. Landscaping impacted quality of life and the appearance of the City to residents and visitors.

Bruce Meeks, 1402 Wright St., addressed Council. He recognized that the Council had much to consider and prioritize. He recommended that the Council adopt a budget amendment. The Council should have a priority list first. The City was caught off guard by the sales tax revenue decrease. He commented on Mayor Renner's claim that dollars spent on streets were an economic boost. He wanted a $14 million economic boost. He wanted to clarify that it was too late to file the Utility Tax with the state. Many other communities have stated that their local MFT produced less income that planned. The Downtown hire back program stemmed from non enforcement of over serving. The City needed to address this issue. He requested full funding of MUNIS and funding 127 uniformed police officers.

Mike Fitzgerald, 1805 Dunraven Rd., addressed Council. He applauded the efforts that went into Council's comments. Budgets should be viewed from necessities down to niceties. Aldermen presented some good ideas including the need to prioritize. He considered the MCHM a nicety. He had been attending meetings for years and priorities have always been the topic that was not addressed. The City must have contingency plans for the budget. He questioned deliverables from attending conferences. There must be a consensus from necessities to niceties.

Mr. Hales stated that a consensus from the Saturday Budget Work Session was to not raise the Utility Tax but retain the Amusement Tax. Budget Model D was then developed based on those ideas. Model D still called for $2.5 million in reductions needed to balance the budget. Staff has presented approximately $3.1 million in proposed reductions that would result in a $650,000 surplus. Council should review the proposed reductions and decide which ones to oppose such as the Downtown hire back program. He requested that each Alderman provide a list then a consensus could be found.

Mayor Renner stated that these lists must be submitted in the next forty-eight (48) hours.

Mr. Hales presented the idea of dipping into the fund balance for one (1) year only if needed. City staff wanted to help the Council develop a budget that the majority would support. He added that even with a balanced budget for FY 2015, the next year would start with a $7.5 million structural budget deficit. This needs to be addressed by staff, Council and the community starting May 1. Staff has provided their best recommendations.

Alderman Black requested that the budget cut lists not be due until after the Town Hall meetings. Mayor Renner noted that there would be a Mayoral Open House on Friday, April 11, 2014.

Alderman Lower requested that Mr. Hales provide a template to the Council to be used for this list.

Mr. Hales stated that the statutory public hearing was scheduled for April 14, 2014. He might not have time to compile all suggestions by that date.

Alderman Fazzini stated that a majority of the Council was not willing to take $4 million out of the budget.

Mr. Hales commented that additional layoffs would be needed to accommodate the $4 million. He did not see support for new revenue.

Alderman Stearns asked that other budget cuts be included which were not on Mr. Hales' list. Aldermen did support some revenue enhancements.

Alderman Fruin mentioned that a score card for expenses and revenue.

Mayor Renner said that list would be due on April 10, 2014.

Alderman Lower proposed work begin on next year's budget on May 1, 2014.

Motion by Alderman Fruin, seconded by Alderman Lower that the meeting be adjourned. Time: 8:38 p.m.

Motion carried, (unanimously).

Respectfully submitted,

Tracey Covert
City Clerk