

***Proceedings of the Council of the City of Joliet, Illinois  
held on the 10th day of January, A.D. 2007***

SPECIAL MEETING of the Council of the City of Joliet, Illinois held on Wednesday, January 10, 2007 at 3:00 P.M. in the Council Chambers, Joliet Municipal Building, 150 W. Jefferson Street, Joliet, Illinois.

ROLL CALL

PRESENT: MAYOR ARTHUR SCHULTZ and DISTRICT 2 COUNCILMAN TIMOTHY M. BROPHY, COUNCILMAN AT LARGE THOMAS C. GIARRANTE, DISTRICT 4 COUNCILMAN ALEX LEDESMA and DISTRICT 1 COUNCILMAN JOSEPH R. SHETINA.

ABSENT: DISTRICT 5 COUNCILMAN WARREN C. DORRIS, COUNCILWOMAN AT LARGE JAN QUILLMAN, COUNCILMAN AT LARGE MICHAEL F. TURK and DISTRICT 3 COUNCILMAN ANTHONY UREMOVIC.

ALSO PRESENT: CITY MANAGER JOHN M. MEZERA, DIRECTOR OF MANAGEMENT AND BUDGET ROBERT D. FRASER AND FINANCE DIRECTOR RICHARD F. YUCIUS.

A Notice of Special Meeting of the Council of the City of Joliet, Illinois to be held on Wednesday, January 10, 2007 from 3:00 to 4:30 P.M. in the City Council Chambers, Joliet Municipal Building, 150 W. Jefferson Street, Joliet, Illinois, called by MAYOR SCHULTZ for the purpose of discussing the proposed 2007 Budget was submitted.

The City Manager began explaining some of the highlights of the 2007 budget message. He said the budget contains a comprehensive financial assessment for the years 2007 through 2010.

The City Manager said in 2006 we experienced revenue increases in almost all categories with the exception of construction related items such as tap-on fees, permits and things like that because housing construction was down. He said we had a conservative approach in the 2006 budget and that contributed to us having a balance of \$16.9 million in 2007 brought forward, which is the highest we have ever had. He said over the next four years we'll be using that to cover the difference between our revenues and our expenses.

COUNCILMAN SHETINA asked about the revenue shortfall.

The City Manager said that's a result of our expenses going up faster than revenues. He said if you keep all of your fees the same and your expenses are going up, you're going to have a deficit. He said we haven't been raising any of our fees. He said construction related fees, including building permits, heating permits and liquor licenses haven't changed. He said none of the licenses that the City requires have been changed including fees in the parking decks. He said our parking fees are very, very low and they are not sufficient to support the expansion of the parking system that we need. He said we need to acquire property for more downtown parking. He said we were lucky enough to get a grant of \$2.4 million, but that is not enough to buy everything we need. He said the staff is doing a separate parking study that will be brought to the Council later on and we will be suggesting that we look at those rates.

The City Manager said we are experimenting a little bit and have designated 18 spaces in the Ottawa Street parking deck for turn-over parking. He said by about

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9:30 a.m. they are pretty full, but by 10:30 a.m. there are already vacancies starting to occur. He said we need to get to the point where there are a couple of hundred of those spaces so people know that when they come down here there will be a place to park. He said we have 100 commuters that park in the parking decks because there aren't any commuter spaces, so they pay \$2 a day in the deck. He said what we need to do is to communicate to those commuters that when the new parking lots, such as the one behind our New Street Lot, come on line, we are going to move them out of the parking decks into those monthly spaces and that will free up another 100 spaces in the decks. He said you make money in the decks through turn-over parking, not monthly parking. He said a new parking deck costs \$25,000 per space and these people are paying \$25 a month.

The City Manager said the Rialto can not really have day matinees because there is insufficient parking space. He said we need outlying parking for the monthly parkers and then our decks become an asset for turn-over parking. He said then you can get more retail and the Rialto could do afternoon functions which would be great for the restaurants and everything begins to work again.

COUNCILMAN GIARRANTE said he wanted to clarify the \$17 million beginning balance. He said we're carrying it over but we need it for future shortfalls, so if we do spend any of it we have to find a replacement for it.

The City Manager said yes. He said over the next 4 years we will use every dollar of that and anything that we spend above and beyond what we have predicted this year or in future years is new money that we have to find somewhere else.

The City Manager said we are really not suggesting any new fees other than the \$1.00 we said we were going to add to the garbage contract. He said other than that everything is the same as it was. He said you have a 2% water rate increase for the next 4 years through an ordinance passed last year except for senior citizens. He said we froze the rate for senior citizens back in 2004. He said we've been adding on 2% for everybody else and the senior citizens have stayed at that low rate and they also got a 5% reduction that year. He said we did an ordinance last year that froze the rates on sewer for the senior citizens in 2007 also. He said there is about \$800,000 worth of freebies for senior citizens, so next year it will go higher. He said those are things that we do because the system will allow you to do it and how much of that you continue to do or how much you add on to that is up to you. He said the Mayor mentioned maybe 5% more on the water rates to reduce it for senior citizens. He said that's not a big number; it's \$17,000. He said if you want to do it you can, and it's just \$17,000 that somebody else has to pay. He said year after year it does accumulate. He said the first year we started it was about \$40,000 and now it's roughly \$800,000, and it will be over \$1 million in a few years.

COUNCILMAN LEDESMA asked if he meant the younger generation will have to pay for that.

The City Manager said everybody else will pay for it. He said there are about 4,500 senior citizens out of 45,000 customers. He said so 10% are senior citizens and for the other 90%, their rates will go up a little bit.

The City Manager said the budget, including the sewer and water fund, is balanced at \$278,815,932 compared to \$240,056,988 in 2006. He said the

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sewer and water budget is balanced at \$72.9 million and will continue the rate reduction programs already in place. He said riverboat gaming is at about \$32 million, and the Neighborhood Improvement Program is at \$7.7 million, which gives all the District Councilmen roughly \$1.5 million each.

COUNCILWOMAN QUILLMAN arrived at the meeting at this point.

The City Manager continued with page 2 of the budget message and said that major capital initiatives include Evergreen Terrace. He said last year we put about \$1.2 million in the budget for Evergreen Terrace knowing that if we are successful in the condemnation lawsuit, we probably would have to pay around \$15 million for that property, so we'd have to do a bond issue and that \$1.2 million that was put away is still there. He said in the new budget we put in another \$1.2 million because we don't really know what's going to happen with Evergreen Terrace. He said we're suggesting that if we're successful it goes towards debt service, and if we're not successful we have some liability in terms of attorney's fees we need to pay or whatever the liability is. He said if there are any surplus funds we can reallocate it for something else. He said it will probably be about another 6 months or so before we know where we are with Evergreen Terrace.

The City Manager said the Joliet Public Library asked us to help them with a \$3 million renovation plan a couple of years ago. He said we really didn't have any funding to do it until 2006, so we put in the first \$1.5 million last year and they were able to do some work on their HVAC system, window replacements, elevator upgrade, some basement renovations and 3<sup>rd</sup> floor renovations. He said they would like to finish this year so we've allocated another \$1.5 million to finish up the HVAC work, some of the 3<sup>rd</sup> floor work, mechanical/electrical, new sliding doors in the original building and some architectural fees. He said that building will be in good shape.

The City Manager commented on the new Fire Equipment Maintenance Facility and Far West Street Maintenance Facility which includes a new Aux Sable Street Maintenance Facility and an expansion of the Gael Drive Facility.

The Public Works Director said the new facility is on Arbeiter Road and we are now working on negotiating with Neumann Homes to acquire the property.

The City Manager said Neumann wants us to work with them on density a little bit in their development and if it's going to be 2.1 units per acre and they go to 2.2 and we get the property for free, that can be a consideration. He said otherwise it's probably about a \$700,000 acquisition.

The City Manager said regarding the expansion of the Gael Drive facility, we would add 4 bays for maintenance and on the other end of the building a couple of bays for sewer and water. He said we are going to upgrade the fire facility and then build the Far West Street Maintenance Facility on Arbeiter. He said it should be almost all constructed in 2007, with a spring 2008 start-up.

The City Manager then reviewed the City Hall South renovation. He said the Master Plan was prepared in 1998 which calls for Community and Economic Development to relocate to the south end of City Hall. He said we're also going to repair the remainder of the roof for about \$350,000.

The City Manager explained the City-Wide Technology and Communication Network which was started in 2005 with a pilot plan that linked up Fire Station

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No. 1, City Hall, Fire Station No. 5, the West Side Municipal Center and the Aux Sable Treatment Plant. He said we're now in the process of hooking up all of the facilities which will include the telephone system this year. He said we will also be doing a 5 year lease/purchase program for about \$680,000 a year to provide internet capability to every one of the police and fire mobile vehicles.

COUNCILMAN BROPHY asked if that backbone allows us residential access.

The City Manager said it can. He said it wouldn't have the capacity to load up everybody in the City on it and we would have to get some more bandwidth, but it's certainly something that could be done. He said you just have to make sure that it doesn't interfere with the public safety side of it.

The City Manager then discussed additional subsidies for the Rialto. He said we have \$200,000 set aside for the upgrade to their elevators which should get them through the next 3 to 5 years. He said the Rialto had requested in a letter from June of 2006 an 88% increase in their operating subsidy from \$400,000 to \$750,000. He said this would be in addition to maintaining their capital subsidy of \$148,000 for a total subsidy of approximately \$900,000, which we thought was too aggressive. He said we are recommending the 2007 budget allocate a 50% increase in the operating subsidy from \$400,000 to \$600,000 from gaming revenue. He said we are recommending the \$148,000 that we have set aside and they can use that for operating expenses also, and you can decide if you want them to justify how they are going to use the money.

MAYOR SCHULTZ said he would like them to tell us what they need it for.

COUNCILWOMAN QUILLMAN questioned whether any suggestion was made on staffing cuts. She stated they just lost their development director and she wondered if they were going to replace her or not.

The City Manager said they did not discuss that. He said we had asked them to set a limit on their staff of 21 or 22 people 10 years ago and we asked them to stay with that number. He said they have been able to do that by bringing on additional part-time staff which has grown enormously. He said their program has also grown enormously. He said there was a time when they did 10 shows a year and now they do 10 shows a month. He also said any raises given to their employees are approved by their board.

The City Manager said the budget provides for about 17 or 18 new positions. He said the City has grown about 3% in population and we are adding about a 3% increase in our staff. He said 1 Sergeant, 1 Master Patrol Officer, 5 Patrol Officers and 5 Public Safety Dispatchers are being added to the Police Department to try to cut down on the overtime issue.

The City Manager said the Fire Department is adding 3 Firefighter positions to cover vacation time, sick time and fill-in time. He said the next large group of Firefighters is scheduled for 2010 or 2011 depending on when Fire Station No. 11 is justified.

The City Manager said we also want to hire a Cable TV Coordinator. He said we have never had a full-time position and we need someone for programming because sometimes you turn it on and it's blank and sometimes it's just programs that keep rolling over. He said there is so much more that could be produced and we just don't have enough volunteer time.

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COUNCILMAN BROPHY asked if we risk our free community television status by having an employee that we control.

The City Manager said there probably is some risk and as we get closer to hiring someone, we should talk with the Corporation Counsel to see how that employee should be directed, whether that person should run that organization and be paid by the City but be somewhat independent.

The City Manager said Inspectional Services will add 1 new position, Planning will add 1 new position and 1 upgrade, Public Works is adding 5 new positions and one upgrade and Utilities is adding 10 new positions. He said we would like to establish another repair crew so we could have more of a 24 hour operation.

The City Manager said the Emergency Fund balance is \$3,500,000 and the Contingency Fund is \$600,000. He said the Reserve for the Four Year Plan is about \$16 million. He said we have a Revenue Reserve Fund of \$800,000 and a Real Estate Tax Reserve of \$500,000.

The City Manager said the budget provides \$400,000 for operation of the Joliet Historical Museum which is an increase of \$50,000. He said hopefully we can stay at this level for some time.

It was agreed to meet again on January 24, 2007 at 4:00 p.m. to continue discussing the budget.

The meeting adjourned.

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ARTHUR SCHULTZ  
MAYOR

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JANET K. TRAVEN  
CITY CLERK

Recorded on Tape