

***Proceedings of the Council of the City of Joliet, Illinois
held on the 17th day of November, A.D. 2008***

SPECIAL MEETING of the Council of the City of Joliet, Illinois called for the purpose of reviewing the 2009 Budget held on Monday, November 17, 2008 at 4:00 P.M. in the Council Chambers, Joliet Municipal Building, 150 W. Jefferson Street, Joliet, Illinois.

ROLL CALL

PRESENT: MAYOR ARTHUR SCHULTZ and DISTRICT 4 COUNCILWOMAN SUSIE A. BARBER, DISTRICT 2 COUNCILMAN TIMOTHY M. BROPHY, DISTRICT 5 COUNCILMAN WARREN C. DORRIS, COUNCILMAN AT LARGE THOMAS C. GIARRANTE, COUNCILWOMAN AT LARGE JAN QUILLMAN, DISTRICT 1 COUNCILMAN JOSEPH R. SHETINA, COUNCILMAN AT LARGE MICHAEL F. TURK and DISTRICT 3 COUNCILMAN ANTHONY UREMOVIC.

ABSENT: NONE.

ALSO PRESENT: CITY MANAGER THOMAS A. THANAS, DIRECTOR OF MANAGEMENT AND BUDGET KENNETH R. MIHELICH and DIRECTOR OF FINANCE HUGH BRENNAN.

The City Manager advised that the staff presented the outlook on the 2009 budget last week. He said the plan was to resume at the Council's discretion today to discuss any areas that they may have a specific question on.

The City Manager said we have received some correspondence over the past few days from organizations asking for assistance, and everything that we've received we've passed on to the Mayor and Council. He said we did receive a letter from the Joliet Police Pension Board today from their President Rick Raasch indicating support for the recommendation for the pension contribution from the City. He said other than that we have nothing to add today other than to respond to questions.

COUNCILMAN SHETINA asked if the City Manager is ready to go for a positive or negative recommendation by the Council.

The City Manager said yes, but we're not trying to rush any decision at all. He said the staff wanted to present the outlook to the Council as we did last week. He said we wanted to keep it concise and show what the revenues are for 2009 and beyond and then what the expenditures are and how we worked with the City staff, especially the department heads, in trying to cut as much as we possibly could out of the proposed 2009 budget which he thinks we've done. He said there's no doubt that this is just a starting point, but we think that we presented a balanced budget that gets us through 2009 but we'll have to have an ongoing dialogue about a lot of things going forward after 2009, and we should start working on the 2010 budget a few months into 2009 so we don't wait until an October/November time frame to start looking at expenses and revenues for the following year.

COUNCILMAN SHETINA asked the City Manager what his current recommendation is.

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The City Manager said the current recommendation is we're prepared to answer any questions, but we believe we've submitted the best budget that we possibly can for 2009 and we're recommending its approval as is.

MAYOR SCHULTZ asked if the City Manager met with the police union yet.

The City Manager said no, that's scheduled for this Thursday for their contract that is expiring at the end of this year.

At the request of MAYOR SCHULTZ, COUNCILWOMAN QUILLMAN read the following in relation to the Rialto visual arts program by the University of St. Francis: "Mr. Smith said the University of St. Francis (USF) and the Rialto have agreed to a 20 year lease which will generate about \$4.2 million for the Rialto theater. Tom Thanas said the build-out will cost about \$2 to \$3 million and will include elevator and ADA access. He said the entire third and fourth floors will be used for classroom and work space. There will also be a couple of tenants remaining on those floors and they will be moved within the building."

MAYOR SCHULTZ asked who is going to pay for that.

The City Manager said his recommendation to the City Council a few weeks ago was to have \$240,000 from the 2009 budget set aside for payment for the 2009 expenses, and then there was an additional \$300,000, and his recommendation was based on the fact that this will generate a stream of revenue for the Rialto. He said for a long time we've been subsidizing the Rialto and lately it's been in that \$800,000 range per year. He said part of the problem that the Rialto has had is that it has a lot of office space that has either sat empty or has been under-utilized as far as rents. He said USF has indicated a willingness to sign a 20-year lease that will generate over \$4 million a year and really the only way he can see getting us out of this constant stream of contributions that we're making to the Rialto is helping them become self-sufficient through rental income in both Two Rialto Square and the old office building that fronts on Van Buren. He said his recommendation was limited to 2008 and 2009. He said there's been no commitment made to the Rialto Board after 2009, so if the City Council does not give any additional funding to the Rialto, the Rialto will have to look to the income it's receiving from USF to retire the debt for the \$2 million build-out that it will take to get the 3rd and 4th floors of the Rialto remodeled to accommodate the performing arts department of the university.

COUNCILMAN UREMOVIC said and they can do the bond themselves then or the Authority can.

The City Manager said they're getting a loan from a local bank and the bank is going out on a 20-year loan so it's being amortized over a 20 year period. He said the Rialto Board has been very upfront; they're looking for the City Council to provide assistance for the full 20 years. He said he told them we could not commit for the full 20 years and he couldn't ask the Council to commit to that. He said what we've done is commit for 2008 and 2009; after that it would be up to future City Councils as to whether a longer commitment is made. He said a lot of it depends on the success that they have in trying to remodel the building and bring in additional tenants. He said he spoke to their Director Randy Green last week about a large tenant for the Two Rialto Square Building, and they've asked whether we could help with some parking issues that they'll have in trying to attract this tenant which would take about 10,000 sq. ft., and the answer there is

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obviously we'll help with the parking issue but there are a lot of things we have to do to help the Rialto become self-sufficient.

MAYOR SCHULTZ asked how much are we committed for 2008 and 2009.

The City Manager said it's \$540,000 over a two year period, \$300,000 in 2008 and \$240,000 in 2009.

MAYOR SCHULTZ said so we don't have any part of this build-out.

The City Manager said it's being conducted solely by the Rialto Board; other than building inspections we're not involved other than providing about \$540,000 in assistance up front. He said the big advantage there is adding the elevator that will service the balcony portion of the theater to provide handicapped accessibility to the balcony level, plus we're talking about a build-out of the third and fourth floors.

COUNCILWOMAN QUILLMAN said there is another reason for doing this as well, and she asked the City Manager to explain what effect the agreement with USF would have as far as generating foot traffic and all the new restaurants coming down here.

The City Manager said part of it is in our never-ending effort to try to redevelop downtown Joliet, we know that there's a need for additional people on the street in the form of businesses and in this case, college students, and we'll see college students and faculty members coming on a daily basis. He said part of this will involve a shuttle bus that USF will run to bring the students from its main campus to downtown Joliet for the purpose of attending class, so we're going to have a fairly active trade or traffic coming out of this project. He said what will help also is Joliet Junior College's commitment of a \$15 million facelift to its facility and bringing it's culinary arts department downtown. He said the reality is we've lost ground in the last three years or so in downtown Joliet. He said some of the banks have moved a lot of their operations either to other locations in Joliet or outside of Joliet, we've had major law firms move to the west side and we've had two title companies that used to have 25 to 30 people employed in downtown Joliet actually go down to a handful of people staffing their title offices in downtown Joliet, so we've seen a migration out of downtown Joliet of five day a week business, and we need to try to stem the tide and create more foot traffic to help us. He said we're still working with the County on the Courthouse project and it would be very helpful to get that landed, but that's not the only thing going on. He said we need to start looking at other ways in bringing more foot traffic downtown.

COUNCILWOMAN QUILLMAN said and didn't the University say that once the visual arts program gets going they were going to bring other programs down here as well.

The City Manager said yes, USF definitely sees an advantage to being in downtown and would like to expand that possibly to the communications department where they could have their radio and TV and journalism students here also.

COUNCILWOMAN QUILLMAN said she has been getting a lot of calls on why we're doing this, but people need to understand why we're doing this -- it's a commitment and a partnership not only with the Rialto but the University as well.

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The City Manager said from his perspective it's not an act of charity, it's an act of economic development, and he would not have brought it to the City Council had he not thought it would be able to generate some income for the Rialto and indirectly help us. He said we're not going to go cold turkey with the Rialto unless the Council decides to, but it's very hard after the major investment we've made in that facility over the last 30 years for us to pull back, but what we have to do rather than what we've done in the last 15 or 20 years where it's just a subsidy after a subsidy is we need to find a way to help them make some money.

COUNCILMAN TURK asked if we have looked at those agencies that we've supported in the past who are not being recommended for support this year and have we made any multi-year commitments or agreements that we need to honor.

The City Manager said we may have done something with Big Brothers/Big Sisters, but it's usually been on the condition that there be funding available.

Mr. Mihelich said without looking back at the minutes, we've also told all the organizations that it was always contingent on revenues being available in future years. He said for instance with Big Brothers/Big Sisters we gave them \$25,000 last year and they had asked for \$50,000, and he is quite sure he recalls it being said that if we can afford to do it next year we would do it, but there are no guarantees, and he believes that would be the same for the other organizations. He said he doesn't believe there are any written commitments and while he knows some of the organizations believe that there was a commitment, he doesn't believe the Council ever made a firm commitment.

COUNCILMAN SHETINA said he thought we had made a commitment to Big Brothers/Big Sisters and at least a commitment to Stepping Stones with respect to the buildings they've taken over, and he doesn't know that they were tacit, he thought they were actual agreements to participate, and he asked him to check the minutes on it.

Mr. Mihelich said he will check the minutes, and his memory is that we made a good faith estimate that if we had the revenues we would do it, but there were no promises.

COUNCILMAN GIARRANTE said he thinks to be fiscally responsible this Council would have to take that position. He said we can't commit to money if it's not there and it had to be upfront that if we had the money, fine, otherwise we can't do it.

COUNCILMAN GIARRANTE said on page 1 of Appendix B of the budget, there is \$13,000 for Travel Expenses for the Mayor and Council, and he suggested that only the Mayor Pro-Tem go to these seminars that we all are invited to, or if he or she doesn't, then it goes to the previous Mayor Pro-Tem until someone wants to go rather than 4 or 5 of us going. He said he doesn't see why 3 or 4 should have to go instead of sending the Mayor Pro-Tem and have that person come back and give a report to the rest of the Council.

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COUNCILWOMAN QUILLMAN asked if Travel Expense and Conference includes all these invitations we receive to go to different charitable events as well. She said she can only recall one conference that we went to this year.

COUNCILMAN GIARRANTE said the same goes for all of these invites we get. He said we should have the Mayor Pro-Tem go and have them represent the Mayor and Council. He said there's no need for 6 or 8 of us to go and we could cut some of that money out. He said everybody's cutting back, perhaps we need to look at that also.

Mr. Mihelich said \$3,000 or \$4,000 at the most of that amount are conferences, but most of it are the charitable functions that the Council goes to.

COUNCILMAN GIARRANTE said maybe we need to look at that also.

COUNCILMAN GIARRANTE asked what the increase in salaries for the Liquor Commissioner is.

The City Manager said increases for the three Deputy Liquor Commissioners are built into that number.

Mr. Mihelich said some of that has to do with hours as well so there's an assumption because they're all part-time as to how many hours they're going to put in, so we can look at that. He said he believes there's some hourly adjustments in there as well, but he would have to check that for sure.

COUNCILMAN GIARRANTE said that was my question, are they salary or hourly and Mr. Mihelich said hourly.

COUNCILMAN SHETINA asked if we have three Deputy Liquor Commissioners and the City Manager said yes.

COUNCILMAN BROPHY said that's a 14.4% increase and he asked if we assume there's going to be that many more hours.

Mr. Mihelich said it's an estimate based on hours as well as hourly rate, so it could actually go down a little bit. He said that's just setting an upper limit.

COUNCILMAN BROPHY said we've talked about freezing things and holding things up, and he wants to be clear on the numbers, because from what he sees if you throw out the high and the low, we've got salary increases ranging from 5.3% to 16.7%. He said some departments are around 9%, some are around 6%, some are around 14%, and he will talk with Mr. Mihelich later about that before he comments on them.

MAYOR SCHULTZ asked Mr. Mihelich to tell the Council what he gave him today and to give the Council a copy if they want one.

Mr. Mihelich said the Mayor had requested that we provide information on every employee's salary that they would make throughout the year without overtime, and then the other one was payroll to date including all types of pay, and we will provide that to the Council as well.

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COUNCILMAN SHETINA said we've had a policy here that when somebody asks for something, we all get it.

The City Manager said this just happened today, and we are prepared to give it to everybody today. He said it was a request involving salaries involving all City employees and there was some additional information requested regarding two agencies, the museum and the Rialto, and we have that information also which we just got right before the meeting.

The City Manager said just so we're clear on the salaries, most of them are fixed by a collective bargaining agreement that's already approved by the Council. He said most of them are effective until 2011, 2012, and we have no choice on those. He said the question was have we built in anything for FOP for negotiations, and he shouldn't say it publicly, but the answer is yes.

The City Manager said the only area that we have some discretion on is management salaries, and what he has done is he has taken what the pool would have been and he reduced it by 33%, and the only thing he can do there is work with the department heads who supervise management employees and try to hold the line on that. He said it's about a \$180,000 savings and probably under past practice most of those raises would have been given. He said what he is trying to do, just for management employees only which is really the only area where he has any discretion, is work with the department heads and try to limit the salary increases for management employees. He said he knows his management employees are telling him that that's very unfair because they are the only ones that will start suffering at this point because of salary increases that they probably would have gotten under past practice, but the reality is that he has to start somewhere. He said we had a meeting last week and he tried to explain that to the staff. He said the other thing he will be doing with the Human Resources Director's assistance is looking at salary ranges and there's a good chance that he will be recommending that we freeze all the salary ranges for 2009. He said there may be some other ways of doing this without raising salary ranges, but we're at a point where we think we need to look seriously at the salary ranges and start making sure that they fit properly in our organization.

COUNCILMAN GIARRANTE said along those same lines he doesn't have any problem with them getting 4% like everybody else. He asked if there are any merit raises in here and he said those will have to come back to the Council. He said he has a problem with the merit raises, especially now because we are hurting. He said he thinks they deserve the 4%, the same thing the bargaining units get, but that merit raise he has a little problem with. He said as long as the bottom line is the same, no matter how you dish it out, that's ok.

The City Manager said he is asking the Council to allow us to have a pool of money that he will use for management raises, and there may be some really good employees who deserve the full 9% and if they do, if they've worked hard and worked extra hours and they've helped out and taken on a lot, the Council may see something coming through where he is recommending a 9% raise for somebody like that, but he thinks this year we may surprise a few people and there may be some zero percent increases and there may be some 2% raises. He said it's going to depend on a standard that we set that will apply across the board for all the departments. He said it's very hard because it's subjective but we need to take that part on too.

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COUNCILMAN GIARRANTE said there's nothing that irks the bargaining units more than when they agree to a 4% raise and then they hear this guy is getting 9%, this guy is getting 10%.

COUNCILMAN GIARRANTE asked what the \$2,700 for phones is for in the Mayor and Council's budget.

Mr. Mihelich said that portion of the phone budget actually is done per line.

COUNCILMAN GIARRANTE said we don't hardly ever use the phone.

The City Manager said there are individual lines for Council members and for voice mail. He said we'll track that number down specifically, and if the Council sees something where they think we should cut back, we'd be happy to do that.

COUNCILMAN GIARRANTE said in the Deputy City Manager's budget, last year there was \$13,000 budgeted for temporary/part time and this year it's \$23,000. He asked about the increase.

Budget Analyst Carl McCann said that is for two part time trolley drivers.

The City Manager said we'll look at that one too because it's really not consistent with what we've been trying to do in all other departments and if there's an opportunity to pull back we'll do so. He said it's a great service to provide, especially to senior citizens, and there are a lot of people that rely on that. He said we will look at that and if there's a change we can make there we'll certainly bring that back.

COUNCILMAN GIARRANTE said in the Management and Budget Administration budget, last year the total was \$197,300 and in 2009 it's \$217,000, and he asked what the \$20,000 increase is for.

Mr. Mihelich said it's basically for salaries for people who aren't at the top of their salary range who are moving up with 5% step increases plus the 4%.

COUNCILWOMAN QUILLMAN said she has been getting calls because people have been looking at this budget on-line, and she is very glad that it's open to the public, however, she wanted to make it very clear that this Council is not giving themselves a raise, because people are looking at this budget and thinking we're all getting a raise and believe me we're not getting a raise.

The City Manager said there are no raises and actually this Council couldn't give itself a raise because there are constitutional rules prohibiting them from doing that. He said it can be done for future Mayors and Councils but not for current ones during their elected terms.

COUNCILWOMAN QUILLMAN asked if we have looked at possible early retirement buy-outs.

The City Manager said he has asked Director of Human Resources Mike Suppan to contact IMRF to give us a figure on what early retirement (ERI) may cost the City. He said if you're 50 and you decide to retire under early retirement, you'd be treated as if you were 55, or if you were 55 you'd be treated as if you're 60, so you're not being penalized for early retirement and you'd be eligible to retire earlier. He said some towns have done that and it's an expensive process, and

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it's something he has asked Mike to look at because we do need to bring that to the Council. He said we'll see if it works and the theory of it is if we're going to allow early retirement, there's a lot of people sitting in this audience that would probably be eligible for that, and what we'd have to do though is replace them with lesser paid employees and also reduce the employee complement by at least 20%. He said in other words if we have 20 people retire, we probably need to hire no more than 15 or 16 people back, so it's a combination of bringing in new department heads for example at a lower pay range and not hiring a few of the positions back. He said it works in some communities, and it's expensive, but it could work and if we have a payback over a 4 or 5 year period, it's definitely worth looking at. He said we'll be bringing those facts and figures back to the Council.

COUNCILWOMAN QUILLMAN said in the long run, wouldn't we save substantial amounts of money when we look at the higher paid salaries and the benefits for 5 or 10 years.

The City Manager said yes, we have to discipline ourselves though and eliminate positions and make sure that the people being hired are coming in at a substantially lower salary. He said the problem we have though is you end up having some of the people who are department heads or division heads making less than what some of the people that they're managing make, so that's a problem, but in some organizations they bite the bullet and go through that process and people hire in knowing that's the arrangement that they have.

COUNCILWOMAN QUILLMAN said and she's not saying we're going to do that, but it's well worth investigating because if we're going to sit here and talk about salaries according to performance and things of that nature and look at other things we can get rid of, it just might be worth taking a look at to save some money.

COUNCILMAN GIARRANTE said does something like that legally have to be offered to all of the bargaining units.

Mr. Suppan said we have to offer it to all IMRF eligible employees and we would not have to offer it to fire and police sworn employees because that's not covered under their legislation.

COUNCILMAN UREMOVIC said the way you've got this overview written, what you're saying is that this 2009 budget just gets us through, and after that when we're sitting here a year from now, that's the ugly news.

The City Manager said he asking the Council not to wait a year to start addressing the 2010 budget, and he is asking that 3 or 4 months into 2009, we need to start looking at the 2010 budget and if we're going to go the direction of cutting expenditures, we need to start cutting fairly soon in 2009; we can't wait until the end of 2009 to do that. He said if we're talking about any revenue increases, then we need to start planning those too.

COUNCILMAN UREMOVIC said so the structural gap is 4% or 5% on revenues and expenses.

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The City Manager said we're probably looking at needing to make up \$15 million, and that's without borrowing from the four year plan. He said that would be a combination of either reduced expenditures or increased revenues. He said we really can't forecast any increase in revenues as far as sales tax or building permit fees. He said we have projected about 25% less from gaming than what we had for the 2007 year which was one of our better years, and even then we are holding our breath on that figure because of what's going on in the gaming industry nationally.

COUNCILMAN BROPHY said one statement you make in here is that "The proposed 2009 budget does not include any employee layoffs, but I am prepared to proceed with layoffs.....I have identified several positions that could be eliminated if the revenue trends in 2009 show a continuing decrease beyond what has been projected". He asked when will those projections be measured and should we probably in an executive session talk specifically about which positions have been identified for layoff. He said from a policy point of view, the City Manager talks especially in the water and sewer funds about trying to move that towards being a profit center of its own, the term used is to operate it like a private business, how soon will that be done if in fact that's the goal. He said regarding possible layoffs, if there are efficiencies to be gained or productivity to be had from the elimination of those positions sooner rather than later, than why not proceed. He said he knows it's difficult, but he wants to hear the City Manager's justification, not out loud at this forum, but probably in executive session about those specific roles and why they can be eliminated and if then, why not now.

The City Manager said regarding the Water and Sewer Fund (W & S Fund), we really want to make that a true enterprise fund. He said income and expense need to balance without us transferring money either from gaming or from other sources to try and make it balance and we've done that throughout the years. He said the reality is we've balanced the W & S Fund for 2009 without having any kind of outside contributions made coming in from gaming or any other source, but what allowed us to do that is the fact that we have no new projects being paid for by the W & S Fund which is unheard of, and what we've asked Jim Eggen to do is to look at all pending projects, pull contingency money out of that, squeeze those projects down to the bare necessities, and try to retain \$1 million or \$1.5 million out of 2008 dollars that have been authorized by the Council to be spent and to create a contingency fund that will help us if we have any wells go out or any major breaks that need to be repaired, and that's really the only way we're going to be able to do it. He said the reality is we're probably going to have to ask the Council to look at the revenue part of the W & S Fund in the form of some of the abatements that had been allowed through the years and in making sure that the fund balances. He said that's really the best way to operate a W & S Fund and that's why we're recommending that part of it.

COUNCILMAN UREMOVIC said if you look at the cash flow report, over the years money from gaming has gone into the W & S Fund, but at the same time money has been transferred out of W & S into the General Fund so those two numbers don't balance.

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The City Manager said it's not a complete balance, but we've been transferring more in than transferring out.

COUNCILMAN UREMOVIC asked for a report on the 10 year history of transfers showing how much was coming in from gaming

Mr. Mihelich said there has been about \$1.12 million in gaming funds each year, and there was a loan of about \$330,000 that went from the W & S Fund over to the NIP fund.

The City Manager said regarding the layoff issue, we're going to test every process that we have and we need to find out whether we operate efficiently. He said that's hard to do, some towns and private enterprises will bring in consultants and we know we can't do that, but we're going to test everything and test what the cost of that is and for those that are fee based we'll see if the fees are adding up to what it costs to deliver that service, and we really do need to do that and see if we can run efficiently. He said one example is a division that we have identified where we think we can eliminate the entire division, roll it into an existing division and operate more efficiently and perhaps with one less employee or 1 ½ employees, so we're going to be looking at every single possible way to do that.

The City Manager said as far as layoffs, if you're asking him to predict will we have layoffs in 2009, he thinks we will. He said he doesn't see the revenues getting any better in 2009 and again he doesn't have a crystal ball, but he thinks just reading the newspaper and watching TV, he thinks we see what's going on on the national level and just locally, Circuit City is closing, Linens 'n Things is closing, with stores like that which have been generating sales tax for us, even though it's a small amount, they're closing, or if you look at Citigroup they're looking at laying off 53,000 employees, and we're seeing a national trend. He said locally we've seen the racetrack eliminate 23 positions, the drag strip is only going to operate one weekend for the summer of 2009, Harrah's has eliminated key management positions, so it's being felt throughout the entire community and throughout the entire country, and that's why he thinks we'll be following suit. He said we've been able to manage that through attrition so far, and that's our recommendation and that's not easy either because he's got department head who say these are must fill positions, they have to have somebody manning or staffing this position, and he's telling them right now to make do and start reassigning. He said he knows we have some union issues that we have to address in that and we're going to have to work through those, but he doesn't think he can build any more money into the budget because it's just not there. He said we'll talk to the Council and if the Council would like for him to identify those positions in closed session, he'd be happy to do that because he thinks we're at that point where we probably have to start that fairly soon in the first quarter of 2009 in order to help us try to close that \$15 million gap that we need to work on for 2010.

COUNCILMAN SHETINA asked if he is prepared to do that today.

The City Manager said yes.

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COUNCILWOMAN QUILLMAN said in Appendix B, page 8 for the Joliet Park District, in 2007 and 2008 there is nothing and in 2009 there's \$220,000. She asked what that is for.

Mr. Mihelich said that is the money that came from gaming so it was zero out of this fund but it was \$220,000 in previous years out of the gaming fund. He said it's in general corporate now and it had been in gaming since they built the water park.

The City Manager said we didn't take these things out of the gaming fund because we thought there was a better way of doing it, the gaming revenue just wasn't there. He said the projection for the 2008 budget was a 7% reduction in gaming revenue, that's what was presented to the Council last year, but the reality is we're looking at over a 22% reduction, so once we paid those things that were already spoken for out of the gaming fund, we had nothing left then for the schools, the charities, the service organizations, the Park District and the Library.

Mr. Mihelich said we asked the Library to do without \$224,000 that was allocated from gaming revenue in previous years. He said we honored their full levy commitment, but we felt that in the spirit of us all trying to work together and cut back, we asked them to cut back as well, but without any specific instruction.

COUNCILWOMAN QUILLMAN asked what exactly the City's agreement is with the Park District as related to Splash Station. She asked if Splash Station has ever made money.

The City Manager said he's not sure about the operations of Splash Station, that's an answer from the Park District.

COUNCILMAN GIARRANTE said this year is probably the best chance they have. He said they were down \$50,000 but their fiscal year is over at the end of April, so any passes that they sell for next year would go on this year's budget.

The Corporation Counsel said we did an intergovernmental agreement with the Park District back in 2001 and at that time we put in our share for construction and the Park District's share was approximately \$2 million which they had to borrow. He said the debt service on that at that time was approximately \$200,000, and the Park District asked that the City provide a guaranteed fund for debt service in case the water park did not pay for the debt service which it hasn't every year, and so that \$200,000 was approved by the Council as a guarantee fund for that bond issue.

COUNCILWOMAN QUILLMAN asked how long that agreement is for.

The Corporation Counsel said it's a 20 year agreement and the bond issue is 20 years.

COUNCILMAN BROPHY said he's sure there are a lot of adjustments like that where we need a list of the net regardless of fund, and he asked if that is in the document somewhere. He said maybe we could get an addendum to highlight just the things that might surprise us later if we were to discover that the net is a reduction or a huge increase.

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Mr. Mihelich said he can try to provide him with that. He said there weren't too many like that – there was the Park District and also the Joliet Chamber of Commerce which had been traditionally funded out of the gaming fund, and that is now in the general corporate because there just wasn't the funding there.

COUNCILWOMAN QUILLMAN said with the economy being the way it is and people not being able to go on vacations, we definitely need some local entertainment for them to attend. She said she was just curious about Splash Station and she wants them to succeed.

COUNCILMAN GIARRANTE said as far as the water park goes, there's a board and that board is made up of members of this Council and the Park Board which makes all the decision pertaining to the water park, and it is a totally separate budget from the rest of the Park District, so they can't take money out of there and put it somewhere else.

MAYOR SCHULTZ asked how much is in the budget for promotional exams for the fire and police departments.

Mr. Mihelich said for new hires it was about \$75,000 or \$80,000 per department, and with the feeling that we were going to be delaying new hires because of attrition, we had talked with each of the department chiefs and made the recommendation that we would not put it in this year's budget with the idea being that there would have to be something definitely in the 2010 budget.

The City Manager clarified that for the hiring portion of it, we've eliminated the \$75,000 from each department's budget under the theory that if we're not going to be filing those positions in 2009 or at least until late 2009, we would not need to have a new list. He said we will bring to you in 2010 a budget that will include the \$75,000 or so for development of a new list because both lists are in their third year right now so for original hiring we'll need new lists then, but if we're not filing positions we think we can continue on with the existing list.

COUNCILMAN GIARRANTE said so you're talking about a new test in fall of 2010.

The City Manager said probably in the first quarter of 2010 we'll be doing lists for both fire and police and that assumes that we'll be filing positions. He said if we're here a year from now and gaming revenue has dropped another 10% and sales tax and building permits and all those have dropped, he may be coming back and saying we may not be in that position to add any more fire and police.

Mr. Mihelich said the promotional exams are still in the budget.

The City Manager said our recommendation on positions was to continue to bring those positions back to the Council. He said as we have retirements from the command staff in fire and police we'll be bringing those back to the Council with recommendations to fill those, so people will be able to move up, but not to fill the entry level positions. He said we can always revisit that if the numbers for the first quarter look fairly bleak and we want to not fill some command positions, and we'll be able to talk about that at that time, but our current recommendation is to allow promotions to proceed as they would normally, and then not fill the entry level positions until we have the revenue.

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The City Manager advised that there is a need to go into closed session to discuss personnel, anticipated/pending litigation and land acquisition.

COUNCILMAN GIARRANTE moved that the Council recess to closed session at 4:55 p.m. to discuss personnel, anticipated/pending litigation and land acquisition after which the meeting will be adjourned.

Motion seconded by COUNCILWOMAN QUILLMAN.

Motion carried by the following vote:

AYES: COUNCILWOMAN BARBER, COUNCILMEN BROPHY, DORRIS, GIARRANTE, COUNCILWOMAN QUILLMAN, COUNCILMEN SHETINA, TURK, UREMOVIC and MAYOR SCHULTZ.

NAYS: NONE.

ARTHUR SCHULTZ
MAYOR

JANET K. TRAVEN
CITY CLERK

Recorded on Tape