

***Proceedings of the Council of the City of Joliet, Illinois  
held on the 29<sup>th</sup> day of November, 2010***

SPECIAL MEETING of the Council of the City of Joliet, Illinois held on Monday, November 29, 2010 at 4:00 P.M. in the Council Chambers, Joliet Municipal Building, 150 W. Jefferson Street, Joliet, Illinois for the following purpose:

1. Joliet JackHammers and Silver Cross Field Matters
2. 2011 Budget Review

**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, DISTRICT 3 COUNCILMAN JOHN GERL, COUNCILMAN AT LARGE THOMAS C. GIARRANTE, COUNCILWOMAN AT LARGE JAN QUILLMAN and DISTRICT 1 COUNCILMAN JOSEPH R. SHETINA.

ABSENT: COUNCILMAN AT LARGE MICHAEL F. TURK.

ALSO PRESENT: CITY MANAGER THOMAS A. THANAS and CORPORATION COUNSEL JEFFREY S. PLYMAN.

The City Manager advised that an agreement with a new baseball team for the lease of Silver Cross Field has been tentatively reached and he recommended that the Mayor and Council go into closed session to review the terms of the agreement.

COUNCILMAN DORRIS moved that the Council recess to closed session at 4:05 p.m. to discuss the tentative lease agreement.

Motion seconded by COUNCILWOMAN BARBER.

Motion carried by the following vote:

AYES: COUNCILWOMAN BARBER, COUNCILMEN BROPHY, DORRIS, GERL, GIARRANTE, COUNCILWOMAN QUILLMAN, COUNCILMAN SHETINA and MAYOR SCHULTZ.

NAYS: NONE.

The meeting reconvened at 5:20 p.m. with all members present.

The City Manager announced that the Joliet Professional Baseball Club LLC d/b/a Joliet JackHammers has terminated its baseball operations and will be going out of business. He said that we have been able to negotiate a tentative agreement with a group of owners that are willing to come to Silver Cross Field, bring in a new team, a new name, a new image, and join the Frontier League.

The City Manager introduced the representatives of Steel City Baseball Club LLC present today, including managing LLC member Alan Oremus, President Bill Waliewski, Ron Biga, head of Baseball Operations and General Manager John Dittrich.

The City Manager said that we have had the pleasure of working with these four gentlemen for the last 10 days, and we believe that this is the future of baseball in Joliet. He said that these gentlemen have the baseball knowledge and the financial ability to bring a team to Joliet that we'll be very proud of, and they'll be

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good corporate citizens and treat the residents right, treat the fans right, and most importantly, get us back to watching quality baseball and having fun at the old ballpark.

The City Manager explained the principal terms of the lease agreement which included a term of 10 years with two 5 year options. He said that the base rent of \$150,000 per year would be payable in advance for the first 5 years and is due on October 1 of the year preceding the season. He said for the second 5 years, the rent would be paid on January 1, so the City would have the security of having the rent paid up front. He said that the rent would be adjustable based upon CPI (Consumer Price Index) each year with a maximum of a 2.5% adjustment upward. He said there would be additional rent paid by the team of \$2.00 per actual attendee once the attendance hits 150,000 people, and that shares some of the upside with the City; if they have great seasons and drive the turnstiles real well, we'll see additional revenue coming to the City.

The City Manager said that Mr. Oremus and his team see great value in field turf, and they've agreed to make an initial capital contribution of \$1 million to the cost of putting in field turf at Silver Cross Field. He said that we would have two years to get that done and we did not want to rush that to try to hit the 2011 season, and there will be an opportunity for us to work on creating a field turf replacement fund that would be funded at \$100,000 a year annually. He said an amusement tax proposal would be brought back to the Council that would tax not the baseball operations but would tax special events that would be held there such as concerts, other professional type athletics such as professional soccer or rugby or any other events where tickets are sold. He said that would not include high school activities. He said we all know that Joliet Central High School would have a lot of interest in using the facility, but we would not attach the \$2.00 amusement tax to their events, and the same thing with the University of St. Francis. He said the advantage here is we would then have a fund to help us with the replacement of the field turf when that is needed, and based on what we're hearing, that would be anywhere from 10 to 15 years from now. He said if we were unable to reach the \$100,000 figure, the team would make up the difference, but we're confident that there would be a lot of revenue coming in from other sources to help fund that.

The City Manager said the existing lease terms would continue on as far as the use of the stadium; the City would still be able to host the IHSA tournament. He said the new team would continue on as the facilities manager and be responsible for general maintenance and repairs; the City would continue on being responsible for capital replacements with the same agreement that we have now, so when capital improvements need to be made, we would step in and make those.

The City Manager continued that the team would take over the Hall of Fame room, market it, improve it and get it to the point where it's being used as opposed to what it is now, and we would see a lot more use that way. He said that the team would have the option to purchase the Stonitsch building or Stadium Club that's down the right field line for \$20,000 if they have a redevelopment plan for that facility. He said we are excited about that and the new team sees some opportunities with that facility as far as creating an amenity for the ballclub and the ball field that would help drive attendance.

The City Manager said we have discussed the concession services many times, and he thinks you'll see a commitment to bringing quality food and beverages at

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reasonable prices to Silver Cross Field. He said there is no doubt that improvement is needed, and this team will focus on that and more than likely they will bring concessions in-house and operate it themselves with key vendors.

COUNCILMAN BROPHY asked if the ordinance has been written yet for the amusement tax.

The City Manager said no, that would be presented to the Council before the season starts.

COUNCILMAN BROPHY said maybe other not-for-profit groups could be considered with schools and universities as far as exemptions.

The City Manager agreed and said we don't want to penalize some of the local agencies that have used the field.

General Manager John Dittrich stated that Al Oremus is the head of their ownership group, and the other gentlemen that were introduced is a group of guys that are doing this as a labor of love. He said that's not to say that their job isn't to try to make this a profitable organization, but their motivation is not so much to gain personally as it is to make sure that it lasts a long time; it won't work well if it doesn't make money. He said it was a very pleasant but tough negotiation with the City staff and they really are excited about the deal they were able to work out. He said he thinks it's fair to both sides, and they feel they have a chance to be profitable and successful and at the same time have a deal that's fair to the taxpayers too, and that's a delicate line to walk.

Mr. Dittrich said he built five ballparks as a baseball operator, and Silver Cross Field is one of the finest ballparks in the United States for a minor league facility, and for independent baseball, it is probably the finest. He said it is going to be an exciting privilege for him to be the general manager here. He said they are going to work hard from the very first day, and he thinks everyone will see some very fun and exciting things. He said that the Frontier League is a very good league and is one of the most stable independent leagues. He said that it was founded in 1993 and that's the longest standing league in independent baseball. He said it's run by a very competent commissioner and the cities are very stable, so he thinks the City will find that a lot of the drama it may have been going through the last couple of years will go away and they'll just play some good old fashioned baseball out there and do well, and they'll have a lot of fun doing it. He said they are also very interested in creating a fun environment to host concerts and other sports events, and that's partly why this turf issue is such an important thing, because they can create more events there without damaging the field and get back on and play baseball the next day if that's needed.

COUNCILMAN SHETINA asked about the status of the Miracle League.

Mr. Dittrich said he is very familiar with the Miracle League and said it's one of the best things he has ever seen.

The City Manager stated that the new owners asked for the Miracle League to be part of the leased premises, and the Corporation Counsel will work on that. He said they see a great opportunity to give back to the community there, and we want them to be involved. He said it is on City owned property, so it is ours, and those improvements that have been made by the Ferro's remain there. He said the Ferro's have a not-for-profit corporation that manages it, and we're going to

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work on that. He said that the new owners see a great value in having a direct affiliation with the Miracle League.

COUNCILWOMAN QUILLMAN asked if the Ferro's will still be involved with the Miracle League.

The City Manager said we're not sure yet; they're currently controlling the not-for-profit that sponsors the Saturday games, and we'll work on that in the next couple of weeks. He said the Ferro's have indicated that they'll be more than cooperative on this.

COUNCILMAN TURK asked for some more information about the Frontier League like whether there is an age cap.

Mr. Dittrich said the Frontier League has a 27 year age cap; it's basically designed to showcase players that didn't get drafted to major league baseball. He said it has a better record than any other independent league at getting players into major league organizations because of the age cap. He said he believes each team has to have 13 rookies and that requires teams to search out some really good players that are still out there and he thinks more players will be signed by major league organizations out of this league than the previous league.

The City Manager asked about nearby locations in the Frontier League.

Mr. Dittrich said another nice thing is the rivalries; there's the Crestwood team, two teams in the St. Louis area and a team in southern Illinois, so there are several Illinois rivals and also one in Evansville, Indiana, so the travel will be a little bit less expensive for our team and we'll be able to build more rivalries with teams that are nearby and get more visitors coming in to watch their teams play here.

COUNCILMAN GERL welcomed the new team to Joliet. He said we appreciate their interest in our town and he has heard nothing but great things about Mr. Oremus as his reputation precedes him. He said this City is really looking for you to put a new team on the field, and what this does is basically guarantees that the City of Joliet will have baseball in 2011 in a quality league and we're excited about that. He said he thinks we've got an excited and excellent new ownership along with bringing some great baseball knowledge to our town, and he thinks the commitment to make this a multi-purpose facility is a great thing. He said he thinks having the high schools play football there, the various concerts and all of the other entertainment venues planned are going to bode well for the City of Joliet and he knows they will be successful next year and for the years to come.

Mr. Oremus said they look forward to being here and they're very proud to be here. He said this is something that has been a dream of his for a long time. He said the key to this for them is to run a great operation where people will come out of there with smiling faces and enjoy the food, baseball and atmosphere and keep coming back, whether it's for concerts or for baseball games, and the success for them will be measured over the years when they see the rest of downtown Joliet thriving as it has in the past, and when they see the rest of Joliet continue to have more businesses attracted to it, then he will feel satisfied.

COUNCILMAN GIARRANTE said having attended the meeting last Monday with the owners of the Frontier League, he must say they were very positive with all of

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their remarks and they were very anxious to get Joliet into their league. He said that those that did see our field were very impressed and there was nothing but good vibes from them that they want Joliet in their league. He welcomed the new owners and wished them luck.

1. AN ORDINANCE Approving a Binding Memorandum of Agreement with the Steel City Baseball LLC for the Use of Silver Cross Field was presented and read.  
(ORDINANCE NO. 16730)

COUNCILMAN BROPHY moved that said Ordinance be adopted.

Motion seconded by COUNCILMAN TURK.

Motion carried by the following vote:

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

NAYS: NONE.

Prior to his vote, COUNCILMAN BROPHY said this item is really an option between light and dark. He said we had the option of doing nothing and having no baseball in 2011, no vendors being paid for past work nor an opportunity to do any future work, and no quality of life opportunities for our residents. He said so the option was very clear and very easy; this is a great step forward in cutting a deal with a new partner that we hope stays for many years and has mutual success with lots of happy faces. He said he thinks that the time and effort that the staff and Council spent on the matter is appropriate, and although we do keep our priorities straight with the nuts and bolts requirements of the City, it is a good balance that the City should take on quality of life items that are important to the citizens to make the City a better place to live, so he gladly votes aye on the matter and wishes everyone good luck and welcome.

Prior to his vote, COUNCILMAN DORRIS welcomed the new owners to Joliet. He said it was difficult, and he was one of the ones who said if we could not get a deal done that it should be dark in 2011, and he's glad it's not going to be and we're going to have a quality team there. He asked the owners to use local vendors to work in the park if they have the opportunity, and that there be a diverse amount of people working there because we'd like to see people from all parts of Joliet have an opportunity to participate in this new venue.

Prior to his vote, COUNCILMAN GERL said he loves independent league baseball, but he loves affiliated minor league baseball even better, and he asked if the owners had any thoughts about bringing an affiliated team to Joliet.

Mr. Oremus said that there's a lot of issues with respect to affiliated baseball because of the proximity to Kane County as well as to the White Sox and the Cubs, but over the years that may change, and if it does, they would do anything they could to make that happen.

COUNCILWOMAN QUILLMAN said many of her questions have been answered and this was a tough decision, but in the end it's what is best for the City of Joliet, and we're going to have a nice team next year, and she votes aye.

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Prior to his vote, COUNCILMAN SHETINA said he would reiterate what has been said, but also these owners have a business plan that we were able to look at which was important. He said he thinks Joliet is probably one of the premier towns around ever since he was a kid in all areas of baseball, and whether it's softball or hard ball, some great players have come out of this town that have done well, and we appreciate what the new owners are doing. He said he also wanted to compliment the staff for their hard work and he is looking forward to seeing the new team in 2011.

Prior to his vote, COUNCILMAN TURK welcomed the new owners and thanked the City Manager and his staff for the time and effort they put into this agreement. He thanked COUNCILMAN GIARRANTE, the City Manager and staff for attending the Frontier League meeting in Orland Park to make sure Joliet was represented to get a place in that league, and he knows the Mayor put a lot of time and effort into this and it's great we have an agreement such as this. He said it was the Mayor's dream way back when to have minor league baseball in Joliet and that's what prompted the building of the stadium, so he would also like to thank him. He welcomed the new owners and wished them luck.

Mr. Oremus said regarding the rich tradition of Joliet baseball, that was something that they took into consideration too. He said this is a time where a lot of these organizations are struggling, and there's a number that are for sale right now at varying prices. He said that they looked at several different teams and several different markets and communities, and this was the one that he chose to really kind of sink his teeth into and try to work with because of that. He said he thinks there's a strong sense of community here in Joliet and there's a lot of pride and tradition in the players that have come through here, and he looks forward to a long, long relationship with the Council and the town. He said that his first inclination was to play in 2012 because he was worried about what kind of team they would be able to put together, but they have done this before and put together championship teams on the amateur level, they've got relationships with college coaches all over this country, they've got relationships with scouts and a lot of baseball people, and he can't promise that they will be a championship team, but they will be very competitive and entertaining on the field.

Prior to her vote, COUNCILWOMAN BARBER thanked them for choosing to come to Joliet. She said she knows they're going to do well and they're going to be winners. She said that she would also like to thank the City Manager and the Corporation Counsel for a good job.

Prior to his vote, MAYOR SCHULTZ said about 10 years ago he went to the City Manager and said he would like to bring baseball to Joliet, minor league or whatever, build a stadium, and the City Manager smiled and said he would look into it. He said a couple of Councilmen came back and told him that the City Manager thought he was losing it, but we got baseball here and it's been here, and he welcomed them and said he knows they will do everything they can to make the City of Joliet look good.

COUNCILMAN GIARRANTE asked how the salary cap in the Frontier League compares to the Northern League.

Mr. Dittrich said it's smaller, it's \$75,000 a year where the Northern League was \$110,000 last year. He said the players are younger, and they're not playing for the money, they're playing for a chance to get a signed contract with a big league ballclub.

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Mr. Joe Buchholz of Buck Services asked that the Council consider taking care of the vendors that did work in the stadium in the 2010 season. He said they are out \$49,000 of services that were already rendered, and he asked to what degree was what is due the vendors part of the negotiations.

The City Manager said that this is probably the most difficult part of what they have been going through the past three months, and it's dealing with a big pile of debt that had accumulated over a three season period for the Joliet JackHammers. He said he knows that there was a false start when there was a letter of intent signed in September with another interested party; that party had probably overshot the value of the team and made a commitment to pay some money that would have left money for a fund for the payment to the vendors of at least part of what they had coming. He said he thinks reality set in for that group and they realized that they had offered too much money for the team and pulled back, and at that point we were left with terminating the lease which would have meant bankruptcy court for everyone. He said that other interested parties arrived on the scene to negotiate directly with the City, there was a threat of bankruptcy that would have stopped the 2011 season from happening, and we knew that it was a priority to keep baseball going in 2011, so that's when we started doing a three party negotiation.

The City Manager said that it was clear that any interested party who wanted to come to Joliet with a new team knew the value of the team and knew that the value of the team was far less than the pile of debt that they had accumulated, and the vendors, like the City of Joliet too, will be left to collect through bankruptcy proceedings if that's where it's going to go. He said that there really was no business person out there who would come in and create a fund for the vendors and still pay what was paid. He said that this is difficult, and it's no different than what we're seeing in the real estate world, some of the other businesses, some restaurants that go out of business with substantial debt, and he wishes there was a better answer for Buck Services and the 20 or 30 other vendors that he has stayed in touch with over the last three months, but really there is no good answer for them other than it was a bad business venture for everyone. He said that the good news is that we have stopped the bleeding and we believe that we have a viable entity to do business with, and he's sure vendors will do business a little differently in the future with baseball teams, but it is something that is very difficult and there's not a lot that we can do to help the vendors at this point.

COUNCILMAN GIARRANTE said that as Chairman of the Baseball Committee which Mayor Schultz and Councilwoman Quillman sit on, we were limited to ticket prices and concession prices, and at no time were we ever made aware of how much money they owed the vendors. He said he found out about it personally a while back and he started investigating and we found out how much they were in arrears with the vendors, but at our meetings it never came up about how much the vendors were owed, it was strictly limited to ticket prices and concession prices.

Another representative from Buck Services stated that there was an issue that compelled the City to get that personal note to insure that its payments were going to be made come heck or high water, and it gave Buck Services a clear indication working with the JackHammers, with the backing of the City of Joliet, being a good and upstanding tenant of one of their finest investments, that we

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were working with men and women of integrity, and he's surprised that this is the way that the ball has kind of unraveled.

COUNCILMAN GIARRANTE said that came up in the original lease agreement when we asked for a letter of credit with the JackHammers; that had nothing to do with how much they were in arrears, that was simply a guarantee of their rent to us. He said that's when we started having problems and found out they were in arrears with the rent and that's when this whole process began. He said that as far as the rent, they owed us for 2009 and 2010, and he believes they were paid up in 2008. He said that back in 2008 and the beginning of 2009, he had no clue that they were in arrears. He said that other than trying to put some pressure on them to pay the vendors, legally he doesn't know that there is anything we could have done.

The City Manager stated that there was a lot of pressure put on the ownership group of the former team, not only to pay the City, but to pay the vendors. He said none of us feel very good about what happened, but we got to a point where we knew there would not be assets in the limited liability company that owes the team to satisfy much of the debt at all, and we had to look forward and make a decision as to whether we wanted to spend a year battling in bankruptcy court to try to get a satisfaction of debt for the City, and perhaps the creditors would have joined us, but we would have lost out on a year and we would have lost out on this opportunity.

Mr. Buchholz said that from his understanding, he thought Alan Oremus is one of the minority owners of the JackHammers, and that being said, due diligence on their part would have saved them from doing business with the JackHammers in 2010, and they don't blame anyone for that, they blame themselves, but then to hear that a minority owner is now going to be a majority owner, how does that work.

COUNCILMAN GIARRANTE said we have discussed that and he thinks the problem is that there is no owner out there who would sit down and sign an agreement that's going to assume the debt of the previous owner, and we would not have baseball if we tried to make that part of the new lease agreement. He said this does not sit well with the Council either, but we had no say on what vendors they hired, what baseball players they hired, that was their say, and we're not happy about what happened either, but there was nothing we could have done.

Ms. Cheryl Muscato, Vice President of Rocket Imaging, advised that they provided graphic services to the JackHammers at Silver Cross Field and said what they did was a permanent fix to the park itself. She said what they did can not be removed and it was meant to last for years and years. She said they are not going to be paid for it, but somebody is going to continue to enjoy it. She said that she didn't understand, that was their livelihood and just because this is a business deal does not mean that it is right or should continue to go forward. She said all she keeps hearing is that nothing can be done, and she doesn't understand that. She said they were asked to come to the ballpark, they were asked to make these improvements, they did everything they were asked to do, and they got absolutely nothing for it except for sleepless nights and possibly losing their home. She explained the work they did and she asked whether a small portion of money could be set aside even to pay a portion of what was done during the course of the year to keep this ballclub going and enjoyed by the area. She said that when she was here at the meeting in September, Pete Ferro

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stopped her and told her that he would make this right. She said she has not heard word one from that man and nothing from the JackHammers. She said she understands that the Council doesn't have a say in what is done here, but they should, because this is part of the City of Joliet and they thought they were doing something better for this whole entire area and now they are getting dumped on. She said \$50,000 for a small business like hers is a lot of money; they paid \$12,500 in printing upfront to have the privilege of doing what they did at that ballpark, and this is how they were thanked. She said she doesn't know if anything can be done, but this is a very sad day.

**2011 BUDGET**

The City Manager stated that they had concluded their presentation at the last public hearing, and they had advertised this meeting as an opportunity for the public to come in and comment on the proposed budget. He said the budget has been available online since the first week of November, and hard copies have been available at City Hall. He asked the Council if they had any changes or comments. He said their recommendation is to take action on the 2011 budget at the December 7 Council meeting.

COUNCILMAN BROPHY said that the federal estimates of GDP (gross domestic product) growth say that we are already in a recovery, and that would mean positive GDP growth of some number. He asked if that is consistent with the estimates being made on revenue growth for the City.

Director of Management and Budget Ken Mihelich said that when they looked at things like income taxes and sales taxes they took a conservative approach. He said he knows Councilman Brophy was concerned that maybe they were overestimating the amount of deficit that could be there, and he hopes they are. He said they try to give the Council what they believe is a realistic picture and come back and say it got a little bit better. He said that sometimes they miss on that; like with the gaming this past year, they were probably a little more optimistic than what actually happened, and there was a reserve to take care of that. He said on the expense side they often are much more accurate because a lot of it is tied up into labor costs, and those can be more easily predicted since most of those are under contract. He said they can continue to look at the revenue, and he would suggest that as they go through this year and work with the Finance Committee, that they take a look at those revenues and see whether their projections might be overly conservative.

COUNCILMAN BROPHY said that we're not a perfect microcosm of the gross domestic product, but those things that are, like income taxes and sales taxes, should mirror the general population given that we've done a pretty good job in diversifying the Joliet economy over the past 20 years so we don't have the big lows or the super highs. He said that we've always been conservative in our revenue estimates and have always been surprised with good numbers, at least in the past few budget years that he has been involved with. He said towards that end, he would like to consider the possibility of a resolution to encourage our neighbors in Indiana to ban smoking state-wide like Illinois did and join the rest of the advanced world in banning smoking. He said while it's just a gesture, and it may not calculate into dollars and cents, we should take those actions that might generate some change in the people in Indiana. He said he thinks that in and of itself might help our gaming.

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COUNCILMAN SHETINA said he had asked the question several weeks ago with respect to the increase in the state income tax and it sounds like Governor Quinn is projecting going from 3% to 4%, and if in fact that occurs, what portion does the City have a shot at getting.

Mr. Mihelich said that from what he has read, it varies in some of the different proposals. He said that right now cities get 10% of the 3% and from what he has heard, cities will not be sharing in that extra 1%.

The City Manager said he thinks if there is going to be an income tax increase, Governor Quinn will have to cut deals with mayors throughout the State and try to make sure that he has broad based support for imposing another 1% or 1.5% tax that would include sharing. He said we can't bank on that and put that in the budget, and the question is whether that will even get to a vote. He said that we really can not project with certainty that there would be an increase in income tax for us.

COUNCILMAN GIARRANTE said a couple of meetings ago he had asked staff to look into the poker machines and he asked if that was done. He said he had heard that the City could possibly make \$1 million a year off of that.

The City Manager said that it won't be \$1 million a year. He said he had talked to the legal counsel for the Illinois Gaming Board last week, and asked him where they stand, and right now they're developing the rules that control video poker machines throughout the State of Illinois, and they are still several months away from implementation. He said we will probably see video poker some time in 2011, and at that point, bars and restaurants that are eligible to hold a license will have to apply for one through the Illinois Gaming Board and they are limited to 4 or 5 machines. He said it really isn't a huge producer of local revenue and we really could not book any of that for projected revenue in 2011 because of the slow processing of getting approvals for video poker, and we're not sure what the reaction will be.

COUNCILMAN GIARRANTE asked about a City license for those machines.

The City Manager said that is controlled by State statute and he believes it preempts home rule authority as far as imposing an independent license fee. He said our revenue would come off of the specified percentage from the adjusted gross receipts that each machine would produce.

COUNCILMAN DORRIS left the meeting at this point.

COUNCILMAN GIARRANTE said a while back a discussion was held on doing something with the parking decks because of the operational costs, and he asked if that has been looked into.

The City Manager said that a RFP is ready to go, and they thought they would get through the budget process and have it issued towards the end of the year or early 2011 just to test the waters to see if there's a more economical way of operating the decks. He said automation has taken over most parking garages, and there are some savings that can be achieved there. He said that companies are willing to come in and pay for the cost of the automation of the decks and then recover their capital costs through a lease or a management fee. He said that this would not be a sale of the decks, it would be a management opportunity

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for a third party. He said that would not generate more revenue but it would probably reduce our expenses.

COUNCILMAN GIARRANTE asked what the hotel/motel tax is right now and how that compares to other cities.

The City Manager said it's at 7% which is the second highest in the area. He said Bolingbrook is at 10% and most other communities are in the 3% to 6% range. He said that the good news is new hotels have been built in Joliet and frequently they're sold out on weekends. He stated that it really has been a pleasant rise over the last 10 years with the new hotels, and he would like to see more hotels rather than raise the rates.

COUNCILMAN SHETINA said with respect to the downtown parking meters, he thinks it is very unfriendly. He said that the half hour meters are not long enough for people to go in and have a meal without getting a \$10 ticket. He stated that the restaurants and barbers are complaining and he thinks the \$10 is punitive. He said he would hope that the unfriendly situation can be taken out of there by giving people a little more time, say 1 or 2 hours. He said we should also look at whether people are avoiding downtown because of it. He said that we should have people pay for it, but give them a little more time.

The City Manager stated that the parking situation in downtown has been a long time mystery, and the City was subsidizing downtown parking operations for many years. He said that when changes in the way business was being done was looked at, he wanted to make sure the Council understood his position that we shouldn't be subsidizing downtown parkers. He said we had people abusing the system because for about \$1.50 someone could park at a meter outside the door of their office and feed that meter all day long, and not have that space available for the restaurant or the customer of a bank or a law office, so we needed to fix that. He said that was fixed by raising the rates, and the increase actually generated an additional \$200,000 a year. He said they could look at the 30 minute meters and change those out and also take a look at the 15 minute meters. He said they are not done looking at what's right for the downtown parking situation to make sure that the businesses don't lose business because of our parking rules.

COUNCILWOMAN QUILLMAN said a couple of weeks ago she asked about the renovation grant of \$50,000 for the Rialto.

The City Manager said that's a grant from the DCEO (Department of Commerce and Economic Opportunity) and the City is the pass-thru agent for that grant. He said he doesn't recall what specific improvements it is for.

Mr. Mihelich said he believes it was some sort of capital type item but he would have to check on that and will let the Council know.

COUNCILWOMAN QUILLMAN said that she has been looking at the budget for the Rialto and also for the museum. She said that the museum's budget is down for this year, but the Rialto's seems to be up, and the reason she brings this up is because years ago, they had an artist fee fund of \$250,000 and that was taken from the hotel/motel tax so that they could attract artists here, and that money was specified to be used for the artist fee fund. She stated that over the years, they used it for operations, so she asked them if they would start repaying that money back, and they were to a point, but now today there's only about \$19,000

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cash in that fund, and the rest is in a principal account, and she believes that as of today on paper, it's worth \$271,000, but that's not cash, it's only on paper. She said that so in addition to the \$700,000, they also have the \$250,000 artist fee fund which is almost \$1 million. She said she doesn't understand how the museum is doing so well, and their folks have not had a raise in 3 to 4 years, the Rialto staff has not had a raise since 2006-2007, but yet where is this money going. She said if they are using the artist fee fund for operations, and now they're trying to pay it back, she just doesn't see the fundraising there and they just gave a big raise to their general manager. She said she doesn't understand how the Council can approve this.

COUNCILWOMAN QUILLMAN said that no one loves the Rialto more than she does, but she just doesn't see enough work and fundraising being done there. She said every time you turn around the museum is doing some kind of fundraising and always trying to make money, but she's not seeing that with the Rialto, and what disturbs her as well is that they were supposed to have a major fundraiser for their capital campaign where they engaged Liza Minnelli, who cancelled, so they hired her again and she cancelled again, and now they're trying to recoup that money, but no insurance was put on that act. She said that she doesn't know how to rectify it, but she thinks something needs to be done over there. She said everyone loves the Rialto, but it's not working, and the City can not keep plugging the hole.

COUNCILWOMAN QUILLMAN said the other thing is the Splash Station. She said the 20 year contract on that, that's \$200,000 every year, attendance is down, it's not making any money, why doesn't the City just mothball it or have the Park District take it over. She said the attendance is just never that good there, it's all dependent on weather. She said this year the weather was nice, but the last few years, it was just not paying for itself, and those are her thoughts on this budget.

COUNCILMAN GIARRANTE said that they had almost 65,000 people at Splash Station this year and he talked to the Park District Executive Director today and he asked for a readout of how many of the people were Joliet residents. He said they are predicting a loss of \$5,000. He said that their budget year is up at the end of May and he couldn't get the final numbers because people buy season passes for Christmas, etc., so a Water Park Committee meeting will be held at the end of May. He said \$200,000 is a lot of money and 65,000 men, women and children is a lot of people too who are enjoying it. He said he doesn't agree with mothballing it; he thinks there are a lot of Joliet residents, and he'll find out how many, that are using it and enjoy it.

COUNCILWOMAN QUILLMAN asked if they have ever made money.

COUNCILMAN GIARRANTE said no they haven't. He said it's weather dependent, this summer was a good hot summer and they had one of their better years, and their projected loss is around \$5,000.

COUNCILMAN GERL said he is a supporter of the Rialto as well but he's certainly not a supporter of huge raises for the executive staff, and he asked who is getting huge raises over there.

The City Manager said he is not really sure, but he can get that information.

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COUNCILMAN GIARRANTE said the last he heard, a raise was proposed for the executive director, but part of that raise was he would lose health insurance or something, so actually it was a savings, but he doesn't know if it was ever voted on.

COUNCILWOMAN QUILLMAN said that the original agreement was he took the job without ever having benefits, and then when the spouse retired, they started paying his benefits, and they weren't supposed to do that.

The City Manager said he thinks it dealt specifically with Randy Green's compensation, and he thinks he did opt out of the health insurance package, and he doesn't know what their premium is for health insurance, but that would be the savings in exchange for an increase. He said that he was told by a Board member of the Rialto that it was a net savings over a three year period, but he hasn't seen any facts or figures. He said that he thinks people get confused, sometimes they think the City runs the water park and the Rialto, and that's really not the case. He said that the Park District runs the water park; the City made a commitment several years ago to subsidize the operation and it was a quality of life decision to do the bond issue that would build the park, and the City is honoring that commitment. He said that a separate governmental entity owns and manages the Rialto; the City has been subsidizing the Rialto since the late 1970's when it was renovated, and it's been the long time policy to continue that subsidy. He said that doesn't prevent us from asking questions, and we'll get that information to the Council. He said that if the Council thinks it's appropriate to meet with the Board for the Rialto, that can happen at some point. He said that if the Council wants to have more information from the Board, he's sure they would like to meet.

COUNCILMAN GERL said he would just like some more information specifically with respect to COUNCILWOMAN QUILLMAN'S comments.

COUNCILWOMAN QUILLMAN said to answer COUNCILMAN GIARRANTE'S question, it was voted on and not all of the Board members were in favor. She said the reason she asked these questions is she gets them a lot from her constituents, but also she is the liaison for the Rialto and she did go through the Board and try to ask them and did attend a few meetings, but to no avail, so she then has to start bringing it out in public.

COUNCILMAN SHETINA said that he thinks one things rings out here, if nothing else this evening, with the Splash Station, the Rialto, the museum, the baseball park, when the City of Joliet is involved in anything, we become big brother and we are looked to for almost every aspect of operation, and maybe it's time that we spent a little more time looking at these entities. He said that we certainly don't want people going out and bidding on things with any of these organizations thinking that the City of Joliet's full faith and credit goes behind it. He said obviously that was the thought process here with the baseball park, and we don't want that to happen with the Rialto, Splash Station or any other entity that we're involved with. He stated that somewhere along the line, we have to make a judgment about how much we want to be involved, how much we can be involved and explain that to the public. He said in terms of getting someone to pay a bill, based on the fact that it's in the City and the City owns it, even though we're leasing it out to somebody, even though we probably aren't responsible legally, we look real bad, and we look like we encourage folks to do permanent things to a building and expect to have our full faith and credit behind it, and

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that's not the case. He said we need to get more involved in the things we are responsible for.

The next budget meeting is scheduled for December 6, 2010 after the Pre-Council meeting.

COUNCILMAN TURK moved that the Council adjourn at 6:40 p.m.

Motion seconded by COUNCILMAN GIARRANTE.

Motion carried by the following vote:

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

NAYS: NONE.

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ARTHUR SCHULTZ  
Mayor

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JANET K. TRAVEN  
City Clerk

Recorded on Tape