

COUNCIL- MANAGER FORM

***Proceedings of the Council of the City of Joliet, Illinois
held on the 14th day of December, A.D. 2009***

PRE-COUNCIL MEETING of the Council of the City of Joliet, Illinois held on Monday, December 14, 2009 at 3:30 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 and DISTRICT 3 COUNCILMAN ANTHONY UREMOVIC.

ABSENT: COUNCILMAN AT LARGE MICHAEL F. TURK.

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

COUNCILMAN TURK arrived at the meeting after the roll call.

The City Manager asked for the Mayor and Council's indulgence in moving several items up on the agenda due to the presence of interested individuals.

The City Manager first explained Council Memo #1101-09 dealing with an Amendment to an Existing Annexation Agreement to Allow I-2 Zoning and Mining of a 38 Acre Parcel at the Northeast Corner of Brandon and Laraway Roads. He said the property is owned by CenterPoint and would be leased by Vulcan Construction Materials to allow for the expansion of its Laraway Road Quarry. He said letters of support have been received from various officials of the State and Will County and those are attached to the Council Memo. He said there were two objections received regarding the expansion. He said the Plan Commission voted in favor of the expansion of the quarry on a 5-2 vote and staff's recommendation is to approve the amendment of the existing annexation agreement, rezone the property to I-2 and allow the expansion to occur.

Attorney Tom Carey was present on behalf of the applicant.

COUNCILMAN DORRIS said it was really good to see all of the letters of support and he has met with the Laraway School District who told him they actually gave Vulcan their Good Neighbor Award as one of the companies that has done a lot to help that school in the last few years. He said that is significant because when we started this process some years ago, there was a lot of contention between Vulcan and the School District.

COUNCILMAN DORRIS said his concern is when we originally annexed the quarry there was a process in place where if surrounding neighbors thought they had damage to their foundations, Vulcan would go out and evaluate it and determine if Vulcan had caused that. He asked if that will stay in place with this new annexation agreement.

Mr. Carey said absolutely, that and all of the other safeguards which were substantial in that original agreement are being incorporated into this amendment and both the existing quarry as well as the 38 acre addition will operate under that. He said he calls it an addition because this is really additional inventory with no change in operations.

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COUNCILMAN DORRIS said there is still one entrance in and one entrance out.

Mr. Carey said exactly.

COUNCILMAN DORRIS said it is in District 5 and he thinks it would be a great addition. He said he would like to hear what the objectors have to say though if they're here and want to speak.

The City Manager said there will be a public hearing tomorrow and some of the objectors may be present tomorrow but there may be one or two present today.

COUNCILMAN SHETINA said he had a chance to read the report of the Plan Commission and he would like to know about the difference between underground mining and mining above the surface and how it affects the properties surrounding it.

The City Manager said there are two different technologies for mining and with the underground mining, it's basically opening up a hole, going several hundred feet into the earth and pulling the rock out and transporting it to the surface. He said what Vulcan has been doing since 1995 is open pit mining. He said the proposal here is for an expansion of their existing facility on a relatively small piece of property of 38 acres. He said he doesn't know the economics of the underground mining part of this and he's sure someone from Vulcan could talk about it, but we thought that it made some sense just to continue the existing operation.

COUNCILMAN SHETINA said so nothing has changed with respect to the kind of mining that is occurring there.

The City Manager said it will be the same type and the entire 38 acre piece will not be available for mining. He said there will have to be a setback for a 20' high berm so nothing will be visible on the outside and there are some other mining issues that keep Vulcan from using the entire piece for the mines.

COUNCILMAN SHETINA asked if there is a projected end, a finite date upon which this would be played out.

The City Manager said he believes there is about a 5 year lifetime left on the existing quarry, and if this is approved, the expansion will add an additional 5 to 7 years.

COUNCILWOMAN QUILLMAN stated the City Manager has said there was some opposition that he had dealt with, and she asked what those issues were.

The City Manager said he addressed those in the Council Memo and one dealt with karst topography. He said we heard about karsts last year when we were doing the CenterPoint development and Vulcan brought in a hydrologist to address that issue and we listened to the hydrologist's testimony and we were convinced that the presence of potential karsts in this geographic area shouldn't prohibit the expansion of this quarry. He said the second issue came as an objection from a nearby property owner that he addressed in the Council Memo.

COUNCILWOMAN QUILLMAN asked about the possibility of water contamination of the aquifers.

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The City Manager said he doesn't think he's heard anything so far. He said he sat through the presentation at the Plan Commission, was involved in the 1995 annexation and certainly looked at this issue when we dealt with the karst topography issue last year with CenterPoint, and he is convinced that what's being proposed will not pose a threat to the water source the City of Joliet has. He said as far as some of the wells that are owned by property owners in the Patterson Road area, he doesn't believe they've seen any kind of negative impact from any of the Vulcan operations. He said they're not that close but there was an effort to document any changes in their wells and also changes in their structures, and if any of the underground blasting or the mining was causing any kind of problem to the houses, they had documented that in the beginning so Vulcan could show that they did not have an impact on those houses.

COUNCILWOMAN QUILLMAN said she's a little confused because on page 4 of the Plan Commission minutes when Mrs. Mary Baskerville is giving her testimony she said she had met with Vulcan and they said they were unaware of a water report. She said then it says one was done and at the very bottom of the page it says the City hasn't requested a formal report and it has not been prepared, so there is a little bit of confusion there.

The City Manager said he doesn't think there is any confusion on his part; he's convinced that the operation that Vulcan has will not have an impact on the ground water of the wells that are located by the houses and there are fewer houses there as a result of the acquisition from CenterPoint last year, but the remaining houses located mostly to the north and northeast of the existing site he doesn't think have seen any impact from Vulcan. He said if there has been an impact it may be from some of the other industrial uses that are in the area, but he's convinced that it hasn't been from Vulcan's operations.

COUNCILWOMAN QUILLMAN said so in other words you're not going to ask for the report.

The City Manager said no he is not.

COUNCILWOMAN QUILLMAN said she would like to see that report. She said she doesn't know what the big rush is, we could certainly look at that report so she could make a better decision and she has some other questions as well. She said she did go out there on Saturday and it's a very nice operation, very clean and they do a very good business. She said a few years back we zoned it differently so we could have the top 30 acres for a big box or distribution center which would bring in about \$600,000 in annual real estate property taxes which is something we're all looking at right now. She said her question is if the water report is OK why can't they just go underground since it's only going to be another 5 to 10 years anyway and then we're going to be stuck with a big hole with nothing on top when we could be generating money if they go underground. She said she's just trying to look long term so that the property is generating some kind of tax in the future.

Mr. Carey said there is a lot of property that is available now outside the CenterPoint plan for big boxes, but when is that going to be developed and when will the whole area of CenterPoint be developed. He said in the meantime the City will have 20 years of royalties, substantial property taxes, contributions to the school that have been on-going and there will be jobs; it's a continued effort here and now rather than waiting for big boxes to develop. He said he

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knows we'll have the public hearing tomorrow but our geologist is here if the Council would like to have some testimony today about the groundwater issue.

COUNCILWOMAN QUILLMAN said she would like to see the report, that's her concern. She said she knows it costs more to mine underground so she's just trying to think long term but she doesn't understand why we can't have the water report.

Mr. Carey said there is no water report, there's none that's required. He said what we do is we maintain our own reports and we do our own testing and our geologist could explain that in detail. He said there are no reports that Mrs. Baskerville mentioned, she wished to see reports and hopes that reports come but there are no formal reports that he's aware of that are required or done except the reports we maintain.

COUNCILMAN BROPHY said the royalties that they have paid are listed here and he asked if there is a projected increase with the additional 38 acres.

The City Manager said we anticipate the royalties to continue on the same pattern as previously paid. He said since we are a town that still has a lot of potential for development there is going to be a great need for stone and certainly this helps us with our projects and makes it a little bit more affordable, so that's why our recommendation is what it is.

COUNCILMAN BROPHY said this property pays real estate taxes, it's a for-profit entity. He said regarding COUNCILWOMAN QUILLMAN'S number of \$600,000 in taxes for 38 acres of commercial, is that a total estimated tax bill on that piece if it were commercial.

The City Manager said he believes it was an estimate that was offered by one of the objectors. He said if the 38 acre parcel was fully built out with a distribution center and that's what would be generated once it's fully operational, but the City's portion obviously would be less than that, it would be about 16% to 18% of the total bill.

COUNCILMAN BROPHY asked when did the quarry first begin operation and did it go through an approval process with the federal government and State and others.

The Corporation Counsel said it is regulated primarily at the State level and we approved an annexation agreement back in November of 1994 and he thinks the site began quarrying in 1995.

COUNCILMAN BROPHY said since then they've been operating within legal boundaries and all regulatory requirements.

The Corporation Counsel said yes.

COUNCILMAN TURK said the memo says that the existing site has a life expectancy of 3 to 5 years and then with this addition it would be 5 to 7 years. He asked if that is 5 to 7 additional years.

The City Manager said he believes it will be a total of 8 to 12 years of life if the 38 acre parcel is approved for the expansion.

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COUNCILMAN GIARRANTE said if the total build out whenever that is going to be would generate \$600,000 and we get 15% to 18% of that, we're looking at \$120,000 a year and there is no telling how long that build out is going to take. He said the royalty in 2009 was the lowest year over the last seven.

Mr. Carey said that is just for 9 months too.

COUNCILMAN GIARRANTE said and that's \$115,000, so by doing this, by the time that would have been built out we're going to get a lot more in money than we would have if we waited for a total build out for businesses.

The City Manager said our analysis was both the tax generation analysis and also the need for the facility because we are a growth community. He said even though we're in the throes of a very serious economic downturn, we're confident that what's going on south of town in the CenterPoint Intermodal Facility and other areas will reignite some day with development and will generate a big demand so this quarry and the neighboring quarry will be there to help us with that growth.

COUNCILMAN SHETINA said if there's people here today that want to talk he sees no reason why they can't and if there's people that come tomorrow night they ought to be able to talk then too.

Mr. Carey said what he was thinking might be appropriate today was that if anybody had groundwater issue questions, the expert is here and could explain why this is an ideal spot for a quarry as compared to moving it to some other area of Jackson Township or some other place within the City and why this is ideal.

Mr. Mark Krumenacher, a geologist with GZA Geo Environmental, stated he is part owner of the company and they have about 550 employees with 22 offices. He said the big question that's been raised is where is the study, we want to see a study. He said we have a study but it's not a big report, that's different than a study, a report is documentation of the study. He said the groundwater has been studied on this property by Vulcan including this 38 acres since 1993. He said a study to evaluate the feasibility of mining is something that needs to occur over not just that parcel but the surrounding area as well so it's a regional study in reality that get's done and it actually covers tens to hundreds of square miles to truly understand not just the rock beneath the piece of property but the rock and the groundwater in general in the area. He said the reason they're involved is to understand the effects that mining may or may not have on groundwater so we've been helping Vulcan understand how mining may be changing that. He said the work that we've done included a review of the history of mining industrial development and groundwater use in the area of this quarry and they are looking south and east of the river, a big area. He said they've reviewed the physical geology, the structural geology, the groundwater geology and have been involved in drilling rock cores. He said they have reviewed the bedrock where it's exposed along the river in areas and where it's exposed in the quarry itself and they have reviewed technical reports that the Illinois State Geological Survey has prepared. He said they have even spoken with an Illinois State Geological Survey Geologist who is a real expert on the geology in the area.

Mr. Krumenacher said the drilling that's been done recently includes about 1,500 feet of rock core on this property itself. He said we've also reviewed the water supply well records for the area and looked several square miles around the quarry and at the groundwater pumping reports that are available. He said the

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quarry pumps a little water and the City pumps a lot of water so we can get some of that information. He said we've reviewed groundwater level measurements that have been measured at the quarry and in residential and other water supply wells which include two wells at Laraway School. He said Vulcan has been monitoring water levels in the area since 1995 and they have 11 groundwater monitoring wells which are holes that were drilled for the sole purpose of measuring water levels. He said they have fitted about a dozen of them with electronic water level measuring devices so data is collected about every 4 hours. He said in addition to that, every couple of weeks they have hired a firm for the last 6 years at least to measure water levels in residential water supply wells, including the two wells at Laraway School, and that included measuring water levels in wells on Brandon Road until those wells were replaced with much deeper wells that are down in the sandstone so we're not monitoring those wells currently.

Mr. Krumenacher said we have done a lot of work and he has a very thick file that is categorized into various aspects and components but it is not compiled into a technical report which would make it a very complicated report, and would give good information, but we do have the conclusions of that study. He said as an independent company and an independent geologist for Vulcan, we have been hired to give them the independent study and it's to protect them, not to just give them information that's not shared with others, but they need to make sure that they're doing the right thing and don't open up a can of worms that they can't close.

Mr. Krumenacher said specifically with respect to groundwater, they have to look at how much water will a quarry draw in because when they mine the rock they mine the water that's in it so they need to understand the volume of water they're going to deal with and the quality of the water. He said the other reason to study the groundwater is to be able to predict the potential impact that pumping that groundwater will have on a sensitive ecosystem like a nature preserve. He said you also don't want to draw water away from the possible nearby residents that use that water and you don't want to be in a position where mining is going to impact tens or hundreds of water supply wells and basically take their water. He said so those assessments have been done here and there has been some impact to the water table predominantly to the west side of the quarry on Brandon Road, and over the years Vulcan has responded to that by having wells drilled deeper or pumps lowered so that problem has basically been addressed and eliminated and even more so now that CenterPoint has acquired that property and those houses and there are no longer receptors or potential water supply wells that could be affected by mining this 38 acre property. He said there are a few houses left on Brandon Road but those wells have all been deepened down into the sandstone and mining this rock won't affect the water table in the sandstone by any means, so mining this rock won't have any impact on those neighbors. He said so there are no receptors or people that will be impacted by the relatively minor additional amount of groundwater that Vulcan would remove from this 38 acres.

COUNCILMAN SHETINA asked Mr. Krumenacher what precipitates his work, is it the State or Vulcan or somebody says we have a responsibility here.

Mr. Krumenacher said he is a professional geologist in Illinois, Wisconsin and other states and so he has a code of ethics he has to abide by. He said Vulcan hired his company to help them assess and address groundwater concerns and to study the groundwater at this quarry so if a neighbor were to complain and say their well is dry and he thinks Vulcan did it, he can look at the facts and

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assess whether or not Vulcan's mining has in fact impacted the groundwater table at that person's house.

COUNCILMAN SHETINA asked if that has occurred in his experience and if so, what was his response.

Mr. Krumenacher said yes, it has occurred, and we addressed 3 or 4 issues around the Laraway quarry and on all but one we concluded that the quarrying lowered the water table and that the quarrying affected that person's well. He said Vulcan immediately went out that same day or the next day and either lowered the pump or deepened the wells. He said those houses were on Brandon Road just north of Laraway and they're gone. He said the other complaint was from a neighbor a mile to the northeast and their water table hadn't lowered at all, their pump just went bad and so we assessed the situation and even had somebody go out and help them with their well and it wasn't mining, it was just an old well, a bad pump.

COUNCILMAN BROPHY asked what regulatory and State requirements there are for opening a quarry or expanding a quarry like this with regard to water studies, if any.

Mr. Krumenacher said there is no State requirement for a water study. He said the permit is a local permit from the City and whatever the permit requires is what the applicant needs to follow up on. He said the other State permits are with respect to the environment, air and water discharge and things of that nature.

COUNCILWOMAN QUILLMAN asked what are the City's requirements, isn't our ordinance kind of vague.

The Corporation Counsel said there is a basket of what might be called regulations from hours of operation, blasting controls and dust control, and those are the three major areas that the annexation we did in 1994 set limits on, including when blasting could occur and how we would protect the roadways around the quarry site. He said there was also the school agreement that Vulcan entered into in the mid 1990's as well that limited blasting and established an escrow fund if there were any incidents that damaged school property. He said we have a similar escrow fund that's available in our agreement as well that if there is a claim against Vulcan for damage to property there is a fund that we control that can pay those sorts of claims. He said that's essentially it in terms of regulation.

COUNCILMAN SHETINA asked if there are regulations that we put out with respect to monitoring the wells and the conditions of the water.

The Corporation Counsel said no, there are no ordinances that require groundwater studies in or around any sort of business in Joliet. He said in the original annexation agreement and now the amended agreement there are procedures where Vulcan is required to monitor wells within a half mile of the quarry site and to deal with the owners should there be any material change in those wells.

COUNCILMAN SHETINA asked who does that.

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The Corporation Counsel said that is a requirement that our agreement imposed upon Vulcan. He said that has been in place since the beginning. He said that's the context in which Vulcan dealt with the property owners that had complaints about their wells.

MAYOR SCHULTZ asked if we went through all of this in 1994.

The City Manager said actually we had a room full of objectors back then. He said it was a new business being introduced into the area, but we've had a history of about 13 or 14 years of operation and Vulcan has proven to be a very good corporate citizen. He said he thinks the Laraway School letter is an indication of the strides that Vulcan has made to try to be a good neighbor and also be a very productive corporate citizen for us.

COUNCILWOMAN QUILLMAN said getting back to the ordinances again, she brought this up last time and she really does think that our City ordinances are very antiquated because what applied 40 years ago or 30 years ago doesn't apply today and this is not talking about Vulcan right now, instead of just an agreement, we should also add that to the City ordinances about the air, the land and we should check with the water as well. She said she thinks that should be added. She said she thinks all of these ordinances need to be readdressed.

Attorney Tom Osterberger, representing Louisiana BSP, said they own approximately 1.25 acres at the northwest corner of what's being expanded here. He said his client bought this property in 2005 and there was an annexation agreement in place which said that this property wouldn't be mined. He said in 2008 this Council sat here and that annexation agreement was amended. He said there were many hearings for CenterPoint's property and they talked about revenue generation, tax generation and jobs and his client thought he was going to have property sitting next to an open warehouse and now he's going to have a 40 foot berm surrounding his property and obviously he is not happy about it. He said his objection at the Plan Commission and here again tonight is that from a standpoint of zoning, this City Council twice said no quarries and here we are going back and changing that agreement.

COUNCILMAN BROPHY asked where is his client's property.

Mr. Osterberger said on the northwest corner of what's being expanded. He said he doesn't want to get into any of the other issues other than from a simple zoning standpoint; it's wrong to go back and do this now and that is his client's objection. He said the underground mining issue was brought up at the Plan Commission hearing and that would make his client happy because then he would have next to him not a hole but a piece of property which is open and he wouldn't be bermed in. He said what's really at issue here is the money. He said when you look at the dollars, the approximate real estate tax value on the building that would go here is about \$1 a foot so that's where the \$600,000 figure came from. He said the City of Joliet isn't getting that much more. He said we talked about Laraway School District, we didn't talk about the high school district and the \$160,000 that will never go to them and we didn't talk about any of the other districts. He said he understands Joliet has to worry about itself but it's a community as a whole. He said what's truly happening here is Vulcan wants to expand because it's cheaper to expand. He said he's not going to comment on their business practices, from all reports they're a very good neighbor, nobody's going to suggest otherwise. He said in 10 or 12 years

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we'll have a hole in the ground and then they're going to go underground. He said his suggestion at the Plan Commission was to ask them to go underground now. He said then his client is fine, the community isn't going to be worse off and so that is his objection here today, it's not to rewrite the ordinance, it's not to go back on what staff has done but from a pure zoning standpoint allowing this zoning to go back is wrong.

COUNCILMAN BROPHY said he too did a little homework with regard to this matter and there is in fact a big difference between underground and open mining. He said as he understands it, underground mining does pose greater risks to the water supply, but he does not know to what degree.

COUNCILWOMAN QUILLMAN said but isn't the plan eventually to go underground.

Mr. Carey said that would be the next logical step, yes.

COUNCILWOMAN QUILLMAN said so why not just do it now.

Mr. Carey said because it's much better to operate on the 38 acres which doesn't cause any problems to the water table.

COUNCILWOMAN QUILLMAN said but the inevitable is just being postponed because it's more expensive now to mine underground.

Mr. Carey said it's a completely different process and the royalties wouldn't be extended. He said he supposes the City could require that but he's not sure that's in the City's best interest to cut off the royalties. He said we have offered to extend it for 20 years on everything including the existing quarry. He said including the underground, that would be lost without this approval.

The City Manager then explained Council Memo #1100-09 dealing with the Annexation of 184.6 Acres South of Route 6 and East of Terry Drive which is being requested by the petitioner, CenterPoint, to be tabled to March 16, 2010 to complete negotiations with the Rockdale Fire Protection District on the detachment fee amount.

Deputy Liquor Commissioner then explained Council Memo #1164-09 dealing with the Transfer of a Class "B" Liquor License at 2771 Black Road (Hammers). He said the last time this was before the Council it was requested that the Homeowners Association from Glenwood Manor get together with Bob Chuway, the applicant, to go over his plans. He said he was told that on Saturday from 9 a.m. to 11 a.m. an open house was offered to the neighborhood to see what Mr. Chuway has done so far in order to mitigate some of those problems that had occurred with the previous owner. He said a number of issues were taken up with respect to the parking lot and the disturbances that were caused out there and those matters are going to be rectified by having employees go out to the parking lot from time to time to make sure customers are either in the establishment or are out of the lot; they will not be able to hang out in the lot. He said he understands about 20 people attended the open house.

COUNCILMAN TURK thanked Mr. Chuway for opening up his doors for the residents to come in. He said he attended along with COUNCILMEN BROPHY and SHETINA. He said they did a good job of explaining what the business is all about and what the expectations of their business will be and he thinks Mr. Chuway has a very good idea of what they are expecting of his business and

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how it's to be conducted. He said he thinks all of the questions were addressed and he thanked Mr. Chuway for going that extra step.

COUNCILMAN SHETINA said he also talked to some of the people who have been there for 30 years or more and they didn't have any problem with what was projected. He said the layout is fine and his biggest concern was that there is no yes, it has occurred between the current owner and the new owner and he has been given that assurance. He said with the neighbors that he talked to and has known for a long time he doesn't see a problem with it any more.

It was requested that this item be voted on today.

1. Transfer of a Class "B" Liquor License at 2771 Black Road
(Council Memo #1164-09)

A communication from the Liquor Commissioner regarding the application of Bob Chuway d/b/a Hammers for the transfer of a Class "B" Liquor License at 2771 Black Road contained his recommendation that the transfer of this license is in the best interest of the City, and therefore, approval is recommended.

COUNCILMAN GIARRANTE moved that the recommendation of the Liquor Commissioner be concurred in.

Motion seconded by COUNCILMAN BROPHY.

Motion carried by the following vote:

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

NAYS: COUNCILWOMAN QUILLMAN.

Prior to her vote, COUNCILWOMAN QUILLMAN asked the Police Chief if they have gotten the report they use for a recommendation yet.

The Police Chief said no, the database they use to access information is still down.

COUNCILWOMAN QUILLMAN said she had to vote no on the last liquor license application because we didn't have that report, and she doesn't want to discriminate and then vote yes on this without a report, so she will vote no but she wished him luck.

The City Manager then went to the beginning of the agenda to explain the remaining items.

COUNCILMAN BROPHY said he was going to ask the Public Service Committee to look at Council Memo #1124-09 dealing with Awarding a Contract for HVAC Maintenance for 2010 to 2012. He said he knows there must have been some staff discussion on it and he could be entering the conversation late, but there was some concern by local contractors that the bid specifications were written so tightly that they were disqualified before they started. He said he would ask the Committee to look at that and if contractors were unfairly excluded from the process, he would encourage a table of the matter. He said if fairly drawn and properly executed, then he will listen for the Committee's recommendation.

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COUNCILMAN UREMOVIC asked that Council Memo #1127-09 dealing with the Purchase of Asset Management and Work Order Software from Trimble Navigation for the Public Utilities Department for the amount of \$178,680.00 be tabled. He said this is supposed to go before the Communication, Technology and Information Systems Committee and all we need to know is the present procedure, how that works and how this is going to do it differently. He said if we're going to be spending this amount of money, he has to have that information and that was supposed to go to the Committee quite a while ago.

The City Manager said we've had some difficulty getting it before the Committee. He said the vendor has come back to the City and offered a \$15,000 discount if he's able to book the business before the end of the year. He said if the Mayor and Council would like to give conditional approval to this subject to the Committee reviewing it, we could certainly go down that path and try to make it work. He said we wanted to have the meeting with the Committee first but we just ran out of time. He said this will be our last meeting of the year and we thought we'd bring it for approval now since the vendor came in within the last 10 days and offered the \$15,000 discount.

COUNCILMAN UREMOVIC said this vendor works with us already and has provided software and he says he can't go past the first.

The City Manager said he can, there's no doubt about that.

COUNCILMAN UREMOVIC said he can still give us a discount after the 1st.

The City Manager said no, actually he thinks it's a business decision and they need to book the business by the end of 2009 and that's why he's made that offer.

COUNCILMAN TURK said we're going to discuss it tomorrow at the Public Service Committee meeting.

COUNCILMAN BROPHY said he did ask Director of Public Utilities Jim Eggen to contact the representative and ask him for an extension beyond the first meeting in January for that discount.

Mr. Eggen said he did contact the vendor and it was strictly a business matter on their side in order to improve their sales for the 2009 season, and that's why they came in at the last minute with this discount. He said he does have a representative from the company here today too if there were any specific questions.

COUNCILMAN GIARRANTE said as a member of the Public Service Committee Mr. Eggen called him and COUNCILMAN TURK and said he's been trying to get this on the agenda to get the \$15,000 savings and he's been having problems. He said he wanted to know if it was OK if he went and put this on the agenda subject to the Council discussing it so he could get the discount.

Mr. Eggen said it's strictly a matter of getting a discount. He said we've seen tremendous improvement with the features of the software and the work order system that we've implemented to date and we've identified some additional areas where we can improve our efficiency with customer service in many areas and improve travel times between jobs and just overall efficiency of the work crews. He said that's really the purpose of this and also to expand the program

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with the number of people that are using the software. He said the software brings the work orders directly to the hands of the field personnel and allows them to get work assignments and update the information as the work is being performed. He said typically as he discussed in the report that the Council requested, the old system was a hard paper copy system and very inefficient and resulted in a lot of problems for us.

COUNCILMAN UREMOVIC said he certainly has a problem voting for this especially since we haven't been able to review it and compare it with our present system. He said we've been waiting 3 months for a report on properties that are going to be supposedly restored throughout the City and in District 3 and he's just trying to find out which ones of his are being improved and being completed and he still hasn't gotten that report. He said the City Manager has talked with him continuously about this and he knows there's overlapping and we can't get this report. He said again it's not that he doesn't want progress with technology, but at the same time he's got to at least know what he's getting into from what he's previously doing. He said that's all he's asking and for the vendor to say here's a time frame, that's it, we have two weeks now for \$15,000. He said we can't carry that past the first of the year and he is a little uncomfortable with that. He said he needs to see both processes and how they work and how it's going to actually save money.

COUNCILMAN SHETINA asked the City Manager what his recommendation is.

The City Manager said his recommendation is to move forward and if the Council would like to give a conditional approval we'll schedule a meeting with the Technology Committee within the next week and go through the details and if the Committee thinks we should put the brakes on it, we could do that. He said we think the \$15,000 savings is worth looking at. He said Mr. Eggen understands that what COUNCILMAN UREMOVIC and the others have asked for are legitimate requests and he believes he has the restoration list and he'll track it down and get it to everybody by tomorrow. He said he thinks it's worth moving forward with it subject to a later review in detail.

COUNCILMAN BROPHY said from a technology point of view it's a no brainer, we're going from a horse and buggy to a rocket ship. He said he thinks the proper place for review is at the Public Service Committee meeting in the morning being that they may have greater knowledge of the application of it.

Mr. Eggen said he does plan to come forward at the Technology Committee in the future once we get this implemented and show the benefits that we're receiving with this. He said there is still a future advantage to expand this program to roadways and other field personnel.

The City Manager said we'll make sure we make a presentation tomorrow morning at the Committee level and if the members feel comfortable moving forward we'll do that tomorrow night.

COUNCILMAN UREMOVIC said the same proposal was brought up in March and he said OK, bring it back to us so we can review it. He said we waited from March until now and there was nothing said, there was nothing brought to us, absolutely nothing, but at the last minute at the end of the year now we have to do this and get 15% savings. He said all this time from March up until now, why wasn't this given to us before now.

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Mr. Eggen said in April he submitted to the Council the full report that was requested.

COUNCILMAN UREMOVIC said we never got a chance to review both procedures and that's what troubles him the most because from then until now we haven't heard a word.

The City Manager said he thinks COUNCILMAN UREMOVIC is 100% right, this has sat on the back burner. He said it's a project and it's a major step forward in increasing the productivity of our crews who are out in the field and we have a lot of progress we need to make in that particular area. He said we are still far behind the curve when it comes to information technology, and this is a big step forward and we have not done our job in selling it. He said give us a chance tomorrow morning to do it, if we get a passing grade then we'll bring it back tomorrow night, if not, we'll wait until 2010. He said the only reason why it's on tonight's agenda is because we just heard from the vendor that there would be an opportunity for a \$15,000 discount if we move forward this year, this being no different than what many business people are doing right now in trying to book business in 2009. He said it's just a common business practice.

COUNCILMAN BROPHY said to be fair to Mr. Eggen and his staff, we asked him to push it back beyond the budget discussions because of the complexity and the time that we were consuming with the budget and it was a major item that was going to come to us shortly hereafter, maybe January or February at the latest. He said Mr. Eggen brought it to us because of the 15% savings and reasonably so. He said we've asked staff to look at ways they can save money and this was a purchase we were going to make and he thinks our six month testing with this thing has taught us that it's going to be valuable, that's what our conversations have yielded, and so he thinks it's a responsible thing that staff has brought it to us at this time in the event that we want to take advantage of the savings. He said if the Committee thinks so tomorrow, he thinks it would be wise to do so.

A five minute recess was then held and the meeting reconvened at 4:55 p.m.

2. REVIEW OF PROPOSED 2010 BUDGET

The City Manager reviewed a report submitted to the Mayor and Council in response to several questions that arose at the last budget review meeting.

In response to the question regarding the various levels of a property tax levy increase, the City Manager explained the actual impact on a \$100,000 home, a \$200,000 home and a \$300,000 home with four scenarios: 1) The proposed increase of 24%; 2) Reduce the increase by \$3 million; 3) Reduce the proposed 24% increase to 12%; and 4) Reduce the proposed 24% increase to 10%. He said if his recommendation of a 24% increase is accepted, the impact on the owner of a \$200,000 home would be an increase of \$157 a year on the tax bill. He said if his proposal was reduced by \$3 million, the impact on the owner of a \$200,000 home would be an increase of \$100 per year, if it's a 12% increase it's an increase of \$75 per year, and if it's a 10% increase, it's an increase of \$62 per year.

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COUNCILMAN SHETINA said we talked to many people over the last few weeks, and most people don't realize that the percentage of the rate increase applies only to the City portion of the bill which is about 15% of the total bill. He said once that's explained to them, it helps.

The City Manager explained the other items on the report including how much revenue a ¼% increase in the City's home rule sales tax would generate, which is about \$3 million for a full year. He said it would generate about \$715,400 for 2010 because of the collection cycle and not being able to start collecting it until October 1, 2010.

COUNCILMAN GIARRANTE asked if staff has any response to how a ¼% sales tax increase would affect the new mall that is supposed to be built and any other businesses that are going to come to the City of Joliet.

The City Manager said we have heard from some retailers expressing their concern, especially from those large bulk sellers such as lumber businesses and from some of the high end flat panel TV sellers where an extra ¼% could make a difference. He said Cook County did an increase recently and they just repealed theirs; it was very controversial and he thinks the businesses that were on the periphery of Cook County saw an impact, because a lot of Cook County residents decided to go to DuPage or Will or other counties to do their shopping. He said we haven't gotten a groundswell of opposition to it, but it could be something to consider.

COUNCILMAN BROPHY said if and when the economy comes out of the spin it's in, and our malls that are on the drawing board pick up, the developers have to go out and convince retailers to locate here and to sign leases, and if we put ourselves at a competitive disadvantage compared to neighboring towns, we could lose that business. He said the developer put millions of dollars in the ground out there, so we're a little bit ahead of the game as far as getting that thing revved up again when the economy returns, and we can not then pop that balloon that would be significant sales tax generators and of regional importance because we're going to pull shoppers from all over the Midwest to that mall.

The City Manager advised that the report also contains summaries from the Department of Public Works, Planning and Neighborhood Services which addresses their duties and responsibilities, staffing levels, and how they have actually been decreased since the beginning of 2009.

The City Manager continued that the next item in the report addresses questions on the school crossing guard program including how they are deployed, why they receive unemployment over the summer break (since they are employed by the City, they are eligible for unemployment benefits; school crossing guards that work for a school are ineligible) and how much the City has paid in unemployment (\$10,000 per year for 2008 and 2009).

The City Manager advised that a report was submitted by staff that an additional \$9,225 in revenue could be received if the fire lane violations were increased from \$50 to \$75, and an additional \$18,450 could be received if they were increased from \$50 to \$100.

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The City Manager advised that there was a question of how much could be collected if the City established a cigarette tax and a liquor tax. He said the State legislature prohibits the City from taxing cigarettes; that's all done by State and Federal governments. He said on liquor, we do have the authority to impose a tax and we currently have a tax in the form of a food and beverage tax and also our home rule sales tax which already adds 9.25% to the sale price in Will County.

COUNCILWOMAN QUILLMAN said she specifically asked for some figures if we were to impose a liquor tax and what those would be, and we didn't get that in this report.

The City Manager said we had some problems estimating what those would be.

Director of Management and Budget Ken Mihelich said we tried to look at neighboring communities and were having a real hard time getting any information. He said we can try to do a voluntary study, but right now we just didn't have the time. He said we'll continue to look at it.

COUNCILWOMAN QUILLMAN asked if we were able to separate the package liquor sales from the restaurant liquor sales.

Mr. Mihelich said no, in fact we get a report for food and beverage returns that is one total number for the establishment, so we don't have any of the detail right now. He said we just don't have it broken out right now.

COUNCILWOMAN QUILLMAN asked if we can get it broken out in the future.

Mr. Mihelich said that's the plan, we just couldn't get it done this past week. He said we will continue to call other communities to see if there's a way to get some sort of estimate.

COUNCILWOMAN QUILLMAN said she just would like to see a figure to see if it's worth pursuing.

The City Manager said another item is the credit card fees; we currently do not charge for using a credit card. He said we are recommending the imposition of a small service fee and we are estimating that would generate \$112,000 a year by doing that.

The City Manager said regarding streetlights, a lot of citizens have asked the City to pull back on those and Public Works has put together a very detailed report on the streetlights and the cost of operating the ComEd lights as opposed to City owned lights and that report is attached to the summary.

The City Manager said the last item in the report deals with the take home policy for police cars and the benefits of having those squad cars in the neighborhoods.

COUNCILMAN GIARRANTE asked that all of this information be placed on the City's website so the citizens can review it.

The City Manager said hard copies of the report will also be available.

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The City Manager said four items dealing with the budget are on the agenda for action tomorrow night including Council Memo #1105-09 Revising Certain Parking Rates and Penalties with the changes requested by the Council at the last two meetings.

The City Manager said Council Memo #1106-09 is the Tax Levy Ordinance and he has renewed his request for a 24% increase, knowing that it's an uphill battle, but he thinks it's his responsibility to do that. He said we will certainly abide by the Council's wishes and the decision we're asking the Council to make tomorrow night.

The City Manager said Council Memo #1107-09 deals with approving the Budget and the Library Budget for next year which begins on January 1, 2010, which includes everything that has been discussed and changes that the Council has asked us to make through the process. He said there's an attachment of the items that have been changed in the document that we handed out in the middle of November and the few pages that need to be changed as a result of that. He said assuming approval tomorrow night with whatever numbers the Council decides upon, we'll put a new final budget together and that will be put on the website and hard copies will be available for the public to review.

The City Manager said Council Memo #1108-09 is an Ordinance amending salary ranges and fringe benefits which he said is really a misnomer because we're not changing any of the salary ranges or fringe benefits for the management employees, what we've done is account for the consolidation of departments and divisions that has been done over the last few months. He said for management employees, there is no recommendation for any salary increases, fringe benefits will remain the same with the exception of the management employees paying for their share of health insurance as the union employees will be doing, and keeping everything consistent with what we've had previously.

The City Manager pointed out that as part of the Budget adoption ordinance, the Senior Citizen Electric Utility Tax Rebate Program would be repealed. He said this program was adopted a few years ago using gaming revenue to subsidize an increase for seniors on the utility tax. He said the total amount is about \$25,000 that we pay out, but we pay in dribs and drabs of \$10, \$15 and \$20, and the cost to administer the program is probably more than or equal to the actual benefit that's being given to the citizens, so it's our recommendation to repeal it as part of the 2010 Budget.

COUNCILMAN GIARRANTE asked how many people request a rebate.

Mr. Mihelich said in past years about 900, and this year it's actually down. He said the number of senior citizens getting rebates through the water program is well over 5,000, so a good majority of them are not doing it, and the ones who use a lot more electricity are more prone to do it because it's worthwhile, but that's not really the target audience. He explained the process which he said was very labor intensive for that small amount.

COUNCILMAN TURK asked what the average rebate was.

Mr. Mihelich said the average is probably \$12 or \$14.

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COUNCILMAN BROPHY asked how do we save money by not doing this and how does it translate into people.

Mr. Mihelich said essentially we're taking away all of that staff time of about 1,000 audits and 1,000 check preparations and all that goes with it.

COUNCILMAN BROPHY asked the City Manager to read the items 1-3 on Council Memo #1108-09 because he thinks it's worth reading since that is part of what we're asking staff to do, to eliminate, reduce, consolidate, and he thinks it's worth hearing the details.

The City Manager said the first item deals with the consolidation of the Human Resources Department with the Department of Management and Budget. He said his recommendation has been to dissolve the Human Resources Department, make it a division of Management and Budget, and have a Human Resources Manager rather than a Director level position, and we would not fill the one position that would be open due to the promotion of Teri Rodriguez to the position of HR Manager. He said that's a consolidation of two separate stand-alone departments into one, saving some overhead there. He said with benefits, it's probably saving about \$200,000 for the various positions that would be consolidated.

The City Manager said the second item deals with the Business License Division being merged with the Finance Division. He said previously there were three employees in Business License, currently there are two and we believe that we can probably merge that with the Finance Division and see another savings down the road. He said that's another consolidation of two divisions into one to try to deliver service that way.

The City Manager said the third item is the Visitors Services Division and having them serve as the Marketing and Communications Division and function as the Public Information Officer, marketing the City, going after grants, handling quite a few other things such as management of the front desk area and how we respond to citizen call ins and complaints, and see some savings by eliminating a position that previously paid about \$80,000 and with benefits was in the \$120,000 range.

COUNCILWOMAN QUILLMAN asked how much savings will there be between Business License and Visitor's Services.

The City Manager said about \$350,000.

COUNCILMAN SHETINA said the biggest dollars we deal with are pensions and health insurance, and we're not even scratching the surface of the pension dollars. He said if we're going to be able to maintain these pensions, we have to have an income stream in order to be able to do that. He said he has asked the City Manager about some kind of a police and fire tax that is specific and would endow the pensions over the next few years which is going to get bigger and bigger. He said the pensions are probably in danger at some point in time of not being funded. He said he would ask the City Manager to look at that because it's something we really have to deal with and we have no way of doing except with some income stream. He said things should get better over a period of time, but that particular issue is going to require \$30 million a year.

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The City Manager said that will probably rise to \$40 million a year within two to three years. He said we consider it an obligation on our part to pay the pensions, it's not something that we've been debating on whether to pay or not, the obligation is there, and we've contracted with a firm that has given us a good path to getting ourselves back closer to fully funded pensions.

COUNCILMAN SHETINA asked what they are suggesting.

The City Manager said last year we reduced the expectation of rate of return and he asked Mr. Mihelich to explain.

Mr. Mihelich said we went from a 7.75% return down to 7% over three years. He said our total pension obligations are about \$30 million and it's an area of concern for us because the pensions were hard hit by returns when the market collapsed in 2008, and a lot of the changes we're doing right now are still going to leave behind pension benefits that need to be paid. He said we sat down with each of the pension boards and we feel like we have sound assumptions, and it's going to take a while for those funding levels that are hovering around 50% to get up to something more reasonable, which is probably 80% or above.

COUNCILMAN SHETINA asked what the City's funding level is.

Mr. Mihelich said we're at about 50% to 60%, best case. He said it's been dropping, and part of that had to do with the market, part of it had to do with additional benefits granted earlier in the decade, and part of it had to do with the assumptions being revisited, because if people are living longer and there are lower rates of return, those come down, but it was the right thing to do.

COUNCILMAN SHETINA said nothing obviates our responsibility however, it's still there.

Mr. Mihelich said we've considered it our obligation from day one to make sure those are funded properly.

COUNCILMAN SHETINA asked how we plan to do that.

Mr. Mihelich said that's part of the reason for our 24% increase proposal; that's a portion of it and is one of the driving forces. He said with no increase, the two police and fire pensions that we should put on property taxes are over 70% of our total property taxes. He said in 2009 they were 70%, in 2010 with the status quo and without a property tax increase, it's about 68%, and in 2010 it would go to 50% with the full proposal.

COUNCILMAN GIARRANTE said he has received quite a few e-mails questioning the pensions, and this has been stated before, but he just wanted to reiterate that all those benefits, etc. are spelled out in Springfield and the City has no jurisdiction over any of the pension rules, laws, benefits, etc.

COUNCILMAN BROPHY said there was a statement about a fund balance versus current cash balances and the bank balances, and he thinks the last Treasurer's Report totaled a sum of about \$51 million in the bank around town. He asked Mr. Mihelich to talk a little bit about how cash balances fit with fund balance accounting and that during the year we're going to have ups and downs in those cash balances.

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Mr. Mihelich said he believes the last balance is about \$88 million. He said the money on the report is invested in local banks, there's some with the State of Illinois through their Treasury Department, and there are some bond funds that can only be used for bonds. He said those were left over from water and sewer issues in the past and they will be used for projects as deemed appropriate. He said there's also a portion there for motor fuel taxes that are allocated for future obligations, there's a portion there for the gaming fund with most of that going to the general fund to pay obligations and some to complete the remainder of the NIP programs that are still outstanding that the Council has made commitments to as a Council to their various districts. He said what we do is we look at the beginning balance, both the investments, which is the biggest portion, and the cash, and then we project that throughout the year and we add revenues, subtract expenses, and come up with our balance. He said that reserve fund is the difference between those. He said the reserve balance is not a cash on hand amount, a lot of times the money doesn't go out right away or there might be an obligation to pay for something in the future.

COUNCILMAN BROPHY said he had asked the City Manager to look at the productivity of the people we have, whether we are operating at an optimal level and so forth, and that report looks to him to be exhaustive and it looks like they are real jobs with people doing actual work day-to-day. He asked the City Manager if he is satisfied with the reports he has received from the various departments in that regard.

The City Manager said yes he is, but it doesn't mean he stops his review, and his review is constant, and if he feels that there's a division or an individual or an entire department that is not being as productive as they should be, it's his job to make them productive, and that's what he'll do during 2010. He said we have done that all the way through 2009 and that resulted in some of the involuntary adjustments that were made here at the end of the year, and he's not saying he's done. He said he'll continue on, and the Council has brought some things to his attention and some things to look at that they perceive and we will continue doing that. He said he doesn't think there is a need for any kind of immediate change in any departments, but can we get better at delivering service with fewer people, we might be able to, and each department head will be challenged in 2010 to make sure that they justify to him the presence of all their personnel. He said if we need to make a change, we will.

COUNCILMAN BROPHY said so the only deadline we have here is the tax levy ordinance by the end of December, we have to decide what if any change will be made to the real estate tax levy, and everything else we can pick up next week and start looking at other adjustments to the rest of the City operations as we go, there's no deadline here at the end of the year in how we operate the City in 2010.

The City Manager said the budget is a financial tool that we use to know where to spend the money and what kind of revenues we're projecting. He said his recommendation would be for the Mayor and Council to take formal action on the budget tomorrow night; we'll plug in whatever number on the tax levy ordinance that the Council approves, if all of the other recommendations are acceptable, and we'll have final paperwork ready to go tomorrow night. He said that doesn't stop the review of where we spend the money, there may be \$500,000 in there for a particular line item, and if he can find a way to spend \$400,000 on that during the year he will do that, and that's why he doesn't think holding off on voting on the budget will change anything.

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COUNCILMAN GIARRANTE asked if the suggestions like the parking rates are programmed into the budget.

The City Manager said Council Memo #1105-09 is programmed in the budget, and we reduced the fines as the Council asked us to and reduced the amount of revenue anticipated in 2010. He said we thought that we might try to rush this through and implement changes for January 1, but that's not going to work; we need to spend some time with the retailers, the businesses, City Center partnership and our commuters and pick a date in 2010 and say that will be the start date. He said this is not something we want to spring on our customers, so we did pull a little bit back on the revenue side.

COUNCILWOMAN QUILLMAN said she was going over Council Memo #1105-09 again yesterday, and is it the intent for all the parking decks to have the same monthly rate, because the Ottawa and Scott Street decks are going from \$25 per month to \$40, then the Union Station and Union Station East lots are going from \$18 per month to \$40. She asked if it's the intent to get those all the same.

The City Manager said it is. He said it's not just for consistency or ease of staff, and it seems like a big jump for the Union Station permit, and it is, but the beauty of those lots is the commuter is guaranteed a spot in that particular lot as opposed to the \$1 lots that we have.

COUNCILWOMAN QUILLMAN said the reason she is asking that is we've increased the parking violation fines and then the \$3 parking fine for the meters, which was originally proposed to be \$15 and was dropped down to \$10 because some Council members felt a \$12 increase was horrendous, so we're penalizing people who are doing the right thing and are paying and working, but we're giving people a break that break the law, so what's wrong with this picture, we're rewarding people who break the law, but we are not helping people who are trying to work and trying to maintain their job and a parking spot legally, so she thinks the parking meter fines should go back up to \$15.

COUNCILMAN SHETINA said he was the one who said we were being crazy to go from \$3 to \$15 and he still believes that's true. He said he suggested we go to \$10 which is a big, big difference than \$15 and to get that punitive, people downtown still have a little bit of shopping they do, and they still go to some of the restaurants, they go to the library, and they still have to put money in the meter, but going from \$3 to \$15 is egregious and that is not the intent. He said the \$10 was his suggestion and only his own personal feeling and his experience.

The City Manager said we sensed that the \$10 figure was something that the Council had a comfort level with. He said this was reviewed at a Finance Committee meeting about two months ago and the \$15 figure was accepted there, but we'll defer to the Council on that decision. He said our concern is that we need to look at our parking situation in downtown Joliet long term, and he knows there is a better way of delivering parking service for the businesses and the stores that need to have people coming downtown and also for our commuters. He said we have been putting in thousands of hours of staff time in trying to get a grant to build a transportation center to make this the transportation hub for all of southwest Chicago, and we better have the parking part of this right if we're going to be doing that. He said one of his charges to the staff in 2010 is to figure out parking, and that could be a multitude of variations. He said just because this is being approved doesn't mean this will be locked in for another 28 years.

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MAYOR SCHULTZ asked how many parking meters there are in the City Center.

The City Manager said there are about 700 meters.

COUNCILMAN TURK asked how much revenue these parking rate changes will generate.

The City Manager said the additional revenue will be about \$440,000 in 2010, and that number was targeted to try to help us balance the parking fund.

COUNCILMAN SHETINA said a few weeks ago we were told that there was a \$50 million sway between what we have on the books and what we actually owe, and he wants to disabuse himself of the thought that that \$50 million is sitting there that's usable for us. He said of the \$50 million, what is already allocated and earmarked or do we have \$50 million floating around.

Mr. Mihelich said there are no extra dollars floating around, every dollar has been accounted for. He said what we do is we take the total cash and we allocate it somewhere throughout the year based on our estimates, and that's how we end up with our reserves, but there's nothing necessarily left over. He said if the Council said find \$10 million, we would have to cut \$10 from some line item.

COUNCILMAN SHETINA said so there's not that money at our discretion that lasts beyond the fiscal year.

Mr. Mihelich said right; there are timing issues as far as things that may not be finished before the end of the year, but they are all allocated.

The City Manager said and just for clarification, we want to address that issue. He said we've talked about the reserve fund, some people have called it the rainy day fund, and really it's not a rainy day fund, it's there for stability and every town tries to put away about 25% of its operating budget each year just in case there's a need, we have cash flow fluctuations throughout the year, we will have some unexpected expenses arise and we need to have that stability, no different than the way we operate our personal lives. He said with our proposal, we would have \$19.5 million in a true reserve fund, unallocated there to help us with stability, to help us market the City for a bond rating and to have it there for the sustainability of the City's finances. He said we have a general revenue reserve fund of \$1.9 million, and that's for those unanticipated expenses that will probably come up during the year that we just haven't thought of.

The City Manager said we have an intermodal development fund that we negotiated with CenterPoint in July of 2008 to set that money aside because we will be the world's largest inland port some day, and we don't know what that will look like 10 years from now. He said he believes it will be close to built out and it will be very successful, but he doesn't know what kind of expenses we will be incurring as a City to service that area. He said we negotiated a contribution from CenterPoint of that money and we still have two more payments of \$1.6 million to go, plus there was some other road improvement contributions made by CenterPoint, so we've set that aside in a reserve fund for a total of \$5.2 million in 2010. He said we also have \$2 million for the Laraway Road Improvement project from CenterPoint which is already on hand.

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The City Manager said we also have \$3.5 million in a disaster recovery fund and a couple of other small reserve funds, but that totals about \$30 million of good fiscal planning and that's why we did come in with a substantial increase, so we could fully fund those reserve funds.

COUNCILWOMAN QUILLMAN said if there was a disaster, wouldn't the federal government declare it a natural disaster and we would get federal funds for that, so why do we need all that money.

The City Manager said he thinks FEMA will cover some calamities that may occur; he doesn't know if they cover everything though. He said he thinks we all learned in 1990 and 1996 and a few other times that not everything was covered by the federal government, and it's important for us to have that on hand. He said if we get criticized for planning in that way, so be it, but we think it's good sound planning.

COUNCILWOMAN QUILLMAN asked about the funds allocated for Evergreen Terrace.

The City Manager said the Council and staff made a decision several years ago to address the issue of Evergreen Terrace. He said we currently have a lawsuit pending to acquire title to the Evergreen Terrace complex and have gone through a very lengthy litigation process which we've won every step of the way, and we believe it will go to trial some time in either 2010 or 2011, and a jury will set the price for that property. He said what we've done over the last 4 or 5 years is set aside some money to cover that; we have \$3.5 million set aside for that. He said we think it will cost us a lot more to acquire the property, but at least we've got a start on it.

COUNCILMAN GIARRANTE asked Fire Captain and Assistant EMA Director Greg Blaskey to shed some light on whether the funds from FEMA are grants or loans when they come in.

Captain Blaskey said if we have to declare an emergency, we go through Will County and they in turn go through the State of Illinois. He said we decided it's best to serve ourselves first because even the State has told us we need to be self-sufficient for 72 hours before they can even help. He said as we've seen with Hurricane Katrina and FEMA, the help may not come that quickly, and it may take a considerable amount of time to be reimbursed if we're applying for those FEMA grants, and so to have that money on hand to cover that until we get those reimbursements is truly the prudent thing to do.

COUNCILMAN BROPHY said he wanted to point out those items that we are not budgeting for that some day are going to come and knock on the door such as vehicles, equipment and technology upgrades that we are not doing, we can't just avoid buying new cars and trucks and plows and so on forever, and there's no line item in the budget for that, so to deplete that reserve account is very dangerous should a significant vehicle or piece of equipment end its useful life.

COUNCILMAN GIARRANTE asked the City Manager if he will be prepared tomorrow night for whatever this Council suggests as far as the increase in taxes and any other things.

COUNCIL- MANAGER FORM

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The City Manager said yes, we'll put in the budget whatever the Council would like as far as adjustments and additions. He said we're encouraging the Council to vote on the tax levy ordinance tomorrow night, and it could be done at a special meeting, but that's always fraught with peril because there are large companies out there that look at the levy process that towns and counties follow, and they're looking for mistakes, and he doesn't think we'd make a mistake, but our recommendation is why risk our levy by relying on a special meeting.

The City Manager said we are also asking the Council to vote on the budget, knowing that it's a living, breathing document that can be adjusted through the year, and any suggestions that the Council has, we can make adjustments then.

COUNCILWOMAN QUILLMAN said regarding the \$75,000 for Daybreak, the City Manager said it was a service that we pay for and she asked how many people we actually drop off.

The City Manager said he doesn't recall the number, but he believes he has a report someplace from when we discussed this last year. He said the request that came from Daybreak was for \$125,000 and his recommendation was for \$75,000 which is a substantial reduction from where we were last year, and about 1/3 of where we had been for many years before that. He said we'll try to track that number down before tomorrow night.

COUNCILWOMAN QUILLMAN said the reason she asked that is because Morning Star Mission takes drop-offs too, but we're not giving them any money, and they're not asking for any because we told everyone last year don't look for extra monies, and yet Daybreak is looking for it. She said she is wondering how many do we drop off at Daybreak and how many do we drop off at Morning Star Mission because they're obviously also providing a service.

The City Manager said we'll try to track that information down. He said he thinks the Daybreak issue is a little bit different than Morning Star Mission since the City was one of the creators of Daybreak when we needed to have a better response to the homeless problem that we had in Joliet going back to the early 1990s, so he thinks it's been a long-term commitment. He said he knows we've invested a lot of money into Daybreak, and what we are trying to do is have it so it doesn't close or pull back, especially on the cold shelter service.

COUNCILMAN SHETINA said we visited this last year quite a bit as to whether or not we should work with Daybreak. He said Morning Star Mission has a good functionary way of collecting money and Daybreak doesn't and Morning Star Mission is a mission and people are more amenable to giving money to it. He said Morning Star Mission last time agreed to accommodate us, but they didn't say they would take these folks forever. He said Daybreak is a different function, those people milled around downtown looking for places to get something to eat, get some money, and the City as well as Catholic Charities and others worked this out to get them over on Henderson and Cass, and it worked out fine. He said our policemen do drop people off there where they can get warm, get something to eat and some place to stay, and as long as they're not drinking and causing problems or on some other drug, they accommodate them, so that was the reason behind that.

COUNCIL- MANAGER FORM

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COUNCILMAN SHETINA said he supports the money going to Daybreak because if we don't do it that way we're going to do it another way, and the money is going to come out of our pocket one way or the other. He said he doesn't know what the numbers are, but he certainly supports keeping the Daybreak operation operating where it's at and would like to see it stay that way.

COUNCILWOMAN QUILLMAN said last year when Daybreak came and said they were going to close, she and COUNCILWOMAN BARBER went to the Morning Star Mission and they agreed to take all of those people temporarily to the cold shelter, but on a regular monthly basis, they do get drop offs from our Police Department and it's not just a one time thing. She said they will take people and they do take people because she talked to the Director this afternoon, and she said we do drop off people and they will take them even if they're intoxicated, as long as they behave themselves.

COUNCILMAN SHETINA said he doesn't believe Morning Star Mission can fulfill the complete need in any way, shape or form that is done by both of them.

COUNCILWOMAN QUILLMAN said and she's not saying that; she's asking why we're giving one money, because the way it was described to her why we're giving to Daybreak is that we're paying for a service, so her question is then along those same lines, why aren't we paying Morning Star Mission for that same service because they're also providing that.

COUNCILMAN DORRIS said one of the reasons is that part of the component of Morning Star Mission is that people have to go to a church service there, and years ago when we looked at that, we thought that it shouldn't be tied to if someone is hungry then they have to go to church. He said one of the things we dealt with was a separation of church and state and that was one of the issues we had with them and also the Salvation Army. He said if there was an emergency and Daybreak had closed, they were going to take them only until they could place them somewhere else, they weren't going to take on that total burden full-time.

The City Manager advised there was a need for a brief closed session to discuss pending or threatened litigation.

COUNCILMAN GIARRANTE moved that the Council recess to closed session to discuss pending or threatened litigation at 6:00 p.m. after which the meeting will be adjourned.

Motion seconded by COUNCILMAN DORRIS.

Motion carried by the following vote:

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

NAYS: NONE.

ARTHUR SCHULTZ
Mayor

JANET K. TRAVEN
City Clerk