

COMMITTEE OF THE WHOLE
City Hall Council Chambers
July 21, 2014

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

Council absent: Alderman Karen Schmidt.

Staff present: David Hales, City Manager and Tracey Covert, City Clerk.

Mayor Renner called the Committee of the Whole meeting to order at 5:30 p.m.

PUBLIC COMMENT

Mayor Renner opened the Public Comment section of the meeting. He added that there would not be a response from the Committee under the Public Comment portion of the meeting.

Gene Cunningham, 1409 Butcher Ln., addressed the Council. He was a long time resident of the City. He presented a photograph of the Skate N Place located at 1704 S. Morris Ave. He requested that the City give consideration to purchasing the property. In turn, he would rehab the facility. He pledged \$30,000 in improvements. Skate N Place had been in business for forty-one (41) years. He planned to purchase new equipment. Skate N Place was a place for children. Birthday parties could be hosted there at reasonable prices. Two (2) buildings had been involuntarily foreclosed. He had sold another business and the buyer failed to pay. He had filed Chapter 11 Bankruptcy. This was changed to Chapter 7 and his assets had been sold. He restated his request that the City consider purchasing this property.

Gary Lambert, 3018 E. Oakland Ave., addressed the Council. He addressed the flamingo exhibit. He had attended the budget meetings. The Mayor cited a contract. An alderman had stated that there was a memorandum of understanding. He had reviewed the packet for this evening's meeting. He addressed the private sewers item. He questioned the fee increase and stated that the documents contained fuzzy math. The homeowners' obligation should end at the lot line. The City needed to own up to its obligations.

Bruce Meeks, 1402 Wright St., addressed the Council. He had filed a transparency ordinance with the City on August 13, 2012. He had received no feedback to date from either the City's elected officials and/or staff. He questioned who controlled the meeting agendas. He wanted what was best for the many. There had been Council discussions regarding this issue dating back to 2008. He had provided the City with input by reaching out to other organizations. The draft Website Transparency Policy should be reviewed line by line. It should be based upon other cities practices. The policy should give the citizens and City staff direction. The City's information/data was owned by the citizens. It was not enough for the City to write a little policy.

DOWNTOWN HOTEL MARKET DEMAND AND FEASIBILITY STUDY

Mayor Renner introduced this topic.

Frank Koehler, Interim PACE Director, addressed the Council. The City had engaged HVS Consulting & Valuation Services regarding this project. Hans Detlefsen, HVS Managing Director, was present to address the Council.

Mayor Renner noted past Council discussion. He added that the hotel would be private. It would be an economic development tool to revitalize the Downtown.

Hans Detlefsen, HVS Managing Director, addressed the Council. He welcomed their questions. He would highlight the study's conclusions. An established subject property would have sixty-nine percent (69%) occupancy at year three (3) with a nightly rate of \$145. The revenue/expense forecast showed net income of \$2.6 million per year. The market value of the property was \$29.4 million. The property value compared to the construction cost of \$47.3 million. The value included the land, 300 parking spaces, hotel and a 20,000 sq. ft. conference center. The feasibility gap was \$18 million.

Potential next steps included a Development Work Flow. This would involve a series of steps: Concept Definition; Land Strategy; Finance Strategy; Scenario Analysis; Communication Strategy; Developer Selection; and Asset Management. Concept definition would include communication, level of hotel and parameters. Land strategy was acquisition which needed to be defined early on. Finance strategy needed to be defined. The City needed to know the product, cost, and how to realistically finance same. This would allow apples to apples comparison. Key question: what did the City want built, i.e. subsidy request lowest possible. Developer selection would be accomplished through a Request for Proposal. This would be a public process. The right match for the City was key. The cost of capital would be a key scoring item.

Mayor Renner questioned the impact of the Rt. 66 Visitors Center upon the calculations contained in the Feasibility Study: Proposed Downtown Hotel Conference Center. Mr. Detlefsen would need to learn more about the Center. If the Center would be a demand generator then the projections would be revised.

Alderman Sage questioned how to determine the potential impact of the Center. He noted the \$17 – \$18 million shortfall. The City was not in the hotel management business. Mr. Detlefsen noted that the City would have no financial interest in the project.

Alderman Sage cited page 12 of the report, Figure 1 – 7. Ten Year Forecast of Income and Expense. He cited the last phase of the Development Work Flow - Asset Management.

Mr. Detlefsen cited the next steps if the City invested in the project would address a privately held hotel with a publicly financed conference center. Another entity should be retained to review the budget.

Alderman Sage noted that HVS had been involved in the front end and could be engaged in the back end of this project. Mr. Detlefsen informed the Council that some work had been performed pro bono. He had advised the City. He had offered his best advice regarding next steps. HVS would offer its services to the City.

Alderman Painter cited her understanding that the City would help to fund the conference center. She questioned profits. Mr. Detlefsen noted that access to profits would be linked to ownership. The City could decide to fund portions of the feasibility gap. He cited the Town of Normal's role in the Marriott.

Alderman Painter questioned any gain. Mr. Detlefsen stated the project would not be built.

Mayor Renner cited other options such as a TIF (Tax Increment Financing) District. Tax rebates were another option, i.e. hotel/motel.

Alderman Black cited his expectations that there would be options, i.e. pros/cons. He also cited the impact of the Rt. 66 Visitors Center. He expressed his appreciation to Mr. Detlefsen for the pro bono work. He had no appetite for the \$18 million funding gap.

Mayor Renner restated that this figure did not have to come from the City's treasury.

Alderman Black questioned next steps.

Mayor Renner stated that this needed to be done if the City planned to enter the private market. He cited interest for information regarding the Downtown and the impact of the Rt. 66 Visitor's Center. An RFP could be the next step.

Alderman Black requested a time line. Mayor Renner noted that this would be difficult. He had been contacted by speculators. He questioned at what point the City would send something out.

Alderman Black noted the possibility that the Council would reject any/all RFP. He was unclear as to the process. The Council needed to shape the RFP. There needed to be good feedback from the citizens. The Council needed to provide staff with direction.

Alderman Stearns had a number of questions. She expressed her appreciation to Mr. Detlefsen for the pro bono work. She believed that the consulting fee for the next step would be \$45,000. She questioned the need for an RFP. The motive was simple: profit. There was nothing happening regarding a Downtown hotel. She questioned what would be built with the City's involvement. The City's involvement lowered risk.

Mr. Detlefsen stated that an RFP would be developed and issued. It was to the City's advantage to define the concept, land strategy and finance strategy.

Alderman Stearns noted in the RFP the developer would state what was wanted. There were a number of variables that would impact same. This was a defining moment for the Council.

There had been no public involvement. The Council would place another tax burden on the citizens.

Mayor Renner noted that there had been private sector interest.

Alderman Mwilambwe questioned the occupancy projections, (see page 84, Figure 7-6 Forecast of Subject Property's Occupancy). He cited State Farm. There were other hotels. He questioned if the numbers had been revised and if the project was the right size.

Mr. Detlefsen noted that this would be part of the Concept Definition. It would be the Council's decision regarding how to address the feasibility gap. The Council could limit the burden on the taxpayers. The Council needed to define the project it wanted.

Alderman Fazzini had no interest in a \$17 million funding gap. He was interested in economic development. He supported the RFP process. The developer needed to control the land and present the plan. He would not support a cash gap. He also would not support providing any upfront cash. Any funding gap would have to be addressed going forward, i.e. sales tax incentive. He cited the Shoppes at College Hills as an example. He believed that the projections of \$168 per night were too optimistic. Occupancy rates went up and down.

Alderman Lower expressed his appreciation to Alderman Fazzini for his comments. Hotels were a cyclical competitive market. He expressed his interest in minimizing the risk to the citizens' money. He failed to see the need for this project. There was no clear goal and/or benefit. He needed evidence to create a new business. There was no evidence of demand and/or a need for a Downtown hotel. There was no interest from the private sector. He did not see the demand. He questioned the parameters of the City's participation. The right fit was not clear. He cited State Farm's influence. State Farm was downsizing. There was a geographic transition. He cited long term costs, i.e. remodeling. The facts were lacking. This concept had been around since 1965. The City did not have to have a Downtown hotel. He encouraged the Council to think big picture. He knew of a developer with a plan for Ward 1. The economy was not right. The City would be competition with the private sector.

Mayor Renner believed that the City had changed since the 1960's. The City's core was recovering. He noted that the Town of Normal had heavily subsidized Uptown's Phase 1.

Alderman Fazzini left the meeting at 6:26 p.m.

ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) BENEFITS FOR ELECTED OFFICIALS

Mayor Renner introduced this item.

Emily Bell, Human Resources Director, addressed the Council. The Council passed a Resolution on May 11, 1998 which allowed the Council to participate in IMRF at 1,000 hours of work. An IMRF audit raised a concern regarding elected officials meeting this threshold. IMRF provided information regarding what could be included in this calculation. This included documentation

regarding office hours, number of meetings held annually, preparation for meetings, conferences and other corroboration of time required to perform the duties of the office. The City should be prepared to produce documentation verifying hours required to meet/exceed the 1,000 standard. The Council can choose to eliminate IMRF eligibility.

Alderman Fruin questioned how varied and the number of responses. Ms. Bell stated that six (6) elected officials responded. Alderman Fazzini's documentation included hours and every activity.

Mayor Renner noted the hours could be reported monthly and totaled per year. Ms. Bell cited the IMRF's guidelines. Generally, elected officials did not qualify. The cities of Champaign, Peoria and Springfield allowed elected officials to participate. The Town of Normal and McLean County did not.

Alderman Fruin expressed support for a Resolution to remove eligibility.

Mayor Renner expressed his opinion that one could be developed this week.

Alderman Painter expressed her belief that the Council was qualified. She had signed up to serve the City and was not interested in IMRF.

Mayor Renner cited his experience on the McLean County Board.

Aldermen Black and Mwilambwe expressed their support for Alderman Fruin's comments.

Alderman Mwilambwe noted that there were cities that paid their elected official more.

Alderman Sage expressed his agreement with the comments made by Aldermen Fruin, Black, Mwilambwe and Painter regarding IMRF participation. He did not sign up as an alderman for an IMRF pension.

Alderman Lower expressed his agreement with the comments made by Aldermen Sage and Painter. He questioned if the City would benefit from elected officials' participation in the IMRF. He cited the additional investment in same.

Ms. Bell noted that employees paid 4.5% of earnings while the City's contribution was 14.88%.

Alderman Lower readdressed benefit to IMRF funding. Ms. Bell responded negatively. She added that based upon the discussion a Resolution to eliminate elected officials participation in IMRF would be prepared.

PRIVATE SEWERS

Mayor Renner introduced this item.

Jim Karch, Public Works Director, addressed the Council. He cited Private Sewers and Carriage Walks. His comments would be at a high level. These were real issues. He cited two (2) Master Plans: Sewers and Sidewalks. The key issue regarding sewers was the line.

Mayor Renner left the meeting at 6:40 p.m.

Mr. Karch addressed two (2) schools of thought: at the public right of way and to the main. The second was common in Central Illinois. This meant that the T and lateral were the homeowner's responsibility. He noted ramifications as sewer laterals were often constructed with clay pipes. Cave ins were seen regularly. The City was responsible for public mains. The question was sewer laterals. He encouraged Council feedback on this issue. He added that citizen feedback could be obtained via the City's web site.

Mayor Renner returned to the meeting at 6:45 p.m.

The current City practice was to address sewer issues that impact a street, alley and/or sidewalk. He cited the question of balance. Homeowners insurance does not cover sewers. There were utility companies that offered insurance coverage for same. There were options. The cost was unknown. The City Code needed to be clarified. There was no consistent best practice.

Alderman Lower cited his personal experience with same. This issue impacted water and sewer mains. He noted the cost to taxpayers for water and sewer laterals. The City might have some liability. He addressed the issue of balance as someone could end up in foreclosure.

Mr. Karch cited past situations where CDBG, (Community Development Block Grant), funds were used.

Alderman Black thanked Mr. Karch for the presentation. His preliminary thoughts were if it is in the public right of way then the City should fix it. He expressed his concerns regarding the quality of work. The City could create a fund on a voluntary basis. City staff could research fees or budget cuts. This issue should be placed on the City's web site and Facebook.

Alderman Stearns agreed that CDBG funds have been used in the past. She expressed her disappointment that the City would charge citizens for the part of the sewer lateral that was located in the right of way. She cited the burden on the property owner and the impact upon property values in the City's older neighborhoods. Sewer laterals needed to be maintained but she questioned the property owner's financial ability to do so.

CARRIAGE WALKS LOCATED ON THE CITY RIGHT OF WAY

Mayor Renner introduced this topic. Alderman Black and Jim Karch, Public Works Director, had toured Ward 7. He noted the range of City sidewalks and private carriage walks.

Jim Karch, Public Works Director, addressed the Council. He cited the draft Sidewalk Master Plan. Carriage walks were private sidewalks which have been viewed as historic and/or cultural.

Municipalities had different approaches to same. The draft Sidewalk Master Plan had been placed on the City's web site. Feedback had been received.

Each carriage walk was unique, (i.e. design, condition, etc.). They served a variety of uses. City staff recommended a modified encroachment license. Property owners would be notified. There would be an option to obtain or decline same. The City would remove the carriage walk from those properties where the owners declined the license. The City would repair and/or replace the carriage walk from those properties where the owner obtained the license. At that point, the property owner would assume all upkeep, liability, and future repair/replacement. The license would be tied to the title. Upon the sale of the property, the new owner would inherit the responsibilities. Homes with an S – 4, Historic Preservation District would be exempt. A carriage walk was a private walkway on public land. This proposal reduced the City's liability.

City staff was addressing the question of balance versus costs. He addressed notification of the property owner. City staff preferred that carriage walks be removed. He addressed the condition of same and who should bear the burden to repair/replace same. Carriage walks would be treated like driveway approaches. City staff proposed that properties with an S – 4 overlay be exempt but did not address repairs/replacement and payment for same.

City staff's goal this evening was to introduce this issue. He restated that this information was on the City's web site. He hoped that there would be additional discussion.

Alderman Fruin compared repair/replacement of carriage walks to mailboxes. Carriage walks could become a costly item. He recommended that there be a cost limit.

Mayor Renner recommended 50/50 which would be similar to City sidewalks. This would be a policy decision which would be made by the Council.

Alderman Black thanked Mr. Karch for walking the neighborhood. He had not received any responses.

Mr. Karch noted two (2) notifications and two (2) letters. City staff had visited the home. He expressed his concern regarding the condition.

Alderman Black stated that criteria was needed. Mr. Karch informed the Council that no rational was needed. Carriage walks were used for a variety of reasons.

Alderman Black noted that some of them had been removed. Mr. Karch acknowledged that they would be replaced at a future date. The City did not have the funds this year's budget. Carriage walks would be readdressed but City staff needed Council's direction.

Alderman Black addressed the encroachment license. He questioned if there would be conditions for same. Mr. Karch noted that the Council needed to decide the City's exposure tolerance.

Alderman Stearns expressed her opinion that carriage walks were a historical element. It was a critical element tied to the home's architecture. The exemption should be expanded beyond the S – 4 overlay. A number of them were in bad condition as were the City's sidewalks. It appeared that the City would either force citizens to repair same or face City removal. The City was unable to repair all of the City streets and sidewalks due to financial issues. The City recognized the risk and tolerated same. Citizens should be allowed to keep their carriage walks. The City needed a program to assist property owners with their carriage walks. She cited the City's interest in tourism. The City failed to value, appreciate and preserve its carriage walks. The City needed to leave carriage walks alone. Affordability was an issue impacting same.

Mayor Renner believed that City staff had direction.

Mr. Karch recognized City staff's efforts on the draft Sidewalk Master Plan. The Council needed to review the various Master Plans and consider funding same.

ILLINOIS HIGH SPEED RAIL: CHICAGO TO ST. LOUIS. IMPACTS TO BLOOMINGTON: PLANNED CHANGES TO MILLER ST & SIX POINTS RD.

Mayor Renner introduced this topic.

Jim Karch, Public Works Director, addressed the Council. He had received an updated email from IDOT, (Illinois Department of Transportation). There were proposed changes to Miller St. and Six Points Rd. Construction at these rail crossings would occur in a later construction phase. He had no additional information at this time.

Alderman Sage questioned this change. He believed that these were high traffic crossings.

Mr. Karch described the email as brief. Funding was cited. He was attempting to find out which other communities had been impacted, if there were other options and when future funding might be available. He wanted the Council to be aware of this preliminary notice.

Alderman Sage believed that these were high traffic crossings.

Alderman Lower questioned if there would be any savings, (i.e. City participation).

Mr. Karch stated that the City did not have funds budgeted for this project. He cited Washington St. and cost to repair the street pavement. He would convey the Council's feedback to IDOT.

Alderman Fruin suggested that City staff meet with the City's state legislators. City staff needed to follow up with this current issue. The City needed to send a letter now.

RAILROAD MURALS ON THE MARKET ST. BRIDGE

Mayor Renner introduced this item.

Alderman Black stated that this item was part of the high speed rail project. This mural had value to the neighborhood and should be retained. There needed to be Council buy in and quick movement. Photographs should be taken and the mural should be recreated after the new bridge is completed. In addition, a new mural should be painted on the other side. No taxpayer dollars would be used. Private funding would be raised.

Alderman Stearns thanked Alderman Black for his efforts. She supported same and volunteered to assist.

Alderman Painter thanked Alderman Black for his efforts. She believed that this was a good idea.

Alderman Fruin echoed Alderman Painter's comments. He believed that Aldermen Black and Schmidt spearheaded this effort. He believed that Sue McLaughlin, Interim Deputy City Manager, had experience with railroad murals.

Sue McLaughlin, Interim Deputy City Manager, addressed the Council. The City of Lincoln had a similar issue. Half of the mural needed to be repaired. Lincoln approached Union Pacific and the contractor. Funds were given to Lincoln toward the mural's repair. The City was willing to work with the community.

Alderman Mwilambwe questioned fund solicitation.

Alderman Black informed the Council that he had already received offers. He did not believe that it would be expensive to do the mural correctly.

DRAFT WEBSITE TRANSPARENCY POLICY

Mayor Renner introduced this topic. He noted efforts regarding same. He cited the City's web site rating (88.7) by the IL Policy Institute, (IPI). This policy set a minimum standard. City staff had used the IPI's guidelines to draft same. September 1, 2014 was cited as the effective date. City staff had reviewed the IPI's checklist/policy in order to address critical elements.

He cited the Mayoral Open Houses. The City had a culture of service. He cited his willingness to meet with and respond to the citizens.

Jeff Jurgens, Corporation Counsel, addressed the Council. The policy was modeled after the IPI's ten (10) point checklist. Other communities have adopted transparency statements as a policy. He restated that this policy represented a minimum. The City's web site had a transparency portal. This portal made locating information easy. The portal would be improved to clarify where the information was located on the City's web site. Contracts were an item which still required City staff attention. There were various tasks to be addressed. With time these tasks would become routine. He expressed his hope that this policy would reduce the number of FOIA requests received by the City.

Alderman Lower requested that the policy be changed to an ordinance.

Mr. Jurgens informed the Council that generally policies were adopted as resolutions. Other communities in the state had adopted transparency policies as resolutions.

Mayor Renner questioned if there was an ability to sue. Mr. Jurgens responded negatively.

Alderman Fruin questioned if the City could deny a FOIA if the information was on the City's web site.

Mr. Jurgens stated that City staff can inform the requestor that the information is on the City's web site. The information must be provided if requested. He cited a bill recently passed by the state legislature which was vetoed by Governor Quinn.

Alderman Fruin expressed his opinion that the Governor's actions defeated the City's efforts. He questioned what information on the City's web site was based upon FOIA requests.

Alderman Stearns questioned ordinance versus a resolution. Mr. Jurgens noted that future Council's had the ability to amend both.

Alderman Stearns stated her preference for an ordinance. City staff had cited the IPI whom she viewed as the expert and good model. Transparency extended to public discussion. She cited the City's past practice of providing emails via FOIA requests. FOIA requests for emails were being labeled burdensome. Other FOIA requests have been denied.

Mayor Renner addressed communication style. There needed to be confidentiality regarding certain subject matters.

Alderman Stearns cited the public's right to know. She did not understand the change to the City's past practice.

Mr. Jurgens agreed that there were emails that addressed public business. Information contained within an email may be exempt from disclosure. The content of an email may be exempt from FOIA.

Alderman Stearns cited predecisional emails where individuals may be formulating ideas about a future action. She had an opinion from the IPI that emails were FOIAable. The public had the right to know.

Alderman Mwilambwe questioned the responsible party.

Mr. Jurgens cited City staff, (i.e. Corporation Counsel Office, Information Services Department, City Clerk's Office and Finance Department). City staff needed to develop a process for contracts. The draft policy listed September 1, 2014 as a start date. City staff would adopt a date forward approach as a priority. City staff would do their best. The key was to be flexible.

Alderman Black questioned if there would be a fine associated with this policy. Transparency was not a neighborhood issue. Transparency was important but not urgent. He expressed his

interest in consequences. In his opinion, all emails sent to the Council should be made public. There were other more important issues.

Mr. Jurgens noted that Council provided policy direction. City staff enforced same.

Mayor Renner requested Mr. Jurgens to change the Transparency Policy from a resolution to an ordinance format.

UPDATE FREEDOM OF INFORMATION ACT (FOIA) PROCEDURES

Mayor Renner introduced this topic.

Jeff Jurgens, Corporation Counsel, addressed the Council. The City's process had been updated. City departments would be more involved. Department staff would be involved in redaction. There would be less involvement by the Corporation Counsel Office. City staff had been well trained. There would be internal audit controls.

The Corporation Counsel Office would develop an informal appeal for denials. This process could be utilized prior to an individual filing an appeal with the PAC (Public Access Counselor). This was a future item. This would provide the Corporation Counsel Office the opportunity to review. It would be another review process. An individual would request reconsideration. He restated that the Corporation Counsel Office would be less involved in FOIA.

Alderman Stearns questioned other recourse. Mr. Jurgens cited Circuit Court.

Alderman Stearns cited risk of a lawsuit. Mr. Jurgens cited the legal review might result in the release of the documents. If a suit is filed in the courts then the City might have to pay the attorney's fees (if the court ruled against).

CITY MANAGER'S COMMENTS: Mike Kimmerling, Interim City Manager, addressed the Council. He informed them that Marvin Arnold, Police Officer, was retiring after thirty (30) years. A retirement reception would be held on Wednesday, July 23, 2014 from 2:00 – 4:00 p.m. in the Police Department's Osborn Room.

Sue McLaughlin, Interim Deputy City Manager, introduced Tom Dabareiner, Community Development Director. It was Mr. Dabareiner's first day with the City. He would take the oath at the Council's July 28, 2014 Council meeting.

Tom Dabareiner, Community Development Director, addressed the Council. He had been trained as a planner. The City provided challenges and opportunities.

Mayor Renner welcomed Mr. Dabareiner to the community.

The meeting adjourned. Time: 7:52 p.m.

Respectfully submitted,

Tracey Covert
City Clerk