

**Minutes of Springfield City
Council Special Meeting
Tuesday, May 26, 2009, 5:30 PM.
City Council Chambers**

Mayor Davlin called the Special Meeting to Order at approximately 5:30 p.m. All were invited to rise for the Pledge of Allegiance.

City Clerk Tumulty called the roll of City Council members.

PRESENT: Alderman Edwards , Simpson , Lesko , Cahnman , Mahoney , Cimarossa , Theilen , Dove , Griffin & Mayor Davlin .

ABSENT: Kunz

The First Item On The Agenda Was No. 2009-260, "A Resolution Supporting The 2009 Public Works Project List." Ald. Simpson moved To Place Agenda No. 2009-260 On Final Passage. Alderman Mahoney seconded the motion. Alderman Mahoney stated that in order to fund that the public works project list, a funding mechanism would have to be identified. He suggested discussing the various tax proposals first and then returning it to vote on this ordinance. He suggested we hold this ordinance and come back next week. Ald. Griffin agreed but suggested we go one step further. This ordinance has to be tied to an ordinance to fund the improvements. Ald. Mahoney moved to postpone consideration of Agenda No. 2009-260. Ald. Cimarossa Seconded. The Motion Carried 9/0 via voice vote. Ald. Edwards, Simpson, Lesko, Cahnman, Mahoney, Cimarossa, Theilen, Dove, and Griffin voted yes.

The Next Item On The Agenda Was No. 2009-264, "An Ordinance Amending Article VI, Chapter 100, Section 100.52 Of The 1988 City Of Springfield Code Of Ordinances, As Amended, By Increasing The Local Sales Tax From 1.5% To 1.75%." Ald. Simpson Moved To Place Agenda No. 2009-264 On Final Passage. Ald. Cimarossa Seconded. Ald. Simpson stated that she wanted to make sure that all members of the public were given a chance to speak. Ald. Mahoney moved to Amend 2009-264. Ald. Simpson seconded. He questioned how the ordinance works and referred to it as the "poison pill amendment". Basically, any revenue derived from the increased revenues would be deposited in Fund 95. If the funds are not obligated for infrastructure purposes, the sales tax would sunset the following year. CC Johnson stated that was correct.

Ald. Cahnman moved to amend Amendment No. 1 to include the following language "any new revenue raised as a result of 2009-264 goes into Fund 95." Ald. Cimarossa seconded. Ald. Edwards stated that someone told him we cannot do this. He asked Corporate Counsel if this was legal. She stated that this would not automatically show up in future budgets. She stated it is not self-executing. An ordinance should be proposed which outlines the new revenue from the increase. If the tax ordinance sunsets, the ordinance needs to be withdrawn. If the revenues are not spent on infrastructure, the intent is to withdraw the tax ordinance. Ald. Edwards stated if the intent of this ordinance is not met, then it is all for naught. Ald. Mahoney stated it is up to this City Council to monitor where this money is spent. Mayor Davlin asked if the ordinance is renewed every year, is there a lag time to implement the ordinance. OBM Director Crutcher stated that his office must notify the taxing authorities and there is a time line to do so. Dallas Whitford stated there are 2 opportunities each year to file tax increase notices: April 1st effective July 1st. October 1st effective January 1st. This tax increase would not take affect

until January of 2010. Cash in our hands would trickle to us in April. The Mayor suggested that the City Council would have to renew the ordinance every 2 years before October. This way there would be no lapse. In terms of notifying the State of Illinois, that is an administrative function. The City Council could vote on an ordinance to extend the tax each year.

Ald. Griffin asked how much money each of the next 3 ordinances would generate for the City. Mayor Davlin stated that it was his understanding that 265 was going to be withdrawn. He would comment on each ordinance as it came up on the Agenda. Ald. Mahoney offered that 265 would generate approximately \$5.0 million; 297 could generate approximately \$500,000.00; and 298 approximately \$1.6 million.

CC Johnson restated that additional language would be added to subsection B of the Amendment, identifying that the monies would be deposited into Fund 95.

The Motion to Amend Carried 8/1 via voice vote. Ald. Edwards, Simpson, Cahnman, Mahoney, Cimarossa, Theilen, Dove, and Griffin voted yes. Ald. Lesko Voted No.

Allan Lauhr, President of the Springfield and Central Illinois Trades & Labor Council, addressed the council. He supported the increase to create a revenue stream for public works projects. This will keep people working and make Springfield more attractive. He stated the aldermen needed to consider all of the proposed increases but it was time to step up and show leadership.

Mike Houston, Chairman of the Springfield Chamber of Commerce Board of Directors. He stated that these are hard choices for the aldermen. He stated that the proposed infrastructure is long overdue. There are major problems to handle and it calls for a long term program with long term thinking. He stated that the Chamber has taken no position on the proposed tax hikes, sunset clauses, etc. He did state that the money is needed and the problems are real. He stated that he would oppose any sunset clause because these problems are going to continue. Sharing the burden of the infrastructure with the citizens of Springfield and the people who patronize the restaurants. There needs to be a project specific program that is equitable and realistic that is funded by a dedicated infrastructure program and fund that includes a citizen oversight committee. The Chamber urges the Council to take action.

Janice Smith, 401 E. Jefferson, Springfield, IL. Ms. Smith stated that the sidewalks all over town are bad.

Howard Peters, Springfield Urban League, Springfield, IL, addressed the Council. He stated that poor infrastructure impacts the poor and disadvantaged of our community to a greater degree than any other segment of society. He urged the Council to address the issue in a long term manner.

Kitty McHenry, 3150 Chatham Road, Springfield, Il. Kitty is the owner of Amberjack Ale House. Mayor Davlin urged Ms. McHenry to save her statements for the proposed ordinance increasing the dining tax.

Harvey Hall, a resident of Ward 2, Springfield, IL., addressed the Council and urged them to approve the infrastructure needs and tax increases necessary to fund the projects. He stated it is a must. He like the idea of a sunset. He believes this is something that his neighborhood really needs and he is willing to pay the increased taxes.

Georgia Jolivay, a resident of Springfield since 2003. Within the first week of the purchase of her home, she began requesting improvements for her sidewalk. That was 4 years ago. She hoped some of her neighbors would be with her tonight, but they did not attend the meeting. If there is a program that will bring street and sidewalk improvements to her area, please do it.

Tom Schaefer, 3513 South Park, Springfield, IL. He pays sales tax to the State and then it comes to the City. Four months later. He wanted to know how much money is in Fund 95. With the new money go to Fund 95. Can the citizens monitor that Fund? He stated there are proposed \$65 million in improvements and only \$5 million available. Someone is going to get left behind. He wants to be assured that this money will be used for infrastructure and not new firehouses. He was referred to Agenda No. 2009-260 which identified the projects to be completed. Ald. Mahoney stated that Mr. Schaefer's property would not benefit from any of the proposed infrastructure improvements as he is a County resident.

Mr. Schaefer recognized that he was a County resident, however, stated that due to the numerous zoning petitions that had been passed by the City Council, one could weave in and out of the City and County four (4) times while driving on his street. He stated that he knows that if the Council passes this ordinance increasing the City sale's tax, he would be paying that tax. He stated his position on the City's continual use of asphalt in repaving streets. It doesn't work.

Mike Pittman, 1016 E. Ash, and Springfield, IL, addressed the Council and stated that it is time to do something about the infrastructure and these improvements are overdue. Many streets on the east side do not have sidewalks and many children are forced to walk in the streets. This is a safety issue. He asked the Council to put partisan politics aside and do what is right for the citizens of Springfield.

Ald. Edwards asked how everyone feels about bonding this issue. He wants to assure that this money is spent on what it is intended to be spent on. Ald. Mahoney stated we have to figure out how much money will be available and then determine what projects can be completed. Mayor Davlin stated that is a separate issue. You have to pass the tax with this ordinance and then figure out what can be done.

Ald. Griffin stated that he feels 2009-265 is "do" right now. If the Council passes 264, there will be a list of projects in his ward that he can point to when questioned by his constituents.

Ald. Mahoney stated there are 3 different funding mechanisms on the table but he doesn't know what will pass tonight. Depending on which pass will determine how much improvements can be made. He would like to pass the funding ordinances and come back next Tuesday and determine what projects can be completed.

Dir. Norris stated there are \$40 million dollars in overlays needed over the next five years. Even if the sales tax is the only funding measure to pass, the roads are too stupid to know what ward in which they are located. He feels its time to address the infrastructure needs of the City.

Ald. Mahoney stated that it all hinges on what funding is passed.

Dir. Norris stated that getting the roads overlaid is his first priority. He stated if the council passes Agenda No. 264, then you can amend Agenda No. 260 to include only the overlay program. This would fund overlays for five (5) years.

Ald. Theilen Moved to Postpone Consideration of Agenda No. 2009-264, As Amended. Ald. Cimarossa Seconded. The Motion Carried 9/0 via voice vote. Ald. Edwards, Simpson, Lesko, Cahnman, Mahoney, Cimarossa, Theilen, Dove, and Griffin voted yes.

The Next Item On The Agenda Was No. 2009-265, "An Ordinance Amending Chapter 100 Of The 1988 City Of Springfield Code Of Ordinances, As Amended, By Imposing A 2% Tax On The Privilege Of Purchasing Alcoholic Liquor And Prepared Food Items For Immediate Consumption." Ald. Mahoney Moved to Withdraw 2009-265. Ald. Edwards Seconded. Ald. Simpson stated that she believed all of the ordinances should be considered and did not understand why we would take this off the table. Ald. Mahoney stated that there would not be enough votes to pass it. Ald. Griffin stated there is no tie or correlation in going out to eat and having a drink and the condition of roads. Gas taxes will go to fix streets. Ald. Simpson stated you have to use the roads to get to the restaurants. He stated that due to the smoking ban, these business had already taken a hit. Some have closed and many are laying employees off. Ald. Theilen stated we're gong to have people losing jobs and getting laid off. Ald. Edwards stated that 20,000 people have lost their job in Illinois. He hears there are a lot more disconnects at CWLP recently due to this economic downturn. Mayor Davlin suggested we quit beating this dead horse. The motion to withdraw 2009-265 passed 8-1 via voice vote. Ald. Edwards, Lesko, Cahnman, Mahoney, Cimarossa, Theilen, Dove, and Griffin voted yes. Ald. Simpson voted No.

The Next Item On The Agenda Was No. 2009-297, "An Ordinance Amending Chapter 100, Section 100.30 Of The 1988 City Of Springfield Code Of Ordinances, As Amended, To Increase The Amount Of Net Hotel/Motel Tax Revenue That Is Deposited Into Fund 095 From One-Third To One-Half." Ald. Simpson Moved To Place Agenda No. 2009-297 On Final Passage. Ald. Cahnman Seconded. Mayor Davlin stated all sales taxes are down, revenues are down. He cautioned that the City will, in all likelihood, have million dollar holes in the current budget. Ald. Mahoney stated the City has to do something. The City has not made the cuts he believes will make a difference. He stated we have to start fixing the problems we have. If we bond this money, it could go even further. Mayor Davlin stated when the aldermen see the holes in this year's budget, this ordinance won't mean anything. Ald. Edwards stated there are problems everywhere. Ald. Mahoney stated this could generate approximately \$575,000. Without a discussion on attrition, Ald. Mahoney said we shouldn't discuss the budget. Ald. Edwards stated all of the aldermen should see how bad this year's budget is before the Council does anything with these ordinances. He agreed with Ald. Simpson that the Council needs to make the tough choices, but the Council did nothing during the budget talks. He wants to know where the cuts are going to be made to fill the budget holes this year. The public needs to see it too. Mayor Davlin said we would not have good numbers to share with the aldermen until the end of the quarter. Pretty good estimates.

Ken Crutcher asked if 298 would earmark 2 or 3 percent from the 4% of the telecomm tax. Ald. Mahoney stated it is 2%. It is not as deep a cut as originally talked about. It would still net \$1.6 million. Ald. Lesko stated it seems we're robbing Peter to pay Paul and we don't know who we're paying yet. Ald. Mahoney states it's all about priorities. Ald. Lesko agreed but stated we just can't keep taxing and spending. Ald. Mahoney stated he felt the Council needs to make these tough decisions. Some of this infrastructure was built during the depression. Those were tough times too. Ald. Edwards stated he wants to know what we're going to cut to make it through the year. Ald. Mahoney stated we already know what will be cut. He's going to say we'll lay off police, fire and public works and close the library. Ald. Edwards wants to know how we're going to make it to the end of the year before we cut more money.

The Mayor suggested the Council postpone 2009-297 and 2009-298. To make some tough decisions, he stated the Council should pass 2009-260, as amended, and 2009-264, as amended. That won't change anything in the future. That's new money that will go directly to infrastructure. Ald. Cahnman stated that 297 isn't going to change anything this fiscal year. It doesn't go into affect until 2010.

Ald. Mahoney asked if the money could be bonded. Ken Crutcher stated yes.

Ald. Griffin stated we need to show people that we're cutting where we can and show them we're sharing this burden. We're willing to step up.

Ken Crutcher stated that if there is a sunset attached to anything, it will affect long term bonding.

Ald. Simpson stated if 297 is just going to put us further in the hole, what's the point? Ald. Cahnman stated that is not the case. We have a higher priority for spending this money here as opposed to over there. Ald. Theilen said Ald. Simpson makes sense. We can say in the budget next year that we want to budget that money for infrastructure. Ald. Cahnman mentioned that the City has to do its share.

Ald. Edwards said we're voting on this without know what the final number are? Ald. Mahoney said vote it up or down.

The Motion Failed 4/5. Ald. Cahnman, Mahoney, Dove and Griffin Voted Yes. Ald. Edwards, Simpson, Lesko, Cimarossa and Theilen, and voted No.

The Next Item On The Agenda Is No. 2009-298, " An Ordinance Amending Chapter 37, Article IX Of The 1988 City Of Springfield, Illinois, Code Of Ordinances, As Amended, To Designate A Percentage Of Revenue Received From The City's Simplified Municipal Telecommunications Tax For Capital Improvements." Ald. Mahoney Moved To Place Agenda No. 2009-298 On Final Passage. Ald. Dove Seconded. Ald. Simpson stated that a vote in favor of this ordinance would close the libraries? Mayor Davlin stated that is where this money was going. Ald. Lesko stated we've gone through this in the budget process. We're robbing Peter to pay Paul again. This just does away with the work done during the budget to keep the libraries open.

The Motion Failed 3/6. Ald. Edwards, Mahoney and Griffin voted Yes. Ald. Simpson, Lesko, Cahnman, Cimarossa, Theilen and Dove Voted No.

Ald. Cimarossa Moved to Recall 2009-260. Ald. Mahoney Seconded. Mayor Davlin stated we have \$1.2 million now and this would add \$4.5 million. A final dollar figure isn't available because we don't know how much money would be bonded. Ald. Mahoney asked if we bonded the hotel/motel revenue and bonded it, how much would that generate. Ken Crutcher stated approximately ten (10) times the amount or \$10 million. Mike Norris said that would cover overlays for the next couple of years and most sidewalk repairs.

Ald. Mahoney reiterated that Amended No. 1 included the Citizens Review Panel and created a formula for the sidewalk needs, including a breakdown of where those sidewalk needs are located. Ald. Mahoney moved to Amend 2009-260 to include only the overlay schedule and sidewalks (\$20 million), striking Exhibit A and Exhibit C. Ald. Simpson Seconded. The Motion to Amend Carried 9/0 via voice vote. Ald. Edwards, Simpson, Lesko, Cahnman, Mahoney, Cimarossa, Theilen, Dove, and Griffin voted yes.

Ald. Mahoney Moved to Postpone Consideration of Agenda No. 2009-260, As Amended. Ald. Simpson Seconded. The Motion Carried 9/0 via voice vote. Ald. Edwards, Simpson, Lesko, Cahnman, Mahoney, Cimarossa, Theilen, Dove, and Griffin voted yes.

Ald. Simpson Moved for an Omnibus Vote and Final Passage on Agenda No. 2009-260, as Amended, and Agenda No. 2009-264, as Amended. Ald. Cimarossa Seconded.

The Motion Carried 6/4. Ald. Simpson, Mahoney, Cimarossa, Dove, Griffin and Mayor Davlin Voted Yes. Ald. Edwards, Lesko, Cahnman and Theilen Voted No.

Ald. Simpson Moved to Adjourn at 6:50 p.m. Ald. Cimarossa Seconded. The Motion Carried 9/0 via voice vote. Ald. Edwards, Simpson, Lesko, Cahnman, Mahoney, Cimarossa, Theilen, Dove, and Griffin voted yes.

Cecilia K. Tumulty

Cecilia K. Tumulty, C.M.C
City Clerk