

**Minutes of Springfield City
Council Meeting
Tuesday, January 24, 2012
City Council Chambers**

PRE-COUNCIL SESSION

Deputy City Clerk Rianne Hawkins called the Pre Council Session of the Springfield City Council to Order at 5:00 p.m., Tuesday, January 24, 2012, in the Council Chambers of the Municipal Center West.

Deputy Clerk Hawkins read the following Ordinance on Emergency Passage for the Council Meeting.

2012-023 An Ordinance Authorizing A Supplemental Appropriation In The Amount Of \$81.77 For The Springfield Police Department, **For Emergency Passage (Requested by Mayor J. Michael Houston)**

2012-024 An Ordinance Approving And Authorizing Execution Of An Intergovernmental Cooperation Agreement Between The City Of Springfield And The Springfield Metro Sanitary District (SMSD) Pertaining To The Transfer Of Ownership Of Certain City Of Springfield Properties Along The SMSD Town Branch Corridor To The SMSD, And Further Declaring Said Properties As Surplus **For Emergency Passage (Requested by Mayor J. Michael Houston)**

Deputy Clerk Hawkins read the following **Ordinances and/or Resolutions on First Reading** and assigned to the Committee of the Whole into the record of this Council meeting.

2012-025 An Ordinance Authorizing Payment To Jerry Jones, An Office Of Public Works Employee, To Settle A Worker's Compensation Claim For Case Number 11-Wc-032719 **(Requested by Mayor J. Michael Houston)**

2012-026 An Ordinance Authorizing Payment To Ronald Gillette, A Springfield Police Patrol Officer, For Settlement Of A Workers' Compensation Claim For Case Number 07-Wc-37525 **(Requested by Mayor J. Michael Houston)**

2012-027 An Ordinance Accepting The Lowest Responsible Bid & Authorizing The Execution Of Contract #CS12-10 With Ikon Office Solutions, Inc. For The Lease Of Digital Copy Machines And Auxiliary Equipment For All City Departments For A Four Year Period Expiring December 31, 2015, For A Total Amount Not To Exceed \$316,378.44 For The Office Of Budget And Management **(Requested by Mayor J. Michael Houston)**

2012-028 A Resolution Allocating 2012 Bond Volume Cap **(Requested by Mayor J. Michael Houston)**

2012-032 An Ordinance Authorizing The Execution Of A Letter Offer For Extension, Approving A One-Year Contract Extension And Authorizing Additional Funding In Amount Not To Exceed \$348,622.00 Under Contract No. UW10-01-92 With HD Supply Waterworks, Ltd. For The Purchase Of Fire Hydrants, For A Total Amount Payable Of \$1,045,866.00 Under Said Contract For The Water Division **(Requested by Mayor J. Michael Houston)**

2012-033 An Ordinance Authorizing The Execution Of A Letter Offer For Extension, Approving A One-Year Contract Extension And Authorizing Additional Funding In An Amount Not To Exceed \$312,671.26 Under Contract No. Uw11-01-92 With American Flow Control, A Division Of American Cast Iron Pipe Company, For The Purchase Of Water Main Gate Valves And Tapping Valves, For A Total Amount Payable Of \$625,342.52 Under Said Contract For The Water Division **(Requested by Mayor J. Michael Houston)**

2012-034 An Ordinance Approving Payment To Proliance Energy, LLC In An Amount Not To Exceed \$1,551,700.00 For The Purchase Of Natural Gas For The Electric Division Through Fiscal Year 2013 Under An Existing Contract **(Requested by Mayor J. Michael Houston)**

2012-035 An Ordinance Authorizing Payment To The Central Illinois Light Company D/B/A AMERENCILCO Under An Existing Rate Schedule In An Amount Not To Exceed \$300,000.00 For Natural Gas Transportation Charges For The Electric Division Dallman Power Plant Unit No. 4 **(Requested by Mayor J. Michael Houston)**

2012-036 A Resolution Authorizing Execution Of A Letter Of Intent With The State Of Illinois For Traffic Signal Modifications And Interconnects At Camp Butler Road And Colt Road, MFT Section #12-State-00-TL, For The Office Of Public Works **(Requested by Mayor J. Michael Houston)**

2012-037 An Ordinance Approving The Plan For The Large Scale Development Of Menards At Woodside Place For The Office Of Public Works **(Requested by Mayor J. Michael Houston)**

2012-038 An Ordinance Authorizing Execution Of Subrecipient Agreement No. 10-Sr-0004 With The City Of Springfield Office Of Public Works-Division Of Unsafe Structures, For Demolition Of Unsafe And Dangerous Vacant Residential Structures Utilizing The City's Community Development Block Grant Funds In An Amount Not To Exceed \$100,000.00, For The Office Of Planning And Economic Development **(Requested by Mayor J. Michael Houston)**

2012-039 An Ordinance Authorizing Execution Of A Three-Year Agreement With Baker & Taylor, Inc. To Provide Library Materials And Approving Payment In An Amount Not To Exceed \$1,200,000.00 And Authorizing The First Year's Payment Of \$400,000.00 For Lincoln Library **(Requested by Mayor J. Michael Houston)**

2012-040 An Ordinance To Decrease The Number Of Class "F1" Liquor Licenses By One For Rockin Robin Inc., 2909 N. Dirksen Parkway, As Amended **(Requested by Mayor J. Michael Houston)**

2012-041 An Ordinance To Increase The Number Of Class "E" Liquor Licenses By One For Lincoln Land Community College District 526 D/B/A Bistro Verde, 5250 Shepard Road **(Requested by Mayor J. Michael Houston)**

2012-042 An Ordinance To Decrease The Number Of Class "D" Liquor Licenses By Three Due To Non-Renewal Of Licenses By Caitie Girl's, Inc., El Nopal Inc. D/B/A La Loma And Rugger, Ltd. D/B/A Norb Andy's Taberin **(Requested by Mayor J. Michael Houston)**

2012-043 An Ordinance To Decrease The Number Of Class C Liquor Licenses By One For Aldi Inc., 1770 West Wabash Avenue **(Requested by Mayor J. Michael Houston)**

2012-044 An Ordinance To Decrease The Number Of Class “C” Liquor Licenses And Increase The Number Of Class “B” Liquor Licenses By Five For Bond Drug Company Of Illinois, Llc D/B/A Walgreens At Various Locations Throughout The City (**Requested by Mayor J. Michael Houston**)

2012-045 An Ordinance To Decrease The Number Of Class “C” Liquor Licenses And Increase The Number Of Class “B” Liquor Licenses By Four For Walgreen Co. D/B/A Walgreens #09145, Walgreens #10775, Walgreens #01770 And Walgreens #11829 (**Requested by Mayor J. Michael Houston**)

2012-046 An Ordinance To Increase The Number Of Class “AA” Liquor Licenses By One And Decrease The Number Of Class “A” Liquor Licenses By One For King Of Clubs, Inc., D/B/A Bourbon Street Rhythm & Ribs, 1031 South Grand Avenue East (**Requested by Mayor J. Michael Houston**)

2012-047 An Ordinance To Decrease The Number Of Class “AA” Liquor Licenses By One For Robert & Gloria Tick, D/B/A Gloria’s Kitchen, 1009 E. Laurel Avenue (**Requested by Mayor J. Michael Houston**)

The Pre Council Session Concluded at 5:10 p.m.

CITY COUNCIL MEETING

Mayor Houston called the meeting to order at 5:30 p.m. All were invited to rise for the Pledge of Allegiance.

Deputy Clerk Hawkins called the roll of City Council members.

PRESENT: Ald. Edwards , Simpson , Turner , Lesko , Cahnman , Jobe , McMenamin , Theilen , Dove and Griffin and Mayor Houston . ABSENT: none

ZONING AGENDA

The first item on the agenda is docket number 2011-055 for the property located at 2329 Wiggins Avenue.

PETITIONER(S): Peter Douglas and Stacy Bangert.

PRESENT ZONING CLASSIFICATION: R-1, Single Family Residence District.

REQUESTED ZONING RELIEF: Variance of Section 155.001, Definitions Regarding Accessory Building, to construct an unattached garage with a sink and a drain on the west side of the property.

STAFF RECOMMENDATION IS: Approval.

PLANNING AND ZONING COMMISSION RECOMMENDATION IS: Approval of the petition as submitted.

Alderman McMenamin made a motion to accept the recommendation of the Planning and Zoning Commission. His motion was seconded by Alderman Griffin. The motion carried by a vote of 10-0. Ald.

Edwards ☒, Simpson ☒, Turner ☒, Lesko ☒, Cahnman ☒, Jobe ☒, McMenamin ☒, Theilen ☒, Dove ☒ and Griffin ☒ all voted yes.

The next item on the zoning agenda is docket number 2011-057 for the property located at 1715 10 ½ and 1625 10 ½ Street.

PETITIONER(S): Henry Nelch & Sons Co.

PRESENT ZONING CLASSIFICATION: I-1, Light Industrial District.

REQUESTED ZONING RELIEF: Reclassification to I-2, Heavy Industrial District and a Variance of Section 155.061, Basic yard requirements, (side yard requirements). In the alternative the petitioner would accept a Use Variance to allow the storage of cement, stone and gravel.

STAFF RECOMMENDATION IS: Denial.

PLANNING AND ZONING COMMISSION RECOMMENDATION IS:

Denial of the petition as submitted but recommend approval of a Use Variance for the I-1 District for storage of concrete and gravel conditioned upon an amended petition being filed to vary fence regulations and that the height of the product be no higher than 7 feet. Also, recommend that the current height of the piled product be in compliance with the 7 foot height by July 1st, 2012.

Alderman Simpson made a motion to accept the recommendation by the Planning and Zoning Commission. Her motion was seconded by Alderman Edwards. The motion carried with a vote of 10-0. Ald. Edwards ☒, Simpson ☒, Turner ☒, Lesko ☒, Cahnman ☒, Jobe ☒, McMenamin ☒, Theilen ☒, Dove ☒ and Griffin ☒ all voted yes.

The next item on the zoning agenda is docket number 2011-058 for the property located at 100 W. Jefferson Street.

PETITIONER(S): Betty R. Hart.

PRESENT ZONING CLASSIFICATION: B-2, General Business Service District.

REQUESTED ZONING RELIEF: Variance of Section 155.061, Basic yard requirements, to reduce the depth of the front yard from 15 feet to 4 feet.

STAFF RECOMMENDATION IS: Approval.

PLANNING AND ZONING COMMISSION RECOMMENDATION IS:

Approval of the petition as submitted.

Alderman Cahnman made a motion to accept the recommendation of the Planning and Zoning Commission. His motion was seconded by Alderman Griffin. The motion carried with a vote of 10-0.

Ald. Edwards ☒, Simpson ☒, Turner ☒, Lesko ☒, Cahnman ☒, Jobe ☒, McMenamain ☒, Theilen ☒, Dove ☒ and Griffin ☒ all voted yes.

The next item on the zoning agenda is docket number 2011-059 for the property located at 7032 Kingsmill Court.

PETITIONER(S): Head West Sub Shop and Robert E. Roth.

PRESENT ZONING CLASSIFICATION: S-2, Community Shopping and Office District.

REQUESTED ZONING RELIEF: Variance of Section 155.301, Determination of size of signs and Section 155.321. Non-illuminated signs, to install a sign on the front west wall of the property with a proposed 80 square feet sign instead of the 40 square feet allowed per code.

STAFF RECOMMENDATION IS: Approval.

**PLANNING AND ZONING COMMISSION RECOMMENDATION IS:
Approval of the petition as submitted.**

Alderman Edwards made a motion to accept the staff recommendation. His motion was seconded by Alderman Griffin. The motion carried with a vote of 10-0. Ald. Edwards ☒, Simpson ☒, Turner ☒, Lesko ☒, Cahnman ☒, Jobe ☒, McMenamain ☒, Theilen ☒, Dove ☒ and Griffin ☒ all voted yes.

The final item on the zoning agenda is docket number 2011-062 for the property located at 2800 Southwest Plaza Drive.

PETITIONER(S): Joe A. Rupnik.

PRESENT ZONING CLASSIFICATION: B-2, General Business Service District.

REQUESTED ZONING RELIEF: Reclassification to B-1, Highway Business Service District, to open two new retail establishments, a mattress store and a vitamin shop and to construct a 20 x 20 addition to the South East corner of this building, add six parking spaces and to change the use to general retail with two tenants.

STAFF RECOMMENDATION IS: Approval.

**PLANNING AND ZONING COMMISSION RECOMMENDATION IS:
Approval of the petition as submitted.**

Alderman Griffin made a motion to accept the recommendation of the Planning and Zoning Commission. His motion was seconded by Alderman Edwards. The motion carried with a vote of 10-0. Ald. Edwards ☒, Simpson ☒, Turner ☒, Lesko ☒, Cahnman ☒, Jobe ☒, McMenamain ☒, Theilen ☒, Dove ☒ and Griffin ☒ all voted yes.

REGULAR CITY COUNCIL

Mayor Houston recognized Mayor Steve Stockton of the City of Bloomington, Alderman Mboka Mwilambwe, Alderman Rob Fazzini and the Mayor Pro-Tem of the City of Normal Sonja Reece. Mayor Stockton explained that he and his colleagues have been visiting various City Councils throughout Central Illinois to observe their proceedings. He thanked the City of Springfield for their hospitality.

Mayor Houston recognized Treasurer Langfelder for presentation of the financial report. Treasurer Langfelder reported that for the month of December, the beginning balance was at \$-1,698,883.00. Receipts for the month of December totaled \$7,069,564.00. Disbursements for the month of December totaled \$6,574,988.00. The ending cash balance for the month of December totaled \$-1,204,307.00. A motion was made by Alderman Simpson to approve the financial report. Her motion was seconded by Alderman Griffin. The motion carried with a voice vote of 10-0.

Alderman Simpson made a motion to dispense with the reading of the minutes of the January 10, 2012 City Council meeting and to approve the minutes. Her motion was seconded by Alderman Griffin. The motion carried with a voice vote of 10-0.

Alderman Simpson made a motion to withdraw Agenda Items 2012-029, 2012-030, 2012-031 from the pre-council first reading of ordinances and to incorporate the remaining pre-council first reading of ordinances into the record of the Council meeting. Alderman Griffin seconded her motion. The motion carried with a voice vote of 10-0.

Alderman Simpson made a motion to incorporate the pre-council reading of the consent agenda into the record of the Council meeting. Her motion was seconded by Alderman Lesko. The motion carried with a voice vote of 10-0.

Alderman Simpson made a motion to place the consent agenda on final passage. Her motion was seconded by Alderman Griffin. The motion carried with a vote of 10-0. Ald. Edwards , Simpson , Turner , Lesko , Cahnman , Jobe , McMenamain , Theilen , Dove and Griffin all voted yes.

The next item on the agenda was Agenda Item 2011-515, An Ordinance Authorizing the Execution of an Amendment to a Labor Contract with the International Association of Firefighters, Local #37, From March 1, 2008 Through February 28, 2013. Mayor Houston pointed out that the recommendation from the Committee of the Whole is do not pass. He reminded the Council that a “yes” vote is in favor of not ratifying the amendment. A “no” vote would be a vote to ratify the contract.

Alderman Simpson made a motion to place Agenda Item 2011-515 on final passage with a do not pass recommendation. Her motion was seconded by Alderman Theilen.

Alderman McMenamain expressed concern about the way that the City had handled the decision of the arbitrator’s decision and that the Fire Fighters Union was given notice of the decision before the members of the City Council had had a chance to read the opinion. He stated that he would characterize the decision as a split decision and that the City would not have to pay overtime, which is a savings for the City. He also stated that he would reserve the remainder of his comments for the upcoming executive session.

Alderman Cahnman equated the vote to voting on the settlement of a lawsuit after the case has already been tried. He stated that he will be voting yes.

The recommendation of do not pass on Agenda Item 2011-515 passed with a vote of 10-0. Ald. Edwards ☒, Simpson ☒, Turner ☒, Lesko ☒, Cahnman ☒, Jobe ☒, McMenamin ☒, Theilen ☒, Dove ☒ and Griffin ☒ all voted yes.

The next item on the agenda was Agenda Item 2012-006, An Ordinance Authorizing Execution Of An Agreement For Sale Of City-Owned Property Located At 719 North Grand Avenue East, With Goodenow Insurance Agency, Inc., An Illinois Corporation, For A Total Amount Of \$1.00, For The Office Of Budget And Management. Alderman Cahnman made a motion to place Agenda Item 2012-006 on final passage. His motion was seconded by Alderman Lesko. The motion carried with a vote of 10-0. Ald. Edwards ☒, Simpson ☒, Turner ☒, Lesko ☒, Cahnman ☒, Jobe ☒, McMenamin ☒, Theilen ☒, Dove ☒ and Griffin ☒ all voted yes.

The next item on the Agenda was Agenda Item 2012-012, An Ordinance Approving The Reappointment Of Tim Schweizer To The Springfield Housing Authority Board Of Commissioners. A motion was made by Alderman Edwards to place Agenda Item 2012-012 on final passage. His motion was seconded by Alderman Simpson.

Alderman McMenamin recognized Tim Schweizer to make comments to the Council about the status of the Springfield Housing Authority.

Tim Schweizer of 1536 Dial Court in Springfield addressed the Council. He gave an update on the current status of the Springfield Housing Authority. He mentioned several projects that the Authority is currently working on, including the improvement of neighborhoods and redevelopment of areas to offer quality housing to the citizens of Springfield. He also stated that their budget for 2012 is at \$4 million. Their section 8 budget is at \$13 million. He also mentioned the redevelopment of the Sankey High-rise area with the approval and the cooperation of the neighborhood association and the City of Springfield.

Alderman Simpson thanked Mr. Schweizer for his work and the resulting increase in the value of property surrounding the Housing Authority's work.

Mayor Houston also thanked Mr. Schweizer for his service. He also pointed out that Mr. Schweizer is the chair of the Housing Authority's Board.

Agenda Item 2012-012 passed with a vote of 10-0. Ald. Edwards ☒, Simpson ☒, Turner ☒, Lesko ☒, Cahnman ☒, Jobe ☒, McMenamin ☒, Theilen ☒, Dove ☒ and Griffin ☒ all voted yes.

The next item on the agenda was Agenda Item 2012-017, A Resolution Referring A Petition To The Planning And Zoning Commission For A Public Hearing And Consideration Proposing Amendments To The Zoning Ordinance Of The City Of Springfield To Reclassify Property Commonly Known As White Oaks West Subdivision, 5th Addition; White Oaks West Subdivision, 6th Addition; White Oaks West Subdivision, 7th Addition, Lots 1-9 And 15-22; White Oaks West Subdivision, 8th Addition, Lots 1-16; White Oaks West Subdivision, 9th Addition, Lots 2-19 From R-3 General Residence District To R-2 Single Family And Duplex District. Alderman Griffin made a motion to place Agenda Item 2012-017 on final passage. Alderman Simpson seconded his motion.

Alderman Griffin explained that when this subdivision was complete, that it was left in the old zoning classification of R-3. The neighbors have requested this change to ensure the integrity of the neighborhood so that no changes can be made.

Agenda Item 2012-017 passed with a vote of 10-0. Ald. Edwards ☒, Simpson ☒, Turner ☒, Lesko ☒, Cahnman ☒, Jobe ☒, McMenamain ☒, Theilen ☒, Dove ☒ and Griffin ☒ all voted yes.

The next item on the agenda was Agenda Item 2012-023, An Ordinance Authorizing A Supplemental Appropriation In The Amount Of \$81.77 For The Springfield Police Department, **For Emergency Passage**. Alderman Simpson made a motion to place Agenda Item 2012-023 on emergency passage. Her motion was seconded by Alderman Griffin.

Mayor Houston explained that the amount is interest that needs to be paid by February 28th, which is the reason for the emergency passage.

Agenda Item 2012-023 passed with a vote of 11-0. Ald. Edwards ☒, Simpson ☒, Turner ☒, Lesko ☒, Cahnman ☒, Jobe ☒, McMenamain ☒, Theilen ☒, Dove ☒, Griffin ☒ and Mayor Houston ☒ all voted yes.

The next item was Agenda Item 2012-024, An Ordinance Approving And Authorizing Execution Of An Intergovernmental Cooperation Agreement Between The City Of Springfield And The Springfield Metro Sanitary District (SMSD) Pertaining To The Transfer Of Ownership Of Certain City Of Springfield Properties Along The SMSD Town Branch Corridor To The SMSD, And Further Declaring Said Properties As Surplus **For Emergency Passage**. Alderman Simpson made a motion to place Agenda Item 2012-024 on emergency passage. Her motion was seconded by Alderman Griffin. The motion carried 11-0. Ald. Edwards ☒, Simpson ☒, Turner ☒, Lesko ☒, Cahnman ☒, Jobe ☒, McMenamain ☒, Theilen ☒, Dove ☒, Griffin ☒ and Mayor Houston ☒ all voted yes.

Mayor Houston asked Eric Hobbie, General Manager of City, Water, Light and Power to give a presentation to the Council on a proposed rate increase for the City's electric rates. A copy of Mr. Hobbie's presentation is included in the record with these minutes. Mayor Houston added that the presentation goes along with Agenda Item 2012-048. Mr. Hobbie stated that his presentation is an introduction and that he would take more in depth questions at next week's Committee of the Whole meeting.

Mr. Hobbie and Craig Burns, the financial director of City, Water, Light and Power walked the Aldermen through their presentation.

Mayor Houston pointed out that at the next Committee of the Whole meeting, there will be time for a more in depth discussion of the proposed rate increase. He also stated that both Mr. Hobbie and Mr. Burns would be available to meet one on one with the Aldermen to discuss the proposal in more depth.

Alderman Simpson made a motion to suspend the rules and place on first reading Agenda Item 2012-048, An Ordinance Amending Chapter 50, Sections 50.19, 50.26, 50.30 And 50.35 Of The 1988 City Of Springfield Code Of Ordinances, As Amended, Regarding The Fuel Adjustment, Rate Schedules, The Southern View Utility Tax And The Financial Report Requirement For The Electric Division For The Office Of Public Utilities. Her motion was seconded by Alderman Griffin. The motion carried with a voice vote of 9-1.

Alderman Simpson made a motion to suspend the rules and place on first reading Agenda Item 2012-049, An Ordinance Authorizing The Execution Of A Permanent Encroachment Agreement With Springfield School District No. 186 Pertaining To A Portion Of Brown Street Between Pope Avenue And Taylor Street. Her motion was seconded by Alderman Griffin. The motion carried with a voice vote of 10-0.

Alderman Simpson made a motion to suspend the rules and place on first reading Agenda Item 2012-050, An Ordinance Authorizing Acceptance And Execution Of An Intergovernmental Agreement With The State Of Illinois Office Of The Comptroller Regarding Access To The Comptroller's Local Debt Recovery Program. Alderman Jobe seconded. The motion carried with a voice vote of 10-0.

Alderman Simpson made a motion to suspend the rules and place on first reading Agenda Item 2012-051, An Ordinance Authorizing Payment Of \$213,414.00 To New World Systems Corporation For Annual Maintenance Fees For The Springfield Police Department. Her motion was seconded by Alderman Griffin. The motion carried with a voice vote of 10-0.

Alderman Theilen made a motion to move the budget hearing from February 14th to February 7th. His motion was seconded by Alderman Griffin. The motion carried with a voice vote of 9-1.

Alderman Edwards announced that the budget hearing schedule has been announced, other than the change from February 14th to February 7th. February 20th is set aside as a reserve budget hearing date in case there are any questions. This sets up for the budget to be voted on February 21st. If that does not happen, there will have to be a special City Council meeting called for potentially February 27th. He reminded the Council that the dates as they stand are February 2nd, 6th, 7th, 9th, 16th and a potential reserve date of the 20th.

Alderman Simpson asked for the reserve date to be set for the 21st, due to a conflict. Corporation Counsel Mark Cullen pointed out that the City Council meeting can be interrupted to have a budget hearing. Alderman Edwards pointed out that a special City Council would have to be called for the 27th, if the budget is not complete by the 21st.

Alderman Theilen asked for an explanation on the decision to roll the fuel tax into the base rate on customer's CWLP bills. He has gotten complaints from his constituents who express confusion at the change. He also expressed concern that it could be a way to hide additional rate increases.

Mayor Houston stated that there has not been an adjustment to the fuel adjustment charge since 1998. At that time, coal was selling for close to \$20/ton. That price has risen to \$42/ton and that charge is rolled into the fuel adjustment charge. He stated that he has never been able to understand the number when it is itemized on his bill. He stated that nothing changes and that there will still be a fuel adjustment charge. Beginning March 1, the charge will start at zero so that if there is an adjustment and it increases someone's charge, the customer will be able to see that reflected in their bill. The same will be true if there is any savings. He added that another proposal that they are looking at is to break the charge down into four parts so that the customer will be able to recognize what is in the fuel adjustment charge and any adjustments in their bills. The four components that go into the charge are the price of coal, the price of wind energy, the cost of pollution control and the cost of producing energy (by the megawatt hour).

Mr. Hobbie explained the pollution control efforts, including the addition of two scrubbers that help to control pollution. He stated that the operating costs for environmental compliance have gone up by 313% since the last adjustment. He stressed that this will result in a zero change to the bill for consumers. He stated that this method provides more transparency to the customers in the cost that it takes to produce energy.

Alderman Edwards asked if the rate increase is scheduled to take effect before this change to the fuel adjustment charge. Mr. Hobbie responded that they are both due to take effect on March 1. Alderman Edwards expressed concern that rolling fuel adjustment rate would result in an additional increase in the rate. Mr. Hobbie stated that if the fuel adjustment roll in was not included on the bills, CWLP would have asked for a larger rate increase. He stated that while the rate changes, the bill to the customer will not change. Alderman Edwards expressed concern that the math will result in confusion for the customers and them thinking that it is a hidden rate increase.

Alderman Theilen also expressed concern that this will be an additional 1.25% increase as a result of the fuel adjustment tax rolled in. This would result in a total rate increase of 10.75% instead of 9.5%. Mr. Hobbie stated that the 9.5% rate is based on the rate after the fuel adjustment roll in.

Alderman Cahnman asked what the larger rate increase would be, had the fuel adjustment rate not been rolled into the bill. Mr. Hobbie stated that the rate increase is based on a dollar number and the percentage is created based on what is needed to get to the dollar amount. The target is to raise an additional \$19 million. Mr. Hobbie again stressed that bills will not change as a result of this fuel adjustment roll in.

Alderman McMenammin clarified that CWLP wants to raise \$19 million through the rate increase. He expressed concern that the questions are creating confusion among the public. Alderman Edwards pointed out that the number will be there forever and will never go away. Alderman McMenammin expressed concern that there are many unknown factors and that the Council should take time to digest the information before making any assumptions. Alderman Edwards pointed out that his constituents have been calling him because they are unable to pay their bills now. This rate increase will affect the people on fixed incomes significantly. Alderman McMenammin agreed with Alderman Edwards, but CWLP is facing a serious financial situation.

Alderman Theilen asked for CWLP to prepare two sets of numbers – one for the current rates and one for the proposed rate increase. Because there is no guarantee that the rate increase is going to pass.

Alderman Turner also asked for what management style changes have been made since the trouble started in 2008. She expressed concern for a jump to a rate increase when there has not been any other substantial change in the way that the utility is run and managed.

Mayor Houston announced that the City is in receipt of the final report from Maximus and they are in the midst of digesting the report. Alderman Theilen asked for a copy of the report. Mayor Houston responded that the report will be held until there is a plan in place on how to implement the report. He will provide copies of the report to the Aldermen at that time.

Alderman Edwards asked that any downsizing be done through attrition and not through layoffs for the sake of stability to the City's economy.

Office of Budget and Management Director Bill McCarty gave a brief presentation on the state of the City's finances and a forecast of what the City might be looking at in the future. A copy of his spreadsheet is included with these minutes.

Alderman Theilen asked why there is a dip in the FY2014 forecast. Director McCarty responded that a portion of the SAFER Grant for the fire department will be lost and a re-adjustment in the timetable for which the City will be receiving income tax revenue from the State of Illinois. Alderman Theilen asked if interest is being applied to the late payments. Director McCarty responded that the income tax payments do not qualify for interest payments.

Alderman McMenemy stated that this news is a double hit of bad news and that the City is in a serious financial situation.

A motion was made by Alderman Simpson to recess the regular meeting of the City Council for the purpose of holding executive session to discuss pending litigation, discuss the arbitrator's recent decision on the fire fighter's contract and the upcoming police contract. Her motion was seconded by Alderman Cahnman. The motion carried with a voice vote of 10-0. The regular meeting of the Springfield City Council was recessed at 6:41pm.

Alderman Simpson made a motion to adjourn the executive session and reconvene the regular meeting of the City Council. Her motion was seconded by Alderman McMenemy. The motion carried with a voice vote of 10-0. The regular session of the City Council was reconvened at 7:35pm.

With no further business to come before the City Council, Alderman Simpson made a motion to adjourn. Her motion was seconded by Alderman Cahnman. The motion carried with a voice vote of 10-0. The meeting was adjourned at 7:35pm.

Rianne Hawkins

Rianne Hawkins
Deputy City Clerk

CORPORATE FUND REVENUE AND EXPENSE TRENDS

<u>Corporate Fund</u>	<u>FY2013 Budget</u>	<u>FY2014 Forecast</u>	<u>FY 2015 Forecast</u>	<u>FY2016 Forecast</u>	<u>FY2017 Forecast</u>
Revenue	\$ 111,598,574	\$ 110,356,017	\$ 111,421,078	\$ 112,499,468	\$ 113,591,377
Expenses	<u>FY2013 Budget</u>	<u>FY2014 Forecast</u>	<u>FY 2015 Forecast</u>	<u>FY2016 Forecast</u>	<u>FY2017 Forecast</u>
Personal Service	\$ 86,665,563	\$ 89,629,566	\$ 92,820,659	\$ 96,138,320	\$ 99,582,638
Operating Lines	\$ 14,651,779	\$ 14,835,276	\$ 14,970,992	\$ 15,112,499	\$ 15,413,749
Transfers Out	\$ 10,365,677	\$ 9,340,373	\$ 7,381,992	\$ 6,953,094	\$ 6,830,997
Total Expenses	\$ 111,683,019	\$ 113,805,215	\$ 115,173,643	\$ 118,203,913	\$ 121,827,384
Resources over Expenses	(\$84,445)	(\$3,449,198)	(\$3,752,565)	(\$5,704,445)	(\$8,236,007)