

Committee of the Whole Minutes
November 8, 2011 – 7:30pm

Mayor Rooney called the meeting to order at 7:30 pm.

COUNCIL IN ATTENDANCE: Mayor Rooney, Aldermen Mike Cannon, Jim Allen, Larry Buske, Robert Banger, John D’Astice, Jim Larsen

Alderman Judd arrived at 8:07pm

STAFF IN ATTENDANCE: City Manager Barry Krumstok, Deputy City Clerk Ginny Cotugno, Community Development Director Valerie Dehner, Fire Chief Ron Stewart, Assistant Finance Director Melissa Gallagher, Police Chief Dave Scanlan, Public Works Director Fred Vogt, Public Works Assistant Director Bob Hartnett, City Attorney Jim Macholl

DISCUSSION ITEMS:

1) Budget

a) MFT & Local Road Fund

Mr. Vogt: The last Committee of the Whole meeting we had discussion with regards to various road funds and the monies that were there and the revenues that are there and how those are derived at, could we put this into two funds. Certainly the answer is yes, we can do that. We’ve looked at the potential issues with MFT, the State’s requirements for accounting, and it’s really a matter of internal auditing with regards to where the monies that we get annually from the MFT are spent. We do an annual appropriation for that. That’s required by ordinance. If there is a desire on the part of the council to separate the fund into capital oriented projects, such as the annual local road resurfacing program and any of the support services we have for street lighting, bike paths, major road intersections such as Golf and New Wilke, Plum Grove Road project that we did undertake a couple of years ago would certainly be an appropriate place. The grants we get for these projects could certainly go to that source too. The general fund 10 or 11 years ago did provide additional support over the years. We have since moved some of that into the MFT fund. We can set this up to the council’s desire in terms of that. Currently the General Fund is only supporting salaries with regards to street maintenance operations and fund 61, which is the Local Roads Fund, covers most of our operational costs with regards to materials, disposal costs for the street sweeping type of activities, and the forestry operations. There are three funds right now.

Mr. Krumstok: We need a straw vote that deals with vehicle sticker increases. We have to create an ordinance for those changes.

Mayor Rooney: Let’s keep them as separate discussions. Mr. Vogt, in my review of what’s here, it’s my general impression that usually when we see materials sometimes staff has a recommendation as what to follow and sometimes staff has no position. When it comes to do we want to segregate a capital fund, in plain language meaning have a little bit more, this is going into

road construction rather than other things that fall under the same category, it's my impression that the staff has no position on whether or not that should be done, is that correct?

Mr. Vogt: From my perspective, we can do it a number of different ways. To understand the revenue situation that we're in, our Motor Fuel Tax revenues and grants for 2012 is 676,000. Our expenditures are projected to be 1,634,000.00. We did defer our motor fuel tax to save up monies for Golf/New Wilke Road project. In 2009 we got a 2.4 million dollar grant. We were able to defer a lot of that MFT committed costs to Golf/New Wilke. Those are revenues that we have on hand that aren't going to be replenished to anywhere near the rate that we would propose to spend, if indeed council wishes to do a ½ million dollars in street resurfacing per year. Year after year as we looked at our needs and projections with our City engineer, evaluated the street conditions, it comes up time and time again that we really should be at a million dollars or even more in order to keep up. It's something that council, we felt, should address or be aware of that there are declining revenues here which is why we've struggled with the street fund.

Mayor Rooney: That's where the original concern expressed by some of the folks here at the table came from as well, that there's lots of money going into the fund, sure there's lots of money going out of the fund, but its being spent on a number of different things and actual street repair and street construction is not meeting the level that some folks are looking for.

Mr. Vogt: The commitments to future grants will require the city to have funding commitments. We don't have those. We have been doing those year to year for many years. We really don't have funds targeted specifically for capital projects.

Mr. Krumstok: That is why we didn't give a recommendation. We're just trying to show the flow of revenues.

Alderman D'Astice: I'm not sure what validity the chart has. You're saying revenues on the motor fuel side are 676,000, expenses are 1.6 so you have a net loss of 950. On the other side you've got revenues of 1.3 vs. expenditures of 1.2 so you've got 200,000. You can't do this because you're 700,000 in the whole.

Mr. Vogt: We can't do it year after year in the future. We can do it now because we have a healthy fund balance of roughly 1.8 million in the MFT fund from previous years.

Alderman D'Astice: You're starting off with 1.8 on the Motor fuel side and then you're going to end up with 837 on that side. You're overspending and you're drawing down reserves.

Mr. Vogt: In essence, yes.

Alderman Buske: What I want to see is if we need a million dollars in this fund, how do we get that in there and how does it stay strictly for roads? When we had the million in there, was that spent on roads?

Mayor Rooney: The last year we can say the million dollars was truly spent was '03.

Mr. Vogt: 02' or 03'. The City did have a little more in motor fuel tax monies coming in, but it was only about 100,000 more than we have now. We did run several years in the 1990's that we

had 900,000 or a million in terms of street resurfacing. The resources were there from various sources and they are not there now.

Alderman Buske: Back a few years, we did a couple major projects and we actually spent hardly any money on roads. We held it back so we would have a good chunk of money in order to get grants. Shortly after that we took that bond issue out and we did about 5 years work on roads.

Mayor Rooney: 5 times what we were currently spending annually, but still if the target was a million, it was really more like 3 years worth rather than 5.

Mr. Vogt: And we're still paying that back.

Alderman Buske: I would like to see the money just for roads.

Alderman Cannon: You're saying that end of the year 2013 we'll have a zero fund balance.

Mr. Vogt: If the 2012 and 2013 expenditures match, yes. If we don't have the additional revenue sources we will spend down the reserves that we have in MFT.

Alderman Cannon: How much money are we looking at for Meacham Road?

Mr. Vogt: Between 3 and 400,000

Alderman Cannon: So that's going to make these numbers even worse.

Mr. Vogt: We will need revenues or some source of funding to pay for our contribution. It will be paid over a series of years. If that project goes forward, engineering could be 50 - 100,000 per year for two years. The construction would be a few years later.

Alderman Cannon: Someway we have to come up with a funding mechanism to make these numbers work.

Mr. Vogt: Yes

Alderman Cannon: The way we're doing this, do most towns do this?

Mr. Krumstok: Some of them will have this and some will also have on their property tax a levy just for roads, bridges, and those types of things. They're looking for MFT, gasoline tax, property tax, and vehicle stickers are other revenue sources. We used to levy a property tax for streets years ago.

Alderman Cannon: How many years back was that?

Mr. Krumstok: When I started we did have a levy for local roads.

Alderman Cannon: And we just cut it out somewhere along the line?

Mr. Krumstok: We shifted it over to the general fund because the general fund started taking some more of the items that were in this.

Mr. Vogt: It diminished over a series of years.

Mayor Rooney: I don't seem to recall it being in place when I came in, so somewhere in 1999 and 2001 is when it dropped. It's been about 10 years roughly speaking.

Alderman Banger: Let's define what we think our roads are. Anything in the right-of-way would be part of the road, minus utilities. When we put a line in there for sidewalks, I think that's appropriate. The street, gutter, curb, lights are within the right-of-way. If a bike path is included, parallel to a road, and it's within the right-of-way, there's a line item for that. I think that is a conversation we should have before we discuss what's the 1/2 million dollars or the 3/4 of a million dollars or the 1 million dollars that we're going to try to get in the road's fund, what it's going to be applied to.

Alderman D'Astice: What are contractual services for a million dollars a year?

Mr. Vogt: That would be inclusive of street lighting....

Alderman D'Astice: No, you've got a line for street lights; you have contractual service 365 in one sentence and 732 in the other sentence.

Mr. Krumstok: Contractual services are in two different groups. The MFT would be engineering. It's actually 280,000 so that is engineering.

Alderman D'Astice: Engineering for one year, for one project?

Mr. Krumstok: No, numerous projects, Carriageway Bridge, Meacham Road, Golf/New Wilke intersection. The annual street program is part of that too. Contracted also consists of the electricity, the street lights, outside repair and maintenance for traffic lights, and street lane marking. In Local Roads the contracted services would be professional services, weather forecasting services, Commuter Drive bike path engineering, Quentin Road bike path engineering, and Plum Grove/Euclid bike path engineering, and engineering of the bridges when we do that. There's rental/lease purchases for the bobcat and outside repairs and maintenance.

Alderman D'Astice: This is not a one year chart.

Mr. Krumstok: But it's the engineering that we are doing in 2012.

Mr. Vogt: It's the proposed 2012 budget.

Alderman D'Astice: I understand that. We need to fine tune this. What is normal expenses on an annualized basis vs., we've got 300,000 for street lights. That's a one time thing. Is that really part of this? Maybe there should be a third column that says project fund.

Mr. Vogt: What I'm hearing in essence is things such as grant support, which typically our engineering projects don't start unless we have a certain amount of grant money committed to that, that's certainly something that is doable.

Alderman D'Astice: It's hard to figure this out when it's all rolled together. Does that make sense?

Mayor Rooney: It does for part of the discussion. You're exactly right. This breakdown of where money is coming from and where money is going to, a chart like this doesn't answer the question council wants answered. I don't think you can solve this with a third column unless a third column would designate capital/non-capital. What we need is a four square. You've got MFT and road on one side and capital/non-capital on the other side and you can see the breakdowns. It seems to me that it can be solved by having one chart that once the chart is made, puts it all together and then re-breaks it out into two categories, capital vs. non-capital. Is that something that could be given to staff as direction? I see nodding heads. Could I say without objection let's call that staff direction for this part. Now we need a straw vote for vehicle stickers.

Mr. Krumstok: To continue on with the proposal when we were talking about moving it from 22.00 to 30.00, the reduction made it from 22.00 to 26.00 and then you take that percentage and then you actually calculate from 22.00 and each of the calculations for all the different stickers that we have and that brings us to what I call Column A. That's the increase that staff is actually recommending. We're rounding up or rounding down at some point, but we are keeping certain things the same. The seniors over 65, when you take that 18.2% increase and make it 12, we're leaving it at 10.00. This comes out to be a little over 63,000.

Mayor Rooney: What was done by a straw poll before of the council was taking the 22.00 stickers and moving them to 26.00. The idea came up later that shouldn't this go across all stickers and we wanted to know what the numbers would look like if it went across all stickers. The top two lines in this chart in both the 18.2 column and the staff recommended column, those top two have basically already been approved by a straw vote of the council. The question is what about the remaining 7 lines. Are people good with that?

Alderman Larsen: The revenue increase for 2012 is projected to be 63,446. What would it have been if we stayed with the 18.2% that we previously discussed?

Mayor Rooney: 60,861. We're adding about 2600 in revenue.

Alderman Larsen: As long as we are not back sliding. Why are we holding the seniors at 10.00?

Mr. Krumstok: The people at the counter want 5's or 0's. They want a definitive number that they're looking at. If you were going to round up it would have been 15.00. We just felt that just leaving it at what it is now is a comfortable number.

Alderman Larsen: Next year when we go to 30, it will go from 10 to 15?

Mr. Krumstok: Yes

Alderman Cannon: Why don't we go to 15 now?

Alderman D'Astice: I would say 18% brings them to 12, let's leave it there. If 18.2 is the number, then apply it across all of them. We shouldn't freeze it at 10 and I don't think we should go to 15.

Alderman Buske: Seniors are paying 10. Seniors get two cars where they don't pay anything for.

Mr. Krumstok: It's still a 10.00 fee.

Alderman Cannon: Do seniors get any free.

Ms. Gallagher: Seniors, right now there are two senior stickers for each home for anyone that is 65 or older. So it's 10.00 per sticker. It's maxed out at 2.

Mr. Krumstok: So it's 20.00 for two.

Alderman Cannon: So if they had three vehicles they would pay a full price?

Mr. Krumstok: They would pay one at the 26.00 rate.

Ms. Gallagher: If there are two seniors in a home, it would be 10.00 per sticker.

Alderman Buske: So what are we saying?

Mayor Rooney: We're talking about keeping it at 10.00 or moving it to 12.00.

Alderman Cannon: I offered to go to 15.00.

Mayor Rooney: There was a third opinion that says let's just go to 15.00.

Alderman Buske: We should consider that when we established that gasoline tax, that all trailers dropped to the same cost and the vehicle stickers changed from 35.00 to 22.00. They were talking about weight. What were the small pickup trucks costing, 35.00? Then we dropped it to 22.00. It's been a lot of years that the discount was taken. I'll agree to the 18% on there and don't make it 50% next year.

Alderman Larsen: I'm more inclined to agree with Mr. D'Astice to stick with the 18.2% increase as proposed. Increase the seniors to 12.00. Round up where you need to based on the 18.2%.

Mayor Rooney: By that standard, if that's the proposal, the only other one that I see that would qualify is the antique classification. If folks were in favor of making the seniors 12 instead of 10, by the same logic it would make sense to raise the antique to 13.00.

Alderman Buske: Where it says vehicles 8000 lbs, is that the plate rating or the actual weight of the vehicle?

Ms. Gallagher: It is the plate.

Alderman Buske: I wouldn't go for that.

Alderman Cannon: If a guy has a dump truck and a guy has a F150, he pays the same rate for both?

Mr. Krumstok: An F150 is not considered over the 8,000, they would be at 26.00. A dump truck would be at the 60.00.

Alderman Cannon: What would an 8,000 be, a four-wheel drive? Would that be the size?

Alderman Buske: No, I have a few dump trucks with F plates and there was a certain class for an F plate what you paid.

Alderman Cannon: So you're paying 58.00.

Alderman Buske: Somewhere in there.

Mayor Rooney: You would be paying 49.00 currently.

Alderman Buske: It goes by the plate. A B truck, a pickup truck is a B plate and that's the 8,000. So now you're raising that up to 49.00.

Mayor Rooney: The Staff answer is they determine that by the plate designation that comes from the Secretary of State's office.

Ms. Gallagher: Yes

Mayor Rooney: Really, us talking about what we think fits the line and what doesn't isn't really a part of the discussion because if the Secretary of State classifies it as a certain kind of vehicle which is the information that is printed for everybody on the vehicle sticker letter that they get, that's the way it's classified and if we think they classify some things right and other things wrong we have to take that up with them. We can't fix that in the City. Is that a correct summary of the staff's answer?

Ms. Gallagher: Yes

Alderman Buske: I wouldn't support this at all. You can change it if you want to.

Mayor Rooney: The City can't change that.

Ms. Gallagher: The B plates are included in the 22.00 currently.

Mayor Rooney: We're selling 140 stickers that qualified by their plate designation from the State

Alderman Buske: 8,000 lbs is a pickup truck. If this said over 8,000, then you would go up to a C or B.

Mayor Rooney: The current legal classification is fine where it is.

Alderman Buske: If it said over 8,000

Mr. Krumstok: It does say that.

Alderman Buske: No it doesn't. It says vehicles, it has a slash

Mayor Rooney: That's a greater than symbol.

Alderman Cannon: What do we do with livery plates?

Ms. Gallagher: It would be 22.00, plus a taxi/chauffer's license. It's a passenger vehicle.

Alderman Cannon: Then they have a special license?

Mr. Krumstok: They have to have a chauffer's license. It's a business license through the City.

Alderman Cannon: That's a car license.

Ms. Gallagher: It's a separate license.

Mr. Krumstok: They're buying two things from the City.

Alderman Buske: Who do they get the medallions from?

Alderman Cannon: We don't have medallions

Mayor Rooney: The discussion was some folks are in favor of the staff recommendation as it is listed. Others were saying that they would like to see the seniors moved from 10 to 12.00 and moving the antique from 11.00 to 13.00 could be an addition. Others were saying lets go to the 15 rounding that would be applicable in both cases.

Alderman D'Astice: 18.2% across the board. That's what I want to go with.

Mayor Rooney: You're proposing to do the 18.2% column as is.

Alderman Larsen: I agree with Mr. D'Astice.

Ms. Gallagher: The only reason we rounded is for ease for the residents.

Mayor Rooney: The most recent one was to just take the 18.2% column as is, how many would be in favor of that? That's six.

b) Utilities Fund

Mr. Vogt: The question was can the water rates be separated out from the sewer fee and the stormwater fee. There are ways we can provide that. What staff is suggesting is to as one solution to the question would be to looking at adjusting that rate back down to 30% in order to reflect that the water rate increases that we will see through the water agency as a result of the City of Chicago's actions will not increase monies to the sewer fund.

Mayor Rooney: Let's keep these issues separate.

Mr. Krumstok: Staff is recommending a 20% increase in the water rate.

Mayor Rooney: Let's add the additional sentence that whatever would be over and above the original budget, if folks wanted to go to 15, 20, or 25, in your math include the idea of the sewer rate being reduced to take up that slack.

Mr. Krumstok: That is actually some of the scenarios that we do show. We reduce it down to 30% or the 25%.

Alderman D'Astice: 10.00 per gallon is the water rate. 33% is 3.33 for sewer. At 30% that's 3.00. If you take the gallon up 25%, you pay 12.50. At 30% for sewer you're at 3.75. If we take it up 25%, the sewer has to be, can't be 30% because you're paying more than you would, because the water has increased by 25% and your sewer rate is going to go up a lot too. We just said there's no increase in the sewer, so whatever percentage we start with the water, we're going to have to figure what the percentage is for sewer and it's not going to be minus 3%.

Mayor Rooney: Mr. Krumstok is suggesting we keep the two discussions separate. All I was saying was let's keep it separate but keep in mind that the second part will be some form of offsetting reduction.

Alderman D'Astice: Is the City of Chicago raising it 25%

Mayor Rooney: That's what is proposed. Staff is saying we have to set our budget now even though we don't know what they are going to do. They've been told be conservative which means on the expenditure side, it's assuming things are expensive, on the revenue side its assuming that things don't come in as we like and so if the worst case scenario is that it could go up to 25%, they're saying under the instructions they feel they are operating under, we need to budget for that.

Alderman D'Astice: 6.35 per 1000 gallons, what do we, the City, pay Chicago for a gallon? Are we raising it on pure water or just on the number that we're using?

Mayor Rooney: I think that the staff recommendation of 20% as opposed to 25% is recognizing that very argument that was made before at the Committee of the Whole that you're bringing here again. Just because they raise the water 25%, there's more in our rate than just water, so whatever that would need to cover Chicago's bill, it's not 25. Staff is making a concession in that direction by not proposing 25, but proposing only 20. Do we have a dollar figure for out of pocket cost for the City per 1000 gallons of water?

Mr. Vogt: It's roughly 3.00 per 1000.

Alderman D'Astice: So 3.00 per 1000?

Mayor Rooney: So roughly half.

Alderman D'Astice: I guess we could take that up the full 25% and we'd be covered, but 25% on 3.00 and just add it to our 6.35.

Mayor Rooney: It's about half, then 25% raise in that would be a 12.5% raise overall, which is really more around the 15%.

Mr. Vogt: If you're not considering local costs, capital projects.

Mayor Rooney: Mr. D'Astice, will that do for the moment?

Alderman D'Astice: Yes

Alderman Larsen: Our water costs are one cost. The costs of a gallon of water can go up or down. That doesn't change our sewer costs. Traditionally we charge these as a single line item. What I was thinking was why not split them into two separate line items, so you would have your water rate, which if you need to raise the water rate 25% you would. And then your sewer is treated separately, that might be part of the total, but it's a separate item, therefore you don't have to be concerned with the sewer always being a function of a percentage of the whole. Is there any reason why we can't do that?

Mayor Rooney: There's not. I think that the question is how do we justify the sewer rate. If it's not justified as at some level the more water you're running through your system, the more wear and tear you are personally adding to the sewer system. If we wanted to take away that rationale we can. The question is what rationale would we then replace it with to justify why we're charging people for the sewer amount.

Alderman Larsen: We don't treat any of this as a revenue source, do we?

Mayor Rooney: Technically everything is revenue. It's not a profit making operation for the City.

Alderman Larsen: There's going to be some cost to operating the sewers on an annual basis.

Mr. Krumstok: And the capital is the biggest part.

Alderman Larsen: If we did separate them, and we said we need to raise the sewer rate because we need to, not because we can. It may be a function of how many gallons of water they use, which is different from the rates you are paying for the water.

Mayor Rooney: If it's really water usage, if that's only half the rate, then the result of the increase should only be half as well.

Alderman Banger: This is totally predicated on the City of Chicago changing the rates. How does the timing work out? Is there any way we can table this or have a tentative direction tonight but wait until what we find from them before we go and solidify our increase.

Mayor Rooney: The last time the City of Chicago did this, they telegraphed the increase by 3 years and it gave cities to be able to say they're going to jack this up 15% in one year, 3 years from now, we're going to jack our water rate 4% this year, 4% next year, 4% the next year, so that when they hit us, the residents have not seen a spike. We've smoothed it out for them. By them not following their past precedent, Mr. Banger's question is a very good one. They totally stuck all the municipalities that buy water through Chicago with a problem that in the past they had the courtesy to at least recognize it was going to be a problem. Is there some way to say the increase over and above the 7% wouldn't take place until the actual water rates are increased, or is this one of those things that has to be set at the beginning of the calendar year by law?

Mr. Vogt: At the meeting I attended this morning with the water agency, their staff attended a meeting yesterday that had representatives of the City of Chicago Water Department and some mayors were in attendance from the suburban coalitions, they have no reason to believe that the water rates will not increase by anything but 25% as of January.

Mayor Rooney: In theory, if something delays them to February, do we have the capability within the City to be able to give people a month of a 7% increase, some form of credit on their bill for any month that the water rate hasn't kicked in?

Ms. Gallagher: The rate, even the 7%, wouldn't go into effect until the March 1st bills.

Mayor Rooney: Let's say there's a month wrap over, do we have the capability to credit people for the time lag or is it just stuck where it is?

Ms. Gallagher: You could offer credits. It would be some time to do that.

Mayor Rooney: They might get a refund in May for money they spent in March. It seems to me we have to go with the increase, and if a delay happens, we can come back with a resolution/ordinance to provide a credit.

Alderman D'Astice: Our current charge is 6.35 per thousand. If approximately 3.00 is water, you could take a 25% increase on the 3.00, that comes out to 3.75 and a 7% increase is on the remaining 3.35, so we've covered our 7% on operating costs and covered 25% on the water portion alone. If we go with that same theory, at some point in time then you could say that the sewer is a function of the water only, so the more water you're running, and at that point we could say the 30%, 35%, or 25% would work because it is not based on the whole amount which includes your costs to cover your operating costs. It's just on the water that you're using.

Alderman Cannon: This increase is going to go through January 1st whether we like it or not.

Alderman Judd: Even with 20%, that's a 400,000 increase over our basic cost of water. If we have no salary increases, we do have some small insurance and liability issues, what would constitute the 400,000 increase in expenses? Why do we need to raise water by 400,000?

Mr. Krumstok: We're still doing a lot more capital items and that's why when we look at the overall fund balance of water or the whole utility, you're going from a fund balance of 2 million down to the one million 89, so we're still using some reserves even with everything else we're talking about.

Alderman Judd: This runs negative?

Mr. Krumstok: This fund is actually using reserves for 2012 for all the projects that we're doing.

Alderman Judd: Should we be adjusting that as well? Should we make that number 4 million dollars? The sewer, I think you're fine leaving it at 33%. Should we start looking where else we can buy our water? Where it stands at 20%, maybe you reduce that to 15 or 17 1/2, but I think the sewer we leave at 33%.

Alderman D'Astice: I'm ok with the 20%. I'm not ok with 33% for sewer.

Alderman Banger: Do we have anything similar in terms of other infrastructures, in this case our sewers, for doing 1/15th of the city each year? It would be easy to say I'm ok with the 25% increase and maintaining the 33%.

Mr. Krumstok: When we do the 3 year financial, 5 year capital, we do look at those things. We are looking at the aging infrastructure.

Mr. Vogt: We don't typically from year to year have a dedicated revenue just for capital projects. The capital project needs to compete with our operations year in and year out. What I'm hearing you suggest is one option would be to consider establishing a capital reserve fund within water and sewer at some point in time as a target or as an option to look at a higher fund balance to be able to fund those year in and year out.

Alderman Banger: If we were to increase the one by 25% and mirror the Chicago increase and then we were to maintain the sewer percentage, if that was earmarked for something very tangible, then I'm in support of that.

Alderman D'Astice: I would disagree. I know we have to pass on the 25%, but 33% on top of 7.62 is too much. I can go with the 20% because that's what we need to do. I can't see passing that much money just so that we can start building the fund now for something that will happen in the future. I won't vote for that.

Mayor Rooney: As I'm figuring out the math of the different comments that have come up tonight, I'm coming up closer to 7.30 than 7.62 to accomplish just doing the 7% asked by the staff and then accommodating the 25% increase by the City of Chicago. I'm coming up to 7.34.

Alderman D'Astice: 25% of 3.00 per 1000, that's 3.75, then 7% on top of 3.35 and that was 24 cents, so 3.59, 3.75, 7.64, close enough to 7.62.

Mayor Rooney: 7% on the total is Chicago's 7% plus what staff is asking, that is 7.69. There is only 18% left to go on 3.00 and 18% of 3.00 is another 54 cents, that brings us to 7.33. If we do 7% of the entire 6.35, that's Chicago's plus our 7%. To then calculate 25% more on 3.00 is double counting 7%. I'm throwing out the 15%. I think that would cover what I consider to be covering the City of Chicago's rate.

Alderman Judd: It's 831,000 at 15% vs. 714,000 for the JAWA increase, so it's 100 grand. If you take 20% you have 400,000.

Mayor Rooney: I think we can achieve the goal you're talking about at a 15% increase, not 20%. I'm fairly confident in that and I don't see contradiction from staff. I would be willing to stand by that number. I think it will accomplish what we want to accomplish without going higher than we need to.

Alderman D'Astice: If it's lower, it's better.

Alderman Judd: The only issue is the Infrastructure. Do you want the extra 300,000 to salvage the fund or not?

Mayor Rooney: There's a consequence to making that decision and it's in the capital projects budget. I'm trying to make options that might make folks to vote for them. If somebody says I'm not worrying about the capital projects right now, I'm worrying about giving people the lowest possible increase, I think the lowest possible increase would be 15%, not 20%.

Alderman D'Astice: I'm interested in the numbers. 25% on top of 3.00 is 3.75, 7% on top of 3.35 is 3.59. 3.59 to 3.75 is 4. I defer to Melissa to tell us the right answer.

Ms. Gallagher: It's not as straightforward as 7% on 3.00 because of the water usage and the number in the budget. It makes more sense to get information that is completely accurate. It might make more sense if you see it in more detail.

Alderman D'Astice: I'm fine with that.

Mayor Rooney: To postpone it until the resolution is something we could do. We would have to say the staff resolution on where to set the water rate would have to do those calculations.

Alderman D'Astice: It's going to be 15 or 20%. I can live with either one. I would prefer it to 15%.

Mayor Rooney: I'm rounding down to 7.30. It's probably 16 – 17%. The staff direction could be we're not going to decide between 7.30 and 7.62 because we know they are both ballparks. We would ask the staff resolution to come forward at the set number that is determined to accomplish the goal of covering the Chicago 25% without covering any additional money in the city portion than what was requested by the staff originally.

Mr. Vogt: As those are established by ordinances, I believe the schedule would allow for 1st reading to consider that.

Mayor Rooney: Let's tackle sewer. The options are leaving it at 33% of the water rate; cut it to 30% of the water rate that's recommended by staff; cut it to 25% of the water rate; or divorce it from the water rate altogether and come up with another form of determining the sewer rate.

Mr. Krumstok: If you go with 15%, please look at the new fund balances. Where the proposed budget had a 1 point, if you want to consider over a million dollars, now if you stayed at 33% it would be only 831,000, or 777,000, or 685,000, so it bleeds more.

Mayor Rooney: Discussion on where to set the sewer rate.

Alderman D'Astice: 33% of the number they're going to come up with, or 33% based on the actual cost of a gallon of water?

Mayor Rooney: That falls under divorcing it from the rate we're calculating now and coming up with something new. Where it stands now is 33% of whatever number they come up with unless we change that.

Alderman D'Astice: I would like for us to look at something new. If we can charge people on their usage, then I'm ok with it.

Mayor Rooney: Then that's a voice for rejecting all three of the proposals and coming up with a different rationale for charging for sewer service.

Alderman Larsen: Make that two voices

Alderman Banger: If we could weight the water and recalculate the % we charge for sewer, we could keep it within its framework. It would be more honest.

Mayor Rooney: I'm going to stand by the wording divorcing it from the system we have now because that's not going to turn out to be simple. There's still a dollar amount that they need to hit and to base it off of actual water usage is going to require a whole new calculation and it will probably be a higher looking percentage.

Mr. Vogt: We've got to be cognizant of the numbers in the budget in terms of the 2.98 million dollars that's in the proposed budget is what we have to hit at the end of the day.

Mayor Rooney: If that's the target dollar amount we need to hit to do the infrastructure, and we say we're not going to do 33% of the water rate, we're going to do some percentage of only water expenditure, it will hit the same target amount. It will probably be a better justification for the rate, but it will have the drawback of being a percentage that is significantly higher that we're all going to have to explain to folks.

Alderman Judd: If your total water revenue is roughly 5 million dollars, if you increase it by only 15%, you're at 750,000. Our fund balance went from 2 million to a million. I'm not going to wipe out fund balances. I can't support this. Leave the sewer at 33% and the water at 20%.

Alderman D'Astice: I'm not advocating that we wipe it out. I'm advocating charging an amount based on usage.

Alderman Judd: By doing those things, the fund balance gets depleted.

Alderman D'Astice: You can make it whatever number you want

Alderman Judd: What is that number?

Alderman D'Astice: I don't know.

Mayor Rooney: The target figure that we were just quoting of 2.859 was staff recommendation of 30%, yes?

Ms. Gallagher: In 2009 there were three funds, water, sewer, and stormwater. They operated individually. In 2010 those funds were merged into one fund, the utilities fund. When you separate all of the expenses and you separate all the revenues, each one of those services are running at a deficit, even with increases. Is the sewer covering these expenses, no.

Mayor Rooney: If we were to take the number of keeping things as they are, that would generate for total sewer revenue almost 1.9 million dollars, yes?

Ms. Gallagher: Yes

Mayor Rooney: To translate that into staff direction that says that can be the total dollar figure, we just want an alternative way of calculating it based on water usage, not the total water charge. How many folks would be in favor of giving staff direction to do that?

Alderman Judd: If your water revenue starts at 5 million, 20% of 5 million is a million dollars. It's at 5.7, it should really be 6 million. If you're doing 33% of your sewer, you're going to have a number much larger than 1.89.

Mayor Rooney: I don't want to get into second guessing math. That's not relevant to the question I'm asking. The question I'm asking is the dollar figure that they were looking for for sewer divorced from the water was almost 1.9. That's what the proposed increase was going to ask for. At that point the water revenue column becomes irrelevant to the discussion. We're just talking sewer now and we're talking about getting a different way at arriving at that number.

Alderman Judd: I don't know how you can ask me to vote for something or give you direction on something that I don't see. If you're picking a number of 1.9 million, fine.

Mayor Rooney: That's exactly what I'm saying.

Alderman Judd: It's has nothing to do with what they were looking for.

Mayor Rooney: No, and again, finding some small specific to hang on to that isn't relevant is not a helpful contribution.

Alderman Judd: While you feel its not, I do.

Mayor Rooney: 1.9 million is the amount of money under discussion right now. If the motion were we're ok with that dollar amount, we just want a different way of calculating it with water usage, how many people would be in favor of bringing that forward? That's five. We're looking at making the water rate come out to the same total, but being calculated in what's been described as a more accurate fashion. It will be keeping the total dollars spent on infrastructure, etc., constant with what was originally proposed. I did see five hands so that's staff direction.

Ms. Gallagher: Currently how its set up for water billing is 33% of water. We have different consumption rates. When you look at from 5 million to 5.2 million, that was not straight 7%. That's all based on water usage. We grid that out through an entire calculation based on how many gallons. We have about 96% of our water base under 15,000 gallons and then the rest above 15,000 gallons a month. We have to run all those calculations. It's not a straight run of numbers. I'm trying to figure out how we logistically bill the customers according to just a 1.9 million amount, how you break that out. I don't know if this is something we want to look at more in depth.

Alderman Larsen: I would be ok with the projection to the best of your ability to get us close to that 1.9 million based on actual water consumption.

Ms. Gallagher: That's what that is. Our water usage has been going down slightly. We did use a 3 year historical trend to come up with this data.

Alderman Larsen: If I understand you correctly, you're saying that's how you established, well then we'll use this 33% number which is equivalent to that, right?

Ms. Gallagher: I'm not sure I understand. In that scenario yes. 33% based on historical calculations.

Alderman Larsen: Which all things being equal, we wouldn't even be having this discussion except for the fact that the City of Chicago where we buy our water from is saying we're looking at a significant increase on the price of water and in the interest of trying to be fair to the residents, we're saying the fact that the cost of the water itself went up, doesn't directly mean that the cost of running the sewers goes up as well and that's why we wanted to disconnect the two of them. At the end of all the calculation we ended up with the same number.

Ms. Gallagher: That's why we ran as many scenarios as we could. Doing this right now I'm not sure is the best way to go about it.

Alderman Larsen: Is there any reason why we couldn't base sewer charges on dollars per gallons used?

Mayor Rooney: That's the simplest solution for what is being asked for is simply to go from % of water rate to a charge per gallon.

Ms. Gallagher: We're in November and we would have to set something up and it would take time to test it and make sure it is working appropriately for our customers bills.

Alderman Larsen: I would think that the Council would be ok with having some qualifier in there. If it took another month or two to get there, I'd be ok with that.

Ms. Gallagher: We would ask for a little bit of flexibility to be able to test our billing module.

Alderman D' Astice: If the rate changes again, we have this all in place.

Mayor Rooney: Is that sufficient direction?

Ms. Gallagher: Yes

c) Pension Funding

Mr. Krumstok: This came up from the last COW meeting. When they changed pension reform, they moved the year that it has to be fully funded from 2033 to 2040. Alderman Judd asked how much would we need to put in to get it back to the 2033 number. If you were not going to do the full 400,000 that we discussed, if you ran it by 50,000 into each one, what would that do to the property tax?

Alderman Judd: The Police pension is 45% funded, Fire is 40% funded. We would have to put in 50 million dollars to be fully funded. If you pegged that number at 4%, that's 2 million dollars a year. If we put in the whole 50 million, we would generate 2 million a year on a return of 4%. We don't have that 50 million dollars in there. We should put 2 million in to make the difference of what the return would be. The tax levy is 2.1 million. Let's assume that it's a million dollars per each pension and then we put in an extra million dollars in for the makeup of the pensions. You haven't done anything to the 50 million dollars. I want to move the amortization schedule back. I think we should go back to the 2033 and leave it there. We should bump it to 400,000. We need to correct the problem.

Alderman Banger: How much would you suggest putting in there? What's the percent that is considered acceptable? Is it 80 or 100% funded and when we would hit that? Did we cut the 911 tax levy request in half to offset the increased pensions?

Mr. Krumstok: The E911 was halved to reduce the property tax. That's why it goes from 15% down to 14.5%. This would increase by 200,000 on each, now it would be 325,000 increase on those line items. 55% is the threshold that the State of Illinois states is underfunded. When the auditors were here they talked about the 70 percentile. That's the next threshold. That 100 percentile is where that 2040 number is. We're just trying to get it back to where it should be. We are underfunded; we are under the 55% which is a major concern. The 70 percentile would really stabilize us.

Alderman Banger: When would we hit the 55 with this contribution?

Mr. Krumstok: For me to give you an idea, I don't know. I haven't seen what the returns are. Last year they had double digit returns. The year before it was double digits. It also depends on the economy. 2040 is the number we are under right now.

Alderman Judd: If this was fully funded, we would have double digit returns on 55 extra million dollars which is 5 million dollars.

Alderman Banger: Adding a couple 100,000 into each of these is going to get us to the 55% or not even close?

Mr. Krumstok: Not next year. It gets closer quicker. It comes back to when do you want to hit that mark. Alderman Judd is trying to get to the 2033.

Mayor Rooney: The proposal is to keep the 2033 deadline for being fully funded in pensions, not do the allowable extension to 2040. That's a difference of about 400,000. 400,000 additional dollars would be added in to the amount for the pension funds. There had been reductions made that made almost about that room in the property tax levy. The idea was not cut the levy, but be more responsible with the pensions.

Alderman D'Astice: The levy is at 14.5%. Based on 14.5%, if you add 400,000 to that, how much does that take the levy up to?

Mr. Krumstok: 18.4%

Alderman D'Astice: By going with that we have to tell the residents we're raising your taxes almost 20% next year.

Mayor Rooney: As thing stands at the moment, correct. Remember there's still talk of options that could get us down to only 9% adding the 3. something percent on top of that would still keep us near the 14.5 or original 15%.

Alderman D'Astice: When you have a home and your job is downsized, you have to stretch your mortgage payment out. That's where we are now. It will cost a little more, but I'm not going to approve 18.4%.

Mayor Rooney: It's a possibility.

Alderman D'Astice: I don't think the residents can afford this.

Alderman Judd: The fact that the State wants to do this with their money, that's fine, but I don't want to do it with our money.

Alderman Larsen: The show of hands is going to be are we in favor of this or not?

Mayor Rooney: Correct. Are we in favor of increasing the budgeted amount for both pensions by a total of 400,000?

Alderman Larsen: I will vote in favor of this. I fully intend to end up with an overall tax levy of 14 – 15%.

Mayor Rooney: Which is also a possibility.

Alderman Larsen: Even if we were to vote positive for this, it's not binding

Mayor Rooney: Nothing is binding until the budget is passed on 2nd reading.

Alderman Buske: I would agree that we have to watch what we're pushing on the taxpayers. I would take the extra years and go to 2040.

Alderman Banger: I'm going to vote in favor of fully funding the pensions.

Alderman Cannon: I'll go along with Mr. Banger. Mr. Judd has 100% of my support.

Mayor Rooney: How many are in favor to fund pensions at the higher amount, the 2033 target amount, increasing by 400,000. That's four, that's direction. Do you want to take a break?

Alderman Cannon: We can remove my two items.

Recessed at 9:55pm.

Reconvened at 10:08pm

d) Overall Budget

Mr. Krumstok: Went over different scenarios for the direction staff received at the October 18th Committee of the Whole Meeting.

Mayor Rooney: Generally what this leaves us with is a couple of things to decide. There are eight items there and the first five were directed by the Council. The last three came from ideas submitted to Mr. Krumstok that still don't have a direction to them. Is there a desire for folks to look at 6, 7, and 8 in that list? Mr. Krumstok, please explain what each one of the services are.

Mr. Krumstok: Went over what is included in the Police, Fire and Public Works services.

Mayor Rooney: As of the straw poll from earlier, we are going to go back to this table and add a 5.5, something in between 5 and 6, that takes care of the funding of the pensions at the 2033 rate.

Mr. Krumstok: Right.

Mayor Rooney: If we look at line 5 and say that where the budget stands before tonight, and had a contribution to the fund balance let's say of 900,000, now that's down to 500 already. If those three items were going to cut 200,000 or more, there's not room to cut all three anymore if folks were intending on doing that because that totals more than is left.

Mr. Krumstok: With keeping with 14.5%.

Mayor Rooney: Without having to raise above the levy, correct

Alderman D'Astice: You're talking about cutting 200, 200, and 215. Why would that reduce the fund balance?

Mayor Rooney: It's cutting the levy. It's cutting tax money that's coming in that's proposing those things. If you're not going to raise the levy by that much, there is less coming in.

Mr. Krumstok: It would have gone up to 18.4%. If you go back to the 14.5%, the fund balance you see at 900,000 now automatically decreases.

Alderman D'Astice: I was proposing reducing expenses by 615,000, not reducing the levy. My proposal was to remove the increase from expenditures. Don't spend it. Figure out a way to make due with less.

Mayor Rooney: That was an effort to bring the levy down from 15% to 9% or whatever. You're saying its not, it's just to cut that and move them money to other things that needed money more?

Alderman D'Astice: There was a 615,000 increase in police, fire and public works. My proposal was don't increase it.

Mayor Rooney: I think staff made a logical assumption. It doesn't say don't raise the levy that much. It says cut from those budgets but if we're still collecting the money and we're not putting it to those places, we're just saying redirect it then? You're saying you're not saying cut the levy.

Alderman D'Astice: I'm saying cut the expenses and cut the levy, cut them both. If you start with the 900 and you cut your expenses and you cut your levy, you're still going to be at 900.

Mayor Rooney: What you're saying is...

Alderman D'Astice: Reduce both

Alderman Cannon: If we reduce the 615 out of the budget, about what number are we looking at then? A 10% increase as opposed to the 15 or 18?

Mr. Krumstok: It's 8.6% if you take 615,000 out of the levy.

Mayor Rooney: That's police operation in general. The direction that's being proposed is to say to both Chiefs you're carving out 200,000 because we say so, Mr. Vogt your carving out 215,000 more because we say so. Is that.....

Alderman D'Astice: Yes

Alderman Larsen: I based my vote on this 9% tax levy. One option is to not increase Police, Fire, & PW budgets by 615,000, which I favor. The Chiefs don't have that much wiggle room to cut out of their budgets, nor are we asking them to. We're just saying we can't provide any additional funding for 2012.

Mayor Rooney: I don't believe that is the way it was presented to me.

Ms. Gallagher: The 200,000 is a tax levy dollars increase. It's not an increase to the department's budgets.

Mr. Krumstok: For the last two years, the general fund has not transferred any money to the vehicle equipment fund. That's roughly ½ million dollars each year. If that's the direction that 615,000 is coming from three main things, that's not what we were getting.

Mayor Rooney: This is where the disconnect is coming from.

Alderman Larsen: Why are we looking at 200,000 for police & fire proposed levy and 215,000 public works proposed levy. That has no bearing on vehicle replacement fund or IMRF or anything else.

Mayor Rooney: I get that. The budgets in each of those departments that are basically what they need to operate based on prices coming up this year was going to require an additional levy to keep them whole. Is that accurate?

Mr. Krumstok: Yes. When you look at the police budget its 10.2 million dollars. The levy is 1.9 million. Fire protection budget is over 9 million dollars and we're talking about a levy of 1.9 million dollars. Public Works is 2.4 in the budget and we're talking 656,000 of a levy amount.

Alderman Larsen: What's the purpose of presenting this to us?

Mr. Krumstok: That was part of our understanding of what was being discussed about the 615.

Alderman Larsen: Which was based on the scenarios that were presented to us when we had our one on one conversations.

Mr. Krumstok: That proposed budget didn't have any scenarios. It had a 15% property tax. We took council suggestions and made these scenarios.

Alderman Banger: I'm assuming the reason you mentioned vehicle fund is that by adding, we're actually subtracting a large portion of that because we are planning on them contributing towards their vehicle replacement funds this year.

Mr. Krumstok: That is correct. 500,000 is coming from the general fund into the vehicle and equipment fund.

Alderman Buske: I thought this was for additional work to be done by the departments. We haven't raised this in so many years, so we have to raise it. That doesn't make sense. I agree with Mr. Larsen. I would vote to eliminate this.

Ms. Gallagher: We're seeing where reserves are ending when you do make those changes. It's not just to raise to raise but it's also to insure that the general fund ends in an appropriate manner.

Alderman Buske: I would suggest that we can start going across line items and find savings. Stop the spending. I would agree to take this out of the budget, 615,000.

Mr. Krumstok: FY2010, FY2011 there have been no chargebacks from general fund to vehicle & equipment fund. That's 500,000. We're not adding services. We are trying to true up the budget. We are working on our fund balance, but we are trying to make sure of what we're doing with fund balance. We are trying to get things where they should be.

Alderman Judd: I suggested the numbers in water were incorrect. That was my error. I want to apologize to staff.

Mayor Rooney: That is appreciated.

Alderman Judd: We originally had a 1.5 million dollar proposed levy and end up with 515,000.

Mr. Krumstok: Correct.

Alderman Judd: After adding in the 325, we're at 900,000 fund balance.

Mr. Krumstok: With the 14.5% property tax levy.

Alderman Judd: But the same rate?

Mr. Krumstok: Correct

Alderman Judd: If we increase the 400,000 our rate is still 14.5%.

Mr. Krumstok: Correct.

Alderman Judd: You say nothing was increased. The 2011 adopted budget you have 10,040,000.00. The estimated projection is 10,323,000.00. I'm sorry it's police I'm looking at. The proposed budget is 10,289,000. So are we increasing police spending by 240,000 based on the adopted budget from last year, or are we actually decreasing spending because we go from 10,300 in change to 10,289

Mr. Krumstok: That number that changes is vehicle replacement, that's a large number you're going to see.

Alderman Judd: Are you going by an increase or a decrease?

Mr. Krumstok: I'm going by an increase.

Alderman Judd: Whether we take the 600 out or leave it in there, if you take the 600 out without the corresponding cost reductions somewhere else, you're going to wind up with a negative fund balance. Without trying to go through line item by line item in these budgets, give us a number and we'll hit it. Are we supposed to say Fire you need to lose 250,000, Police you need to lose 250,000, Public Works you need to lose this amount. Are we supposed to do that?

Mayor Rooney: If direction is going to be, folks want to cut this, that's definitely preferable to let folks who are in charge make educated decisions rather than spit balling here from Council.

Alderman Judd: I would go for that. I would go to 750,000.

Alderman Larsen: Based on that, what's to prevent us from saying reduce that by this much and make it work.

Mayor Rooney: We have always heard that if you say this is what you have, lump it, then that's the direction. Let's be careful that the department heads and the departments in question, I'm not sure it's a real reflection of what they've done in putting together a budget to say I want you to cut such and such. It's really easy to tell someone else to cut their budget by this much when you're actually the person who has to sit and field the phone calls every time something is late. When you are the person that has to answer the letters for everything that falls through the cracks because you're making due with less than you felt you needed. For us to be blithe about this makes me uncomfortable. I don't want us to underestimate what it means when a department head says this is what I need to run my budget according to all the rules that you guys have set for me and then for us to say our math didn't work, go back. I would like something more substantive than that.

Alderman Larsen: That's fair. What other options do we have? 18.4% tax increase?

Mayor Rooney: At the margin, it's only about a 3% difference. The whole 18% doesn't come from those dollar figures. It's a group of people who want to be more comfortable with a number like 15 than 18.

Alderman Larsen: Tell us what it would look like if there was no tax increase. It's impossible not to increase taxes at all. That's not an option we have available to us.

Alderman Buske: I agree that it's better for them to do the budget cuts than us. If it's not cut, then let's go line item by line item. I would like to know if they can cut the 615,000. I would also like to discuss cutting the chipper service.

Mayor Rooney: That would fit under this discussion.

Alderman Buske: I think it would be fine to have the department heads to see what they can cut. I would like this brought back to council so we know what they are cutting.

Mayor Rooney: Having heard the same comment from Mr. Larsen and Mr. Buske, what about that angle. Rather than take a formal straw poll to say its cut, we give direction that if you're told this is what you have to do, what would it look like, and then that can be reported back to Council and the

council can decide what they want to do. I want to have enough respect for the Department heads to allow them to chime in if they wish.

Chief Stewart: If the direction was to cut 215,000, 200,000, outside of salary, benefits and contractual services, supplies are 99,000. That's all I have left in the budget for supplies. I have three options in moving forward; I can reduce chargebacks, I can look at operations and reduce service levels in the city, and that's about where we're at. We're all in the same position. We're talking service reductions or we're pushing equipment back, etc.

Chief Scanlan: We've already made cuts in the police department of 97,000. We've already done some things to help get us to a better number. We've been hacking away at this. The vehicle replacement fund increased 108,000. Do I layoff full-time CSO's because we're going to put 108,000 in the vehicle & replacement fund? I would need direction as to where we are going to go with some of these issues.

Mr. Vogt: We're down to where the general fund is supporting administrative services, our facility salaries, our street operations salaries and forestry. 70% of our 2.4 million is salary and benefits. From an operational standpoint, to look at where I would find 200,000 in cuts, it won't be without staff reductions, which will be service reductions. Our forestry support would have to go away. That's only about 50,000. Senior snowplowing subsidy is 15,000. It would be service reductions at that level.

Alderman Banger: The department heads are actually looking to cut costs on an ongoing basis. I don't feel comfortable giving someone a lump sum to cut. I'm not in support of less 200,000, less 200,000, and less 215,000. I'm not looking to massage a final percent figure. I'm looking to fix the budget. I'm looking to plug the holes. I'm looking to end the year better than we started the year. I'm indifferent to the percent of the levy. I'm not going for a percent; I'm going for what the right numbers and what the right balances in this budget are. I'm not comfortable, nor would I support, lowering those levy amounts and just giving orders to department heads to cut this random amount.

Alderman Judd: I'd like to suggest that we have another COW meeting. Whatever you raise your taxes this year, police and fire union didn't take a raise. Public Works didn't get a raise. These are all going to come back next year and we'll be looking at jacking taxes again next year. One thing I'm not in favor of changing is any of the chargebacks. If they've been figured a certain way, then they need to stay that way or we need to determine whether or not we want to ultimately change what we're doing. I would suggest another COW so the department heads can come back to us and say this is what we want.

Mayor Rooney: How many folks would be in favor of picking November 22nd or the 29th and say we need another meeting? My personal preference would be the 22nd. What if we ask Mr. Macholl and Ms. Cotugno to do the proper notifications for a Committee of the Whole meeting on November 22nd. I would be willing to say that there's a deadline at the end of the year that I don't think two weeks would hurt. We could hold the aggregation off. Mr. Cannon has said that he could hold his items off. We could take a look at the rest of these items very quickly and see what couldn't wait.

Mr. Krumstok: I wanted clarification. Are we going back and doing 100,000 or 200,000?

Mayor Rooney: That's what we'll come to.

Alderman Buske: If there are just a few items we want to discuss, why don't we open the regular Council Meeting to discuss some of this? I mean the little things.

Mayor Rooney: I do think each of these things we are talking about are big. It would be my preference to keep them separate. These things could all be done in one night. We could squeeze things into a December meeting, but I don't think we will have to. Let's decide when we're leaving. Could staff and those of us who have items take a look at the rest of the agenda before moving forward? Mine needs to be done by the end of the year, but two weeks doesn't hurt. Mr. D'Astice, the TIF and Marketing, is there anything that says a two week delay would hurt it?

Alderman D'Astice: It has ramifications in the budget so....

Mayor Rooney: Isn't the total item about 30,000?

Alderman D'Astice: Not necessarily. It might be 100,000.

Mayor Rooney: Then somebody needs to rewrite a Committee of the Whole agenda item because there's nothing of that magnitude written in the paperwork and that's not supposed to happen. We're not supposed to be taking a 75,000 item and making it 800, so that would need to be seriously redrafted if there's something else going on. What do you think?

Alderman D'Astice: It can wait until the next meeting.

Mayor Rooney: This first part of the refuse, it's even listed as a report. Is that something that could be done as a staff report?

Alderman Cannon: Correct me if I'm wrong but we have to make a decision by January 2nd.

Mr. Vogt: If I can have 2 minutes I can cover part A and defer part B to the Committee of the Whole meeting, if you wish.

Mayor Rooney: That would be great.

Mr. Vogt: That's fine with me.

Mayor Rooney: We know we still have to get to 2A. Mr. Buske, do you still want to do....

Alderman Buske: I have a flyer. I'll get this out to each council member.

Mayor Rooney: We can decide what's this direction we're giving over the next two weeks. We can do 2A and be done. Is that generally agreed by folks? Ok. As we wrap up this direction, keep that in mind. Whatever we arrive at, however long that takes, we only have a couple minutes afterwards.

Alderman Cannon: Regarding Item 4, I would suggest in light of what Palatine just need, they're adding it to their ballot in March and there are other towns that are doing it already, maybe on our own we could do a little more investigating so we can have a fairly quick discussion.

Mayor Rooney: I think it will be a fairly quick discussion. I don't want to make it even shorter and have us just go based on a town next to us is doing it. I think you'll find it fairly stripped down, but it's a little more complicated than it looks. The quickest way to do this would be, we've heard a couple of ideas. One being say to the department heads come back to the Committee of the Whole with, if you were given the direction to cut 200, 200, and 215, what would it look like. We've heard another that says if you were told we need more, what could you come up with that could be less than 200, it could be items here and there that would at least reduce that percentage, if not get rid of it all. If that was the choice, who would fall on what side. Does anyone object to trying that and see where the hands come out. That the choice would be give me a list that totals 200,000, or give me a list of what could you do that would help. If that comes to 35, 70, or 110, then we know how to frame this discussion further.

Alderman Larsen: I'm inclined to go with the latter option.

Mayor Rooney: Let's say the choice is limited to two options, either they're told to come with a list that totals 200, 200, and 215, or what else could you help us with, whatever that dollar amount totals to. How many folks would say I want a list that has the whole 200 or 215 depending on department? That's five. That's instruction. Between now and two weeks from now with as much negotiating that can go on with Mr. Krumstok, what we're expecting to see is the hypothetical if you had to cut that much more, what would it look like.

Alderman D'Astice: This is not saying we're going to do this. We're just saying this is what it would take.

Mayor Rooney: Understood

Alderman D'Astice: What it would take would share the pain between residents and staff equally.

Mayor Rooney: Correct

Alderman D'Astice: Like Jim just said, residents say they want nothing. I got you down to whatever the magic number is, but you've only got 3 firemen on duty and your garbage gets picked up every two weeks.

Mr. Krumstok: You will see the refuse because we never got back to that.

Mayor Rooney: Mr. Vogt, you can have your say and then we'll call it a night.

2) Refuse

a) Recycling Contract Update

Mr. Vogt: As directed at the last Committee of the Whole meeting, we obtained proposals from Groot, the incumbent, as well as obtained an unsolicited proposal from another company. There were conditions submitted with both that we were not comfortable with. We felt it muddied the water. The decision was made early last week to put out to all vendors that were originally invited to provide recycling serviced proposals a 6-month option and a 12-month option for 2012 if they wished to submit either. Those requests are out. We received one already. We are expecting to

receive two others at a minimum. We received one thanks, but no thanks. They are due in the Public Works office tomorrow afternoon. After review we will bring a recommendation to Council at the November 15th council meeting. If there is some complication with that, or vendors choose not to submit things, simple as that without conditions or other strings attached, then that's another matter.

Mayor Rooney: I would like to take a second and sincerely thank everyone at this table. I am sincerely impressed and sincerely grateful about the way this council has stuck to big issues. The 18th meeting went long and didn't have a single second of wasted time in it. This meeting also had very little.

b) Refuse Collection RFP Development

Moved to November 22, 2011 COW

3) TIF and Marketing

Moved to November 22, 2011 COW

4) Municipality Electricity Aggregation

Moved to November 22, 2011 COW

5) Economic Development Proposal

Moved to November 22, 2011 COW

6) Proposal to Sell Algonquin Road Property

Moved to November 22, 2011 COW

Meeting adjourned at 11:23pm.

Respectfully submitted by Ginny Cotugno, Deputy City Clerk

The November 8th Committee of the Whole Minutes were approved at the December 6, 2011 Council Meeting

Ginny Cotugno, Deputy City Clerk