

**CITY OF URBANA
COMMITTEE ON ADMINISTRATION & FINANCE - MONDAY, JANUARY 8, 1996
CITY COUNCIL CHAMBERS - 400 S. VINE STREET, URBANA, IL**

COMMITTEE MEMBERS PRESENT: Michael Pollock, Chairman; James Hayes, Jr.; Carolyn Kearns; Esther Patt; Marya Ryan; John Taylor; Joseph Whelan

COMMITTEE MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Tod Satterthwaite, Mayor; Phyllis Clark, City Clerk; Bruce Walden, Chief Administrative Officer; Jack Waaler, City Attorney; Eddie Adair, Chief of Police; William Pessemier, Fire Chief; Ron Eldridge, Comptroller; April Getchius, Community Development Director; Bruce Stoffel, Grants Management Division Manager; Karen Rasmussen, Grants Coordinator I

OTHERS PRESENT: Urbana Free Library Board and Planning Associates; Carolyn Baxley; Karen Morris; Art Zangerl; Richard Cahill; Karen Kummer; Alice Novack; Betty & Henry Murphy; Earl O'Shea; Freida Wascher; Jeff Gordon; Media

Chairman Pollock called the meeting to order at 7:33 p.m.

Because of the length of time that would be involved with the Library Board presentation, Chairman Pollock suggested this item (#4) be taken care of prior to going on with other matters of business. He also requested that agenda item #8 (Annual Audit) be moved after #3 (Public Input) because Mr. Eldridge would have to leave soon. There were no objections to either request.

4. Library Board Presentation on Building Expansion Options

The Urbana Free Library Board and representatives from Planning Associates made a presentation to the Committee regarding expansion options for the Library.

1. Additions to the Agenda and Staff Report

There were no further changes or additions. There was no report from staff.

2. Minutes of Previous Meeting

Ms Patt made a motion to approve the minutes of December 11, 1995. Ms Ryan seconded.

Ms Patt noted that an addition needed to be made to the minutes on page 9, ¶ 9. Following the motion made by Ms Ryan and seconded by Ms Patt another sentence should follow to read:

"Motion carried by voice vote." There were no objections.

With no further corrections, the motion carried by voice vote.

Before moving on to the next item on the agenda, Chairman Pollock asked if any of the Committee Members had questions or comments regarding the Library presentation. There were no comments from other members.

Chairman Pollock stated that he had received phone calls from his constituents inquiring about the library expansion. His suggestion was that, after the Council and the Library Board have had a chance to review the presentation, a joint meeting should take place between the Library Board and the City Council to discuss where we go from here. While the Library Board is responsible for the decision on the design, fund raising, and capital program, the responsible rests with the Council in terms of the tax levy that will be necessary to support the Library as it currently is and in the future.

3. Public Input

Carolyn Baxley, 510 W. Main, spoke on the topic of the expansion of the Urbana Free Library and support of preserving the Jacques House.

Karen Morris, 709 W. Stoughton, did not address the Committee, but asked that her position be entered into the record as being in support of preserving the Jacques House.

Art Zangerl, 702 W. Michigan Avenue, representing PACA, addressed the Committee regarding the Library expansion and his support in preserving the Jacques House.

Richard Cahill, 307 S. Orchard, did not address the Committee, but asked that his position be entered into the record as being in support of preserving the Jacques House at its present location.

Karen Kummer, 1104 Devonshire (Champaign), spoke in support of preserving the Jacques House at its present location.

Alice Novack, 2801 Holcomb Dr., did not address the Committee, but asked that her position be entered into the record as being in support of preserving the Jacques House at its present location.

Betty & Henry Murphy, 611 W. Illinois, left before

addressing the Committee, but completed a card indicating their support of preserving the Jacques House.

Earl O'Shea, 606-A Glover, addressed the Council on the topic of Urbana better government and expressed his support for a need for better government.

Freida Wascher, 803 Fairview Avenue, did not address the Committee, but asked that her position be entered into the record as being in support of Neighborhood Organization Grants.

Jeff Gordon, 808 W. Healy (Champaign), did not address the committee, but wanted to be entered into the record in support of preserving the Jacques House at its present location.

8. Annual Audit

Mr. Hayes inquired about "deferred compensation payable." Mr. Eldridge explained that the City employees have what is called a Deferred Compensation Plan in which they can voluntarily set aside some monies under some laws of the Internal Revenue Code for their retirement. Those are not taxed now. There are rules which stipulate that they cannot get the money out until they reach certain ages and then the money is taxed. However, they would probably be retired then and at a lot lesser income tax rate. Mr. Hayes asked if this was something similar to a 403B? Mr. Eldridge said it is similar to a Section 501K or Keough Plan 457. They are all similar under the Internal Revenue Code. A lot of them have different variations. This one is pretty much structured for governmental employees or governmental units. Mr. Hayes stated that in some of these plans, the corporation that the individual works for kicks in a certain percentage. Mr. Eldridge stated that the City kicks in none. It all comes out of the employee's check.

5. Approval of Subrecipient Agreements for Neighborhood Organization Grants

Mr. Stoffel stated that the City Council had budgeted in the 1995-96 Community Development Block Grant budget a total of \$5,000 for new allocations under the Neighborhood Organization Grant Program, which the Council initiated in 1994-95. The issue before Council is to which organizations these monies would be allocated, if any, and if allocations are made, what guidelines and restrictions would apply to these particular grantees. These would be subrecipients under the Community Development Block Grant Program.

Briefly by way of background, Mr. Stoffel stated that the

first allocations were made in 1994-95. There was a total of \$7500 allocated at that time. There was an amount of approximately \$6,000 that was carried over into this current year to take care of contractual obligations under the first year of funding. The second year of funding for 95-96 was allocated at \$5,000 by Council. Staff has worked with the Community Development Commission on bringing a recommendation forward. They sent out requests for proposals in July of 1995, with a deadline of September. In October, the Commission held a special meeting to review the progress made on last year's grants prior to making any recommendations for this year. They met in special session October 17th. On October 24th, the Community Development Commission met in regular session and they reviewed the guidelines for the program, and in addition to bringing the recommended agencies for funding forward tonight, they have made recommendations of a few changes to the guidelines that the Council had adopted last year. Those recommendations are: 1) to create a sliding percentage of funding beginning this year to allow 100% funding of a project in the first year that an organization receives grant funds, but dropping that to 50% of the total project cost in the second year of funding so that agencies are slowly weaned off the funding and encouraged to look elsewhere for money for their projects; 2) to allow use of monies for both administrative and capacity building, as well as for actual service delivery cost; and 3) At the Commission meeting there was extension discussion regarding the issue of use of dollars for political-related activity. That resulted in recommendations by the Commission to change the language slightly in the guidelines that would prohibit any use of these dollars for political activities meaning campaigning, electioneering, and supporting particular candidates for office. However, it would allow you some money that would support a particular organization's position on a neighborhood issue, as long as that information is at all times factual. The recommendation with those changes and guidelines is to fund the Urbana Teen Center for \$2,500; and the United Citizens And Neighborhood for \$2,500.

Ms Kearns requested a copy of the original Neighborhood Organization Grant Guidelines. She inquired who set the original guidelines; the Commission or Council? Mr. Stoffel responded that they were original drafted by staff and then reviewed by the Commission. The Commission recommended them to Council. Council reviewed them at a Committee meeting and then directed the Commission to proceed with them and to advertise them for proposals. That was approximately a year ago. The changes that the Commission have made are now being recommended back to Council, as well as recommending funding.

Ms Kearns asked who monitors the organizations to see that

they follow the guidelines, use of funds and general requirements? Ms Rasmussen responded that staff requires annual reports from the organizations. However, when any of the organizations come to her with billing, they have to produce examples of their work or they have to show a paid receipt. We look those over to make sure that it was included in the Subrecipient Agreement as an allowable cost.

Ms Kearns inquired about the United Citizens and Neighborhood's request for money for next year. Under staff consulting, they wish to hire a part-time staff person and using part of the money for that. Where is that person going to be located? Does UCAN have an office? Ms Rasmussen responded that UCAN did not have an office. That person would be contracted with UCAN and work from their own office space or possibly their home. Ms Kearns stated that her understanding was that UCAN hired a consultant last year and wanted to know where that person worked. Ms Rasmussen stated that she believed that person worked over at the Lincoln Building which now houses ICCI and the Health Alliance. Ms Kearns asked if UCAN contracted with someone from one of those agencies to be their consultant? Mr. Stoffel responded stating that there were two contracts: one between UCAN and ICCI, and the other one was with a consultant out of Chicago who came down and presented seminars on neighborhood development, neighborhood corporations, etc.

Ms Kearns stated that under "Expertise", UCAN states they need the money for organizational developmental issues such as filing for exempt status. Since they have been in business for three years, don't they already have that? Ms Rasmussen responded that they used part of the grant monies last year to obtain that status. They are now a 5013C organization.

Ms Kearns stated that they also list that the money would be used for formation of community development corporation. Aren't they already a neighborhood organization? Mr. Stoffel stated that his interpretation from the application is that they repeated basically what they had last year. They did file last year for their tax status. Our understanding is that they are looking for some assistance with financial management issues and other development issues.

Mr. Whelan asked if any of the money that was dedicated to neighborhood improvement with the Carle Agreement, was going to control of the UCAN corporation? Mr. Stoffel responded that, to his knowledge it was not.

Mayor Satterthwaite stated that there was a specific list of eligible programs and none of those programs are eligible. No

neighborhood organization would be eligible for the \$10,000 from Carle or what the City is putting in.

Mr. Whelan asked if the UCAN organization was a 5013C corporation now? Ms Rasmussen stated that they are a 5013C corporation now and the current chairperson is Jane Wyles, and Mr. Doyle is listed as the secretary of the organization. Mr. Whelan requested a copy of UCAN's charter and a copy of any information on the 5013C corporation regarding their limitations by law and their capability, or what they are permitted to do by law with their monies.

Ms Patt inquired if it was true that neighborhood organizations were not required to have 5013C tax status in order to be eligible for these funds? Ms Rasmussen responded, "Yes." Part of the purpose of the grant was to help them file for 5013C status. Ms Patt inquired if they have to be not-for-profit or incorporated? Mr. Stoffel's response was that they did not have to be. Ms Patt inquired if Urbana Teen Outreach Center is a not-for-profit corporation? Ms Rasmussen responded, "yes." They also managed to obtain the status from using last year's grant.

Ms Patt inquired if the money that was used in the Crystal Lake Park neighborhood was for neighborhood improvement--not for neighborhood organizations, and neighborhood improvement projects are an ineligible use for these funds. Both Mr. Stoffel and Ms Rasmussen agreed.

Ms Patt stated that if UCAN were to become a community housing development organization, it would have to get funds from someplace in order to do its development. Would the funds come from neighborhood grants? Mr. Stoffel and Ms Rasmussen stated that they would.

Mayor Satterthwaite inquired if there was a reason why other organizations that were funded last year did not request any funding this year. Ms Rasmussen stated that she believed it was probably because their grants are still active.

Mr. Taylor asked what were the original HUD guidelines? He was curious if the "Purpose" was set-up by HUD or if it was staff's language. Mr. Stoffel responded that it was local language from staff and Commission. HUD does allow the CDBG Program to be used to encourage citizen participation and development of local not-for-profit capacity.

Mr. Taylor asked who came up with the original language, "Expenses related to lobbying campaign?" What was the concern (i.e., what type of lobbying, what type of campaigning)? Mr.

Stoffel responded that it was a difficult issue that had been discussed at length by staff and the Commission. He believes the original intent was not to use the funds to promote a specific candidate for office on any level whatsoever. One of the things that the Commission discussed in recommending these guidelines back to Council was to simply eliminate the possibility of an organization printing materials that would be used in City-related issues that come before Council and the Commissions, etc. There was a real strong feeling that this language should stay, but that we draw the line by not allowing anything that would be considered electioneering (i.e., contributions to campaigns, holding political forums, etc.). Those specific restrictions come out of the HUD language and guidelines.

Ms Kearns stated that she did not understand the rationale for taking out "lobbying." Mr. Stoffel stated that in reviewing the HUD regulations the term "lobbying" is not used. They use the term "political activity." This is the reason for the change recommended by staff. Ms Kearns stated that HUD did not use the term "political activity", but rather "campaigning for political office." She believed this to be separate than political activity. Ms Kearns stated that she believed it could work in a way where it can be politically active and would not be politically campaigning.

Mr. Whelan asked if Census Tracts 53, 54 and 55 were the only tracts eligible to utilize these monies? Mr. Stoffel's response was that these would be the only tracts eligible, based on the way the guidelines have been written and what the City Council has approved.

Mr. Hayes made a motion to send the recommendation of the CD Commission for the release of funding and approval of Subrecipient Agreements to Council for approval. The motion was seconded by Ms Ryan.

Mr. Taylor moved to separate the issues of actual funding of the two subrecipients from the issue of amending our guidelines for Neighborhood Organization Grant Program. Mr. Whelan seconded.

Mr. Taylor stated that the reason he would like to separate the issues is because he believed the Council should not tie criteria to separate groups. They should be independent. Whatever criteria the Council passes or adds should apply to all groups.

Ms Patt stated that what is actually being sent to Council is a resolution approving the subrecipient agreements, which

reference the guidelines.

Mr. Hayes stated that he did not believe the issues should be separated, but passed as a package. This was because when the applications were opened they were open to every eligible organization that wanted to apply. Mr. Hayes made a motion to send to Council as one package. Ms Patt seconded.

Mr. Whelan made a friendly amendment to separate the two agencies. Mr. Taylor seconded.

Following debate, Chairman Pollock suggested that it would be easier to go ahead and separate the issues (the criteria from the groups themselves), table the groups and the funding for those particular groups, and work on the criteria. When the Council has ratified what the Commission has done or changed it, take those up and deal with them as that change in criteria.

Mr. Whelan withdrew his friendly amendment.

Mr. Hayes commented that one of the organizations is already in the middle of the year and that grant ends June, 1996. Consequently, they are in need of monies now in order to finish out the program between now and June. If the Committee defers, the program is deferred and they run into financial difficulty.

Mayor Satterthwaite explained that what Mr. Hayes was saying is that one of the organizations is counting on having the money because they plan on spending the entire amount before June.

Mr. Taylor asked if the Urbana Teen Outreach Center will need more than 50% of their funding for the year thereafter? The proposed guideline that comes from the Commission says "100% the first year, 50% the second." If we pass as is and they come back to us in 1996-97, then under these guidelines they are down to 50%. Are they going to want more than 50% the year thereafter? Mr. Hayes stated that from what he understands, the Teen Outreach Center comprehends this. So they will have to go out to the community to have extra fundraisers in order to get other monies.

Mr. Whelan made a friendly amendment to separate the two agencies. Mr. Taylor seconded. The motion carried with a show of hands.

Mr. Taylor wanted input from the Committee as to why they should go from 100% in the first year to 50% in the second.

Chairman Pollock stated that when this program began he thought it started in the belief that you provide funding for

neighborhood groups to get off the ground to get started, to get organized, to get help in their tax exempt status, to get help in setting up a corporation (if they needed to do that). As time goes on if the services that are provided from that group needed to be continued year-to-year, that they look elsewhere for funding as opposed to taking the pool of money that has been set aside, and to use that for ongoing year-to-year functioning of those groups in the hopes of bringing other neighborhood groups into this situation and getting them "kick-started" as well the same way. And eventually if two or three organizations request full amount of funding, we are limiting the amounts of groups that can apply. This year no one else applied, so it doesn't seem to be a factor.

Mr. Taylor made a motion to approve the guidelines for 100% the first year and 50% the second year, beginning with this year as the first year. Mr. Whelan seconded. The motion carried by voice vote.

Ms Kearns made a motion that under "Ineligible Uses of Funds", the line that reads, "Expenses related to campaigning for public office", be amended to read, "Expenses relating to lobbying and campaigning for public office." Mr. Taylor seconded.

Ms Ryan state that she would not support the motion. She stated that she believed the Council has a lot to say about what goes on in neighborhoods and that neighborhood groups have a very legitimate concern in terms of lobbying members of the Council. She believes that as long as the forms of lobbying are legal and are not a practice of deception that there should not be any problem.

Ms Patt stated she would not support the motion because it depends on what you mean by "lobbying." If an organization sent out a million letters to people all over the country and none of those people were city council members and it was about a matter before the City Council, that is not lobbying. It is when they spend the money on the communication to the Council, to the State legislature, or to the President. She wanted to know if there was something Ms Kearns might want to add to her motion to define better what is meant by lobbying.

Ms Kearns stated that it was in the original guidelines. She did not see a problem with keeping it in there and did not understand why it was taken out. Ms Patt stated that she believed it was taken out because of ambiguity about the definition.

Mr. Whelan inquired about the guidelines for the social service agencies that we fund as far as lobbying is concerned? Mr. Walden responded that he was not certain if we have any specific language other than what was on the application. Mr. Stoffel stated that, from staff's perspective, if the term "lobbying" was going to be used in whatever the Council is going to adopt, staff needs a definition of that. Otherwise they are not capable of properly monitoring this activity.

In answer to staff's request and in terms of this particular amendment, Chairman Pollock stated that he did not want to see some of the things that happened in the Carle Development Agreement process. He believes it is very appropriate that members of any particular neighborhood let people on this Council and others know what they think about issues that are being discussed that will affect that neighborhood. There were things that I would consider lobbying that were done on behalf of that group and that neighborhood in that process. He believed that it was in violation of the guidelines as they were set out. It was probably unclear to staff and perhaps the Commission in terms of what does "lobbying" mean.

Ms Kearns stated that there was a postcard printing given to a neighborhood by UCAN that was not in the Crystal Lake Park area and given to a neighborhood in her ward. A flyer was also printed and given out to everyone in the ward. This is what she sees as lobbying. The guidelines state that it is to be for their neighborhood information. She doesn't consider that appropriate use of the grant money. It was done with a particular idea in mind.

Mr. Taylor suggested to Ms Kearns that her motion would be best understood if she changed it to read: "Expenses related to lobbying (comma), and campaign for public office." Otherwise, it would read "lobbying and campaign for public office", and he did not believe that would support her intent. He further commented (using the Griggs Street neighborhood as an example) that the people on Griggs Street really could have used an organization that received funds to do mailings and getting their position out to the Council.

Ms Ryan stated that she believed it was legitimate for a neighborhood to lobby outside of their immediate neighborhood, if that vote was going to affect what happens in their neighborhood.

Following debate, Chairman Pollock moved to add to the motion "outside the target area, except public officials and City staff." Mr. Taylor seconded. The motion would now read: "Expenses related to campaigning for public office, or lobbying

outside the target area except to City staff and public officials." This would allow full range of those funds to be used for anyone in the City, anyone on the Council, and anyone in the target area.

Mr. Whelan commented that saying "in the target area" might include two or more Council Members, or even the whole city. He believed this would provide too much latitude.

Chairman Pollock stated that there may be groups that service the entire city and are located in one of the census tracts and receive funding from this program, or they may be groups that do not have boundaries for their operation.

Mr. Whelan suggested that it would be better to simply say "lobbying and campaigning for public office."

Following debate, Chairman Pollock made a motion to have staff review the definition of lobbying and report back to the Council (*and to send the guidelines to Council for approval). Mr. Whelan seconded. (**Note: Clerk's office needs clarity on this motion.*)

Following further debate, Mr. Whelan made a substitute motion that staff report back to the Council in one week with a report stating their definition of the term lobbying within the framework of where it comes from, what is being done, and who it goes to, and any way that they can be more specific in helping Council to control. Mr. Taylor seconded.

Ms Patt inquired if it were possible to have staff to make this review and the Committee approve the guidelines and send subrecipient agreements to Council next week for approval. Mr. Taylor stated that he had no objection.

Mr. Whelan stated that the ineligible uses of funds presented in the packet and discussed this evening should not be dropped. Staff should only review the issue of lobbying.

Mayor Satterthwaite suggested approving the guidelines and if staff comes up with an acceptable definition of lobbying that is acceptable to a majority of the Council, that could be included as an amendment to the guidelines.

Chairman Pollock stated that the motion now before the Committee is to send the guidelines, as presented to tonight, to Council for approval, with the exception of the change made for the first and second year, and pending a recommendation from staff on the definition of lobbying.

Following debate, the motion to send the guidelines to Council for approval carried by voice vote.

Mr. Hayes made a motion to send the subrecipient agreement in the amount of \$2,500 for Teen Outreach Center to Council for approval. Ms Ryan seconded. The motion carried by voice vote.

Mr. Hayes made a motion to send the subrecipient agreement in the amount of \$2,500 for United Citizens and Neighbors to Council for approval. Ms. Ryan seconded.

Mr. Whelan moved to table the UCAN agreement until staff can come back next week with a definition for lobbying. Mr. Taylor seconded for the purpose of discussion.

Mr. Taylor inquired if there were any other competing organizations losing any funds here. Mr. Stoffel responded that there were no other requests.

Ms Patt stated that the issue of lobbying was really moot in relation to this grant and there is no reason to put off a decision.

Following debate, Mr. Whelan requested a roll call vote on the motion to table. The vote was as follows:

Mr. Hayes - No	Ms Ryan - No
Ms Kearns - No	Ms Taylor - No
Ms Patt - No	Mr. Whelan - Yes
Chairman Pollock - Yes	

The motion failed (5-No:2-Yes).

The motion now on the floor is to send the subrecipient agreement for UCAN to Council. The motion carried by voice vote.

Because of the lateness in the hour, Chairman Pollock asked for a motion to extend the meeting time. Mr. Taylor moved to extend the meeting to 11:15 p.m. Ms Ryan seconded. Motion carried by voice vote.

6. Resolution In Support Of Drafting An Unfunded Mandates Constitutional Amendment [Progressive Tax]

Mr. Taylor made a motion to send this agenda item to the next meeting of the Committee on Administration & Finance. The motion was seconded by Mr. Whelan. The motion carried by voice vote.

7. Intergovernmental Agreement with the Public Health District Regarding Restaurant Licensing Provisions

Mr. Taylor made a motion to send this agenda item to Council for approval. The motion was seconded by Mr. Whelan. The motion carried by voice vote.

9. Res. No. 9596-R18: A Resolution On The Intent And Purpose Of The Urbana Human Rights Ordinance

(Note: Chairman Pollock opened this agenda item for discussion. At the previous Committee on Administration & Finance meeting, he stated that he would defer this item to the next Council meeting in order to give the Human Relations Commission an opportunity to submit a report.)

Chairman Pollock stated that he left this item on the agenda at the request of Ms Patt. He informed everyone that there are two Human Relations Commission meetings scheduled to discuss these issues: 1) Wednesday, January 10, 1996, 5:30 p.m. at the Urbana Civic Center; 2) Wednesday, January 17, 1996, 5:30 p.m. at the City Building. Following those meetings, the Commission will have recommendations for Council.

Ms Patt stated that she was concerned about this issue taking so long. The reason for it is because last Fall the Housing Authority increased participation in the Section 8 Program by over 40%. There are a lot of people affected by our policy on whether the City of Urbana is going to allow or prohibit discrimination based on Section 8 status. Ms Patt indicated that there was nothing wrong with the Council passing a resolution stating their intentions and what is the reason for our law for the purpose of providing input to the Human Relations Commission. She concluded by stating that she believes a majority of this Council and a majority of the Human Relations are opposed to segregation, support nondiscrimination policies, and believe employment, housing, credit, and access to public accommodations should be provided to all people based on their qualifications and not based on stereotyping.

ADJOURNMENT

Before the meeting was adjourned, Mr. Hayes announced that the Martin Luther King Committee will be having their annual program at Krannert Center on Sunday at 5:00 p.m., and on Monday morning at 8:30 at the First United Methodist Church there will be a breakfast and other activities.

With no further business to come before the Committee, Chairman Pollock adjourned the meeting at 11:05 p.m.

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Respectfully submitted,

Deborah J. Roberts
Recording Secretary

*This meeting was broadcast on cable television.