



## Legislation Text

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**TO:** Mayor and City Council

**FROM:** Richard J. Veenstra  
Corporation Counsel

**DATE:** September 25, 2023

**SUBJECT:**

An Ordinance Creating Section 2-65 of the Code of Ordinances pertaining to Aldermanic Initiative Funds.

**PURPOSE:**

To restate, amplify, amend and codify existing procedures governing the use of funds appropriated by the City Council for disbursement by individual aldermen and to provide additional authorization and guidance pertaining to their uses.

**BACKGROUND:**

In the 1990s, the City Council began to appropriate a portion of the City's Gaming Tax Fund for use by the ward alderperson (then only 8 in number) to disburse at their discretion on capital programs within their respective wards. Over time, the City Council supplemented these appropriations with contributions from the Capital Improvement Fund and authorized the alderpersons at-large to disburse these funds as well, but in small amounts than it authorized for their counterparts. By tradition, the City Council permitted ward alderpersons to "carry over" a portion of their unspent funds to be used in subsequent fiscal years.

Although the City Council from time-to-time did adopt a resolutions that 2/3 of an alderman's annual budget be devoted to capital purposes, it never incorporated this rule as part of the Code of Ordinances. It also did not appear to confer any authority upon an individual alderperson to direct the disbursement funds appropriated for his or her use. Under Illinois law, individual aldermen ordinarily must act collectively while assembled as the City Council (or one of its duly-established committees) to exercise governmental authority - thus, it is unclear what authority an individual alderperson possesses to contract on behalf of or otherwise bind the City or to direct City staff to release such funds. In many instances, the City Council addressed this question by adopting resolutions authorizing specific programs on behalf of a requesting alderperson, but did not adopt a permanent mechanism for processing routine requests. Instead, these requests have been processed by staff as a courtesy so long as they are consistent with custom and practice.

**DISCUSSION:**

The proposed ordinance creates a new Section 2-65 in the Code of Ordinances establishing an "aldermanic initiative program" that codifies the City's custom of appropriating funds for special aldermanic projects, provides the necessary authorization for disbursements of these funds, and

addresses the manner and extent to which funds can be carried over from year-to-year.

The proposed ordinance provides that the City Council may budget for two types of initiative funding: capital funds, which will be divided evenly among the ward alderpersons, and non-capital funds, which will be divided evenly among all alderpersons. Because this ordinance will be codified and is therefore designed to be of a "general and permanent nature," it does not propose any specific amounts for the City Council to budget for these purposes - rather it anticipates that to be a decision made annually by the City Council.

Under this proposal, an alderperson may authorize the disbursement of capital funds for specific improvements to infrastructure but has more discretion over the types of community enhancement programs he or she may choose to fund with funds appropriated for non-capital purposes -- provided that all expenditures must primarily have a public, rather than a private, purpose. The ordinance enumerates several purposes for which an alderperson does not need to seek further approval to authorize the disbursal of non-capital funds, and vests the Rules, Administration, and Procedures Committee with the authority to further authorize additional or "outside-of-the-box" uses. The ordinance specifically prohibits the use of initiative funds for certain purposes -- consistent with existing Illinois law and the City's Ethics Ordinance.

The ordinance further provides guidance as to how and when an alderperson may request a disbursement, carry-over funds from one year to the next, and when necessary, request to transfer funds from a capital to a non-capital account and vice-versa. The ordinance also expressly provides that an individual alderperson may not bind the City to a contract and expressly provides that the City's Purchasing Ordinance applies to all procurements made with aldermanic initiative funds.

**IMPACT STATEMENT:**

Adoption of this Ordinance will provide greater clarity and transparency to the decades-old aldermanic funding program while providing greater flexibility for the alderpersons to allocate funds to projects important to their constituents.

**RECOMMENDATIONS:**

That the Council deliberate upon this proposed ordinance and adopt such procedures and limitations as at it deems appropriate.

cc: Rules, Administration and Procedures Committee  
Finance Committee



CITY OF AURORA, ILLINOIS

ORDINANCE NO. \_\_\_\_\_

DATE OF PASSAGE \_\_\_\_\_

An Ordinance Creating Section 2-65 of the Code of Ordinances pertaining to Aldermanic Initiative Funds.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, since 1997, the City Council has made certain proceeds of its gaming tax revenue and other funds available to alderpersons elected by ward to disburse for capital improvement purposes within their respective wards; and

WHEREAS, in 2009, the City Council adopted Resolution R09-489 which specifically authorized "ward fund" allocations for calendar year 2010; and

WHEREAS, Resolution R09-0489 provided for a restriction that "two-thirds (2/3) of ward funds are to be used for capital improvement projects," and that the "remaining balance of the ward funds are available to enhance individual ward communities at the discretion of the respective Alderman; with Council approval, if deemed necessary;" and

WHEREAS, Resolution R09-0489 further provided that "any remaining balance [in the ward fund] can be ward-directed and can carry-over from year-to-year;" and

WHEREAS, Resolution R09-0489 appears to be the only legislative statement by the City Council which discusses the use of ward funds; and

WHEREAS, on June 12, 2015, the chairpersons of the then-four standing committees of the City Council promulgated an "Office Policy" setting forth additional guidelines for the use of ward funds that was broadly consistent with the provisions of R09-0489; and

WHEREAS, since 2016, the annual budget of the City Council has included an allocation of quasi-ward funds for the alderpersons elected at-large; and

WHEREAS, in order to provide greater transparency, consistency, and clarity of process, the City Council finds it necessary and expedient to restate, amplify and amend its policies and procedures with respect to the use of these funds and codify those policies and procedures as part of the Code of Ordinances;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Aurora, Illinois, as follows: that the Code of Ordinances, City of Aurora, Illinois shall be and hereby is amended by adding Section 2-65 as more fully set forth in Exhibit A; and further

BE IT ORDAINED, that this Ordinance shall become effective February 1, 2024.