
**PROCEEDINGS OF THE BUDGET WORK SESSION
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
CITY HALL COUNCIL CHAMBERS
111 SOUTH CAPITOL STREET
PEKIN, ILLINOIS 61554
ON THURSDAY, OCTOBER 27, 2016 AT 5:00 O'CLOCK P.M.
JOHN MCCABE, MAYOR PRESIDING**

PRESENT: COUNCIL MEMBERS, ORRICK, RITCHASON, ABEL, AND MCCABE

ABSENT: COUNCIL MEMBER GOLDEN, LUFT AND DUNN

Notice of a special City Council Budget Work Session was properly posted and received by the Council on October 25, 2016 for the purpose of holding work session #1 to discuss the Levy Ordinance and the FY17 Budget.

The **Pledge of Allegiance** was led Mayor McCabe.

Roll was called and Council Members were physically present except Council Member Golden, Luft and Dunn. A quorum was declared.

AGENDA

Motion by Council Member Ritchason, seconded by Council Member Abel that the agenda be approved as presented. On roll call vote all present voted Aye.

COMMUNICATIONS, PETITIONS, REPORTS

Levy and Budget FY17 Work Session #1

Interim City Manager Sarah Newcomb told the Council that the first session would explain the property tax levy but additionally the revenue sources available to the City. The Levy Ordinance is required by State Statute to be filed in both Peoria and Tazewell Counties the last Tuesday in December, December 27, 2016. A public hearing would be required if the levy increases more than 5%. The Council should focus on key revenues in making levy decisions User fees have become an important revenue source and should cover related services costs. There are reoccurring revenues such as property taxes, sales taxes, state income tax, food and beverage taxes and fees for services such as solid waste and wastewater.

A packet of information was distributed to the Council and the staff members present. Information presented included

- History of the City of Pekin Tax Levy 1990 – 2015 breakdown of dollar amounts for each levied item
- Property Tax valuations
- Levy comparisons
- Levy Options
- Revenue Sources
- Fees for Services

Council heard and discussed the following points:

Fee increases and property tax increases were not popular

Having a solid base allows for continual maintenance programs for infrastructure and core city services.

Fees for service should be sufficient to cover costs if not the service is subsidized through reserves in the General Fund.

City Treasurer has reported reserves were dangerously low.

Solid Waste fee was set at \$12.00 in 2014 with intention for minor increases annually. If not increased reserves depleted in 2 years.

Budgeted storm water fee per resolution. Fee has not been enacted. Thus draining the general fund.

Proposed revenue decision options:

- Levy increase with policy to ensure adequate funding

- Storm Water fee implement Resolution 25-15/16. Option of loan for \$1.6 million for infrastructure project
- Solid Waste fee increase monthly rate to cover actual costs of services. Review services provided.
- Sale Tax proposal from EDAC

In closing Mayor McCabe told the Council the information and discussion was blunt but the real facts. The next work session was scheduled for Thursday, November 3, 2016 at 5:00 p.m.

No action was taken.

No further business to come before the Council, motion was made by Council Member Ritchason, seconded by Council Member Abel to adjourn. Motion carried viva voce. Mayor McCabe adjourned the meeting.

COUNCIL ADJOURNED AT 6:38 P.M.

Sue E. McMillan
City Clerk