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PROCEEDINGS OF A SPECIAL WORK SESSION
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
HELD IN THE CITY HALL COUNCIL CHAMBERS
111 SOUTH CAPITOL STREET
ON TUESDAY, OCTOBER 7, 2008 AT 5:30 O'CLOCK P.M.
R. DAVID TEBBEN * MAYOR * PRESIDING

PRESENT: COUNCIL MEMBERS: ABEL, BLANCHARD, DUNN, KORTKAMP, AND JONES,

ABSENT: COUNCIL MEMBER STRAND

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Council set a second work session to begin discussion with staff of the FY 2010 Budget. Notice was properly posted and Council received notice of a special meeting on Friday, October 3, 2008.

The **Pledge of Allegiance** was led by Mayor R. David Tebben.

Roll was called. All Council Members were present except Council Member Strand.

Mayor Tebben opened the meeting noting the purpose of discussing preliminary figures for the FY 2010 Budget based on revenue and expenses projections. In not knowing how much discussion would come about members discussed setting a time to end for the night.

By right of personal privilege, motion was made by Council Member Dunn and seconded by Council Member Jones to close the meeting at 7:00 p.m.

City Manager Dennis Kief distributed several pages of figures and charts that would be discussed throughout the meeting.

Treasurer Jim Wolf presented Annual Budget, Actual, and Actual as a percentage of the Budget numbers for major revenue sources fiscal year 2009 through September 30, 2008. His observation was, in light of the national economic conditions, the City figures reflected strong sales tax revenues.

The Manager advised Council that expenses for 2010 are over revenues, even without the major projects in an amount of $1.9 million. Discussion followed on the 5 major Capital Projects and their funding sources, be it increased user fees for Wastewater Treatment Plant Expansion, Levy increases, bond repayment, general fund expenses, MFT funding match, and use of Reserves, for Library upgrades, Fire Station relocation, Street Maintenance, Veterans Drive construction. Rising construction costs, outdated estimates, and rebuilt plant components could raise the $16 million plant project to $35 million. Combining two Phases for the Treatment Plant into one and postponed until 2011was discussed. The Council concurred that the projects generally would need to be revisited at a future date. Council Member Kortkamp disagreed, noting you pay now or pay increasing costs later and in particularly favored proceeding with the library expansion.

Several new revenue streams were offered as a means of closing the negative gap between expenditures and revenues. Informational estimates for a 2 percent sales tax on food and beverage generating an estimated $811,000, utility tax of 5 percent, garbage fee to make the program self-sufficient, real estate transfer fee, ambulance franchise, hotel/motel tax increase, package liquor sales tax. Council members individually noted revenue possibilities that they would consider. Suggestions were made to estimate the pay-off of bonds that were at 3.9% - 5% , reduction in snow removal, freeze hiring, staff to review department budgets again for additional cuts.

It was agreed to schedule additional work sessions and Ton Hall meetings.

Mayor Tebben called for the orders of the day and the meeting was adjourned.

COUNCIL ADJOURNED AT 7:05 P.M.
Sue E. McMillan
City Clerk