****

PROCEEDINGS OF A SPECIAL BUDGET WORK SESSION
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
HELD IN THE COUNCIL CHAMBERS OF CITY HALL
111 SOUTH CAPITOL STREET
ON TUESDAY, MARCH 18, 2014 AT 5:00 O'CLOCK P.M.
LAURIE L. BARRA, MAYOR PRESIDING

PRESENT: COUNCIL MEMBERS, MCCABE, HENDRICKS, GILLESPIE, ORRICK, GOLDEN, AND BARRA

ABSENT: ABEL

****

Council set a work session to discuss the FY 2015 Budget at the meeting of March 3, 2014. Notice was properly posted and Council received notice of the special work session on Friday, March 14, 2014.

The **Pledge of Allegiance** was led by Mayor Barra.

Roll was called and all Council Members were physically present except Council Member Abel. A quorum was present.

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

COMMUNICATIONS, PETITIONS, REPORTS

BUDGET FY2015 WORK SESSION

City Manager Joseph Wuellner provided the Council with documentation of an additional 6% cuts to balance the proposed budget as directed at the March 3, 2014 work session. He advised the Council each department head was asked to find cuts in their respective budgets. The $923,000 made in small equipment, training, and other expenses still left the budget short approximately $710,000 to reach the $1,650,000 necessary to cover the deficit by not implementing a $12.00 per month garbage fee. He also presented an option of transferring $710,000 from the Bus Fund to the General Fund. This would provide funding to reinstate some of the road and other critical work to attempt to work toward Council's goal of repairing streets and infrastructure. An option to use General Fund Reserves would draw the reserves below the recommended amount. He strongly recommended that a $12.00 per month garbage fee was crucial to fund the service and cover core services such as police, fire, and streets.

General discussion followed regarding the implementation based on assessed values of the residents' home, the generation on numbers of bags picked up, and the frequency of collection.

Council Member Golden questioned the differences in the cash reserves fund balances presented and the audit report. He suggested using the Tourism Fund in balancing the budget. Treasurer Jim Wolf indicated the City follows General Accounting Principals and the concept of moving money back and forth between funds was not acceptable. Council Member Golden asked if the numbers had been put together as requested a year ago on subcontracting the inspections department duties. He also asked if consideration had been given to his suggestion to market solid waste collection to unincorporated surrounding areas of the City. He did not support "one size fits all" pricing approach for a garbage fee but suggested the charge be based on customer wants. He questioned the amount of times and the additional expense of garbage being collected on Saturdays due to holidays. He felt the City should find a way to run the department more efficiently if the public had been promised that the City could provide the service in-house more cost effectively and without a fee. Mayor Barra asked the Manager and he stated that outside services would require 3 additional trucks and 3 additional drivers to run those routes. Member Golden indicated it was a scare tactic to cut street repair.

Council Member Gillespie stated the garbage service was outstanding. You have to pay for service. He noted as a department head, year after year budget items were pushed back in departments. It was his opinion that the City could not continue in that trend.

Mayor Barra noted vehicle purchases and major projects had been pushed off until it became necessary to go out for bonds. She felt a $12.00 fee was not excessive. She noted the cost of one pizza or a pack and one half of cigarettes were comparable.

Council Member McCabe asked the other members to consider the reduced and minimal increases made to the levy over the last ten years, yet cost to run the City had gone up. Council Member Orrick pointed out the large increase in the levy for pensions as a result of added healthcare for retirees.

Council Member Hendricks stated he could not support a garbage fee. He suggested that the service be reviewed to find savings in efficiencies.

Council Member Golden suggested that the hotel/motel tax be increased and used for street repair. Council was advised the small amount of revenue would not generate enough dollars for street repairs. Discussion followed on the appropriate use of the tax collected. It was Treasurer Wolf's and Attorney Burt Dancey's opinion that the fund could not be shifted and the action could trigger a reduction in the City's bond rating. It could also be noted in the Audit as an exception for questionable use of fund balances. Council Member Orrick requested Corporation Counsel to research if the City could initiate the action without risk to the City.

No action was taken by the Council.

No further business to come before the Council, motion by Council Member Orrick, seconded by Council Member Gillespie to adjourn. Motion carried viva voce.

COUNCIL ADJOURNED AT 6:10 P.M.

Sue E. McMillan
City Clerk