
**PROCEEDINGS OF A SPECIAL BUDGET WORK SESSION MEETING
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
HELD IN THE COUNCIL CHAMBERS OF CITY HALL
111 SOUTH CAPITOL STREET
ON TUESDAY, FEBRUARY 22, 2011 AT 5:30 O'CLOCK P.M.
RUSTY L. DUNN, MAYOR PRESIDING**

**PRESENT: COUNCIL MEMBERS, ABEL, BLANCHARD, BARRA, SCHMIDGALL, KORTKAMP,
STRAND, AND DUNN**

ABSENT: NONE

Council set a work session to discuss the FY 2012 Budget at the meeting of February 14, 2011. Notice was properly posted and Council received notice of the special meeting on Wednesday, February 16, 2011.

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

Roll was called and all Council Members were present except Council Member Strand who entered the meeting at 6:15 p.m.

NEW BUSINESS

FY2012 BUDGET

Mayor Dunn presented opening remarks and requested Interim City Manager Frank Mackaman begin the discussion of the status of the FY2012 proposed budget. Mr. Mackaman noted the following documents had been provided Council in the last 2 months:

- 125 page formal budget by line item and funds
- 25 page summary of mandatory, obligated, and discretionary expenses over \$2,500
- 1 page executive budget summary

He reported he went to the Annual Audit Reports of core service expenditures to review budget experience. Suggestion was made that Council consider the budget as a forecast, accept the budget as it stands, and assume increase in interest rates or utilize reserves to cover the \$291,945.00 deficit. Mr. Mackaman recommended:

- a person be named in charge of the entire next budget process, not the manager
- a \$66.5 million dollar business employ a Finance Director
- the next budget process use fund, revenue, expense numbers that correlate to the Audit core services figures

Council could choose to approach the work session in 3 ways:

- Continue to reduce the deficit by reviewing additional cuts in addition to the \$363,920
- Review projects not included in the budget that could not be postponed indefinitely
- Evaluate potential revenue sources

Discussion followed. Council Members generally indicated that the discretionary spending had been cut to bare bones. Council Member Blanchard disagreed and noted the \$208,000 deficit in running the airport, \$360,000 expense for Petri Lane extension, and liquidation of city owned properties. Council Member Blanchard indicated he would not vote to use reserves. Council Member Schmidgall expressed concern that capitol project planning had been postponed or eliminated. He suggested excess reserves be set aside for specific projects such as a library and fire station. Council Member Kortkamp questioned if the savings predicted on the new Health Care Plan was realized.

Council next reviewed a list of revenue enhancements and directed staff to prepare cost analysis of the following: rental properties inspections, fire sprinkler plan review, storm water fee, compost sales, revenue tax stamp charge, and expansion of the offenses that trigger impoundment of vehicle.

No action was taken by the Council.

No further business to come before the Council Mayor Dunn adjourned the meeting.

COUNCIL ADJOURNED AT 7:15 P.M.

Sue E. McMillan
City Clerk