
**PROCEEDINGS OF A SPECIAL MEETING
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
HELD IN THE COUNCIL CHAMBER OF THE CITY HALL
ON MONDAY, FEBRUARY 2, 2004, AT 4:00 P.M.
LYNDELL N. HOWARD * MAYOR * PRESIDING**

PRESENT: COMMISSIONERS RICHMOND, JONES, MADDOX

ABSENT: COMMISSIONER MASSAGLIA

Notice of a special work session of the City Council to discuss with Staff the Fiscal Year 2005 Budget was posted and received by Council on January 29, 2004.

Mayor Howard called the meeting to order at 4:00 p.m. and led the **Pledge of Allegiance**.

Roll was called and all commissioners were present except Com'r. Massaglia. Also present City Manager Dennis Kief, Corporation Counsel Patrick Oberle, members of staff, and the press.

The purpose of the meeting was for Council and staff to address the deficit on the proposed budget and examine alternatives to balancing the budget without a ¼ increase in sales tax. Mayor Howard opened discussion by commending City Manager Kief and staff for their efforts. Mr. Kief presented a chart of proposed dollar figures to arrive a zero deficit. The following was presented:

\$2,635,000 Total Deficit (2003 Property Tax of \$1.0659)
\$ 654,475 General Fund Share of Levy
\$1,980,535 Deficit (Property Tax Rate Increase to \$1.296)
\$ 405,025 Other Budget Cuts
\$1,575,500 Deficit after December meeting
\$ 688,000 Expenditure on Street Maintenance from MFT Fund (not Road & Bridge)
\$ 150,000 Landfill Bid Savings
40,355 Other Budget Cuts
\$ 697, 145 Deficit as of January 30, 2004
\$ 207,575 Miscellaneous; i.e. Sale of Property
\$ 489,570 Deficit After Property Sale
\$ 89,570 City Manager Salary and Benefits from May through Dec
\$ 240,000 Financing Fire Truck (\$300,000 over 5 Years)
\$ 160,000 Financing 2 Street Tandems (\$200,000 over 5 Years)
\$ 0 Balanced Budget

Mr. Kief told Council he believed the departments were as lean on personnel as other comparable cities. He also advised that revenues derived from increased sales tax would be delayed until the effective date of July 1, 2004 and would result in partial year revenues. Council voiced concern that an increase in sales tax would be a deterrent to people shopping in Pekin. Also there was concern over the enactment of a third "tax" increase following a wastewater charge increase and the increased in the Levy. Com'r. Jones said he had not seen that the City planned on purchasing trucks or a plan for fire truck replacement. Com'r. Jones had concerns regarding personnel cuts and also questioned whether investing money in repairing brick streets was worth the cost. Mr. Kief was directed to report back to Council on brick street costs the second regular meeting in February.

Mr. Kief requested Council's direction on the proposal for balancing the budget or other options they may have.. The Mayor instructed him to set the Public Hearing and present the Budget document to Council at the meeting of February 23, 2004

No further business to come before the Council, a motion was made by Com'r. Richmond seconded by Com'r. Maddox that Council adjourn. On roll call vote, all present voted Aye.

MEETING ADJOURNED AT 4:20 P.M.

Sue E. McMillan
City Clerk