



**REGULAR COUNCIL MEETING MONDAY, DECEMBER 13, 2010
5:30 P.M.**

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE
Mayor Rusty L. Dunn

III. ROLL CALL
Clerk to Call the Roll

IV. APPROVAL OF AGENDA
ACTION: Motion to approve the meeting agenda.

VOTE REQUIRED

V. APPROVAL OF MINUTES
ACTION: Motion to approve minutes of Regular Council Meeting of November 22, 2010.

VOTE REQUIRED

VI. PUBLIC INPUT ON AGENDA ITEMS
Speakers to state name, address, and spell last name. Questions unrelated to agenda items are accepted during "Public Questions" near the end of the meeting.

VII. CONSENT AGENDA

- 1. Receive and File Monthly Reports and Minutes:** Fire Department November Report, Police Department November Report, Minutes of the Sister Cities Commission dated 07-21-10 and 12-02-09.
- 2. Receive and File** Annual Financial Statements April 30, 2010, Pekin Public Library Fund Financial Statements April 30, 2010, and Sewerage Fund Financial Statements April 30, 2010 Prepared by Willock, Warning & Co., P.C.
- 3. Receive and File** List of Council Meeting Dates for 2011.
- 4. Receive and File** Pekin Planning Commission Minutes Dated December 8, 2010
- 5. Receive and File** Pekin Planning Commission Recommendations and Hearings:
 - a. Hearing #10-1806 – approval of the Special Use Request by AT&T for a Cell Tower located at 3000 Court (amended to approval from denial)

ACTION: Motion to approve all items listed on the Consent Agenda by Omnibus Vote.

VOTE REQUIRED TO APPROVE CONSENT AGENDA

VIII. COMMUNICATIONS, PETITIONS, REPORTS

Retirement Presentations
Presentation of Restructuring of City Departments
Synopsis of the FY 2010 Financial Statements
Presentation of the Preliminary FY 2012 Budget
Hotel Feasibility Study

IX. NEW BUSINESS

- 1. Ordinance No. 2633-10/11 – To Approve Interim City Manager Agreement (RD)**

DESCRIPTION: terms to hire and appoint Frank Mackaman as interim manager for approximately 6 months until the search for a City Manager is complete.

ACTION: Motion to adopt the Ordinance.

VOTE REQUIRED

- 2. Resolution No. 72-10/11 - Abatement of Taxes Ordinance No. 2324 \$1,040,000 General Obligation Refunding Bonds Series 2003 (Refund 1991 Corporate Purpose) (SM)**

DESCRIPTION: authorizes that taxes not be levied against taxable real property in the City of Pekin in the amount of \$116,305.00 provided in bond ordinance issued for Public Works Projects to pay the principal and interest.

ACTION: Motion to adopt resolution.

VOTE REQUIRED

- 3. Resolution No. 73-10/11 - Abatement of Taxes Ordinance No. 2386 Series 2004 \$2,950,000 (SM)**

DESCRIPTION: authorizes that taxes not be levied against taxable real property in the City of Pekin in the amount of \$397,468.26 provided in bond ordinance issued Herget Bank for vehicles and the Riverfront Project through Herget Bank to pay the principal and interest.

ACTION: Motion to adopt resolution.

VOTE REQUIRED

- 4. Resolution No. 74-10/11 - Abatement of Taxes Ordinance No. 2387 Series 2004 \$1,410,000 (SM)**

DESCRIPTION: authorizes that taxes not be levied against taxable real property in the City of Pekin in the amount of \$203,672.50 provided in bond ordinance issued for TIF Downtown Business District through Bernardi Securities, Inc to pay the principal and interest.

ACTION: Motion to adopt resolution.

VOTE REQUIRED

- 5. Resolution No. 75-10/11 - Abatement of Taxes Ordinance No. 2415 Series 2005 \$1,120,000 (SM)**

DESCRIPTION: authorizes that taxes not be levied against taxable real property in the City of Pekin in the amount of \$140,700.00 provided in bond ordinance issued through Morton for Riverway Business Park Industrial Park Land Expansion to pay the principal and interest.

ACTION: Motion to adopt resolution.

VOTE REQUIRED

6. **Resolution No. 76-10/11 - Abatement of Taxes Ordinance No. 2625 General Obligation Bonds Series 2010 \$7,110,000** (SM)
DESCRIPTION: authorizes that taxes not be levied against taxable real property in the City of Pekin in the amount of \$604,730.00 provided in bond ordinance issued through Bernardi Securities, Inc for Wastewater Treatment Plant to pay the principal and interest.

ACTION: Motion to adopt resolution.

VOTE REQUIRED
7. **Ordinance No. 2631-10/11 – Making, Levying and Assessing Municipal Taxes May 1, 2010 to April 30, 2011 Known as the Levy Ordinance** (DK)
DESCRIPTION: Proposed Levy of \$5,891,999 is 3.95% higher than the 2009 Levy (\$5,668,196) Estimated Rate (based on estimated EAV) = 1.32203 or 6.32% higher than the 2009 Levy Rate.

ACTION: Motion to adopt the ordinance.

VOTE REQUIRED
8. **Ordinance No. 2632 -10/11 –Authorizing the Execution of the IMLRMA Minimum / Maximum Contribution Agreement** (AE)
DESCRIPTION: Renewal of the Illinois Municipal League Risk Assessment min-max program for Calendar Year 12/31/10- 12/31/11. Premiums are based on losses incurred by a pool of municipalities rather than individual claims. If paid by December 20, 2010 cost is \$798,167.

ACTION: Motion to adopt the ordinance.

VOTE REQUIRED
9. **Tazewell County Animal Control Agreement** (TM)
DESCRIPTION: Contract for the pick-up, short-term care, dispersal/disposal of residents' stray animals. Contract increase of \$43.00 over last year's agreement.

ACTION: Motion to approve the agreement in the amount of \$43,213.00.

VOTE REQUIRED
10. **Resolution No. 77-10/11 – Designating Pekin Community Bank As Depository** (JSW)
DESCRIPTION: the resolutions provides language for obtaining ACH origination services and Contracting with PCB for authorization of Treasurer and Assistant Finance Director to endorse deposits and payments of money. The Mayor and Treasurer are authorized to execute contractual documents.

ACTION: Motion to adopt the resolution.

VOTE REQUIRED
11. **Special Use** (JW)
DESCRIPTION: Recommendation of the Pekin Planning Commission to approve the Special Use Request by AT&T for a Cell Tower located at 3000 Court.

ACTION: Motion to approve the Special Use.

VOTE REQUIRED

X. ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL

Council Members
Staff
Public Questions
Press Time

XI. EXECUTIVE SESSION

5 ILCS 120/2 (c)

XII. ADJOURNMENT

With no further action to come before the Council the Mayor declares meeting closed in open session.

NO VOTE REQUIRED

The City Council 2nd meeting of the month for Monday, December 27, 2010 is cancelled

**PROCEEDINGS OF THE REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
HELD IN THE COUNCIL CHAMBERS OF CITY HALL
111 SOUTH CAPITOL STREET
ON MONDAY, NOVEMBER 22, 2010 AT 5:30 O'CLOCK P.M.
RUSTY L. DUNN, MAYOR PRESIDING**

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

ABSENT: NONE

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

Roll was called and all Council Members were present.

AGENDA

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

MINUTES

Motion by Council Member Strand, seconded by Council Member Abel, that the **minutes of the Regular City Council Meeting of November 8, 2010 be approved as written**. On roll call vote, all present voted Aye.

CONSENT AGENDA

Motion by Council Member Abel, seconded by Council Member Barra, that the Consent Agenda be approved as presented. The following were presented by Mayor Dunn for consideration of the Consent Agenda items by Omnibus Vote.

1. **Receive and File Monthly Reports and Minutes:** Police Report for October, Traffic Safety Minutes November 5, 2010, Electrical Commission Minutes November 4, 2010.
2. **Proclamations:** National Drunk and Drugged Driving (3D) Prevention Month December 2010.
3. **Charitable Solicitation:** Benefit Medical Costs Brenda Eckstein - January 22, 2011
Pekin Union Mission Tag Day - Saturday, November 27, 2010
Tyler Sullivan Family Benefit - January 8, 2011
4. **Receive and File** Tazewell/Pekin Consolidated Communications Center Annual Financial Statements April 30, 2010 Prepared by Willock, Warning & Co., P.C.
5. **Receive and File** Peoria Area Convention & Visitors Bureau Quarterly Report Third Quarter 2010.
6. **Receive and File** the Pekin Planning Commission Minutes dated November 10, 2010.
7. **Receive and File Pekin Planning Commission Hearings and Recommendations:**
 - a. Hearing #10-1820—recommends the Rezoning from AG (Agricultural District) to R-2 (Single Family Residential) for property located along Velde Drive with a Legal Description as described in Exhibit “B” (tabled 10-13-10).
 - b. Hearing #10-1821— recommends the approval of the Site Plan with the Stipulation that Screening be in place for the Toters/Dumpster Area for property located along Velde Drive with the Legal Description as described in Exhibit “B” (tabled 10-13-10).
 - c. Hearing #10-1822— recommends the Approval of the Special Use for property located along Velde Drive with the Legal Description as described in Exhibit “B” (tabled 10-13-10).
 - d. Hearing #10-1806 – voted to Table and Continue the Public Hearing on December 8, 2010, the Special Request for a Cell Tower located at 3000 Court.

Council Member Schmidgall requested that the Street Naming committee referred to in the Traffic Safety Minutes recommendations be placed before the Council on a future agenda for presentation and vote. On roll call vote, all present voted Aye.

COMMUNICATIONS, PETITIONS, REPORTS

FINANCIAL UPDATE

City Treasurer James Wolf summarized the financial status of the City by referring to handouts of Investment Earnings Six Months Ended October 31, 2010 and Revenues Over Expenses – All City Funds Six Months Ended October 31, 2010. He noted he would not be able to give Quarterly Report because of the financial software change in April.

- Investments running above budget and above last year comparisons
- Will extend maturities because of marginal increases in rates
- Expenses have come down significantly

PUBLIC HEARING

A Public Hearing was opened by Mayor Dunn in order to present a proposed tax levy for the City of Pekin for assessing Municipal Taxes May 1, 2010 to April 30, 2011 and an opportunity for the public to comment. The City Manager presented several options and it was the consensus of Council that the policy funding figures for the 3 Pensions Funds, the Library 2.5% increase, the use of the 2009 actual EAV as opposed to 2010 estimate, for and an increased Levy of 3.95% be used for the Levy ordinance.

Special meeting

UNFINISHED BUSINESS

Motion by Council Member Abel, seconded by Council Member Strand that the **AMENDED BID FOR CONSTRUCTION OF A VEHICLE SERVICE BUILDING be postponed indefinitely.** Public Works Director Joe Wuellner reported Bids opened for the construction of new mechanical building for mechanics to maintain and repair additional buses in the Hoyle acquisition. All bids were above estimate. Low bidder asked to offer reduction based on items to be added later. Motion on November 8, 2010 was to postpone until November 22, 2010. It was the decision of the Council to reconsider the expenditure at this time. On roll call vote, all present voted Aye.

NEW BUSINESS

Motion by Council Member Kortkamp, seconded by Council Member Barra that the **SITE PLAN FOR NEW TESTAMENT BAPTIST CHURCH** for property along Velde Drive be approved. Council was advised that recommendations were received from the Pekin Planning Commission to approve the Site Plan and Special Use with stipulation for screening of dumpsters. On roll call vote, all present voted Aye.

Motion by Council Member Barra, seconded by Council Member Strand that the **SPECIAL USE FOR NEW TESTAMENT BAPTIST CHURCH for property along Velde Drive be approved.** On roll call vote, all present voted Aye.

ORDINANCE NO. 1568-A184-10/11

PROVIDING FOR REZONING OF CERTAIN PROPERTY

PIN 04-04-25-100-033 NEW FOR 2010 PIN 04-04-25-100-036

Motion by Council Member Blanchard, seconded by Council Member Abel, that Ordinance No. 1568-A184-10/11 be adopted. Council agreed with the recommendation of the Pekin Planning Commission to rezone property along Velde from AG (Agricultural District to R-2 (One-Family Residential District). On roll call vote, all present voted Aye.

ORDINANCE NO. 1462-A301-10/11

AMENDING TITLE 8, CHAPTER 2, SECTION 9 OF THE TRAFFIC CODE

OF THE CITY OF PEKIN 1995

REGARDING AUTHORIZED STOP SIGNS MARGARET STREET AND TWELFTH STREET

Motion by Council Member Blanchard, seconded by Council Member Barra, that Ordinance No. 1462-A301-10/11 be adopted. The recommendation of the Traffic Safety Committee was made to remove the stop sign on N. 12th Street and place a stop sign on Margaret to have a cleaner flow of traffic. Council asked that the effected neighbors be contacted. On roll call vote, all present voted Aye.

Motion by Council Member Kortkamp, seconded by Council Member Blanchard that the **AMENDMENT TO 2010 COMMUNITY DEVELOPMENT BLOCK GRANT ACTION PLAN be approved.**

Community Development Director Pam Anderson presented the amendment which included the transfer of CDBG dollars to the Economic Development Financial Assistance Program 2 (EDFAP) and provisions to

increase maximum loan amount from \$50,000 to \$100,000. Question was posed if the amendment was made for a single business. On roll call vote, all present voted Aye.

Motion by Council Member Barra, seconded by Council Member Blanchard that the **ECONOMIC DEVELOPMENT FINANCIAL ASSISTANCE PROGRAM 2 LOAN in the amount of \$67,280.00 be approved for Hanger 3, Inc, dba 14th Street Hardware.** A recommendation was made by the Economic Development Advisory Committee to lend money for the startup of a business in a vacant property on Derby Street. Council discussed delinquencies of previous assistance programs, the experience of the business owner, and the amount of employees gained in the low-moderate tract of the CDBG program. Ms. Anderson informed Council that all guidelines were met in the application. Council Member Kortkamp stated she would abstain from voting due to her relationship to the seller of the property. On roll call vote, Ayes, Schmidgall, Strand, Blanchard, Barra, Dunn; Nay, Abel; Abstain, Kortkamp. Motion Carried.

Motion by Council Member Kortkamp, seconded by Council Member Strand that the **REQUEST FOR PROPOSAL FOR BANKING SERVICE be awarded to Pekin Community Bank.** Treasurer James Wolf advised that RFP's were sent in September and 7 banks responded. The City's present depository Herget Bank chose not to submit. Council was presented the criterions used giving higher weighting to monthly account costs and interest earnings scores. Pekin Community Bank financial impact would generate an estimated \$50,000.00 plus earnings and savings on fees. On roll call vote, all present voted Aye.

Motion by Council Member Schmidgall, seconded by Council Member Abel that the **CITY OF PEKIN POLICY NO. 18-10/11 CITY RESERVES, be adopted.** Under direction from Council, Treasurer James Wolf drafted guidelines in maintaining adequate levels of reserves. It was felt there was a need to maintain adequate levels to mitigate risk that occurs from unforeseen revenue fluctuations and unanticipated expenditures. He read from the prepared policy that provided for a balance of less than 25% to be cause for concern and a balance of more than 40% as excessive. On roll call vote, all present voted Aye.

ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL

Council Members wished the community a Happy Thanksgiving, expressed condolences to the family of a former commissioner Fran Oberle, announced the Winter Wonder Land events for Sunday, and congratulated Council Member Strand on the news of her first grandchild.

Being the final day for filing Election Candidacy Petitions, Mayor Dunn noted the number of good candidates that had filed. He also made the public aware that he had made the decision not to run and would be redirecting his priorities to balance family and work.

City Manager Dennis Kief and Director of Public Properties Greg Ranney announced they would be retiring from the City under the ERI Early Retirement Incentive Program. Mayor Dunn noted that the Council would be deciding on an interim person while also deciding on the process that would follow for a permanent manager replacement.

Steve Moore, 2010 Westgate, addressed the Council and expressed appreciation to the general public that took the time and researched the background of a pork processing facility and spoke at a previous Council Meeting.

EXECUTIVE SESSION

Motion by Council Member Schmidgall, seconded by Council Member Abel, that the Council move to Executive Session at 7:20 P.M. to discuss: 5 ILCS 120/2 (c) 11. Pending Litigation and 5 ILCS 120/2 (c) 1. Personnel. On roll call vote all present voted Aye.

No further business to come before the Council, in open session, Mayor Dunn called the meeting closed.

COUNCIL ADJOURNED AT 7:50 P.M.

Sue E. McMillan
City Clerk

December 1, 2010

Mr. Dennis Kief
Pekin City Manager
Pekin, IL. 61554

Dear Mr. Kief,

I hereby submit to you the Pekin Fire Department November 2010 report, plus a summary of October 2010.

Kurt Nelson
Fire Chief
City of Pekin Fire Department

During the month of November 2010, the Pekin Fire Department responded to 373 calls, total dollar loss was \$320,000.00.

During the month of November 2010, (approximately 73.31%) were emergency medical calls, 99 were automatic Fire alarms, service calls, small hazardous conditions involving no fire, and false alarms.

During the month of October 2010, the Pekin Fire Department responded to 404 calls, total dollar loss was \$105,500.00.

During the month of October 2010, (approximately 70.22%) were emergency medical calls, 121 were automatic fire alarms, service calls, small hazardous conditions involving no fire, and false alarms.

On November 1, 2010 Fire Fighters responded to a structure fire at 511 Henrietta Street. Upon arrival the homeowner was in bed when the fire started. He woke up and heard popping and saw an orange glow. He had to run past the fire and singed his hair and had a minor burn to his face. All he had on when he ran to his neighbor's house was his underwear and a T-Shirt. The neighbor called the fire in.

The fire started along the east wall behind on top of an appliance stand about three feet up. The fire burned up the wall and across the ceiling. It burned the back of a TV stand that was at a right angle to the area of the fire origin. There was a lot of wiring on the floor behind the TV stand. There was a space heater nearby but was not being used according to the homeowner. The exact cause of the fire is undetermined at this time.

We knocked the fire down quickly and cut a hole in the roof to ventilate. Total loss was \$50,000.00.

On November 2, 2010 Fire Fighters responded to a structure fire at 2208 Brookdale. Upon arrival found a smoldering fire in the floor of the rear entrance door. We opened up the area and extinguished the fire with a water extinguisher. We then checked the basement for extension. The area near the fire is used by residents as a smoking area. The entire area was covered with cigarette butts. It looked as though the cause was a smoldering cigarette. Total dollar loss was \$1,000.00.

On November 6, 2010 Fire Fighters responded to a fire at Broadmoor School at 501 Maywood. Enroute Tazcom relayed information that it may be a dumpster fire next to the school. E2 assumed command, and reported a possible dumpster fire. Upon further investigation, it was found to be a large transformer on fire. Flames extended to the roof line. E2 stretched a 1 ¾" line and cooled the brick walls next to the transformer. Entry was made into the school by L1 to check for fire extension inside the structure. There was light smoke inside the room, and power to the school was shut down from inside by L1.

Station 3 was kept at the park to standby for other calls, as the fire had not extended into the structure.

Power was further cut to the transformer by Ameren personnel by shutting down a remote electrical vault. Information about the transformer including make, model, serial number. Total dollar loss was \$15,000.00.

On November 12, 2010 Fire Fighters responded to a structure fire at concrete block, one-story tavern at 200 Derby Street. Pekin Police were first on scene. They reported flames coming from the east side of the building and that all building occupants and neighboring apartment tenants had evacuated. E3 and Tower3 crew made an offensive attack through the east side door with a 1 ¾" handline. The fire was in a large storage room located behind the bar and just to the inside and left of the east doorway. Upon arrival, gray smoke was venting from the roof and from an east side window.

E2 and R2 connected to a hydrant and brought a supply line to Engine 3. Back up lines were pulled. L1 positioned itself on the northeast corner of the building and connected to a hydrant. E2 crew was sent around to the north side and made a forcible entry through the Derby Street door. Positive pressure fans were positioned to assist with ventilation.

Firefighters Veatch and Benson investigated. Point of origin was determined to be near the east side window with the cause underdetermined and still under investigation.

Building occupants all stated that they smelled smoke coming from an overhead vent running from the storage room. Prior to evacuating the building, bartender's friend unlocked the storage room door, found flames, and attempted to put out the fire with a 10lb. dry chemical extinguisher. A large amount of the former owner's miscellaneous combustibles were being stored in the room of origin and contributed to poor access. Total dollar loss was \$14,000.00.

On November 19, 2010 Fire Fighters responded to a structure fire at 612 S. 3rd Street. Upon arrival E2 assumed command and reported light smoke. L3 arrived on scene placed initially on side 4 of building seeing heavy smoke from eaves and flames showing from window on side 3 of structure. Hydrant supply requested and water flowed from E2 located on side 4 of structure. Door forced on side 4 of structure. Light fire conditions on lower level and heavy fire conditions in upper level. Flowed handline from doorway initially. Determined defensive strategy and setup trucks for defensive operations and exposure protection.

All other units arriving. F3 taking command. Exposures included a garage on side 2 of structure and a residence and power lines on side 3 of structure. Operations initially setup with L1 flowing elevated master stream from side 1 of structure and 2 ½ handline on side 2 for exposure protection. E2 flowing deck gun into side 3 of structure and 2 ½ handline into side 4 of structure. After bulk of fire was knocked down the majority of remaining fire was in the 2/3 corner in the upper level. E2 handline crew moved to alley on the 2/3 corner for additional exposure protection. L3 was also brought in on the ½ side, but water supply was insufficient for additional master stream operations. Overhead door was also force on the 1 side for addition access.

Cilco arrived on scene and shut off gas and electricity. Cilco advised very top high voltage lines were still live. All crew notified of hazard. Fire command contacted State Fire Marshal's office for assistance with investigation and awaiting reply. Total dollar loss was \$220,000.00.

On November 28, 2010 Fire Fighters responded to a gas leak in the fireplace that had occurred earlier in the day while lighting a fire. Upon arrival occupants informed us that at around 1600 hours they had lit the fireplace and had it burning for about 20 minutes when an explosion had occurred inside the fireplace and blew several brick off the top of the chimney outside, as well as blowing off drywall off the ceiling in the basement. They also said that the wood for the floor joist in the basement had been smoking and they had watered them down with a garden hose. Each of these actions was taken at different times after the initial explosion. They decided to call us at 1840 to check to make sure they did not have a gas leak. We were not made aware of the severity of what had happened until our arrival. I informed the owner that he should call us anytime he has a fire and not to hesitate.

We check the house with our gas detector and used our heat camera on the walls and ceiling. We found no problems. After investigating the area we concluded that LP gas may have accumulated in the lower part of the chimney and after the chimney started to heat up it had a draw of air missed with the accumulated gas and ignited with an explosive force. They had a gas shut off to the fireplace and we think that they might have a leak when the valve is on.

We checked to make sure all smoke and CO detectors were operable and asked them to call us if they had any more problems. The owner stated that he will have the gas removed from the fireplace and will contact the insurance company. Total dollar loss was \$20,000.00.

Total calls for the month of November was 373 and are as follows:

Fires	16
Rescue and EMS	274
Hazardous Materials	8
Other types of calls	75

Total dollar loss for the month of November was \$320,000.00.

Total calls for the month of October was 404 and are as follows:

Fires	11
Rescue and EMS	283
Hazardous Materials	7
Other types of calls	103

Total dollar loss for the month of October was \$105,500.00.

This is a brief overview of November 2010 and October 2010' events from the City of Pekin Fire Department. If you have any questions, please feel free to give me a call.

Respectfully Submitted

Kurt R. Nelson
Fire Chief
Pekin Fire Department

CITY OF PEKIN

POLICE DEPARTMENT

PEKIN POLICE DEPARTMENT END OF MONTH REPORT FOR NOVEMBER 2010

	NOVEMBER 2009	OCTOBER 2010	NOVEMBER 2010
TRAFFIC TICKETS	325	361	338
WARNING TICKETS	193	260	281
OFFENSES	506	468	357
ARRESTS	207	291	148
PARKING TICKETS	279	224	213
STOPS	487	921	1199

CITY ORDINANCE TICKETS FOR NOVEMBER 2010

NUMBER OF TICKETS WRITTEN 37

NUMBER OF TICKETS PAID OVER THE COUNTER 13

FINES COLLECTED OVER THE COUNTER \$2400

IMPOUNDED VEHICLES FOR NOVEMBER 2010

TOTAL VEHICLES IMPOUNDED: 35

AMOUNT OF FINES COLLECTED: \$14,000

OFFENSES

DRUG RELATED	2
DUI	8
DWLS/R	22
U UW	0

MULTIPLE OFFENSES

DRUGS/DUI	0
DRUGS/DWLS-R	0
DRUGS/U UW	0
DUI/DWLS-R	3
TOTAL	35

SISTER CITY MEETING MINUTES

Sister Cities International Project			
07/21/10		7:00-8:00 PM	
Lynette Steger		Pekin Public Library Comm. Rm.	

1. Meeting Objective

Dale Holzwarth of Pekin Community High School will speak about the recent exchange student trip to Ettenheim, Germany and his meeting with the mayor of that city about the possibility of Pekin and Ettenheim establishing a sister-city relationship.

2. Attendees

Lynette Steger	steger@omnilec.com
Michelle Teheux	michelleteheux@yahoo.com
Harrie Teheux	nabberigu@yahoo.com
Dale Holzwarth	dholzwarth@pekinhigh.net
Jami Holzwarth	
Denny Kief	dkief@ci.pekin.il.us
Sue Ann Kortkamp	sak711@comcast.net
Horst Hupke	
Waltraud Hupke	
Gene Smith	
Ingrid Smith	ingridgene@centurytel.net

3. Meeting Agenda

PCHS GAPP 2010 exchange visit	Dale Holzwarth
Sister City Commission of the City of Pekin	Denny Kief
Membership logistics: Sister Cities International	Lynette Steger

4. Agenda and Notes, Decisions, Issues

17 Students from PCHS along with teachers Dale Holzwarth and Peggy Schnarr spent three weeks in Germany and Europe as a part of a cultural and educational exchange with the Gymnasium (High School) in Ettenheim, Germany. Mayor Bruno Metz warmly received the group who presented him with a City of Pekin lapel pin, as well as, a framed photo of Pekin High School. He expressed that he is open to pursuing a Sister City relationship with Pekin and requests a formal invitation from Pekin Mayor Rusty Dunn.

The City of Pekin passed a resolution establishing the Sister City Commission on January 11, 2010. No committee members appointed at this time. Attendees were encouraged to apply using the City of Pekin's website or in person at City Hall. In all, 9 members will be appointed. Additional participation will be welcomed by the committee.

It was recommended that the Sister City International annual membership fee of \$510 (for Pekin) be raised before officially inviting the City of Ettenheim to participate in the program. Ideally, a yearly cultural event should cover this cost.

Suggestions were made to partner with Pekin Main Street to host an Oktoberfest. The Speakeasy Art Center, CJ's, and Wilanna Vogel's German/American musical group were offered as possible participants.

It was learned that the Pekin Woman's Club was founded in 1893 to "study objects and countries connected with the Chicago World's Fair" and that the Pekin Park District's mineral water was studied by the head of the Wiesbaden Sanatorium in the late 1800's and found to be similar to the spring in Baden-Baden. (nearby, Ettenheim is known for their historical mineral baths). Interest by these Pekin organizations to participate in the Sister City project will be assessed.

5. Next Meeting

Applications can be turned in until August 15th to the City of Pekin
 Appointments made @ the August 23rd City Council Meeting
 First Committee Meeting August 25th @ Library 7 P.M.

SISTER CITY INITIAL MEETING MINUTES

Sister Cities International Project		
12/02/09		6:00-7:00 PM
Lynette Steger		Pekin Public Library Comm. Rm.

1. Meeting Objective

Discuss Pekin, Illinois's participation in Sister Cities International citizen diplomacy network. A municipal partnership between U.S. cities and an international community that increases global cooperation at the local level.

2. Attendees

Lynette Steger	Community Advocacy	steger@omnilec.com
Roy Bockler	Morton Community Bank	roy.bockler@hometownbanks.com
Dale Holzwarth	Pekin Community High School	dholzwarth@pekinhigh.net
Michelle Teheux	Pekin Daily Times	mteheux@pekintimes.com
Denny Kief	Pekin City Manager	dkief@ci.pekin.il.us

3. Meeting Agenda

PCHS GAPP exchange program / history and geographical setting of Ettenheim, Germany	Dale Holzwarth
Peoria's Sister City exchange program	Michelle Teheux
Membership logistics: Sister Cities International	Lynette Steger

4. Agenda and Notes, Decisions, Issues

PCHS has participated in the German American Partnership Program since 1988. Currently paired with a high school in Ettenheim, Germany. Students exchange every other year with Pekin students visiting Germany June 2010. Ettenheim is a city near Freiburg that with the surrounding area has a population of 12,000. There is a BMW plant in Freiburg, but river city Ettenheim's main industry is agriculture, including wine making. Historically, Ettenheim was known for their mineral springs and medicinal bath houses. It is a city that has ravaged by war multiple times and has Baroque Era architecture.

Intrigued by Peoria's multiple Sister City partnerships, city staff has been discussing pursuing a partnership for Pekin.

Alma Brown, assistant to the Peoria City Manager, says that Peoria has Sister Cities in Germany, Ireland, and China. 20 people sit on their planning committee. They hold exchanges approximately every 3 years for civic and community members (up to 100 people) and students more often.

Membership in Sister City International is \$510 annually for Pekin. A \$140 annual Global Membership fee is the cost to Ettenheim. An application from must be filled with the organization. Cities may apply together. Benefits include publications, annual conference, youth & education programs, grants & awards. Can Pekin's tourism grant monies be used to cover fee? (Exchanges are usually at the cost of the participants). Should fundraising for the fee through an event that generates interest and participation be held?

Illinois wine making is fairly new to the area. Ettenheim's long history in this trade could be a beneficially partnership to local wineries. Regional economic development is a key part of this endeavor. Pekin was established by German settlers from this area of Germany. Genealogy is an important past time in Pekin.

PCHS's relationship with Ettenheim includes contact with the city's mayor. They do not currently have a sister city and are interested in creating one. Approval through Pekin's Mayor, Rusty Dunn, was obtained for Dale Holzwarth to ask Ettenheim Mayor Bruno Metz as to their interest in partnering with Pekin.

5. Next Meeting

January 6, 2009 at 6:30 PM. Pekin Public Library Community Room

Roy Bockler will ask past Peoria exchange participants to discuss their program experience.

CITY OF PEKIN, ILLINOIS
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2010

CITY OF PEKIN, ILLINOIS
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2010

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Pekin, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pekin, Illinois as of and for the year ended April 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Pekin, Illinois, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pekin, Illinois, as of April 30, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards", we have also issued our report dated November 10, 2010, on our consideration of the City of Pekin, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 44 through 47 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pekin, Illinois' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Willock Warning & Co, PC". The signature is written in a cursive, flowing style.

Willock Warning & Co., P.C.
November 10, 2010



City of Pekin

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEAR ENDED APRIL 30, 2010

As management of the City of Pekin, Illinois, we offer readers of these financial statements this narrative overview and analysis of the City of Pekin's financial position and activity as of the fiscal year ending April 30, 2010. Please read in conjunction with the City's financial statements, which follow this section.

THE STATEMENT OF NET ASSETS AND THE STATEMENT OF FUND ACTIVITIES

In reviewing the financial statements of the City, everyone wants to know if the City as a whole is better off this year than last year as a result of our fiscal activities. The financial statements tell the story of the condition of the City as a whole. The auditors have compiled all assets and liabilities using the accrual basis of accounting, which is similar with the accounting used by most private-sector companies.

In this report you will see the City's net assets and changes within them. You can think of the City's net assets as the difference between assets and liabilities, or as one way to measure the City's financial health and financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will, however, need to consider other non-financial factors, such as changes in the City's property tax base, the City's overall economic conditions, and the conditions of the City's infrastructure, to most accurately assess the overall health of the City.

FINANCIAL HIGHLIGHTS

The assets of the City of Pekin exceeded its liabilities as of April 30, 2010 by \$77,260,987. Of this amount, \$21,262,826 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets decreased by \$655,963 during the year ended April 30, 2010.

As of April 30, 2010, the City of Pekin's governmental funds reported combined ending fund balances of \$20,453,467, a decrease of \$664,567 from the prior year. Approximately 85 percent of this total amount, \$17,450,707 represents unreserved fund balance.

As of April 30, 2010, unreserved undesignated fund balance for the General Fund was \$20,124,861 or 98 percent of total General Fund expenditures.

The City of Pekin's total long-term debt decreased by \$765,750 or 21 percent during the year ended April 30, 2010.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Pekin's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements:

The government-wide financial statements are designed to provide readers with a broad overview of the City of Pekin's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City of Pekin's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguished functions of the City of Pekin that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Pekin include general government, economic development, public safety, public works and library services. The business-type activities of the City of Pekin include sewer, school bus and airport operations.

The government-wide financial statements include the City of Pekin and the Tazewell/Pekin Consolidated Communications Center (a discretely presented component unit). There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the City.

Fund financial statements:

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Pekin, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds:

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Pekin maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Library Fund and Motor Fuel Tax Fund which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided as required supplementary information for the General Fund to demonstrate compliance with this budget on page 45.

Proprietary funds:

The City of Pekin maintains two types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. As of April 30, 2010, the City of Pekin maintained five enterprise funds. Internal service funds are used to report the same functions presented as governmental-type activities in the government-wide financial statements. The City maintains two internal service funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the various funds. Data from the five enterprise funds and data from the two internal service funds are each combined into two aggregated presentations respectively.

Fiduciary funds:

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Pekin's own programs. The fiduciary funds of the City are pension trust funds. Total net assets of the fiduciary funds was \$37,183,728 as of April 30, 2010.

Notes to basic financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Pekin's progress in funding its obligation to provide pension benefits to its employees and the General Fund budgetary comparison.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the notes to basic financial statements and the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's total net assets have increased from a year ago. The following chart reflects total net assets of \$77,260,987 which represents an increase of \$655,958 from 2009.

Of the City of Pekin's net assets, as of April 30, 2010 and 2009, 65 percent and 64 percent reflects its investment in capital assets (e.g., land, construction-in-progress, land improvements, buildings and improvements, machinery and equipment and infrastructure), less any related debt used to acquire those assets that are still outstanding for both years. The City of Pekin uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF PEKIN'S STATEMENT OF NET ASSETS

	Governmental Activities April 30, 2010	Governmental Activities April 30, 2009	Business Type Activities April 30, 2010	Business Type Activities April 30, 2009	Total April 30, 2010	Total April 30, 2009
Current and other assets	\$ 24,318,103	\$ 26,058,030	\$ 6,273,150	\$ 5,395,488	\$ 30,591,253	\$ 34,087,120
Capital and other assets	40,509,658	39,761,394	15,003,514	15,186,678	55,513,172	53,536,133
Total assets	<u>64,827,761</u>	<u>65,819,424</u>	<u>21,276,664</u>	<u>20,582,166</u>	<u>86,104,425</u>	<u>87,623,253</u>
Current liabilities	6,634,169	6,510,771	98,672	399,443	6,732,841	7,541,658
Noncurrent liabilities	2,110,597	2,886,347	-	-	2,110,597	3,652,097
Total liabilities	<u>8,744,766</u>	<u>9,397,118</u>	<u>98,672</u>	<u>399,443</u>	<u>8,843,438</u>	<u>11,193,755</u>
Net assets:						
Invested in capital assets, net of related debt	37,623,311	36,109,297	12,764,096	13,042,505	50,387,407	49,151,802
Restricted	5,610,754	6,286,340	-	-	5,610,754	6,286,340
Unrestricted	<u>12,848,930</u>	<u>14,026,669</u>	<u>8,413,896</u>	<u>7,140,218</u>	<u>21,262,826</u>	<u>21,166,887</u>
Total net assets	<u>\$ 56,082,995</u>	<u>\$ 56,422,306</u>	<u>\$ 21,177,992</u>	<u>\$ 20,182,723</u>	<u>\$ 77,260,987</u>	<u>\$ 76,605,029</u>

A restricted portion of the City's net assets (7 percent and 10 percent as of April 30, 2010 and 2009 respectively) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$21,262,826 for 2010 and \$21,166,887 for 2009 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Pekin is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The City's total net assets increased by \$655,958 during the year ended April 30, 2010 compared to \$175,531 during the year ended April 30, 2009. The governmental-type activities net assets decreased by \$339,311 in 2010 and decreased by \$553,352 in 2009. The total business-type activities net assets increased by \$995,269 in 2010 and \$728,883 in 2009.

This second chart highlights the City's revenues and expenses for the years ended April 30, 2010 and 2009. This chart utilizes the full accrual method of accounting.

Revenue is divided into two major components: program revenue and general revenue. Program revenue is defined as charges for sales and services, operating grants and contributions and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

CITY OF PEKIN'S STATEMENT OF ACTIVITIES

	Governmental Activities <u>April 30, 2010</u>	Governmental Activities <u>April 30, 2009</u>	Business Type Activities <u>April 30, 2010</u>	Business Type Activities <u>April 30, 2009</u>	Total <u>April 30, 2010</u>	Total <u>April 30, 2009</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,752,770	\$ 1,756,567	\$ 4,593,268	\$ 4,485,269	\$ 6,346,038	\$ 6,241,836
Operating grants and contributions	128,666	239,682	294,338	650,591	423,004	890,273
Capital grants and contributions	482,640	1,263,408	-	-	482,640	1,263,408
General revenues:						
Property taxes	6,261,174	5,960,601	-	-	6,261,174	5,960,601
Sales taxes	10,685,124	10,039,084	-	-	10,685,124	10,039,084
Other taxes	6,278,529	6,965,947	-	-	6,278,529	6,965,947
Franchise fees	563,409	497,502	-	-	563,409	497,502
Investment earnings	456,124	611,166	335,544	223,623	791,668	834,789
Miscellaneous	560,624	404,809	-	-	560,624	404,809
Transfers	131,808	136,683	(131,808)	(131,808)	-	4,875
Total revenues	<u>27,300,868</u>	<u>27,875,449</u>	<u>5,091,342</u>	<u>5,227,675</u>	<u>32,392,210</u>	<u>33,103,124</u>
Expenses:						
General government	2,146,142	1,882,598	-	-	2,146,142	1,882,598
Planning & development	114,786	35,189	-	-	114,786	35,189
Public safety	17,278,877	16,044,522	-	-	17,278,877	16,044,522
Public works	5,852,589	6,090,800	-	-	5,852,589	6,090,800
Library services	1,178,256	1,148,870	-	-	1,178,256	1,148,870
Debt service interest	170,632	205,927	-	-	170,632	205,927
Sanitation	2,202,996	2,166,844	-	-	2,202,996	2,166,844
Tourism	85,224	107,291	-	-	85,224	107,291
Improvements/donations	465,726	548,367	-	-	465,726	548,367
School bus	-	-	1,735,324	1,290,767	1,735,324	1,290,767
Sewerage	-	-	2,451,896	2,355,703	2,451,896	2,355,703
Other	-	-	406,048	852,322	406,048	852,322
Total expenses	<u>29,495,228</u>	<u>28,230,408</u>	<u>4,593,268</u>	<u>4,498,792</u>	<u>34,088,496</u>	<u>32,729,200</u>
Increase (decrease) in net assets	<u>\$ (2,194,360)</u>	<u>\$ (354,959)</u>	<u>\$ 498,074</u>	<u>\$ 728,883</u>	<u>\$ (1,696,286)</u>	<u>\$ 373,924</u>

The chart below discloses cost of services for governmental activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Simply put, net costs are costs that must be covered by local taxes or other general revenues or transfers.

GOVERNMENTAL ACTIVITIES				
<u>Programs</u>	<u>Total Cost of Services April 30, 2010</u>	<u>Net Cost of Services April 30, 2010</u>	<u>Total Cost of Services April 30, 2009</u>	<u>Net Cost of Services April 30, 2009</u>
General government	\$ 2,146,142	\$ 2,066,457	\$ 1,882,598	\$ 1,810,955
Planning and development	114,786	114,786	35,189	35,189
Public safety	17,278,877	15,935,940	16,044,522	14,721,814
Public works	5,852,589	5,329,949	6,090,800	5,181,994
Library	1,178,256	1,074,502	1,148,870	1,052,059
Debt service interest	170,632	170,632	205,927	205,927
Sanitation	2,202,996	2,135,996	2,166,844	2,099,844
Tourism	85,224	85,224	107,291	107,291
Improvements/donations	465,726	217,666	548,367	(244,322)
Total	\$ 29,495,228	\$ 27,131,152	\$ 28,230,408	\$ 24,970,751

Net cost of services is 92 percent of total cost of services for the year ended April 30, 2010 compared to 88 percent for the year ended April 30, 2009. This reflects a continued reliance on taxes and other general revenue sources to fund the cost of services.

The following chart shows a comparison of the revenues received during the years ending April 30, 2010 and 2009.

CITY OF PEKIN GOVERNMENTAL ACTIVITIES REVENUE COMPARISON				
<u>Revenues</u>	<u>April 30, 2010</u>	<u>April 30, 2009</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Property tax	\$ 6,261,174	\$ 5,960,601	\$ 300,573	5.00%
Corporate replacement tax	1,147,748	1,296,845	(149,097)	-11.50%
State income tax	2,611,283	2,981,635	(370,352)	-12.42%
State sales/use tax	5,645,237	5,636,165	9,072	0.16%
Local sales tax	3,874,596	4,230,405	(355,809)	-8.41%
Local food/beverage/liquor tax	1,070,266	-	1,070,266	100.00%
Telecommunications tax	1,102,798	1,193,957	(91,159)	-7.64%
Motor fuel taxes	1,416,700	1,493,510	(76,810)	-5.14%
Motel tax	95,025	172,514	(77,489)	-44.92%
Franchise fees	563,409	497,502	65,907	13.25%
Interest on investments	456,124	611,166	(155,042)	-25.37%
Miscellaneous	560,624	409,684	150,940	36.84%
Total	\$ 24,804,984	\$ 24,483,984	\$ 321,000	1.31%

Total business-type activities revenue for the years ended April 30, 2010 and 2009 was \$5,091,342 and \$5,227,675, respectively. All but \$203,736 for 2010 and \$91,815 for 2009 of this revenue was generated for specific business-type activity expenses. Business-type activities increased the City of Pekin's net assets by \$995,269, accounting for 100 percent of the growth in the government's net assets in the year ended April 30, 2010 compared to \$728,883 and 100 percent for the year ended April 30, 2009.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Pekin uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds:

The focus of the City of Pekin's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of April 30, 2010, the City of Pekin's governmental funds reported combined ending fund balances of \$20,453,467, a decrease of \$664,567 from April 30, 2009. Approximately 85 percent of this total amount, \$17,450,707, constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate it is not available for new spending because it has already been committed.

As of April 30, 2009, the City's governmental funds reported combined ending fund balances of \$21,118,034, a decrease of \$2,364,775 from April 30, 2008. Approximately 82 percent of this total amount, \$17,409,070, constituted unreserved fund balance.

The General Fund is the chief operating fund of the City. The unreserved fund balance of the General Fund was \$20,124,861 for 2010 and \$18,676,932 for 2009. As a measure of the General Fund's liquidity, it may be useful to compare the unreserved fund balance to fund expenditures. For 2010, unreserved fund balance represents 98 percent of total General Fund expenditures. For 2009, unreserved fund balance represents 89 percent of total General Fund expenditures.

The fund balance of the City's General Fund increased \$1,447,929 for 2010 and \$1,088,515 for 2009. The key factors in the increase in 2010 have been the control of growth in expenditures and an increase in revenues due to the enactment of the local food/beverage/packaged liquor tax.

The Library and Motor Fuel Tax Funds both experienced declines in 2010. The fund balance of the Library Fund declined by \$45,654 in 2010 and \$75,893 in 2009. The fund balance of the Motor Fuel Tax Fund in turn declined by \$32,329 in 2010 and \$622,920 in 2009. In addition, the fund balances for the Nonmajor Governmental Funds continue to show significant decreases amounting to \$2,036,513 in 2010 and \$2,754,477 in 2009. These declines arise principally because the City does not charge its residents for garbage collection services.

Proprietary funds:

The City of Pekin's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Unrestricted net assets of the Sewerage Fund, the largest fund in this category, were \$4,541,479 as of April 30, 2010 and \$4,158,950 as of April 30, 2009 amounting to an increase in unrestricted net assets of \$382,529 which is primarily due to normal operations. The unrestricted net assets for all other enterprise funds amounted to \$3,872,417 as of April 30, 2010 compared to \$2,981,268 as of April 30, 2009 resulting in an increase of \$891,149.

GENERAL FUND BUDGET FUND COMPARISON

<u>Program</u>	<u>April 30, 2010</u>	<u>April 30, 2009</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
General government	\$ 932,142	\$ 927,917	\$ 4,225	-0.46%
Legal services	324,000	337,996	(13,996)	-4.14%
City clerk	112,802	109,855	2,947	-2.68%
Finance/treasurer	307,955	281,862	26,093	9.26%
Personnel	130,500	150,664	(20,164)	-13.38%
Information technology	269,657	292,938	(23,281)	-7.95%
Streets	2,084,744	2,596,965	(512,221)	-19.72%
Police	7,927,878	7,393,019	534,859	7.23%
Fire	7,527,662	7,420,490	107,172	1.44%
Public works	300,314	226,101	74,213	32.82%
Zoning and inspection	635,879	506,254	129,625	25.60%
Public land and buildings	892,741	1,120,290	(227,549)	-20.31%
Total general fund budget	<u>\$ 21,446,274</u>	<u>\$ 21,364,351</u>	<u>\$ 81,923</u>	<u>0.38%</u>

The above chart shows the difference in the general fund budget from the 2010 fiscal year and the 2009 fiscal year. As more fully explained in pages 49 through 52, the Mayor, members of the City Council and Department Heads worked diligently to meet the 2010 budget. In that regard, April 30, 2010 actual expenditures were less than the budget by \$898,092 even though the City faced steadily rising fuel, personnel and repair costs. Similarly, April 30, 2008 actual expenditures were less than the budget by \$511,964.

Capital Assets

The City of Pekin's investment in capital assets for its government and business-type activities as of April 30, 2010 and 2009 amounted to \$53,273,754 and \$52,803,899, respectively (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, land improvements, buildings, machinery and equipment, vehicles and library books. The total increase in capital assets for the year ended April 30, 2010 was 4 percent and for the year ended April 30, 2009 the increase was 4 percent.

Major capital expenditures during the year ended April 30, 2010 included:

- Buildings - Library (\$153,000)
- Infrastructure - Hanna Drive/Veterans Drive extension (\$1,550,000), Broadway Road expansion (\$90,000)
- Machinery and Equipment - Street (\$25,000), Library (\$81,700)
- Vehicles - Police (\$141,500), Fire (\$27,000), Street (\$40,000), Zoning Inspection (\$16,500)

During the year ended April 30, 2010, no individual capital asset acquisitions exceeded 5% of the total capital assets owned.

CITY OF PEKIN'S CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009
Land	\$ 12,363,965	\$ 12,329,515	\$ 249,833	\$ 249,883	\$ 12,613,798	\$ 12,579,398
Buildings	11,285,665	11,132,184	841,710	818,777	12,127,375	11,950,961
Infrastructure	18,534,737	16,854,200	-	-	18,534,737	16,854,200
Land improvements	-	-	759,419	759,419	759,419	759,419
Machinery & equipment	3,607,166	3,495,122	21,461,290	21,158,572	25,068,456	24,653,694
Vehicles	8,660,794	8,465,100	2,326,451	2,194,516	10,987,245	10,659,616
Library books	1,780,357	1,682,218	-	-	1,780,357	1,682,218
Total depreciable assets	43,868,719	41,628,824	25,388,870	24,931,284	69,257,589	66,560,108
Accumulated depreciation	(15,723,026)	(14,196,945)	(12,874,607)	(12,138,662)	(28,597,633)	(26,335,607)
Net depreciable assets	28,145,693	27,431,879	12,514,263	12,792,622	40,659,956	40,224,501
Total capital assets	\$ 40,509,658	\$ 39,761,394	\$ 12,764,096	\$ 13,042,505	\$ 53,273,754	\$ 52,803,899

Additional information on the City of Pekin's capital assets can be found in Note 3 of this report.

DEBT

The City of Pekin had long-term outstanding debt of \$2,886,347 as of April 30, 2010. This debt is comprised of general obligation bonds. For more details see Note 6 of this report.

CITY OF PEKIN LONG-TERM DEBT

	Balance	Additions	Retirements	Balance
	April 30, 2009			April 30, 2010
Governmental Activities:				
General obligation bonds	\$ 3,652,097	\$ -	\$ (765,750)	\$ 2,886,347

The City of Pekin maintains "AA-" rating ("AAA" for insured) from Standard and Poor's.

As a home rule entity under the Illinois Constitution, the City does not have a legal debt limit. To obtain the most favorable interest rates, the three GO Bonds issued in the fiscal year April 30, 2006 were insured to obtain an "AAA" rating. Total outstanding debt is \$86 per resident.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Each year the budget process is a difficult one, but this year it was especially so with a declining national economy, unemployment reaching levels not seen in twenty years, and costs of operations steadily increasing.

The City's elected and appointed officials considered many factors when setting the fiscal year April 30, 2011 budget including cash flow, tax rates, the economy as a whole and fees that will be charged for business-type activities.

Budgetary considerations require that focused attention be directed toward declining revenue sources, including interest, state taxes and local taxes. The Administration will be challenged to find opportunities to control expenses in the economic climate, and find even more efficient ways of delivering services to its residents.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the public dollars entrusted to it. If you have any questions about this report or need additional financial information please contact the Finance Department, City of Pekin, 111 South Capitol Street, Pekin, Illinois 61554.

CITY OF PEKIN, ILLINOIS
STATEMENT OF NET ASSETS
APRIL 30, 2010

	<u>Primary Government</u>			
	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>Component</u>
	<u>Activities</u>	<u>Activities</u>		<u>Unit</u>
ASSETS				
Current assets:				
Cash	\$ 804,989	\$ 2,557,559	\$ 3,362,548	\$ 206,731
Investments	14,299,990	3,240,000	17,539,990	-
Receivables:				
Taxes	6,536,082	-	6,536,082	-
Loans	1,424,248	-	1,424,248	-
Accounts and other	839,203	471,816	1,311,019	-
Accrued interest	80,303	-	80,303	-
Inventories	154,713	3,775	158,488	-
Prepaid items	178,575	-	178,575	-
Total current assets	<u>24,318,103</u>	<u>6,273,150</u>	<u>30,591,253</u>	<u>206,731</u>
Noncurrent assets:				
Capital assets:				
Land and improvements	12,363,965	1,009,302	13,373,267	-
Other capital assets, net of accumulated depreciation	<u>28,145,693</u>	<u>11,754,794</u>	<u>39,900,487</u>	<u>255,266</u>
Total capital assets, net of depreciation	40,509,658	12,764,096	53,273,754	255,266
Loans receivable	-	2,239,418	2,239,418	-
Total noncurrent assets	<u>40,509,658</u>	<u>15,003,514</u>	<u>55,513,172</u>	<u>255,266</u>
Total assets	<u>\$ 64,827,761</u>	<u>\$ 21,276,664</u>	<u>\$ 86,104,425</u>	<u>\$ 461,997</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF NET ASSETS
APRIL 30, 2010

	<u>Primary Government</u>			
	<u>Governmental</u>	<u>Business-type</u>		<u>Component</u>
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Unit</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	\$ 1,227,291	\$ 98,672	\$ 1,325,963	\$ 60,232
Compensated absences	2,447,850	-	2,447,850	-
Accrued interest payable	27,045	-	27,045	-
Deferred revenue, property taxes	2,156,233	-	2,156,233	178,575
Current portion of noncurrent liabilities	775,750	-	775,750	-
Total current liabilities	<u>6,634,169</u>	<u>98,672</u>	<u>6,732,841</u>	<u>238,807</u>
Noncurrent liabilities:				
General obligation bonds payable, noncurrent portion	<u>2,110,597</u>	<u>-</u>	<u>2,110,597</u>	<u>-</u>
Total liabilities	<u>8,744,766</u>	<u>98,672</u>	<u>8,843,438</u>	<u>238,807</u>
Net assets				
Invested in capital assets, net of related debt	37,623,311	12,764,096	50,387,407	255,266
Reserved for debt service	1,258,345	-	1,258,345	-
Restricted for:				
Capital development	1,744,415	-	1,744,415	-
Highways and streets	2,341,503	-	2,341,503	-
Library services	266,491	-	266,491	-
Unrestricted (deficit)	<u>12,848,930</u>	<u>8,413,896</u>	<u>21,262,826</u>	<u>(32,076)</u>
Total net assets	<u>56,082,995</u>	<u>21,177,992</u>	<u>77,260,987</u>	<u>223,190</u>
Total liabilities and net assets	<u>\$ 64,827,761</u>	<u>\$ 21,276,664</u>	<u>\$ 86,104,425</u>	<u>\$ 461,997</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2010

Functions/Programs:	Program Revenues			Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions		Primary Government		Business-type Activities	Total	Component Unit
					Governmental Activities				
Primary Government									
Governmental activities:									
General government	\$ 2,146,142	\$ 79,685	\$ -	\$ -	\$ (2,066,457)	\$ -	\$ (2,066,457)	\$ -	
Public safety	17,278,877	1,334,000	8,937	-	(15,935,940)	-	(15,935,940)	-	
Public lands	1,107,264	51,058	3,000	-	(1,053,206)	-	(1,053,206)	-	
Zoning	592,610	205,279	-	-	(387,331)	-	(387,331)	-	
Public works	331,276	-	-	-	(331,276)	-	(331,276)	-	
Streets	3,821,439	40,379	15,158	207,766	(3,558,136)	-	(3,558,136)	-	
Sanitation	2,202,996	-	67,000	-	(2,135,996)	-	(2,135,996)	-	
Planning and development	114,786	-	-	-	(114,786)	-	(114,786)	-	
Library services	1,178,256	42,369	34,571	26,814	(1,074,502)	-	(1,074,502)	-	
Tourism	85,224	-	-	-	(85,224)	-	(85,224)	-	
Residential and public improvements/donations	465,726	-	-	248,060	(217,666)	-	(217,666)	-	
Interest on long-term debt	170,632	-	-	-	(170,632)	-	(170,632)	-	
Total governmental activities (Note 3)	29,495,228	1,752,770	128,666	482,640	(27,131,152)	-	(27,131,152)	-	
Business-type activities:									
School bus	1,413,590	1,735,324	-	-	-	321,734	321,734	-	
Sewerage	2,380,095	2,451,896	-	-	-	71,801	71,801	-	
Other	302,388	406,048	294,338	-	-	397,998	397,998	-	
Total business-type activities	4,096,073	4,593,268	294,338	-	-	791,533	791,533	-	
Total primary government	\$ 33,591,301	\$ 6,346,038	\$ 423,004	\$ 482,640	(27,131,152)	(26,339,619)	-	-	
Component unit:									
TPCCC	\$ 1,426,562	\$ 1,386,890	\$ -	\$ 28,529				(11,143)	
General revenues:									
Taxes:									
Property taxes					6,261,174	-	6,261,174	-	
Income taxes					2,611,283	-	2,611,283	-	
Sales taxes					10,685,124	-	10,685,124	-	
Other taxes					3,667,246	-	3,667,246	-	
Franchise fees					563,409	-	563,409	-	
Investment earnings					456,124	335,544	791,668	1,920	
Other					560,624	-	560,624	-	
Transfers					131,808	(131,808)	-	-	
Total general revenues and transfers					24,936,792	203,736	25,140,528	1,920	
Changes in net assets					(2,194,360)	995,269	(1,199,091)	(9,223)	
Net assets, beginning of year					57,729,661	20,182,723	77,912,384	232,413	
Adjustment to net assets					547,694	-	547,694	-	
Net assets, end of year					\$ 56,082,995	\$ 21,177,992	\$ 77,260,987	\$ 223,190	

The notes to the financial statements are an integral part of this statement.

STATEMENT 3

CITY OF PEKIN, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2010

	General Fund	Library Fund	Motor Fuel Tax Fund	Nonmajor Governmental Funds	Total
ASSETS					
Cash	\$ 6,841,624	\$ 7,607	\$ 277,027	\$ 1,988,805	\$ 9,115,063
Investments	8,740,256	617,489	2,007,785	2,925,000	14,290,530
Due from other funds	202,291	-	-	-	202,291
Receivables:					
Property taxes	1,133,477	1,022,756	-	-	2,156,233
Accounts, fees, grants, and other taxes	4,764,218	35,675	73,441	336,243	5,209,577
Loans	-	-	-	1,424,248	1,424,248
Prepaid items	178,575	-	-	-	178,575
Total assets	<u>\$ 21,860,441</u>	<u>\$ 1,683,527</u>	<u>\$ 2,358,253</u>	<u>\$ 6,674,296</u>	<u>\$ 32,576,517</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Cash overdraft	\$ -	\$ -	\$ -	\$ 9,044,041	\$ 9,044,041
Accounts payable	128,597	-	16,750	48,817	194,164
Accrued wages	469,405	26,277	-	36,105	531,787
Due to other funds	-	-	-	192,724	192,724
Other liabilities	4,101	-	-	-	4,101
Deferred revenues	1,133,477	1,022,756	-	-	2,156,233
Total liabilities	<u>1,735,580</u>	<u>1,049,033</u>	<u>16,750</u>	<u>9,321,687</u>	<u>12,123,050</u>
Fund Balances:					
Reserved for debt service	-	-	-	1,258,345	1,258,345
Reserved for capital development	-	178,698	-	1,565,717	1,744,415
Unreserved, designated	-	266,491	-	-	266,491
Unreserved, undesignated reported in:					
General fund	20,124,861	-	-	-	20,124,861
Special revenue funds	-	189,305	2,341,503	(5,471,453)	(2,940,645)
Total fund balances	<u>20,124,861</u>	<u>634,494</u>	<u>2,341,503</u>	<u>(2,647,391)</u>	<u>20,453,467</u>
Total liabilities and fund balances	<u>\$ 21,860,441</u>	<u>\$ 1,683,527</u>	<u>\$ 2,358,253</u>	<u>\$ 66,674,296</u>	<u>\$ 32,576,517</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
APRIL 30, 2010

Total governmental fund balances	\$ 20,453,467
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	40,509,658
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Internal service funds are used by management to charge the costs of certain activities, such as vehicle maintenance and insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	400,809
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Accrued interest receivable is not a financial resource and, therefore, not reported in the funds	80,303
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Liabilities, including bonds payable, are not payable in the current period and therefore are not reported in the funds:

General obligation bonds payable	(2,886,347)
Compensated absences	(2,447,850)
Accrued interest payable	<u>(27,045)</u>

Net assets of governmental activities	<u>\$ 56,082,995</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED APRIL 30, 2010

	General Fund	Library Fund	Motor Fuel Tax Fund	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	\$ 19,770,407	\$ 1,118,131	\$ 854,452	\$ 1,481,837	\$ 23,224,827
Licenses and permits	231,856	-	-	-	231,856
Intergovernmental	219,703	61,385	15,158	315,060	611,306
Fees and charges for services	1,033,018	42,369	117,217	-	1,192,604
Fines and collections	657,508	-	-	-	657,508
Investment earnings	288,460	1,158	29,478	56,725	375,821
Reimbursements and restitutions	234,211	-	-	-	234,211
Other revenues	105,298	40,134	-	415,192	560,624
Total revenues	<u>22,540,461</u>	<u>1,263,177</u>	<u>1,016,305</u>	<u>2,268,814</u>	<u>27,088,757</u>
Expenditures:					
Current:					
General government/administrative	1,361,743	-	-	226,782	1,588,525
Public safety	14,887,305	-	-	-	14,887,305
Public lands and buildings	740,231	-	-	-	740,231
Zoning and inspection	521,935	-	-	-	521,935
Public works	260,223	-	-	-	260,223
Highways and streets	1,982,728	-	1,048,634	-	3,031,362
Sanitation	-	-	-	1,905,143	1,905,143
Planning and development	-	-	-	1,798,866	1,798,866
Library services	-	1,059,727	-	-	1,059,727
Tourism	-	-	-	85,224	85,224
Residential and public improvements/donations	-	-	-	465,726	465,726
Capital outlay	377,915	247,104	-	6,509	631,528
Debt service:					
Principal	344,624	-	-	421,126	765,750
Interest	71,478	-	-	72,109	143,587
Total expenditures	<u>20,548,182</u>	<u>1,306,831</u>	<u>1,048,634</u>	<u>4,981,485</u>	<u>27,885,132</u>
Excess (deficiency) of revenues over expenditures	<u>1,992,279</u>	<u>(43,654)</u>	<u>(32,329)</u>	<u>(2,712,671)</u>	<u>(796,375)</u>
Other finances sources (uses):					
Transfers in	179,675	-	-	724,025	903,700
Transfers out	(724,025)	-	-	(47,867)	(771,892)
Total other financing sources (uses)	<u>(544,350)</u>	<u>-</u>	<u>-</u>	<u>676,158</u>	<u>131,808</u>
Net change in fund balances	<u>1,447,929</u>	<u>(43,654)</u>	<u>(32,329)</u>	<u>(2,036,513)</u>	<u>(664,567)</u>
Fund balances, beginning of year	<u>18,676,932</u>	<u>678,148</u>	<u>2,373,832</u>	<u>(610,878)</u>	<u>21,118,034</u>
Fund balances, end of year	<u>\$ 20,124,861</u>	<u>\$ 634,494</u>	<u>\$ 2,341,503</u>	<u>\$ (2,647,391)</u>	<u>\$ 20,453,467</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2010

Net change in fund balances-governmental funds	\$ (664,567)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$1,555,537) exceeded capital outlays (\$1,036,279) in the current period.	(519,258)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Compensated absences	(2,447,850)

The repayment of bond principal is a financing use in the governmental funds but reduces the long-term liabilities in the statement of net assets. Also, in the statement of activities, interest is accrued on outstanding bonds whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Repayment of bond principal	765,750
Interest	(27,045)

Interest receivables related to governmental fund investments are reported in the statement of net assets at the time they are earned without regard to the date of receipt by the City.	80,303
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Internal service funds are used by management to charge the costs of certain activities, such as vehicle maintenance and insurance, to individual funds. The net loss of the internal service funds is reported with governmental activities.	<u>618,307</u>
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Change in net assets of governmental activities	<u>\$ (2,194,360)</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
APRIL 30, 2010

	Business-type Activities-Enterprise Funds				Governmental Activities
	School Bus Fund	Sewerage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Cash	\$ 932,912	\$ 2,100,895	\$ -	\$ 3,033,807	\$ 927,378
Investments	1,000,000	2,240,000	-	3,240,000	9,460
Accounts receivable	193,628	244,742	33,446	471,816	9,475
Fuel and parts inventory, at cost	-	-	3,775	3,775	154,713
Total current assets	<u>2,126,540</u>	<u>4,585,637</u>	<u>37,221</u>	<u>6,749,398</u>	<u>1,101,026</u>
Noncurrent assets:					
Loans receivable	-	-	2,239,418	2,239,418	-
Capital assets:					
Land and improvements	-	73,000	936,302	1,009,302	-
Buildings	50,000	-	791,710	841,710	-
Equipment	-	21,422,967	38,323	21,461,290	67,576
Vehicles	2,326,451	-	-	2,326,451	-
Less accumulated depreciation	<u>(1,814,678)</u>	<u>(9,896,474)</u>	<u>(1,163,505)</u>	<u>(12,874,657)</u>	<u>(36,668)</u>
Total capital assets (net of accumulated depreciation)	<u>561,773</u>	<u>11,599,493</u>	<u>602,830</u>	<u>12,764,096</u>	<u>30,908</u>
Total noncurrent assets	<u>561,773</u>	<u>11,599,493</u>	<u>2,842,248</u>	<u>15,003,514</u>	<u>30,908</u>
Total assets	<u>\$2,688,313</u>	<u>\$ 16,185,130</u>	<u>\$ 2,879,469</u>	<u>\$ 21,752,912</u>	<u>\$ 1,131,934</u>
LIABILITIES AND NET ASSETS					
Current liabilities:					
Cash overdraft	\$ -	\$ -	\$ 476,248	\$ 476,248	\$ 193,411
Accounts payable	9,166	15,870	1,284	26,320	262,573
Accrued wages	37,244	28,288	6,820	72,352	16,568
Other liabilities	-	-	-	-	218,098
Total current liabilities	<u>46,410</u>	<u>44,158</u>	<u>484,352</u>	<u>574,920</u>	<u>690,650</u>
Net assets:					
Invested in capital assets, net of related debt	561,773	11,599,493	602,830	12,764,096	30,908
Unrestricted	<u>2,080,130</u>	<u>4,541,479</u>	<u>1,792,287</u>	<u>8,413,896</u>	<u>410,376</u>
Total net assets	<u>2,641,903</u>	<u>16,140,972</u>	<u>2,395,117</u>	<u>21,177,992</u>	<u>441,284</u>
Total liabilities and net assets	<u>\$2,688,313</u>	<u>\$ 16,185,130</u>	<u>\$ 2,879,469</u>	<u>\$ 21,752,912</u>	<u>\$ 1,131,934</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED APRIL 30, 2010

	Business-type Activities-Enterprise Funds				Governmental Activities
	School Bus Fund	Sewerage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues, charges for services	\$ 1,735,324	\$ 2,451,896	\$ 406,048	\$ 4,593,268	\$ 4,675,185
Operating expenses:					
Personal services	797,582	504,782	115,353	1,417,717	360,313
Supplies	3,275	3,155	879	7,309	-
Cost of fuel and parts sold	-	-	-	-	633,274
Insurance claims and premiums paid	-	-	-	-	4,051,531
Other services and charges	520,434	1,251,906	162,712	1,935,052	249,314
Depreciation	92,299	620,252	23,444	735,995	6,755
Total operating expenses	1,413,590	2,380,095	302,388	4,096,073	5,301,187
Operating income (loss)	321,734	71,801	103,660	497,195	(626,002)
Nonoperating revenues:					
Grants	-	-	294,338	294,338	-
Investment earnings	32,457	107,842	195,245	335,544	7,695
Total nonoperating revenues	32,457	107,842	489,583	629,882	7,695
Income (loss) before transfers	354,191	179,643	593,243	1,127,077	(618,307)
Transfers out	(17,160)	(114,648)	-	(131,808)	-
Change in net assets	337,031	64,995	593,243	995,269	(618,307)
Total net assets, beginning of year	2,304,872	16,075,977	1,801,874	20,182,723	1,059,591
Total net assets, end of year	\$ 2,641,903	\$ 16,140,972	\$ 2,395,117	\$ 21,177,992	\$ 441,284

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2010

	<u>Business-type Activities-Enterprise Funds</u>				<u>Governmental Activities</u>
	<u>School Bus Fund</u>	<u>Sewerage Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Cash flows from operating activities:					
Receipts from services	\$ 1,581,687	\$ 2,407,503	\$ 374,706	\$ 4,363,896	\$ 4,687,542
Payments for personal services	(793,786)	(1,215,989)	(111,306)	(2,121,081)	(355,105)
Payments to vendors and suppliers	(517,009)	(574,836)	(207,120)	(1,298,965)	(4,536,162)
Net cash provided (used) by operating activities	<u>270,892</u>	<u>616,678</u>	<u>56,280</u>	<u>943,850</u>	<u>(203,725)</u>
Cash flows from noncapital financing activities:					
Grant receipts	-	-	294,338	294,338	-
Transfers to other funds	(17,160)	(114,648)	-	(131,808)	-
Net cash provided (used) by noncapital financing activities	<u>(17,160)</u>	<u>(114,648)</u>	<u>294,338</u>	<u>162,530</u>	<u>-</u>
Cash flows from capital related activities:					
Purchase of capital assets	(131,935)	(302,718)	(22,933)	(457,586)	-
Cash flows from investing activities:					
Redemption of investments	15,118	1,761,651	-	1,912,769	1,019,399
Net loans issued	-	-	(95,245)	(95,245)	-
Interest income	32,457	107,842	195,245	335,544	7,695
Net cash provided by investing activities	<u>183,575</u>	<u>1,869,493</u>	<u>100,000</u>	<u>2,153,068</u>	<u>1,027,094</u>
Net increase in cash	305,372	2,068,805	427,685	2,801,862	823,369
Cash (overdraft) balance, beginning of year	<u>627,450</u>	<u>32,090</u>	<u>(903,933)</u>	<u>(244,303)</u>	<u>(89,402)</u>
Cash (overdraft) balance, end of year	<u>\$ 932,822</u>	<u>\$ 2,100,895</u>	<u>\$ (476,248)</u>	<u>\$ 2,557,559</u>	<u>\$ 733,967</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 321,734	\$ 71,801	\$ 103,660	\$ 497,195	\$ (626,002)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	92,299	620,252	23,444	735,995	6,755
Changes in assets and liabilities:					
(Increase) decrease in receivables	(153,637)	(44,118)	(31,342)	(229,097)	12,357
Increase in inventories	-	-	(3,775)	(3,775)	(23,494)
Decrease in prepaid expenses	-	-	-	-	23,059
Increase (decrease) in accounts payable	6,700	(44,591)	(39,754)	(77,645)	180,294
Increase in accrued wages	3,796	13,609	4,047	21,452	5,208
Increase (decrease) in other liabilities	-	(275)	-	(275)	218,098
Net cash provided (used) by operating activities	<u>\$ 270,892</u>	<u>\$ 616,678</u>	<u>\$ 56,280</u>	<u>\$ 943,850</u>	<u>\$ (203,725)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
APRIL 30, 2010

	<u>Pension Trust Funds</u>	<u>Accounts Payable/Payroll Imprest Agency Funds</u>
ASSETS		
Cash	\$ 59,436	\$ 191,485
Investments, at market value:		
Money market accounts	3,063,914	-
Certificates of deposit	1,350,000	-
U.S. Government and Agency obligations	18,359,549	-
Equity funds	3,876,980	-
Equity mutual funds	10,483,874	-
Due from other funds	20,417	-
Total assets	<u>\$ 37,214,170</u>	<u>\$ 191,485</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 458	\$ -
Payroll taxes	-	-
Undistributed assets	-	191,485
Due to other funds	29,984	-
Total liabilities	<u>30,442</u>	<u>191,485</u>
 Net assets:		
Held in trust for pension benefits	37,183,728	-
Total liabilities and net assets	<u>\$ 37,214,170</u>	<u>\$ 19,485</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
FOR THE YEAR ENDED APRIL 30, 2010

	Pension Trust Funds
<u>ADDITIONS:</u>	
Contributions:	
Employer	\$ 3,004,290
Plan members	<u>651,106</u>
Total contributions	<u>3,655,396</u>
Investment income:	
Realized gains on investment sales and net appreciation in fair market value of investments	3,943,347
Interest/dividends	<u>1,015,031</u>
Total investment income	<u>4,958,378</u>
Less investment expenses	<u>(124,895)</u>
Net investment income	<u>4,833,483</u>
Total additions	<u>8,488,879</u>
<u>DEDUCTIONS:</u>	
Benefits	4,088,665
Administrative expenses	<u>36,197</u>
Total deductions	<u>4,124,862</u>
Change in net assets	4,364,017
Net assets, beginning of year	<u>32,819,711</u>
Net assets, end of year	<u>\$ 37,183,728</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Pekin (the "City") is a municipal corporation governed by an elected mayor and six-member council. It operates under the City Manager form of government.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for governmental agencies through its pronouncements (Statements and Interpretations). Governmental agencies are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, 'Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments'. Some of the significant changes in the Statement include the following:

(1) The financial statements include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the City's activities.

(2) A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

B. Financial Reporting Entity

As required by accounting principles generally accepted in the United States, these financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. A discreet component unit is reported in a separate column in the government-wide statements to emphasize it is legally separate from the City.

Discreet Component Unit-The Tazewell/Pekin Consolidated Communications Center (TPCCC) provides police and fire communication services to the City as well as Tazewell County and other communities within the county. The governing board includes the City's mayor and chief of police. The City provides the majority of funding and provides office space and accounting services to TPCCC. Complete financial statements for TPCCC may be obtained at it's administrative office.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 1 - continued

C. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. While the previous reporting model emphasized fund types (the total of all funds of a particular type), in the new reporting model the focus is on either the City as a whole or major individual funds (within the fund financial statements). The focus is on both the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by fund type) and the component unit. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

The government-wide Statement of Activities reflects both the gross and net cost per functional category that are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function or a business-type activity. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operation of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues. The City does not allocate indirect expenses. The operating grants include operating-specific grants.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statement's governmental column, a reconciliation is presented which briefly explains the adjustment necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 1 - continued

The City's fiduciary funds (which have been redefined and narrowed in scope) are presented in the fund financial statements by type (pension and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The following is a brief description of the specific funds used by the City.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed.

a. General Fund

The General Fund is the primary operating fund of the City. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services, and interest income.

b. Special Revenue Fund

The Special Revenue Fund accounts for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities. The Library Fund and the Motor Fuel Tax Fund are major funds for reporting purposes.

c. Capital Projects Fund

The Capital Project Fund accounts for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

2. Proprietary Funds

Proprietary Funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and payments relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of operating income, financial position, changes in net assets and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as, materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, the City has elected to follow GASB statements issued after November 30, 1989, rather than the Financial Accounting Standards Board, in accounting for enterprise funds and business-type activities.

a. Enterprise Fund or Business Funds

The Enterprise Fund accounts for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The School Bus Fund and the Sewerage Fund are considered major funds for reporting purposes.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 1 - continued

b. Internal Service Funds

The Internal Service Funds are used to finance and account for services and commodities provided by designated departments to other departments of the City. The following are the City's internal service funds:

Vehicle Maintenance Fund-To account for the costs of fuel, repairs, and maintenance of City-owned vehicles.

Employees Benefit Fund-To account for the premiums and medical claims of all covered City employees and their covered dependents.

3. Fiduciary Funds

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governments. The Fiduciary Funds of the City are the Police and Fire Pension Trust Funds and the Payroll Imprest Agency Fund. For accounting measurement purposes, the Pension Trust Funds are accounted for in essentially the same manner as proprietary funds. The Pension Trust Funds account for the assets of the City's pension plans. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. Fiduciary funds are not included in the government-wide financial statements.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statements of net assets and statements of activities, all proprietary funds, and private purpose trust funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the statement of net assets or on the statement of fiduciary net assets. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The statements of net assets, statements of activities, financial statements of the Proprietary Funds and Fiduciary Funds (except for agency funds) are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. Real and personal property taxes are recognized in the period for which levied, provided the City has an enforceable legal claim to the resources. Grants, shared revenues, and contributions are recognized when all eligibility requirements have been met.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 1 - continued

The fund financial statements of the General, Special Revenue, Capital Projects, and agency funds are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. With respect to real and personal property taxes revenue and other local taxes, the term "available" is limited to collection within ninety days of the fiscal year-end. Levies made prior to the fiscal year-end but which are not available are deferred. Interest income is recorded as earned. Federal and State reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred.

E. Budgetary Accounting

In 1996 the City Council adopted budget procedures established by law which replaced the former appropriation ordinances process. The budget, unlike the replaced annual appropriations ordinance, is required to be adopted before the beginning of the fiscal year to which it applies. Unexpended budget items lapse each year.

The budget may be changed in almost any manner and without public hearings at any time during the year pursuant to a two-thirds vote of the Council members. Further, they may delegate the power, by the same vote, to make changes within an appropriation to a budget officer.

F. Capital Assets

Capital assets are recorded as expenditures of the General, Special Revenue, and Capital Project Funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold of \$5,000 is met. GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets effective May 1, 2004. Infrastructure assets include roads, sidewalks, underground pipes, traffic lighting, etc. These infrastructure assets are the largest asset class of the City. Pursuant to GASB Statement No. 34, the City has reported infrastructure assets acquired or constructed since 1978. These assets have been recorded at historical cost at the date of acquisition or construction less accumulated depreciation.

Depreciation is recorded on general fixed assets on a governmental-wide basis using the straight-line method and the following estimated useful lives:

Buildings	50-years
Equipment and Furniture	5-20 years
Vehicles	5-10 years
Library Books	10-years
Streets and Sidewalks	50-years
Lighting	20-years

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 1 - continued

To the extent the City's capitalization threshold of \$5,000 is met, capital outlays of the proprietary funds are recorded as fixed assets and depreciated over their estimated useful lives in both the funds basis and the governmental-wide basis using the straight-line method and the following estimated useful lives:

Buildings	25-years
Land Improvements	20-years
Machinery and Equipment	7-15 years
Vehicles	5-10 years

All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

G. Inventory

The funds having material inventory are the Airport Fund (enterprise) with fuel and the Vehicle Maintenance Fund (internal service) with fuel and vehicle parts. Inventories of fuel and vehicle parts in these funds are valued at cost on a first-in, first-out basis which approximate market value. Inventory is recorded using the consumption method.

H. Compensated Absences

The City accrues compensated absences (vacation and sick leave benefits) when vested. The governmental funds' compensated absences liabilities are recorded as current liabilities in the government-wide financial statements.

I. Property Tax Revenue, Receivables, and Deferred Revenue

Property tax revenues are recorded on the "deferred method". Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the Tazewell County Treasurer, the property taxes are not "available" to finance current year expenditures. The 2009 tax levy adopted December 2009 is recorded as property taxes receivable and deferred tax revenue on the balance sheets of governmental type funds. Taxes for this levy are due in two installments-June 1 and September 1, 2010. Collections are distributed by the County Treasurer in July through November 2010. The lien date for uncollected taxes is January 1, 2011.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 1 - continued

J. Capital Lease Obligations

As of April 30, 2010 the City was not a party to any capital lease arrangements.

K. Employees Benefits

The City has established an internal service fund to account for its medical self-insurance program. The purpose of this fund is to pay medical insurance claims of the City employees and their covered dependents. The private insurance carrier determines premium payments to be made by the City. Annual claims are paid from accumulated premium payments, and claims exceeding a fixed amount per employee are paid by a private insurance carrier.

L. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

M. Fund Balance

Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes authorize the City to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks and savings and loan associations, or other financial institutions as designated by ordinances, and to invest available funds in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, money market mutual funds whose portfolios consist of governmental securities, Illinois Funds Money Market Fund, and annuities.

As of April 30, 2010, the carrying amount of the City's deposits totaled \$4,440,608 with the bank balances totaling \$4,607,555. The insured and collateral status of the bank balances, by category of risk, were as follows:

Insured or collateralized with securities held by the City or its agent in the City's name	<u>\$ 4,607,555</u>
--	---------------------

The City's investments are categorized as follows to give an indication of the level of credit risk assumed by the City: (1) insured or registered, or the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered, with the securities held by the counterparty's trust department or agent in the City's name, and (3) uninsured and unregistered, with the securities held by the counterparty or its agent but not in the City's name.

As of April 30, 2010, the City's investments by category of risk were as follows:

	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>
Corporate debt and equity	\$ 32,579,099	\$ -	\$ -	\$ 32,579,099
U.S. government securities	<u>18,359,549</u>	<u>-</u>	<u>-</u>	<u>18,359,549</u>
	<u>\$ 50,938,648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>50,938,648</u>
Investments not subject to categorization:				
Illinois State Funds Money Market Fund				671,745
Money Market Funds				<u>3,063,914</u>
Total				<u>\$ 54,674,307</u>

GASB Statement No. 3, Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements, requires the City to assign risk categories for its investments, except those in which securities are not used as evidence of the investment. The level of risk for the City's investments during the year did not vary substantially from those at year end.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 2 - continued

A reconciliation of cash, cash equivalents and investments as shown in the financial statements is as follows:

Cash	\$ 4,193,311
Deposits with financial institutions	18,218,245
Investments	<u>32,720,403</u>
	<u>\$ 55,131,959</u>
Government-wide financial statement of net assets:	
Cash and cash equivalents	\$ 206,731
Investments	<u>17,539,990</u>
	<u>\$ 17,746,721</u>
Statement of fiduciary net assets:	
Cash and cash equivalents	\$ 250,921
Investments	<u>37,134,317</u>
	<u>\$ 37,385,238</u>

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended April 30, 2009:

	Balance April 30, 2009	Additions	Deletions	Balance April 30, 2010
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 12,329,515	\$ 34,450	\$ -	\$ 12,363,965
Capital assets being depreciated:				
Buildings	11,132,184	153,481	-	11,285,665
Infrastructure	16,854,200	1,649,630	-	18,503,830
Machinery and equipment	3,495,122	112,044	-	3,607,166
Vehicles	8,465,100	225,150	(29,456)	8,660,794
Library books	1,682,218	98,139	-	1,780,357
Total capital assets being depreciated	41,628,824	2,238,444	(29,456)	43,837,812
Less accumulated depreciation for:				
Buildings	2,543,852	224,395	-	2,768,247
Infrastructure	2,284,424	461,186	-	2,745,610
Machinery and equipment	2,572,016	179,134	-	2,751,150
Vehicles	5,589,039	585,467	(29,456)	6,145,050
Library books	1,207,614	105,355	-	1,312,969
Total accumulated depreciation	14,196,945	1,555,537	(29,456)	15,723,026
Total capital assets being depreciated, net	27,431,879	682,907	-	28,114,786
Governmental activities capital assets, net	\$ 39,761,394	\$ 717,357	\$ -	\$ 40,478,751
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 249,883	\$ -	\$ -	\$ 249,883
Capital assets being depreciated:				
Land improvements	759,419	-	-	759,419
Buildings	818,777	22,933	-	841,710
Machinery and equipment	21,158,572	302,718	-	21,461,290
Vehicles	2,194,516	131,935	-	2,326,451
Total capital assets being depreciated	24,931,284	457,586	-	25,388,870
Less accumulated depreciation for:				
Land improvements	733,885	9,204	-	743,089
Buildings	420,071	14,365	-	434,436
Machinery and equipment	9,296,368	575,365	-	9,871,733
Vehicles	1,688,338	137,061	-	1,825,399
Total accumulated depreciation	12,138,662	735,995	-	12,874,657
Total capital assets being depreciated, net	12,792,622	(278,409)	-	12,514,213
Business-type activities capital assets, net	\$ 13,042,505	\$ (278,409)	\$ -	\$ 12,764,096

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 3 - continued

Depreciation expense was charged to the functions of the government as follows:

Governmental Activities

General government	\$ 175,473
Public safety	390,270
Highways and streets	465,191
Sanitation	105,396
Public lands	235,703
Library services	169,618
Public works	8,488
Zoning	5,398
	<u>\$ 1,555,537</u>

Business-Type Activities

Sewerage	\$ 620,252
School bus	92,299
Airport	23,444
	<u>\$ 735,995</u>

NOTE 4 - **INDIVIDUAL FUND DISCLOSURES**

The following is a summary of deficit fund balances/net assets of individual funds as of April 30, 2010:

Special Revenue Fund:

Sanitation	<u>\$ 7,280,491</u>
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Enterprise Fund:

Municipal Bus	<u>\$ 161,647</u>
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The excess of actual expenditures over final budget for year ended April 30, 2010 were:

Library Fund (due to capital expenditures)	\$ 73,534
Sanitation Fund (due primarily to excess operating costs)	52,266
Capital Projects Fund (due to contract construction costs)	952,533

Interfund receivables/payables at April 30, 2010 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 202,291	\$ -
TIF/CBD Fund	-	192,724
Police Pension Fund	20,417	4,655
Fire Pension Fund	-	25,329
	<u>\$ 222,708</u>	<u>\$ 222,708</u>

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 4 - continued

The following is a schedule of operating transfers as included in the City's basic financial statements:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
General Fund	\$ 179,675	\$ 724,025
Sanitation Fund	-	47,867
Tourism Fund	724,025	-
Business-type activities:		
Sewerage Fund	-	114,648
School Bus Fund	-	17,160
Total	<u>\$ 903,700</u>	<u>\$ 903,700</u>

NOTE 5 - **LEASE COMMITMENTS**

Capital Leases:

The City was not obligated under any capital lease contracts as of April 30, 2010.

Operating Leases:

The City has entered into a number of operating leases which contain cancellation provisions and are subject to annual appropriations. For the reporting period, rent expenditures approximated \$42,700.

These expenditures were made from the following funds:

General	\$ 17,950
Sewerage	18,000
Component Unit	6,750
Total	<u>\$ 42,700</u>

NOTE 6 - **LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended April 30, 2010:

	<u>Balance</u> <u>April 30, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>April 30, 2010</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
General Obligation Bonds:					
Series 2003	\$ 445,000	\$ -	\$ 105,000	\$ 340,000	\$ 110,000
Series 2004 Refunding	750,000	-	180,000	570,000	185,000
Series 2004	1,785,097	-	368,750	1,416,347	368,750
Series 2005	672,000	-	112,000	560,000	112,000
	<u>\$ 3,652,097</u>	<u>\$ -</u>	<u>\$ 765,750</u>	<u>\$ 2,886,347</u>	<u>\$ 775,750</u>

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 6 - continued

A brief description of the above long-term debt obligations is as follows:

General Obligation Bonds:

Series 2003 Refunding - Used to refinance the outstanding bonds of the Series 1992 issue. Bonds are due in annual installments of \$110,000 to \$120,000 through December 18, 2012. Interest rate ranges between 2.0 percent to 3.65 percent. \$ 340,000

Series 2004 Refunding - Used to refinance outstanding bonds of the Series 1993A issue. Bonds are due in annual installments of \$185,000 to \$195,000 through January 1, 2013. Interest rate ranges from 1.9 percent to 3.65 percent. 570,000

Series 2004 - Used to purchase capital items in General Fund, Sanitation Fund, and TIF/CBD Fund. Bonds are due in annual installments of \$368,750 with a final payment of \$310,097 on January 1, 2013. Interest rate is 3.894 percent. 1,416,347

Series 2005 - Used to purchase land for expansion of Riverway Business Park. Bonds are due in annual installments of \$112,000 through April 1, 2015. Interest rate is 5.125 percent. 560,000

Total \$ 2,886,347

Debt Service:

The annual debt service requirements to maturity, including principal and interest for the long-term debt as of April 30, 2010 are as follows:

Year Ending April 30,	Principal	Interest	Total
2011	\$ 775,750	\$ 108,955	\$ 884,705
2012	780,750	79,036	859,786
2013	795,750	48,392	844,142
2014	422,097	17,798	439,895
2015	112,000	5,880	117,880
Total	<u>\$2,886,347</u>	<u>\$ 260,061</u>	<u>\$ 3,146,408</u>

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 7 - ILLINOIS MUNICIPAL RETIREMENT FUND

The City of Pekin's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

As set by statute, the City's regular plan members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 7.95 percent of annual covered payroll. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For 2009, the City's annual pension cost of \$359,842 for the regular plan was equal to the City's required and actual contributions.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2009	\$ 359,842	100%	\$ -
12/31/2008	392,902	100%	-
12/31/2007	413,195	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.0 percent a year, attributable to inflation, c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3 percent annually. The actuarial value of the City's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15 percent corridor between the actuarial and market value of assets. The City's regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007 valuation was 23 years.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 7 - continued

As of December 31, 2009, the most recent actuarial valuation date, the regular plan was 72.86 percent funded. The actuarial accrued liability for benefits was \$10,549,429 and the actuarial value of assets was \$7,686,654, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,862,775. The covered payroll (annual payroll of active employees covered by the plan) was \$4,526,316 and the ratio of the UAAL to the covered payroll was 63 percent.

In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 8 - **POLICE PENSION FUND**

Disclosure of pension information, as required by GASB No. 27, was not available for the Police Pension Fund as of the date of this report. The following information regarding the police pension fund is the most recent data available from actuarial reports dated April 30, 2009:

A. Plan Description:

All of the City's full-time police employees participate in the City of Pekin Police Pension Fund, (PPF) a single-employer, defined benefit pension plan. The payroll for employees covered by the PPF for the year ended April 30, 2009 was \$3,347,537. Current membership in the PPF is comprised of the following:

	<u>April 30, 2009</u>
Retirees and beneficiaries currently receiving benefits	46
Terminated plan members entitled to but not yet receiving benefits	1
Active employees	<u>55</u>
Total	<u>102</u>

Pension Benefits:

Employees age 50 or over who have at least 20 years of creditable service and are no longer in service as police officers are entitled to a pension of one-half of the salary attached to the rank held on the last day of service. The pension is increased by 2 percent of such salary for each additional year over 20 years of service through 30 years of service, and 1 percent of such salary for each additional year over 30 years of service, to a maximum of 75 percent of such salary

Disability Benefits:

If a covered employee, as a result of an act of duty, is found to be disabled for service in the police department, the employee shall be granted a disability pension of 65 percent of the salary attached to the rank held at the date of suspension of duty. If the disability is the result of any cause other than an act of duty, the disability pension is 50 percent of salary.

Separation Benefits:

A covered employee who is separated from service having at least 8 years but less than 20 years of creditable service is entitled upon attainment of age 60 to a pension of 2.5 percent of the salary attached to the rank held on the last day of service for each year of creditable service.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

B. Related Party Transactions

There were no securities of the City of Pekin or related parties included in the PPF's assets.

C. Funding Status

The Illinois Department of Insurance's actuary estimates that as of April 30, 2009 (the date of the latest computation) the present value of total pension obligations to be borne by the City of Pekin Police Pension Fund was:

Reserves for annuities and benefits in force:	
Service retirement annuities	\$ 17,701,814
Disability annuities	356,153
Widows and parents annuities	3,441,854
Deferred annuities	57,523
Pensions and benefits on active participants	<u>13,998,977</u>
Total present value of pension obligations	<u>\$ 35,556,321</u>

The Police Pension Fund had accumulated reserve assets of \$19,136,989 on the same date. Therefore, the estimated present value of future contributions to be made by the Police Pension Fund on behalf of the present employees at April 30, 2009 was \$16,419,332.

The annual tax levy necessary to meet the annual requirements of the Police Pension Fund at April 30, 2009 was:

Normal costs based on the annual payroll of active participants at April 30, 2009	\$ 495,125
Amount necessary to amortize the unfunded accrued liability of \$16,419,332 over 24.1699 contemplated by Section 3-127 of the Illinois Pension Code	<u>807,529</u>
Total amount of tax levy necessary to arrive at the annual requirements of the fund as contemplated by Section 3-125 of the Illinois Pension Code	<u>\$ 1,302,654</u>

SUMMARY OF ACTUARIAL INFORMATION

Funding method used-Entry Age Normal Cost
Amortization method used-Level Percentage of Payroll in accordance with Section 3-127 of the Illinois Pension Code
Interest rate assumption-7.0 percent
Mortality rate assumption-1971 Group Annuity
Decrement assumption other than mortality-Experience Tables
Salary progression assumption-5.5 percent
Status of social security in assumption-None

The attained age at the time of disability or retirement, sex, annual salary or pension, and completed years of service of each individual participant as of the date of the valuation balance sheet is used in calculating the liabilities of the fund.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 9 - FIRE PENSION FUND

Disclosure of pension information, as required by GASB No. 27, was not available for the Fire Pension Fund as of the date of this report. The following information regarding the fire pension fund is the most recent data available from actuarial reports dated April 30, 2009:

A. Plan Description

All of the City's full-time employees participate in the City of Pekin Fire Pension Fund, (FPF) a single employer, defined benefit pension plan. The payroll for employees covered by the FPF for the year ended April 30, 2009 was \$3,022,445. Current membership in the FPF is comprised of the following:

<u>Group</u>	<u>April 30, 2009</u>
Retirees and beneficiaries currently receiving benefits	61
Terminated plan members entitled to but not yet receiving benefits	4
Active employees	55
Total	<u>120</u>

Pension Benefits:

Employees age 50 or over who have at least 20 years of creditable service and are no longer in service as firefighters are entitled to a monthly pension of one-half of the monthly salary attached to the rank held at the date of retirement. The pension is increased by 1/12 of 2 percent of such monthly salary for each additional month over 20 years of service through 30 years of service, and 1/12 of 1 percent of such monthly salary for each additional month over 30 years of service, to a maximum of 75 percent of such monthly salary.

Disability Benefits:

If a covered employee, as a result of an act of duty, or an occupational disease, is found to be disabled for service in the fire department, the employee shall be granted a disability pension of 65 percent of the salary attached to the rank held at the date of removal from the City's payroll. If the disability is the result of any cause and the employee has a minimum of 7 years of creditable service, the disability pension is 50 percent of monthly salary.

Separation Benefits:

A covered employee who is separated from service having at least 10 years but less than 20 years of creditable service is entitled upon attainment of age 60 to a pension based on the monthly salary attached to the rank held on the date of separation of service according to a schedule ranging from 10 years service (15.0 percent of salary) to 19 years service (45.6 percent of salary).

B. Related Party Transactions

There were no securities of the City of Pekin or related parties included in the FPF's assets.

C. Funding Status

The Illinois Department of Insurance's actuary estimates that as of April 30, 2009 (the date of the latest computation) the present value of total pension obligations to be borne by the City of Pekin Fire Pension Fund was:

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 9 - continued

Reserves for annuities and benefits in force:	
Service retirement annuities	\$ 20,495,046
Disability annuities	5,492,715
Widows and parents annuities	1,831,860
Deferred annuities	69,199
Pensions and benefits on active participants	<u>14,861,004</u>
Total present value of pension obligations	<u>\$ 42,749,824</u>

The Fire Pension Fund had accumulated reserve assets of \$13,682,722 on the same date. Therefore, the estimated present value of future contributions to be made by the Fire Pension Fund on behalf of the present employees at April 30, 2009 was \$29,067,102.

The annual tax levy necessary to meet the annual requirements of the Fire Pension Fund at April 30, 2009 was:

Normal costs based on the annual payroll of active participants at April 30, 2009	\$ 637,319
Amount necessary to amortize the unfunded accrued liability of \$29,067,102 over 24.1699 years as contemplated by Section 4-118 of the Illinois Pension Code	<u>1,429,567</u>
Total amount of tax levy necessary to arrive at the annual requirements of the fund as contemplated by Section 4-118 of the Illinois Pension Code	<u>\$ 2,066,886</u>

SUMMARY OF ACTUARIAL INFORMATION

Funding method used-Entry Age Normal Cost
Amortization method used-Level Percentage of Payroll in accordance with Section 4-118 of the Illinois Pension Code
Investment Return Assumption-7.0 percent
Mortality Rate Assumption-1971 Group Annuity
Decrement assumption other than mortality-Experience Tables
Salary progression assumption-5.5 percent
Status of social security in assumption-None

The attained age at the time of disability or retirement, sex, annual salary or pension, and contemplated years of service of each individual participant as of the date of the valuation balance sheet is used in calculating the liabilities of the fund.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City belongs to the Illinois Municipal League Risk Management Fund, a public entity risk pool currently operating as a common risk management and insurance program for approximately 709 member governmental units.

The City pays an annual premium for its general insurance and worker's compensation insurance coverage.

Settled claims resulting from the above-mentioned risks did not exceed insurance coverage in the past year.

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

All police, fire, and IMRF eligible retirees are entitled to receive the same health insurance benefits they had as active employees. (Plan A).

A summary of the plan benefits is as follows:

PPO In-Network Benefits:

Claims paid at 100 percent after meeting deductible provisions;

Deductible - \$200 per individual per year/\$400 per family per year;

Prescription Plan - 20% up to maximum of \$10/\$20/\$35 co-pay;

Maximum out-of-pocket costs per year - \$1,000 per person and \$2,000 per family.

Out-of-Network Benefits:

Claims paid at 80 percent after meeting deductible provisions;

The police and fire retirees each have trust funds that receive monthly contributions from active police and fire employees to supplement costs. Retirees contribute to these same funds through deductions from their pensions.

NOTE 12 - CONDUIT DEBT

From time to time, the City has issued various types of revenue bonds on behalf of private sector and nonprofit entities for the acquisition and/or construction of facilities deemed to be in the public interest. The bonds are secured by the property and revenues of those entities, and are payable solely from the resources of those entities. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the financial statements.

As of April 30, 2010 there were two series of revenue bonds outstanding. The principal amount payable was approximately \$2,495,000.

NOTE 13 - CONTINGENCIES

The City is party to various legal proceedings which normally occur in government operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City and accordingly, no provision for losses has been recorded.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2010

	Budgeted Amounts Original and Final	Actual	Variance Over (Under)
Revenues:			
Taxes	\$ 20,763,288	\$ 19,770,407	\$ (992,881)
Licenses and permits	231,345	231,856	511
Intergovernmental	73,453	219,703	146,250
Fees and charges for services	829,855	1,033,018	203,163
Fines and collections	643,250	657,508	14,258
Investment earnings	298,000	288,460	(9,540)
Reimbursements and restitutions	145,000	234,211	89,211
Other revenues	8,000	105,298	97,298
Total revenues	<u>22,992,191</u>	<u>22,540,461</u>	<u>(451,730)</u>
Expenditures:			
General government/administrative	1,635,123	1,361,743	(273,380)
Public safety	15,177,170	14,887,305	(289,865)
Public lands and buildings	857,741	740,231	(117,510)
Zoning and inspection	602,979	521,935	(81,044)
Public works	270,914	260,223	(10,691)
Highways and streets	2,006,744	1,982,728	(24,016)
Capital outlay	479,170	377,915	(101,255)
Debt service:			
Principal	344,625	344,624	(1)
Interest	71,808	71,478	(330)
Total expenditures	<u>21,446,274</u>	<u>20,548,182</u>	<u>(898,092)</u>
Excess of revenues over expenditures	<u>1,545,917</u>	<u>1,992,279</u>	<u>446,362</u>
Other financing sources (uses):			
Operating transfers in	179,675	179,675	-
Operating transfers out	-	(724,025)	724,025
Total other financing sources (uses)	<u>179,675</u>	<u>(544,350)</u>	<u>(724,025)</u>
Net change in fund balance	<u>\$ 1,725,592</u>	<u>1,447,929</u>	<u>\$ (277,663)</u>
Fund balance, beginning of year		<u>18,676,932</u>	
Fund balance, end of year		<u>\$ 20,124,861</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2010

	Budgeted <u>Amounts</u> Original and <u>Final</u>	<u>Actual</u>	Variance Over <u>(Under)</u>
Revenues:			
Property taxes	\$ 1,022,756	\$ 1,021,335	\$ (1,421)
Replacement taxes	103,500	96,796	(6,704)
Charges for services	39,800	42,369	2,569
Intergovernmental	43,941	61,385	17,444
Investment earnings	19,500	1,158	(18,342)
All other revenues	3,800	40,134	36,334
Total revenues	<u>1,233,297</u>	<u>1,263,177</u>	<u>29,880</u>
Expenditures:			
Library services:			
Personal services	655,934	640,312	(15,622)
Books, programs and services	168,860	174,107	5,247
Other services and charges	272,903	245,308	(27,595)
Capital outlay	135,600	247,104	111,504
Total expenditures	<u>1,233,297</u>	<u>1,306,831</u>	<u>73,534</u>
Net change in fund balance	<u>\$ -</u>	<u>(43,654)</u>	<u>\$ (43,654)</u>
Fund balance, beginning of year		<u>678,148</u>	
Fund balance, end of year		<u>\$ 634,494</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 MOTOR FUEL TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2010

	Budgeted Amounts Original and Final	Actual	Variance Over (Under)
Revenues:			
Motor fuel taxes	\$ 890,000	\$ 854,452	\$ (35,548)
Franchise fees	130,000	117,217	(12,783)
Intergovernmental	-	15,158	15,158
Investment earnings	<u>78,000</u>	<u>29,478</u>	<u>(48,522)</u>
Total revenues	1,098,000	1,016,305	(81,695)
Expenditures-highways and streets:			
Street construction and maintenance	<u>1,270,000</u>	<u>1,048,634</u>	<u>(221,366)</u>
Deficiency of revenues over expenditures	<u>\$ (172,000)</u>	<u>(32,329)</u>	<u>\$ 139,671</u>
Fund balance, beginning of year		<u>2,373,832</u>	
Fund balance, end of year		<u>\$2,341,503</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
SCHEDULE OF FUNDING PROGRESS
DEFINED BENEFIT PENSION PLAN - IMRF

Actuarial Valuation Date	<u>12/31/09</u>	<u>12/31/08</u>	<u>12/31/07</u>
Actuarial Value of Assets (a)	\$ 7,686,654	\$ 8,339,645	\$ 12,983,969
Actuarial Accrued Liability (AAL)-Entry Age (b)	\$ 10,549,429	\$ 11,092,637	\$ 12,659,854
Unfunded AAL (UAAL) (b-a)	\$ 2,862,775	\$ 2,752,992	\$ (324,115)
Funded Ratio (a/b)	72.86%	75.18%	102.56%
Covered Payroll (c)	\$ 4,526,316	\$ 4,826,804	\$ 4,722,233
UAAL as a Percentage of Covered Payroll ((b-a) / c)	63.25%	57.04%	0.00%

OTHER SUPPLEMENTARY INFORMATION

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2010

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Property taxes	\$ 4,645,440	\$ 4,705,222	\$ 59,782
Replacement taxes	1,242,848	1,050,952	(191,896)
Income taxes	2,920,000	2,611,283	(308,717)
State sales and use taxes	5,560,000	5,095,466	(464,534)
Local sales and use taxes	3,900,000	3,874,596	(25,404)
Local food/beverage tax	800,000	905,008	105,008
Local packaged liquor tax	200,000	165,258	(34,742)
Local motor fuel taxes	290,000	259,824	(30,176)
Telecommunication tax	1,205,000	1,102,798	(102,202)
Intergovernmental	73,453	219,703	146,250
Franchise fees	350,000	446,192	96,192
Fire protection fees	386,000	443,395	57,395
Charges for services	25,850	92,673	66,823
Fines and collections	643,250	657,508	14,258
Parking lot rentals	10,500	7,220	(3,280)
Other rentals and sale of property	57,505	43,538	(13,967)
Licenses and permits	231,345	231,856	511
Reimbursements and restitutions	145,000	234,211	89,211
Investment earnings	298,000	288,460	(9,540)
Miscellaneous	8,000	105,298	97,298
Total revenues	<u>22,992,191</u>	<u>22,540,461</u>	<u>(451,730)</u>
Expenditures:			
General government	2,077,056	1,799,899	(277,157)
Streets	2,084,744	2,032,574	(52,170)
Police	7,927,878	7,947,447	19,569
Fire	7,527,662	7,219,418	(308,244)
Public works	300,314	261,567	(38,747)
Zoning and inspection	635,879	539,115	(96,764)
Public lands and buildings	892,741	748,162	(144,579)
Total expenditures	<u>21,446,274</u>	<u>20,548,182</u>	<u>(898,092)</u>
Excess of revenues over expenditures	<u>1,545,917</u>	<u>1,992,279</u>	<u>446,362</u>
Other financing sources (uses):			
Transfers in	179,675	179,675	-
Transfers out	-	(724,025)	724,025
Total other financing sources (uses)	<u>179,675</u>	<u>(544,350)</u>	<u>(724,025)</u>
Net change in fund balance	<u>\$ 1,725,592</u>	<u>1,447,929</u>	<u>\$ (277,663)</u>
Fund balance, beginning of year		<u>18,676,932</u>	
Fund balance, end of year		<u>\$ 20,124,861</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2010

	Final Budget	Actual	Variance Over (Under)
General government:			
Administrative:			
Personal services	\$ 261,839	\$ 268,735	\$ 6,896
Supplies	300	1,001	701
Other services and charges	56,670	65,742	9,072
Capital outlay	1,000	-	(1,000)
Total administrative	<u>319,809</u>	<u>335,478</u>	<u>15,669</u>
Legal:			
Other services and charges	<u>324,000</u>	<u>101,226</u>	<u>(222,774)</u>
City Clerk:			
Personal services	83,006	84,304	1,298
Supplies	450	934	484
Other services and charges	<u>29,346</u>	<u>20,078</u>	<u>(9,268)</u>
Total city clerk	<u>112,802</u>	<u>105,316</u>	<u>(7,486)</u>
Finance/Treasurer:			
Personal services	235,555	280,634	45,079
Supplies	6,790	7,241	451
Other services and charges	65,610	59,566	(6,044)
Capital outlay	-	527	527
Total finance	<u>307,955</u>	<u>347,968</u>	<u>40,013</u>
Personnel:			
Personal services	101,781	106,387	4,606
Supplies	2,920	2,632	(288)
Other services and charges	<u>25,799</u>	<u>29,247</u>	<u>3,448</u>
Total personnel	<u>130,500</u>	<u>138,266</u>	<u>7,766</u>
Information technology:			
Personal services	115,657	120,606	4,949
Supplies	1,200	207	(993)
Other services and charges	128,300	103,157	(25,143)
Capital outlay	<u>24,500</u>	<u>21,104</u>	<u>(3,396)</u>
Total information technology	<u>269,657</u>	<u>245,074</u>	<u>(24,583)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2010

	Final Budget	Actual	Variance Over (Under)
Non-departmental:			
Supplies	3,000	50	(2,950)
Other services and charges	192,900	109,996	(82,904)
Capital outlay	-	423	423
Debt service-principal	344,625	344,624	(1)
Debt service-interest	71,808	71,478	(330)
Total non-departmental	612,333	526,571	(85,762)
Total general government	2,077,056	1,799,899	(277,157)
Streets:			
Personal services	728,452	723,006	(5,446)
Supplies	17,200	20,871	3,671
Other services and charges	1,261,092	1,238,851	(22,241)
Capital outlay	78,000	49,846	(28,154)
Total streets	2,084,744	2,032,574	(52,170)
Police:			
Personal services	4,104,289	4,363,315	259,026
Supplies	29,565	24,156	(5,409)
Other services and charges	3,623,254	3,393,572	(229,682)
Capital outlay	170,770	166,404	(4,366)
Total police	7,927,878	7,947,447	19,569
Fire:			
Personal services	3,754,151	3,773,278	19,127
Supplies	53,550	47,527	(6,023)
Other services and charges	3,612,361	3,285,457	(326,904)
Capital outlay	107,600	113,156	5,556
Total fire	7,527,662	7,219,418	(308,244)
Public works:			
Personal services	204,089	207,903	3,814
Supplies	1,500	1,213	(287)
Other services and charges	65,325	51,107	(14,218)
Capital outlay	29,400	1,344	(28,056)
Total public works	300,314	261,567	(38,747)

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2010

	Final <u>Budget</u>	<u>Actual</u>	Variance Over <u>(Under)</u>
Zoning and inspection:			
Personal services	383,057	360,754	(22,303)
Supplies	2,000	1,641	(359)
Other services and charges	217,922	159,540	(58,382)
Capital outlay	<u>32,900</u>	<u>17,180</u>	<u>(15,720)</u>
Total zoning and inspection	<u>635,879</u>	<u>539,115</u>	<u>(96,764)</u>
Public land and buildings:			
Personal services	326,972	276,248	(50,724)
Supplies	10,200	30,542	20,342
Other services and charges	520,569	433,441	(87,128)
Capital outlay	<u>35,000</u>	<u>7,931</u>	<u>(27,069)</u>
Total public land and buildings	<u>892,741</u>	<u>748,162</u>	<u>(144,579)</u>
Total general fund	<u>\$ 21,446,274</u>	<u>\$ 20,548,182</u>	<u>\$ (898,092)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2010

	Special Revenue					Total
	Tourism Fund	Sanitation Fund	HUD Metro Development Fund	TIF 1 Central Business District Fund	Capital Projects Fund	
ASSETS						
Cash	\$725,974	\$ -	\$ -	\$ 1,262,831	\$ -	\$ 1,988,805
Investments	-	-	-	1,700,000	1,225,000	2,925,000
Receivables:						
Accounts, fees, grants, and other taxes	9,706	35,881	-	55,020	235,636	336,243
Loans	-	-	1,424,248	-	-	1,424,248
Total assets	<u>\$735,680</u>	<u>\$ 35,881</u>	<u>\$1,424,248</u>	<u>\$ 3,017,851</u>	<u>\$1,460,636</u>	<u>\$ 6,674,296</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Cash overdraft	\$ -	\$7,247,617	\$ 51,561	\$ -	\$1,744,863	\$ 9,044,041
Accounts payable	190	38,143	444	1,065	8,975	48,817
Accrued wages	-	30,612	5,493	-	-	36,105
Due to other funds	-	-	-	192,724	-	192,724
Total liabilities	<u>190</u>	<u>7,316,372</u>	<u>57,498</u>	<u>193,789</u>	<u>1,753,838</u>	<u>9,321,687</u>
Fund balances:						
Reserved for:						
Debt service	-	-	-	1,258,345	-	1,258,345
Capital projects	-	-	-	1,565,717	-	1,565,717
Unreserved, undesignated (deficit)	735,490	(7,280,491)	1,366,750	-	(293,202)	(5,471,453)
Total fund balances	<u>735,490</u>	<u>(7,280,491)</u>	<u>1,366,750</u>	<u>2,824,062</u>	<u>(293,202)</u>	<u>(2,647,391)</u>
Total liabilities and fund balances	<u>\$735,680</u>	<u>\$ 35,881</u>	<u>\$1,424,248</u>	<u>\$ 3,017,851</u>	<u>\$1,460,636</u>	<u>\$ 6,674,296</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED APRIL 30, 2010

	Special Revenue					
	Tourism Fund	Sanitation Fund	HUD Metro Development Fund	TIF 1 Central Business District Fund	Capital Projects Fund	Total
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ 534,617	\$ -	\$ 534,617
Sales	-	-	-	549,771	-	549,771
Local motel tax	95,025	-	-	-	-	95,025
Local motor fuel	-	-	-	-	302,424	302,424
Intergovernmental	-	67,000	248,060	-	-	315,060
Sales and rental	-	66,402	-	-	2,400	68,802
Investment earnings	-	6,751	-	10,453	39,521	56,725
Other revenues	9,700	3,316	323,366	-	10,008	346,390
Total revenues	104,725	143,469	571,426	1,094,841	354,353	2,268,814
Expenditures:						
Current:						
General government/administrative	8,036	-	170,719	46,696	1,331	226,782
Tourism/development	85,224	-	-	-	-	85,224
Sanitation	-	1,905,143	-	-	-	1,905,143
Planning and development	-	-	-	97,664	1,701,202	1,798,866
Residential and public improvements/ donations	-	-	465,726	-	-	465,726
Debt service:	-					
Principal	-	61,913	-	359,213	-	421,126
Interest	-	10,466	-	61,643	-	72,109
Capital outlay	-	6,509	-	-	-	6,509
Total expenditures	93,260	1,984,031	636,445	565,216	1,702,533	4,981,485
Excess (deficiency) of revenues over (under) expenditures	11,465	(1,840,562)	(65,019)	529,625	(1,348,180)	(2,712,671)
Other financing sources (uses):						
Transfer in	724,025	-	-	-	-	724,025
Transfer out	-	(47,867)	-	-	-	(47,867)
Total other financing sources	724,025	(47,867)	-	-	-	676,158
Net change in fund balance	735,490	(1,888,429)	(65,019)	529,625	(1,348,180)	(2,036,513)
Fund balances, beginning of year	-	(5,392,062)	1,431,769	2,294,437	1,054,978	(610,878)
Fund balances, end of year	\$ 735,490	\$ (7,280,491)	\$ 1,366,750	\$ 2,824,062	\$ (293,202)	\$ (2,647,391)

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 TOURISM SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues:			
Motel tax	\$ 135,000	\$ 95,025	\$ (39,975)
Other revenue	<u>-</u>	<u>9,700</u>	<u>9,700</u>
Total revenues	<u>135,000</u>	<u>104,725</u>	<u>(30,275)</u>
Expenditures:			
Administrative	16,300	15,226	(1,074)
Regional dues	53,500	44,125	(9,375)
Development grants	<u>50,000</u>	<u>33,909</u>	<u>(16,091)</u>
Total expenditures	<u>119,800</u>	<u>93,260</u>	<u>(26,540)</u>
Excess of revenues over expenditures	15,200	11,465	(3,735)
Other financing sources:			
Transfer in	<u>-</u>	<u>724,025</u>	<u>724,025</u>
Net change in fund balance	<u>\$ 15,200</u>	<u>735,490</u>	<u>\$ 720,290</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ 735,490</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 SANITATION SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2010

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental	\$ 67,000	\$ 67,000	\$ -
Sales and rental of totes	53,000	66,402	13,402
Other revenues	-	10,067	10,067
Total revenues	<u>120,000</u>	<u>143,469</u>	<u>23,469</u>
Expenditures:			
Garbage pick-up costs	598,451	805,971	207,520
Landfill costs	378,000	403,051	25,051
Yard waste costs	364,524	320,719	(43,805)
Recycling costs	438,410	375,402	(63,008)
Capital outlay	80,000	6,509	(73,491)
Debt service:			
Principal	61,914	61,913	(1)
Interest	10,466	10,466	-
Total expenditures	<u>1,931,765</u>	<u>1,984,031</u>	<u>52,266</u>
Deficiency of revenues over expenditures	(1,811,765)	(1,840,562)	28,797
Other financing uses:			
Transfer out	(47,867)	(47,867)	-
Net change in fund balance	<u>\$ (1,859,632)</u>	<u>(1,888,429)</u>	<u>\$ 28,797</u>
Fund balance (deficit), beginning of year		<u>(5,392,062)</u>	
Fund balance (deficit), end of year		<u>\$ (7,280,491)</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 HUD METRO DEVELOPMENT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2010

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Federal grants	\$ 239,833	\$ 248,060	\$ 8,227
Other revenues	<u>401,982</u>	<u>323,366</u>	<u>(78,616)</u>
Total revenues	<u>641,815</u>	<u>571,426</u>	<u>(70,389)</u>
Expenditures:			
General government	201,656	170,719	(30,937)
Residential housing rehabilitation	227,716	288,015	60,299
General public improvements	139,000	134,435	(4,565)
Contribution to public agencies	<u>73,500</u>	<u>43,276</u>	<u>(30,224)</u>
Total expenditures	<u>641,872</u>	<u>636,445</u>	<u>(5,427)</u>
Net change in fund balance	<u>\$ (57)</u>	(65,019)	<u>\$ 64,962</u>
Fund balance, beginning of year		<u>1,431,769</u>	
Fund balance, end of year		<u>\$ 1,366,750</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
TIF CENTRAL BUSINESS DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues:			
Property taxes	\$ 566,500	\$ 534,617	\$ (31,883)
Sales tax	430,000	549,771	119,771
Investment earnings	31,000	10,453	(20,547)
Total revenues	<u>1,027,500</u>	<u>1,094,841</u>	<u>67,341</u>
Expenditures:			
Economic development:			
Administrative	47,300	46,696	(604)
Redeveloping costs	1,105,000	97,664	(1,007,336)
Debt service:			
Principal	359,213	359,213	-
Interest	55,742	61,643	5,901
Total expenditures	<u>1,567,255</u>	<u>565,216</u>	<u>(1,002,039)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (539,755)</u>	529,625	<u>\$ 1,069,380</u>
Fund balance, beginning of year		<u>2,294,437</u>	
Fund balance, end of year		<u>\$ 2,824,062</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues:			
Local motor fuel tax	\$ 290,000	\$ 302,424	\$ 12,424
Intergovernmental grants	100,000	-	(100,000)
Sale and rental of property	7,200	2,400	(4,800)
Investment earnings	53,000	39,521	(13,479)
Other revenues	-	10,008	10,008
Total revenues	<u>450,200</u>	<u>354,353</u>	<u>(95,847)</u>
Expenditures:			
Contract construction	575,000	1,676,402	1,101,402
Administrative costs	5,000	1,331	(3,669)
Capital outlay-land acquisition	<u>170,000</u>	<u>24,800</u>	<u>(145,200)</u>
Total expenditures	<u>750,000</u>	<u>1,702,533</u>	<u>952,533</u>
Deficiency of revenues over expenditures	<u>\$ (299,800)</u>	<u>(1,348,180)</u>	<u>\$ (1,048,380)</u>
Fund balance, beginning of year		<u>1,054,978</u>	
Fund balance, end of year		<u>\$ (293,202)</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
APRIL 30, 2010

	Municipal Bus Fund	Economic Development Fund	Pekin Airport Fund	Total
ASSETS				
Current assets:				
Accounts receivable	\$ -	\$ 5,000	\$ 28,446	\$ 33,446
Fuel inventory	-	-	3,775	3,775
Total current assets	-	5,000	32,221	37,221
Noncurrent assets:				
Loans receivable	-	2,239,418	-	2,239,418
Capital assets:				
Land and improvements	-	-	936,302	936,302
Buildings	-	-	791,710	791,710
Equipment	-	-	38,323	38,323
Less accumulated depreciation	-	-	(1,163,505)	(1,163,505)
Total capital assets (net of accumulated depreciation)	-	-	602,830	602,830
Total noncurrent assets	-	2,239,418	602,830	2,842,248
Total assets	\$ -	\$ 2,244,418	\$ 635,051	\$ 2,879,469
LIABILITIES AND NET ASSETS				
Current liabilities:				
Cash overdraft	\$ 161,647	\$ 194,241	\$ 120,360	\$ 476,248
Accounts payable	-	933	351	1,284
Accrued wages	-	4,418	2,402	6,820
Total current liabilities	161,647	199,592	123,113	484,352
Net assets:				
Invested in capital assets, net of related debt	-	-	602,830	602,830
Unrestricted	(161,647)	2,044,826	(90,892)	1,792,287
Total net assets	(161,647)	2,044,826	511,938	2,395,117
Total liabilities and net assets	\$ -	\$ 2,244,418	\$ 635,051	\$ 2,879,469

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2010

	Municipal <u>Bus Fund</u>	Economic Development <u>Fund</u>	Pekin <u>Airport Fund</u>	<u>Total</u>
Operating revenues, charges for services	\$ -	\$ 323,954	\$ 82,094	\$ 406,048
Operating expenses:				
Personal services	-	97,344	18,009	115,353
Supplies	48	445	386	879
Other services and charges	-	116,822	45,890	162,712
Depreciation	-	-	23,444	23,444
Total operating expenses	<u>48</u>	<u>214,611</u>	<u>87,729</u>	<u>302,388</u>
Operating income (loss)	<u>(48)</u>	<u>109,343</u>	<u>(5,635)</u>	<u>103,660</u>
Nonoperating revenues:				
Grants	259,952	-	34,386	294,338
Investment earnings	-	195,245	-	195,245
Total nonoperating revenues	<u>259,952</u>	<u>195,245</u>	<u>34,386</u>	<u>489,583</u>
Change in net assets	259,904	304,588	28,751	593,243
Total net assets, beginning of year	<u>(421,551)</u>	<u>1,740,238</u>	<u>483,187</u>	<u>1,801,874</u>
Total net assets, end of year	<u><u>\$(161,647)</u></u>	<u><u>\$2,044,826</u></u>	<u><u>\$ 511,938</u></u>	<u><u>\$2,395,117</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2010

	Municipal Bus Fund	Economic Development Fund	Pekin Airport Fund	Total
Cash flows from operating activities:				
Receipts from services	\$ -	\$ 318,954	\$ 55,752	\$ 374,706
Payments for personal services	-	(95,699)	(15,607)	(111,306)
Payments to vendors and suppliers	(48)	(118,920)	(88,152)	(207,120)
Net cash provided (used) by operating activities	(48)	104,335	(48,007)	56,280
Cash flows from noncapital financing activities:				
Grant receipts	259,952	-	34,386	294,338
Cash flows from capital related activities:				
Purchase of capital assets	-	-	(22,933)	(22,933)
Cash flows from investing activities:				
Interest income	-	195,245	-	195,245
Net loans issued	-	(95,245)	-	(95,245)
Net cash used by investing activities	-	100,000	-	100,000
Net increase (decrease) in cash	259,904	204,335	(36,554)	427,685
Cash (overdraft) balance, beginning of year	(421,551)	(398,576)	(83,806)	(903,933)
Cash (overdraft) balance, end of year	<u>\$ (161,647)</u>	<u>\$ (194,241)</u>	<u>\$ (120,360)</u>	<u>\$ (476,248)</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (48)	\$ 109,343	\$ (5,635)	\$ 103,660
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	23,444	23,444
Changes in assets and liabilities:				
Increase in receivables	-	(5,000)	(26,342)	(31,342)
Increase in fuel inventory	-	-	(3,775)	(3,775)
Decrease in accounts payable	-	(1,653)	(38,101)	(39,754)
Increase in accrued wages	-	1,645	2,402	4,047
Net cash provided (used) by operating activities	<u>\$ (48)</u>	<u>\$ 104,335</u>	<u>\$ (48,007)</u>	<u>\$ 56,280</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
APRIL 30, 2010

	Vehicle Maintenance <u>Fund</u>	Employees Benefits <u>Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash	\$ -	\$ 927,378	\$ 927,378
Investments	-	9,460	9,460
Accounts receivable	9,475	-	9,475
Fuel and parts inventory, at cost	154,713	-	154,713
Total current assets	<u>164,188</u>	<u>936,838</u>	<u>1,101,026</u>
Noncurrent assets:			
Capital assets:			
Equipment	67,576	-	67,576
Less accumulated depreciation	<u>(36,668)</u>	<u>-</u>	<u>(36,668)</u>
Total capital assets, net of accumulated depreciation	<u>30,908</u>	<u>-</u>	<u>30,908</u>
Total assets	<u>\$ 195,096</u>	<u>\$ 936,838</u>	<u>\$1,131,934</u>
LIABILITIES AND NET ASSETS			
Current liabilities:			
Cash overdraft	\$ 193,411	\$ -	\$ 193,411
Accounts payable	47,487	215,086	262,573
Accrued wages	16,568	-	16,568
Accrued retiree benefit premiums	<u>-</u>	<u>218,098</u>	<u>218,098</u>
Total current liabilities	<u>257,466</u>	<u>433,184</u>	<u>690,650</u>
Net assets:			
Invested in capital assets, net of related debt	30,908	-	30,908
Unrestricted (deficit)	<u>(93,278)</u>	<u>503,654</u>	<u>410,376</u>
Total net assets	<u>(62,370)</u>	<u>503,654</u>	<u>441,284</u>
Total liabilities and net assets	<u>\$ 195,096</u>	<u>\$ 936,838</u>	<u>\$1,131,934</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED APRIL 30, 2010

	Vehicle Maintenance Fund	Employees Benefits Fund	Total
Operating revenues, charges for services	\$ 1,142,050	\$ 3,533,135	\$ 4,675,185
Operating expenses:			
Personal services	360,313	-	360,313
Cost of fuel and parts sold	633,274	-	633,274
Insurance claims and premiums paid	-	4,051,531	4,051,531
Other services and charges	113,392	135,922	249,314
Depreciation	6,755	-	6,755
Total operating expenses	<u>1,113,734</u>	<u>4,187,453</u>	<u>5,301,187</u>
Operating income (loss)	28,316	(654,318)	(626,002)
Nonoperating revenues:			
Investment earnings	<u>-</u>	<u>7,695</u>	<u>7,695</u>
Change in net assets	28,316	(646,623)	(618,307)
Total net assets, beginning of year	<u>(90,686)</u>	<u>1,150,277</u>	<u>1,059,591</u>
Total net assets, end of year	<u>\$ (62,370)</u>	<u>\$ 503,654</u>	<u>\$ 441,284</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED APRIL 30, 2010

	Vehicle Maintenance Fund	Employees Benefit Fund	Total
Cash flows from operating activities:			
Receipts from services	\$ 1,154,407	\$ 3,533,135	\$ 4,687,542
Payments for personal services	(355,105)	-	(355,105)
Payments to vendors and suppliers	(726,269)	(3,809,893)	(4,536,162)
Net cash provided (used) by operating activities	<u>73,033</u>	<u>(276,758)</u>	<u>(203,725)</u>
Cash flows from investing activities:			
Redemption of investments	-	1,019,399	1,019,399
Interest income	-	7,695	7,695
Net cash provided by investing activities	<u>-</u>	<u>1,027,094</u>	<u>1,027,094</u>
Net increase in cash	73,033	750,336	823,369
Cash (overdraft) balance, beginning of year	(266,444)	177,042	(89,402)
Cash (overdraft) balance, end of year	<u>\$ (193,411)</u>	<u>\$ 927,378</u>	<u>\$ 733,967</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 28,316	\$ (654,318)	\$ (626,002)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	6,755	-	6,755
Changes in net assets and liabilities:			
Decrease in accounts receivable	12,357	-	12,357
Increase in inventories	(23,494)	-	(23,494)
Decrease in prepaid expenses	-	23,059	23,059
Increase in accounts payable	43,891	136,403	180,294
Increase in accrued wages	5,208	-	5,208
Increase in accrued retiree benefit premiums	-	218,098	218,098
Net cash provided (used) by operating activities	<u>\$ 73,033</u>	<u>\$ (276,758)</u>	<u>\$ (203,725)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
APRIL 30, 2010

	Police Pension <u>Fund</u>	Fire Pension <u>Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 17,245	\$ 42,191	\$ 59,436
Investments, at market value:			
Money market accounts	2,171,555	892,359	3,063,914
Certificates of deposit	1,350,000	-	1,350,000
U.S. Government and Agency obligations	9,512,166	8,847,383	18,359,549
Equity funds	1,702,841	2,174,139	3,876,980
Equity mutual funds	6,450,543	4,033,331	10,483,874
Due from other funds	20,417	-	20,417
Total assets	<u>\$ 21,224,767</u>	<u>\$ 15,989,403</u>	<u>\$ 37,214,170</u>
LIABILITIES			
Accounts payable	\$ -	458	\$ 458
Due to other funds	4,655	25,329	29,984
Total liabilities	<u>4,655</u>	<u>25,787</u>	<u>30,442</u>
NET ASSETS			
Net assets:			
Held in trust for pension benefits	21,220,112	15,963,616	37,183,728
Total liabilities and net assets	<u>\$ 21,224,767</u>	<u>\$ 15,989,403</u>	<u>\$ 37,214,170</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
FOR THE YEAR ENDED APRIL 30, 2010

	Police Pension Fund	Fire Pension Fund	Total
<u>ADDITIONS:</u>			
Contributions:			
Employer	\$ 1,150,952	\$ 1,853,338	\$ 3,004,290
Plan members	<u>330,171</u>	<u>320,935</u>	<u>651,106</u>
Total contributions	<u>1,481,123</u>	<u>2,174,273</u>	<u>3,655,396</u>
Investment income:			
Realized gains on investment sales and net appreciation in fair market value of investments	1,927,416	2,015,931	3,943,347
Interest/dividends	<u>566,270</u>	<u>448,761</u>	<u>1,015,031</u>
Total investment income	<u>2,493,686</u>	<u>2,464,692</u>	<u>4,958,378</u>
Less investment expense	<u>(71,017)</u>	<u>(53,878)</u>	<u>(124,895)</u>
Net investment income	<u>2,422,669</u>	<u>2,410,814</u>	<u>4,833,483</u>
Total additions	<u>3,903,792</u>	<u>4,585,087</u>	<u>8,488,879</u>
<u>DEDUCTIONS:</u>			
Benefits	1,803,038	2,285,627	4,088,665
Administrative expenses	<u>17,631</u>	<u>18,566</u>	<u>36,197</u>
Total deductions	<u>1,820,669</u>	<u>2,304,193</u>	<u>4,124,862</u>
Change in net assets	2,083,123	2,280,894	4,364,017
Net assets, beginning of year	<u>19,136,989</u>	<u>13,682,722</u>	<u>32,819,711</u>
Net assets, end of year	<u>\$ 21,220,112</u>	<u>\$ 15,963,616</u>	<u>\$ 37,183,728</u>

The notes to the financial statements are an integral part of this statement.

SUPPORTING SCHEDULES
UNAUDITED STATISTICAL INFORMATION

CITY OF PEKIN, ILLINOIS
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION*
LAST TEN FISCAL YEARS

SCHEDULE A

Year Ended April 30.	General Government	Public Safety	Highways and Streets	Sanitation	Library Services	Tourism	Zoning and Inspection	Debt Service	Public Land and Buildings	Public Works	Planning and Development	Capital Outlay	Total
2001	\$ 994,107	\$ 8,871,744	\$ 2,418,111	\$ 1,237,572	\$ 791,624	\$ 37,606	\$ 234,177	\$ 379,196	\$ 503,912	\$ 239,898	\$ 3,649,654	\$ 1,723,208	\$ 21,080,809
2002	1,214,986	9,795,461	1,992,719	1,251,752	822,753	130,710	265,108	424,213	529,984	107,665	2,563,337	5,831,370	24,930,058
2003	1,438,585	10,549,088	2,519,149	1,292,922	871,355	106,392	292,045	329,090	497,749	212,221	3,475,488	3,627,877	25,211,961
2004	1,791,598	10,496,463	1,486,404	1,335,480	868,974	111,521	348,658	351,496	467,701	246,434	3,060,001	945,860	21,510,590
2005	1,768,134	11,463,165	2,118,021	2,052,959	984,015	61,538	355,188	185,293	533,335	127,606	2,501,056	2,505,552	24,655,862
2006	2,001,121	12,002,561	2,090,545	1,583,104	925,567	75,318	319,550	592,030	598,617	115,871	2,057,890	1,145,986	23,508,160
2007	1,601,064	12,955,743	2,873,107	1,482,562	950,476	56,942	390,833	980,546	750,801	148,087	1,159,219	3,574,997	26,924,377
2008	1,776,954	13,806,681	2,850,716	1,705,853	1,008,530	61,890	451,477	968,992	767,345	218,113	886,332	1,394,868	25,897,751
2009	1,421,801	14,345,011	3,626,573	1,869,204	1,058,861	107,291	458,952	1,231,356	847,601	254,135	2,781,391	2,009,831	30,012,007
2010	1,588,525	14,887,305	3,031,362	1,905,143	1,059,727	85,224	521,935	909,337	740,231	260,223	2,264,592	631,528	27,885,132

*Includes General, Special Revenue and Capital Project Funds.

Source: Statement of Revenues, Expenditures, and Changes in Fund Balance 2001-2010.

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
GENERAL REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES*
LAST TEN FISCAL YEARS

SCHEDULE B

Year Ended April 30,	Taxes	Licenses and Permits	Intergovernmental	Fees and Charges for Services	Fines and Collections	Investment Earnings	Other Revenues	Total
2001	\$ 17,940,950	\$ 188,208	\$ 1,506,333	\$ 737,672	\$ 281,892	\$ 1,270,871	\$ 1,655,559	\$ 23,581,485
2002	16,363,324	250,873	1,282,976	1,049,418	299,358	825,000	1,068,787	21,139,736
2003	16,790,044	257,428	1,204,090	758,186	322,076	432,469	668,574	20,432,867
2004	17,876,951	288,024	930,756	802,372	332,516	177,808	623,908	21,032,335
2005	20,170,613	278,885	880,397	811,698	359,889	233,979	271,163	23,006,624
2006	20,854,387	276,348	1,188,403	1,182,499	410,201	468,236	805,731	25,185,805
2007	22,302,399	262,043	1,088,752	1,959,556	415,275	841,065	2,277,694	29,146,784
2008	23,352,920	290,739	485,555	1,106,192	362,158	753,664	573,760	26,924,988
2009	22,965,632	234,724	1,503,090	1,410,119	409,925	382,949	604,110	27,510,549
2010	23,224,827	231,856	611,306	1,192,604	657,508	375,821	794,835	27,088,757

*Includes General, Special Revenue and Capital Project Funds.

Source: Statement of Revenues, Expenditures, and Changes in Fund Balance: 2001-2010.

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

SCHEDULE C

Year Ended April 30,	Property Taxes	Road and Bridge Tax	State Income Tax	State Sales/Use Taxes	Local Sales Tax	Food/Bev Tax	Packaged Liquor Tax	Local Motel Tax	Replacement Tax	State Motor Fuel Tax	Local Motor Fuel Tax	Foreign Fire Tax	Telecom. Tax	Total
2001	\$ 4,239,303	\$ 49,355	\$ 2,588,437	\$ 5,415,168	\$ 3,057,816	-	-	\$ 85,032	\$ 993,685	\$ 963,071	\$ 598,438	\$ 17,017	\$ -	\$ 18,007,322
2002	4,198,454	51,169	2,229,408	4,460,272	2,904,301	-	-	96,452	928,224	943,355	551,689	15,969	-	16,379,293
2003	4,304,184	52,745	2,202,309	4,997,805	2,491,667	-	-	96,975	760,178	965,013	598,609	18,588	320,557	16,808,630
2004	4,335,019	41,143	1,992,404	5,031,084	2,613,422	-	-	110,461	845,746	963,059	660,369	23,509	1,284,244	17,900,460
2005	5,113,299	41,484	2,359,185	5,764,304	2,883,772	-	-	114,210	894,377	1,007,363	716,744	21,922	1,253,953	20,170,613
2006	5,211,430	47,432	2,618,891	5,399,625	3,269,159	-	-	140,786	1,343,376	976,137	687,546	25,459	1,160,005	20,879,846
2007	5,541,916	45,826	2,920,181	5,623,272	3,904,885	-	-	159,037	1,348,701	982,373	629,942	25,073	1,146,266	22,327,472
2008	5,738,892	46,957	3,189,883	5,700,610	4,262,912	-	-	162,007	1,482,914	945,211	594,124	23,561	1,231,410	23,376,481
2009	5,870,419	90,182	2,981,635	5,636,165	4,230,405	-	-	172,514	1,296,845	899,216	594,294	-	1,193,957	22,965,632
2010	6,197,568	85,503	2,611,283	5,318,971	4,200,862	905,008	165,258	95,025	1,125,851	854,452	562,248	-	1,102,798	23,224,827

Source: Annual Financial Reports 2001-2010.

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
SCHEDULE OF 2009 TAX LEVY AND ESTIMATED COLLECTION IN 2010

Assessed valuation: \$ 446,628,087

Taxes assessed:					Estimated
					Collection
					Extension
					Rate
					Levy
Corporate	\$	658,592	.14736	\$	658,151
IMRF		474,885	.10625		474,542
Fire pension		2,170,230	.48554		2,168,558
Police pension		1,341,733	.30019		1,340,733
Library		1,022,756	.22884		1,022,063
		<u>\$ 5,668,196</u>	<u>1.26818</u>	\$	<u>5,664,047</u>
					5,607,406

City's 50% share of Road and Bridge Tax levied
by Township's within the City limits

85,503
\$5,692,909

This schedule is unaudited-see the accountant's report regarding this information.

SCHEDULE E

CITY OF PEKIN, ILLINOIS
SCHEDULE OF PROPERTY TAXES LEVIED AND COLLECTED FOR LATEST THREE (3) YEAR PERIOD

Assessed valuation	2006 Levy				2007 Levy				2008 Levy				
</													

This schedule is unaudited-see the accountant's report regarding this information.

SCHEDULE F

CITY OF PEKIN, ILLINOIS
POLICE PENSION AND FIRE PENSION FUNDS
SCHEDULE OF FUNDING PROGRESS
LAST TEN FISCAL YEARS

Actuarial Valuation	Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age AAL (UAAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
------------------------	------	---------------------------------	---	------------------------	--------------	--------------------	-----------------------------------

POLICE PENSION FUND:

4/30/09	\$ 19,136,989	\$ 35,556,321	\$ 16,419,332	53.8%	\$ 3,347,537	490.5%
4/30/08	20,969,340	33,647,827	12,678,487	62.3%	3,263,096	388.54%
4/30/07	20,303,661	32,896,806	12,593,145	61.7%	3,023,780	416.47%
4/30/06	18,923,821	28,268,185	9,344,364	66.9%	2,874,491	325.08%
4/30/05	17,634,193	30,157,842	12,523,649	58.47%	2,728,251	459.04%
4/30/04	17,259,200	28,606,668	11,347,468	60.33%	2,632,320	431.08%
4/30/03	16,429,992	28,094,070	11,664,078	58.48%	2,534,807	460.16%
4/30/02	16,623,145	26,506,773	9,883,628	62.71%	2,491,659	396.67%
4/30/01	16,195,153	24,988,934	8,793,781	64.81%	2,364,771	371.87%
4/30/00	16,159,440	23,350,514	7,191,074	69.20%	2,243,574	320.52%

FIRE PENSION FUND:

4/30/09	\$ 13,682,722	\$ 42,749,824	\$ 29,067,102	32.0%	\$ 3,022,445	961.7%
4/30/08	15,707,222	39,302,791	23,595,569	39.96%	2,839,776	830.90%
4/30/07	15,200,255	37,490,700	22,290,445	40.54%	2,882,426	773.32%
4/30/06	13,812,012	33,400,183	19,588,171	41.4%	2,699,849	725.53%
4/30/05	12,538,583	34,115,286	21,576,703	36.75%	2,488,770	866.96%
4/30/04	11,867,118	32,634,687	20,767,569	36.36%	2,397,089	866.37%
4/30/03	10,864,171	30,698,486	19,834,315	35.39%	2,342,718	846.64%
4/30/02	10,768,673	29,659,438	18,890,765	36.31%	2,200,420	858.51%
4/30/01	11,194,200	28,912,103	17,717,903	38.72%	2,096,156	845.26%
4/30/00	9,859,854	26,199,785	16,339,931	37.63%	1,996,246	818.53%

This schedule is unaudited-see the accountant's report regarding this information.

SCHEDULE G

CITY OF PEKIN, ILLINOIS
POLICE AND FIRE PENSION FUNDS
STATEMENT OF REVENUES AND OTHER RECEIPTS AND EXPENDITURES
LAST TEN FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
POLICE PENSION FUND										
Revenues and other receipts:										
Property taxes	\$ 1,115,209	\$ 841,313	\$ 985,094	\$ 913,213	\$ 888,570	\$ 795,284	\$ 672,249	\$ 672,455	\$ 698,423	\$ 651,373
Replacement taxes	35,743	31,967	33,882	30,542	26,008	26,000	29,266	27,443	23,728	20,800
Payroll deductions/member contributions	330,171	331,027	328,452	385,141	286,590	284,377	258,921	248,563	244,020	220,412
Investment earnings (losses)	2,493,686	(1,291,720)	1,020,839	1,610,107	1,665,983	576,308	1,218,250	121,893	599,966	105,183
Total revenue and other receipts	3,974,809	(87,413)	2,368,267	2,939,003	2,867,151	1,681,969	2,178,686	1,070,354	1,566,137	997,768
Expenditures:										
Benefit payments	1,803,038	1,657,895	1,615,569	1,465,744	1,380,307	1,279,161	1,278,575	1,192,929	1,071,395	927,671
Other services and charges	88,648	87,043	87,019	93,419	131,447	93,584	70,903	70,578	76,750	24,385
Total expenditures	1,891,686	1,744,938	1,702,588	1,559,163	1,511,754	1,372,745	1,349,478	1,263,507	1,148,145	952,056
Change in net assets	\$ 2,083,123	\$ (1,832,351)	\$ 665,679	\$ 1,379,840	\$ 1,355,397	\$ 309,224	\$ 829,208	\$ (193,153)	\$ 417,992	\$ 45,712
FIRE PENSION FUND										
Revenues and other receipts:										
Property taxes	1,804,667	\$ 1,458,161	\$ 1,519,422	\$ 1,458,345	\$ 1,368,553	\$ 1,361,370	\$ 1,171,166	\$ 1,171,510	\$ 1,113,588	\$ 1,004,951
Replacement taxes	48,671	48,065	53,007	44,652	39,380	39,796	39,845	33,530	36,472	31,720
Payroll deductions/member contributions	320,935	333,368	315,441	338,429	272,209	250,244	212,298	204,940	197,962	182,734
Investment earnings (losses)	2,464,692	(1,745,248)	661,570	1,462,852	1,383,298	709,021	1,148,193	194,562	(322,142)	232,061
Contribution from municipality	-	-	-	-	-	-	-	-	-	1,250,000
Total revenues and other receipts	4,638,965	94,346	2,549,440	3,304,278	3,063,440	2,360,431	2,571,502	1,604,542	1,025,880	2,701,466
Expenditures:										
Benefit payments	2,285,627	2,049,254	1,968,109	1,842,947	1,717,434	1,643,907	1,505,541	1,430,246	1,353,526	1,319,010
Other services and charges	72,444	69,592	74,364	73,088	64,887	52,749	63,014	78,798	97,881	6,223
Total expenditures	2,358,071	2,118,846	2,042,473	1,916,035	1,782,321	1,696,656	1,568,555	1,509,044	1,451,407	1,325,233
Change in net assets	\$ 2,280,894	\$ (2,024,500)	\$ 506,967	\$ 1,388,243	\$ 1,281,119	\$ 663,775	\$ 1,002,947	\$ 95,498	\$ (425,527)	\$ 1,376,233

Source: City of Pekin, Illinois Annual Financial Statements, 2001-2010.

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
MISCELLANEOUS STATISTICS
APRIL 30, 2010

Date of Incorporation	August 21, 1849
Form of Government	Council-Manager
Area	14.9 square miles
Miles of Streets	212 miles
Number of Street Lights	2,668
Fire Protection:	
Number of Stations	3
Number of Firemen and Officers	55
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	55
Sewers:	
Sanitary Sewers	130 miles
Storm Sewers	100 miles
Combination	45 miles
New Residential Building Permits Issued	31
Library:	
Number of Volumes	118,037
Employees:	
Administrative	33
Union	225
Other	33
Total	<u>291</u>

This schedule is unaudited-see the accountant's report regarding this information.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the City Council
City of Pekin, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pekin, Illinois, as of and for the year ended April 30, 2009, which collectively comprise the City of Pekin, Illinois' basic financial statements and have issued our report thereon dated November 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Pekin, Illinois' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Pekin, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Pekin, Illinois' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Pekin, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of City of Pekin, Illinois, in a separate letter dated November 10, 2010.

This report is intended solely for the information and use of management, City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Willcock Warning & Co, PC

WILLOCK WARNING & CO., P.C.
Pekin, Illinois
November 30, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the City Council
City of Pekin, Illinois

Compliance

We have audited the compliance of City of Pekin, Illinois, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended April 30, 2010. The City of Pekin, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Pekin, Illinois' management. Our responsibility is to express an opinion on the City of Pekin, Illinois' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Pekin, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Pekin, Illinois' compliance with those requirements.

In our opinion, the City of Pekin, Illinois, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended April 30, 2010.

Internal Control Over Compliance

The management of the City of Pekin, Illinois, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Pekin, Illinois' internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Pekin, Illinois' internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Willard Manning & Co, PC

WILLOCK WARNING & CO., P.C.

Pekin, Illinois

November 10, 2010

CITY OF PEKIN, ILLINOIS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED APRIL 30, 2010

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development: Direct Programs: Community Development Block Grant	14.218	\$ 636,445

See accompanying notes to schedule of expenditures of federal awards.

CITY OF PEKIN, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED APRIL 30, 2010

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Pekin, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in, or used in the preparation of, the basic financial statements.

The Community Development Block Grant is reported in the financial statements in the HUD Metro Development Fund, a nonmajor governmental fund.

NOTE B - GRANT YEARS OF PROGRAMS

Expenditures of the Community Development Block Grant were made from the following program years:

Program year 2008	\$ 205,871
Program year 2009	430,574
Total	<u>\$ 636,445</u>

Unspent grant funds from Program Year 2009 totaling \$76,182 were allocated to the 2010 fiscal year budgeted expenditures.

CITY OF PEKIN, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED APRIL 30, 2010

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses a qualified opinion on the financial statements of the City of Pekin.
2. No significant deficiencies in internal control were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the City of Pekin, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit.
5. The auditor's report on compliance for the major federal award programs for the City of Pekin expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs included:
CFDA No. 14.218 - U.S. Department of Housing and Urban Development-Community Development Block Grant.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The City of Pekin did not qualify as a low-risk auditee because single audits were not performed on an annual basis for each of the last two years and the auditor's opinion on the financial statements was not unqualified.

CITY OF PEKIN, ILLINOIS
PEKIN PUBLIC LIBRARY FUND
FINANCIAL STATEMENTS
APRIL 30, 2010

CITY OF PEKIN, ILLINOIS
PEKIN PUBLIC LIBRARY FUND

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Pekin Public Library
and To the Honorable Mayor and City Council
City of Pekin, Illinois

We have audited the accompanying financial statements of the Pekin Public Library Fund of the City of Pekin, Illinois as of and for the year ended April 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the City of Pekin, Illinois management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Pekin Public Library Fund and do not purport and do not, present fairly the financial position of the City of Pekin, Illinois as of April 30, 2010, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Pekin Public Library Fund as of April 30, 2010 and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Willock Warning & Co., PC

Willock Warning & Co., P.C.
November 10, 2010

CITY OF PEKIN, ILLINOIS
PEKIN PUBLIC LIBRARY FUND

BALANCE SHEET

APRIL 30, 2010

ASSETS

Current assets:

Cash-operating	\$ 7,607
Investments-operating	172,300
Investments-endowments	266,491
Investments-capital development	178,698
Receivable-property taxes	1,022,756
Other receivables	<u>35,675</u>
Total current assets	<u>1,683,527</u>

Fixed assets:

Land	86,080
Building and improvements	2,639,347
Furniture, fixtures, and equipment	523,950
Books	<u>1,780,357</u>
Total, at cost	5,029,734
Less accumulated depreciation	<u>(2,420,882)</u>
Total fixed assets	<u>2,608,852</u>
Total assets	<u>\$ 4,292,379</u>

LIABILITIES AND FUND BALANCE

Current liabilities:

Accrued wages	\$ 26,277
Deferred tax revenue	<u>1,022,756</u>
Total current liabilities	<u>1,049,033</u>

Fund balance:

Reserve for capital development	178,698
Unreserved, designated	266,491
Unreserved, undesignated	<u>2,798,157</u>
Total fund balance	<u>3,243,346</u>
Total liabilities and fund balance	<u>\$ 4,292,379</u>

CITY OF PEKIN, ILLINOIS
 PEKIN PUBLIC LIBRARY FUND
 STATEMENT OF REVENUES AND EXPENSES
YEAR ENDED APRIL 30, 2010

Operating revenues:	
Real estate taxes	\$ 1,021,335
Replacement taxes	96,796
State per capita grant	34,571
Other grants	26,814
Charges for services, fees, etc.	42,369
Other	7,666
Total operating revenues	<u>1,229,551</u>
Operating expenses:	
Salaries	550,846
Payroll taxes	89,466
Group health insurance	54,925
Workers' compensation insurance	4,038
Books, periodicals, cassettes, etc.	133,756
Circulation system	22,784
ISP costs	2,772
Equipment rental, supplies, postage	29,821
Program costs	14,795
Repairs and maintenance	45,750
Utilities	75,224
Telephone	1,180
Insurance	12,338
Dues and subscriptions	1,770
Travel and conferences	5,238
Outside services	6,007
Miscellaneous	4,544
Equipment purchases	11,921
Grant expenditures	4,473
Total operating expenses	<u>1,071,648</u>
Excess of operating revenues over operating expenses	<u>157,903</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
PEKIN PUBLIC LIBRARY FUND
STATEMENT OF REVENUES AND EXPENSES
YEAR ENDED APRIL 30, 2010

Other revenues (expenses):	
Investment earnings-operations	506
Investment earnings-endowments	358
Investment earnings-capital development	294
Gifts and memorials	32,468
Capital development expenditures	<u>(235,183)</u>
Deficiency of other revenues over other expenses	<u>(201,557)</u>
Deficiency of operating and other revenues over operating and other expenses	(43,654)
Other adjustments:	
Add capitalization of capital development expenditures	235,183
Add capitalization of books	98,138
Less depreciation of fixed assets	<u>(173,574)</u>
Net excess of operating and other revenues over operating and other expenses and other adjustments	<u>\$ 116,093</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
PEKIN PUBLIC LIBRARY FUND
STATEMENT OF CHANGES IN FUND BALANCE
YEAR ENDED APRIL 30, 2010

Fund balance, beginning of year	\$ 3,127,253
Net excess of operating and other revenues over operating and other expenses and other adjustments	<u>116,093</u>
Fund balance, end of year	<u>\$ 3,243,346</u>

CITY OF PEKIN, ILLINOIS

PEKIN PUBLIC LIBRARY FUND

STATEMENT OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL

YEAR ENDED APRIL 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
Operation revenues:			
Real estate taxes	\$ 1,022,756	\$ 1,021,335	\$ (1,421)
Replacement taxes	103,500	96,796	(6,704)
State per capita grant	40,941	34,571	(6,370)
Other grants	3,000	26,814	23,814
Charges for services, etc.	39,800	42,369	2,569
Other	3,800	7,666	3,866
Total operating revenues	<u>1,213,797</u>	<u>1,229,551</u>	<u>15,754</u>
Operating expenditures:			
Salaries	566,778	550,846	(15,932)
Payroll taxes	89,156	89,466	310
Group health insurance	58,000	54,925	(3,075)
Workers compensation insurance	3,700	4,038	338
Books, periodicals, etc.	132,160	133,756	1,596
Circulation system	23,000	22,784	(216)
ISP costs	2,600	2,772	172
Equipment rental, supplies, and postage	30,250	29,821	(429)
Program costs	11,100	14,795	3,695
Repairs and maintenance	42,083	45,750	3,667
Utilities	103,600	75,224	(28,376)
Telephone	1,800	1,180	(620)
Insurance	12,000	12,338	338
Dues and subscriptions	1,750	1,770	20
Travel and conferences	8,000	5,238	(2,762)
Outside services	6,000	6,007	7
Miscellaneous	2,720	4,544	1,824
Equipment purchases	13,100	11,921	(1,179)
Grant expenditures	3,000	4,473	1,473
Total operating expenditures	<u>1,110,797</u>	<u>1,071,648</u>	<u>(39,149)</u>
Excess of operating revenues over operating expenditures	<u>103,000</u>	<u>157,903</u>	<u>54,903</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
PEKIN PUBLIC LIBRARY FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
Other revenues (expenditures):			
Investment earnings-operations	5,000	506	(4,494)
Investment earnings-endowments	8,000	358	(7,642)
Investment earnings-capital development	6,500	294	(6,206)
Gifts and memorials	-	32,468	32,468
Capital development expenditures	<u>(122,500)</u>	<u>(235,183)</u>	<u>112,683</u>
Deficiency of other revenue over other expenditures	<u>(103,000)</u>	<u>(201,557)</u>	<u>98,557</u>
Deficiency of operating and other revenues over operating and other expenditures	<u>\$ -</u>	<u>\$ (43,654)</u>	<u>\$ (43,654)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
PEKIN PUBLIC LIBRARY FUND
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Pekin Public Library Fund is a separate fund of the City of Pekin, Illinois. It is included in the governmental activities in the Statement of Net Assets and Statement of Activities of the City of Pekin's financial statements. These financial statements present only the Library Fund and are not intended to present fairly the financial position and results of operations of the City of Pekin in conformity with accounting principles generally accepted in the United States of America.

Operations of the Pekin Public Library (the "Library") are governed by nine officials, appointed by the Mayor and the City of Pekin with approval of the City Council, designated as the Board of Trustees.

Basis of Presentation

For many years, the primary focus of local governmental financial statements has been summarized fund-type information on a current financial resource basis. This approach has been modified by Government Accounting Standards Board (GASB) Statement No. 34 and the City of Pekin's financial statements present two kinds of statements, each with a different view of the City's finances. These changes affect the Pekin Public Library's financial statement in several ways:

1. The balance sheet of the Library no longer reports fixed assets as a separate account group apart from the operating assets;
2. Books purchased within the past ten years have been capitalized and added to the fixed assets. Library books are considered to have a useful life of greater than one year and, therefore, are subject to annual depreciation charges;
3. Accumulated depreciation on previous years' fixed assets has been calculated and recorded on the balance sheet.
4. The Statement of Revenues and Expenses (Statement 2) includes the current year charge for depreciation of fixed assets.

Basis of Accounting

The accrual basis of accounting, under which expenditures are recorded when the liability is incurred and revenues are recorded when earned regardless of the timing of related cash flows, is followed.

CITY OF PEKIN, ILLINOIS
PEKIN PUBLIC LIBRARY FUND
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 1 - continued

Investments

The Library's investments are in accordance with state statutes. They are comprised of deposits with the State of Illinois Treasurer's Investment Pool. The fair value of the pool is the same as the invested cost.

Fixed Assets

Fixed assets include land, building and improvements, equipment, and books with an initial useful life of one year or greater. Assets are recorded at historical cost. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each fixed asset type are as follows:

Building and improvements	50 years
Furniture, fixtures and equipment	20 years
Books	10 years

Budget

The City of Pekin's annual budget and appropriations ordinances cover all funds of the City, including the Library, and is prepared on the accrual basis. Therefore, the statement of revenues and expenditures-budget and actual has been prepared on a basis consistent with and comparable to the legally adopted budget.

NOTE 2 - PROPERTY TAXES

Property tax revenues are recorded on the "deferred method". Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the Tazewell County Treasurer, the property taxes are not "available" to finance current year expenditures. The tax levy for 2009, to be collected in June and September, 2010, is shown on the balance sheet as property taxes receivable with a related credit to deferred tax revenue.

The property taxes for 2008 were collected June through September, 2009 and received by the Library in July, October, and November, 2009. These taxes have been recorded as real estate tax revenue in the financial statements.

CITY OF PEKIN, ILLINOIS
PEKIN PUBLIC LIBRARY FUND
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 3 - CHANGES IN FIXED ASSETS

The following is a summary of the changes in fixed assets during the year:

	Balance 4/30/2009	Additions (Retirements)	Balance 4/30/2010
Land	\$ 86,080	\$ -	\$ 86,080
Building and improvements	2,485,866	153,481	2,639,347
Furniture, fixtures and equipment	442,248	81,702	523,950
Books	1,682,219	98,138	1,780,357
Total	<u>\$ 4,696,413</u>	<u>\$ 333,321</u>	<u>\$ 5,029,734</u>

NOTE 4 - EXPENDITURES FROM SPECIAL ACCOUNTS

During the year the following expenditures were made from line items not included in the Library's operating budget:

Purchases from gifts and endowment earnings:

Books, cassettes, and CD's	\$ 3,499
Capitalized building improvements and furniture, fixtures and equipment	57,293
Program costs	2,602
Supplies	724
Meeting costs	323
Total	<u>\$ 64,441</u>

NOTE 5 - FUND BALANCE-RESERVE CAPITAL DEVELOPMENT

Pursuant to policy established by the Board of Trustees, a reserve has been established for future capital development projects. The reserve has been divided into three categories. The chart below shows the capital limits and the amount of funding allocated to each category as of April 30, 2010:

Category	Amount of Capital Limit	Funding as of 4/30/2010
Capital Development and Maintenance	\$ 300,000	\$ 111,940
Technology	50,000	5,281
21st Century Library Fund	4,250,000	61,477
Total	<u>\$ 4,600,000</u>	<u>\$ 178,698</u>

CITY OF PEKIN, ILLINOIS
PEKIN PUBLIC LIBRARY FUND
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

NOTE 6 - FUND BALANCE UNRESERVED-DESIGNATED

The Library Board has created several endowment funds from the proceeds of bequests received throughout the years. None of the funds placed in the endowment funds have any legal restrictions or conditions imposed on their use. The Board has established certain criteria for the expenditure of the funds.

WILLOCK WARNING & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

23 OLT AVENUE
PEKIN, ILLINOIS 61554

TELEPHONE (309) 347-3152
FAX (309) 347-3153

November 11, 2010

Mayor Rusty Dunn and City Council
City of Pekin
111 South Capitol St.
Pekin, Illinois 61554

Re: Sewer User Rates

Dear Mayor and Council Members:

Section 2.01 of Sewer User Ordinance No. 1611 requires an annual review of the adequacy of the City's sewer user rates at the same time and as a part of the annual audit of the Sewerage Fund financial statements.

COMMENTS ON REVIEW OF RATES

The Sewerage Fund Statement of Net Assets at April 30, 2010 reports current assets of \$4,585,637 and current liabilities of \$44,158, resulting in net working capital of \$4,541,479. The Fund's working capital increased \$382,529 from the previous year.

The Fund earned \$64,995 for the year ended April 30, 2010. Included in operating expenses is a depreciation charge of \$620,252 and a nonoperating expense transfer of \$114,648 to the City's General Fund for reimbursement of certain estimated administrative expenses. During the year capitalized additions to fixed assets totaled \$302,718.

Total revenue from all sources decreased \$75,853 from the previous year. Basic user fees decreased \$77,907, treatment and collection fees decreased \$4,864, sewer connection fees decreased \$45,000, and license permit income decreased \$1,830. Investment income increased \$50,722.

Actual operating costs for the year (excluding depreciation) increased \$17,326. From 1993 to July 31, 2005 the City contracted the sewer operations to private companies. Since August, 2005 the City has operated and maintained its own wastewater treatment plant, lift stations, and combination sewer overflows.

Currently there is one charge to users of the City's sewerage collection and treatment system. The water-based usage charge is \$1.99 per thousand gallons of water used with a minimum \$3.00 per month charge. The usage is based on meter readings furnished by Illinois-American Water Co. The current rate was enacted October 27, 2003. Prior to the revised rate, the City charged users two different rates for the sewerage system's operations and capital improvements. Those rates had not changed in over thirteen years.

In September 2010 the City Council authorized the issuance of general obligation bonds for the purpose of financing construction costs related to the upgrading and expansion of the wastewater treatment facility in the amount of \$7,110,000. The bonds will be repaid over an eighteen year period beginning in 2011 and ending in 2030.

In August 2010 the City Council approved increases in the volumetric rate and surcharge rate to residential and commercial users of the wastewater treatment facility. The new rates are intended to continue covering operating costs of the plant, maintain sewer lines throughout the City, and accumulate sufficient funds for the debt service obligations of the new bond issue.

The new rates, which are effective May 1, 2011, are as follows:

- A minimum charge of \$3.00 for each user of the wastewater facility;
- A user rate of \$2.39 per thousand gallons of water used effective May 1, 2011;
- A user rate of \$2.87 per thousand gallons of water used effective May 1, 2012;
- A user rate of \$3.44 per thousand gallons of water used effective May 1, 2013;
- A user rate of \$4.20 per thousand gallons of water used effective May 1, 2014;
- A user rate of \$5.24 per thousand gallons of water used effective May 1, 2015;
- An increase of the surcharge rate to \$.40 per pound of BOD (biochemical oxygen demand) and \$.25 per pound of SS (suspended solids).

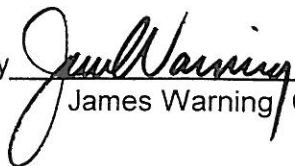
City staff will assess the effectiveness of the facility to handle storm situations over the next five years. Consideration for adjustments to the approved rates should also be reviewed annually by City staff to insure all costs are adequately covered.

Attached is a summary of selected financial data for the past ten years.

Please contact us if there are questions on these matters.

Yours truly,

WILLOCK WARNING & CO., P.C.

by _____
James Warning CPA

JW/dl

Enclosures, as above

cc: City Manager

City Corporation Counsel

City Clerk

Assistant Finance Director

City Treasurer

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
SELECTED FINANCIAL DATA - REVENUES AND EXPENSES
FOR THE TEN YEARS 2001-2010

Year Ended April 30,	Total Operating Revenues	Service Fees	Other Fees	Investment Income	Total Operating Expenses	Sewer Operating Costs	Maintenance and Repairs	Depreciation	Billing and Collection Costs	Other Costs	Transfer to City General Fund	Net Income (Loss)
2010	\$2,451,896	\$2,325,089	\$126,807	\$107,842	\$2,380,095	\$ 663,708	\$ 362,157	\$ 620,252	\$ 127,197	\$ 606,781	\$ 114,648	\$ 64,995
2009	2,578,471	2,402,996	175,475	57,120	2,355,703	584,407	423,706	613,186	121,930	612,474	114,648	165,240
2008	2,722,762	2,591,804	130,958	113,883	2,191,511	608,924	338,061	584,970	123,689	535,867	143,099	502,035
2007	2,727,070	2,596,757	130,313	113,765	2,108,386	683,154	212,408	565,073	129,493	518,258	200,000	532,449
2006	2,464,639	2,338,119	126,520	29,445	1,890,440	572,654	172,360	578,233	124,082	443,111	100,000	503,644
2005	2,754,059	2,632,061	121,998	5,470	2,276,659	1,102,770	272,793	575,719	132,322	193,055	100,000	382,870
2004	2,233,265	2,094,460	138,805	22	2,234,001	1,059,101	161,213	577,144	155,563	280,980	120,000	(120,714)
2003	1,713,051	1,519,552	193,499	283	2,138,826	1,008,171	236,590	567,353	77,072	250,449	175,000	(600,492)
2002	1,891,403	1,515,449	375,954	32,734	1,924,447	893,071	221,257	521,443	22,850	265,826	155,000	(130,910)
2001	1,696,013	1,583,380	112,633	117,535	1,914,977	918,446	270,749	459,827	19,824	246,131	242,070	(343,499)

Information taken from Sewerage Fund Annual Reports, 2001-2010.

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
SELECTED FINANCIAL DATA - ASSETS AND LIABILITIES
FOR THE TEN YEARS 2001-2010

Year Ended April 30,	Cash	Investments	Receivables	Additions to Capital Assets	Total Assets	Current Liabilities	Total Net Assets
2010	\$ 2,100,895	\$ 2,240,000	\$ 244,742	\$ 302,718	\$ 16,185,130	\$ 44,158	\$ 16,140,972
2009	32,090	4,001,651	200,624	429,967	16,151,392	75,415	16,075,977
2008	179,637	3,673,487	189,293	522,300	16,142,663	231,926	15,910,737
2007	543,035	2,612,985	58,332	192,377	15,377,269	32,567	15,344,702
2006	484,834	1,812,376	58,616	19,415	14,891,439	79,186	14,812,253
2005	652,444	540,271	183,821	162,258	14,470,967	162,358	14,308,609
2004	322,173	-	210,372	77,324	14,040,437	114,698	13,925,739
2003	36,659	-	35,406	720,829	14,079,777	33,324	14,046,453
2002	21,119	758,499	152,903	1,577,033	14,786,757	140,413	14,646,344
2001	158,372	1,652,763	176,828	1,473,204	14,835,268	57,955	14,777,313

Information taken from Sewerage Fund Annual Reports, 2001-2010.

CITY OF PEKIN, ILLINOIS

SEWERAGE FUND

FINANCIAL STATEMENTS

APRIL 30, 2010

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND FINANCIAL STATEMENTS

APRIL 30, 2010

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Pekin, Illinois

We have audited the accompanying financial statements of the Sewerage Fund of the City of Pekin, Illinois as of and for the year ended April 30, 2010 as listed in the table of contents. These financial statements are the responsibility of the City of Pekin management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Sewerage Fund and do not purport to, and do not present fairly the financial position of the City of Pekin, Illinois as of April 30, 2010, and the changes in its financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Sewerage Fund of the City of Pekin, Illinois, as of April 30, 2010, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Willock Warning & Co., PC

WILLOCK WARNING & CO., P.C.
November 10, 2010

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
STATEMENT OF NET ASSETS
APRIL 30, 2010

ASSETS:

Current assets:

Cash	\$ 2,100,895
Investments	2,240,000
Accounts receivable	<u>244,742</u>

Total current assets 4,585,637

Capital assets:

Land	73,000
Sewer plants and equipment	21,422,967
Less accumulated depreciation	<u>(9,896,474)</u>

Net capital assets 11,599,493

Total assets \$ 16,185,130

LIABILITIES

Current liabilities:

Accounts payable	\$ 15,870
Accrued wages	<u>28,288</u>

Total current liabilities 44,158

NET ASSETS

Invested in capital assets, net of related debt	11,599,493
Unrestricted	<u>4,541,479</u>

Total net assets 16,140,972

Total liabilities and net assets \$ 16,185,130

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS

SEWERAGE FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

YEAR ENDED APRIL 30, 2010OPERATING REVENUES:

Charges for services:

Wastewater service fees	\$ 2,325,089
Sewer treatment fees	55,831
Sewer connection fees	59,400
Licenses and permits	8,550
Miscellaneous	3,026

Total operating revenues	<u>2,451,896</u>
--------------------------	------------------

OPERATING EXPENSES:

Sewer operation costs	663,708
Wages and payroll taxes	504,782
Employee benefits	83,663
Professional fees	5,579
Insurance	9,602
Maintenance and repairs	362,157
Billing and collection costs	127,197
Postage, office, and administration	3,155
Depreciation	<u>620,252</u>
Total operating expenses	<u>2,380,095</u>
Operating income	71,801

NONOPERATING REVENUE (EXPENSE):

Interest income	<u>107,842</u>
Income before transfers	179,643
Transfers to City's General Fund	<u>(114,648)</u>
Change in net assets	64,995

Total net assets, beginning of year	<u>16,075,977</u>
Total net assets, end of year	<u>\$ 16,140,972</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
SEWERAGE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2010

Cash flows from operating activities:

Receipts for services and fees	\$ 2,407,503
Payments to vendors and suppliers	(1,215,989)
Payments for employees and benefits	<u>(574,836)</u>
Net cash provided by operating activities	<u>616,678</u>

Cash flows from noncapital financing activities:

Transfer to General Fund	<u>(114,648)</u>
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Cash flows from capital activities:

Purchase of capital assets	<u>(302,718)</u>
----------------------------	------------------

Cash flows from investing activities:

Redemption of investments	1,761,651
Interest income	<u>107,842</u>
Net cash provided by investing activities	<u>1,869,493</u>

Net increase in cash	2,068,805
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Cash balance, beginning of year	<u>32,090</u>
---------------------------------	---------------

Cash balance, end of year	<u><u>\$ 2,100,895</u></u>
---------------------------	----------------------------

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ 71,801
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	620,252
Increase in accounts receivable	(44,118)
Decrease in accounts payable	(44,591)
Increase in accrued wages	13,609
Decrease in contractors' deposits	<u>(275)</u>
Net cash provided by operating activities	<u><u>\$ 616,678</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS

SEWERAGE FUND

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

In accordance with generally accepted governmental accounting principles, the Sewerage Fund is a separate accounting fund within the City of Pekin's fund accounting system which is designed to account for and report upon specific activities or certain objectives.

The fund is an Enterprise Fund and, accordingly, employs the accrual basis of accounting wherein revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred.

Fixed assets used in the operations of the sewerage system are stated at cost where historical records are available and at estimated historical cost where no historical records exist. Depreciation expense is recorded as a charge against income and is computed using the straight-line method based upon the estimated useful lives of the fixed assets, generally 5-40 years.

NOTE 2 - TRANSFER TO GENERAL FUND

The City allocates a portion of its administrative expenses to more accurately reflect costs of sewer operations. City officials have estimated General Fund expenses applicable to the Sewerage Fund to be \$9,554 per month.

CITY OF PEKIN
PEKIN, ILLINOIS

OFFICE OF CITY CLERK

AS OF JANUARY 1, 2011

MEETINGS OF OFFICIAL BODY OF
THE CITY OF PEKIN, ILLINOIS
HELD IN CITY HALL COUNCIL CHAMBERS
111 SOUTH CAPITOL STREET
CITY COUNCIL

2 ND AND 4TH MONDAY OF EACH MONTH UNLESS INDICATED

JANUARY 10, 2011

JANUARY 24, 2011

FEBRUARY 14, 2011

FEBRUARY 28, 2011

MARCH 14, 2011

MARCH 28, 2011

APRIL 11, 2011

APRIL 25, 2011

MAY 9, 2011

MAY 23, 2011

JUNE 13, 2011

JUNE 27, 2011

JULY 11, 2011

JULY 25, 2011

AUGUST 8 2011

AUGUST 22, 2011

SEPTEMBER 12, 2011

SEPTEMBER 26, 2011

**OCTOBER 10, 2011 (Columbus Day
move to Tuesday October 11, 2011)**

OCTOBER 24, 2011

NOVEMBER 14, 2011

NOVEMBER 28, 2011

DECEMBER 12, 2011

DECEMBER 26, 2011

Pekin Planning Commission Minutes
December 8, 2010

Present:

Jim Jones
Don Hild
Bill Craig, Chairman
Dick Cohenour
Jim Bradshaw
Steve Huey
Ron Knautz

Absent:

Scott Plotner, Vice Chairman
Daryl Dagit

Chairman Bill Craig led the Pledge of Allegiance.

The regular meeting of the Pekin Planning Commission was called to order and a quorum was declared.

Staff Present: Ron Sieh, Attorney Burt Dancey, Steve Thompson & Deputy Chief Greg Nelson

Chairman Bill Craig asked for the approval of the Agenda.

MOTION by Ron Knautz, Seconded by Jim Jones to Approve the Agenda as presented. On roll call vote, All present voted **AYE**. **MOTION APPROVED**.

Chairman Bill Craig asked for the Approval of the November 10, 2010 minutes.

MOTION by Steve Huey, Seconded by Ron Knautz to Approve the November 10, 2010 minutes as presented. On roll call vote, (6) Six present voted **AYE**. (1) One present (Don Hild) **ABSTAINED**. **MOTION APPROVED**.

City Council Action Report:

November 22, 2010 Council Meeting:

Received and filed the minutes from the November 10, 2010 meeting.

Approved the following recommendations for Hearings:

Hearings #10-1820; 10-1821 & 10-1822 / To Approve the Re-zoning from AG(Agricultural District) to R-2(Single Family Residential), the Site Plan with the Stipulation that Screening be in place for the Toters/Dumpster Area and the Special Use for the New Testament Baptist Church property located along Velde Drive.

Hearing #10-1806 / (rehearing of recommendation to deny) - To Approve the Tabling and Continuation of the Public Hearing on December 8, 2010, the Special Use Request for a Cell Tower located at 3000 Court Street.

PPC Correspondence: No Correspondence

Application #1: AT&T, Ben Russell, Representative

Hearing #1(10-1806): Special Use for a Cell Tower located at 3000 Court Street in Tazewell County, Illinois.

Attorney Burt Dancey swore in all Speakers for testimony.

Motion by Jim Jones, seconded by Dick Cohenour to remove the Application from the Table for discussion. On Roll Call Vote. All Present Voted **AYE**.

Motion Approved.

Open Public Hearing: 6:37PM

It was requested by Attorney Burt Dancey to make connection with Dr. Horne through Speaker Conference.

Attorney Burt Dancey swore in Dr Horne for his testimony.

Lou Caliento and Dr Horne presented a power point presentation.

Dick Cohenour asked for clarification of Dr Horne's statement that there is 0% chance of interference with the Public Safety Band.

Dr Horne stated that due to the frequency band separation of (AT&T) 1900 MHz to (Public Safety) 800 MHz, the type of base going in and from his study there would not be interference with the Public Safety system. He preferred not to use percentages.

Attorney Dancey asked for clarification in correlation with Dr Horne's Statement that if both systems and equipment are operating properly interference would be unlikely.

Dr Horne confirmed that statement to be true.

Attorney Dancey read from page 4 of a report (See Attachment) provided by David Swan, Engineer for Tazcom during the meeting. He asked if Dr Horne was in agreement with the statements.

Dr Horne responded that some of the statements are technically correct regarding certain things. He also stated that the current noise floor level is -106 DBM on average if not better in some places. The 1900 MHZ AT&T proposed transmitter will not raise the noise floor several DB, it might raise it .2DB or .5DB. The noise floor is measured at the receiver of the Public Safety System and the receiver right now is scattered out all over Pekin. There is no evidence that 1900 MHZ would interfere but an 850 MHZ Base station could increase the chance of interference with public safety but it is not very common.

Attorney Burt Dancey continued reading from the report (see attached)from where he left off and questioned Dr Horne as to his opinion.

Dr Horne responded that most public safety systems have the equipment to periodically check for interference and it is common for this to take place.

Attorney Burt Dancey continued to verify information provided by AT&T with confirmation from Dr Horn and Lou Caliento as to the accuracy and availability.

Steve Thompson, Director of Emergency Dispatch Center, 1301 Caroline, stated his concerns with interference from current cell phones, amplifiers and their current locations.

Chairman Bill Craig summarized the questions of the Commission members with Steve Thompson's concerns of interference and dead spots now, but wondered what these have to do with AT&T at this time.

Steve Thompson responded it is the Noise Floor that is his main concern.

Dr Horne commented that 850 band amplifiers are broadband and can be noisy if not installed properly. AT&T is installing a 1900 band.

Greg Nelson, Deputy Chief stated that Pekin Hospital and Pekin Park District are the main problem areas. Showed a group of complaints from officers. His main concern is not adding to the existing interference problem.

Attorney Burt Dancey swore in David Swan.

David Swan, Communications Engineer, 3714 W Warrick, Peoria stated that his interest is to avoid equipment that is not functioning properly that would interfere with the City of Pekin's communication system.

Chairman Bill Craig read from the report presented by Dr Horne on October 13, 2010. He asked David Swan's opinion regarding portions of the report.

Clarity of David Swan's response was unclear with the questions.

Steve Huey stated the concerns have gotten away from the current issue of AT&T's actual request.

Attorney Burt Dancey asked for clarification of David Swan's statement that the AT&T tower is better designed and at a better frequency than the others that are causing problems so this tower is less likely to cause interference than the ones that are already there.

David Swan confirmed he said something to that effect and iterated again on damaged equipment interfering.

Attorney Burt Dancey asked that David Swan formerly present the report he provided tonight on December 8, 2010.

David Swan agreed and verified it is his report.

In conclusion Lou Caliento stated that with co-locaters AT&T agreements state there be no interference with other frequencies plus they are FCC regulated.

Close Public Hearing: 7:39PM

Special Use Review Committee:
Steve Huey, Chairman

Motion by Jim Jones, seconded by Don Hild to Approve the Special Use request for a Cell Tower by AT&T located at 3000 Court Street. On Roll Call Vote. (6) Six Present Voted **AYE**. (1) One Present (Dick Cohenour) Voted **NAYE**. **Motion Approved**.

Meeting adjourned at 7:50PM.

Juanita K VanBuskirk, Secretary
Pekin Planning Commission

Pekin Planning Commission
December 8, 2010

HEARING #10-1806

The Pekin Planning Commission recommends the Approval of the Special Use Request by AT&T for a Cell Tower located at 3000 Court to the Pekin City Council.

Bill Craig, Chairman

Scott Plotner, Vice Chairman

PINKOWSKI
& C O M P A N Y

CITY OF PEKIN
PEKIN, ILLINOIS

ASSESSMENT OF LODGING AND CONFERENCE FACILITIES
PEKIN, ILLINOIS

NOVEMBER 2010

Prepared by:

Pinkowski & Company
6829 Eastridge Cove, Suite 201
Memphis, TN 38120
901/684-1080



November 8, 2010

Ms. Leigh Ann Matthews
Economic Development Director
City of Pekin
111 South Capitol Street
Pekin, IL 61554

Dear Ms. Matthews:

In accordance with your request, we have completed our research and assessment of the sites available for development of a hotel and assessment of the banquet and meeting space located in Pekin, Illinois.

SITE CONSIDERATIONS

The aerial photograph shown at the end of this letter is marked with the sites considered for the proposed development.

The sites considered are:

1. Downtown Site - The riverfront in downtown Pekin has had a significant amount of development of public event and park space. However, without nearby amenities such as shopping, dining, and entertainment, we believe this location is not suitable for a hotel development at this time. A high quality hotel site near railroad tracks/activity is not generally a preferred site for development.
2. WalMart Site - Southeast quadrant of Route 9 and VFW Road - This 5.08 acre rectangular shaped parcel is situated in front of the Super WalMart and near a majority of the commercial development in the city known as the Pekin Eastern Retail Corridor. In our opinion, the site is too long and narrow for the development of a hotel and/or meeting space. If the adjacent 1.92 acre site

controlled by WalMart could be added to the parcel, it may improve the shape of the site to make it more conducive for hotel development in the future.

3. We also considered a non-specific site along VFW Road, north of State Highway 9. When Griffin Avenue is extended to VFW Road, this may be suitable for future development.

LODGING SUPPLY

We inspected and/or interviewed the existing lodging facilities in Pekin including:

- EconoLodge
- Concorde Inn & Suites
- Super 8
- Mineral Springs Motel (did not tour/interview)

Because the new Holiday Inn Express currently is under construction (replacing the Holiday Inn Express that burned down last year), we were not able to tour the hotel. We interviewed the owner, Atul Patel via telephone which revealed the following:

- The Holiday Inn Express in Pekin is expected to reopen in early November 2010.
- The "new" property will have 68 guest rooms including 22 suites, a spacious lobby, a small boardroom, a meeting room that will be divisible into two spaces and accommodate up to 100 people in a banquet or classroom set up.
- According to Mr. Patel, the property will meet or exceed requirements of IHG (parent company of Holiday Inn Express) and will have quality finishes, better than what is typical for typical Holiday Inn Express hotels as well as incorporating the improvements required for the re-launch of the product.
- Original property, opened in 2001 and was performing about 70 percent occupancy at a \$90 average daily rate.

The total inventory of guest rooms in Pekin is 241 rooms in four properties. With the addition of the Holiday Inn Express in November this number of guest rooms will total 309 in five properties.

CONFERENCE/BANQUET FACILITIES

As part of our research, we toured several venues in Pekin currently used for meetings, banquets, and celebrations. These included:

Ms. Leigh Ann Matthews

November 8, 2010

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- Pekin Country Club
- Sunset Hills Country Club
- Moose Lodge
- Mineral Springs Park Pavilion
- Avanti Dome (formerly Dragon's Dome)

The following are comments and discussion points:

- Current economic and demographic data for the city of Pekin indicate a stable population.
- According to a recent study, Pekin is poised for population and commercial growth.
- The retail sales in Pekin are concentrated on the eastern edge of the city, around the junction of VFW Road and State Highway 9. This is the location and concentration of hotels, retail, commercial, dining, and entertainment.
- Future infrastructure plans for this area include:
 - The completion of VFW Road to complete a "ring" road around the city bordered by VFW Road on the south and east (future Veterans Parkway), Second Street on the west, and Highway 98 on the north. Veterans Parkway will extend and connect to Interstate 474, six miles north of State Highway 9.
 - The completion of the interchange is several years from completion as funding has not been granted.
 - The interchange will be located in the city of Marquette Heights; Pekin city limits begins about one mile south of the location of the planned interchange.
 - Completion of the extension of Griffin Avenue east from the Avanti Dome to connect with VFW Road (future Veterans Parkway)
 - Although not funded at this time, city officials indicate this construction could be completed in approximately one year from beginning of the planning.
 - The completion of Griffin Avenue would greatly improve access to the Avanti Dome.

LODGING AND CONFERENCE DEMAND

We completed demand interviews with local businesses regarding the need for meeting space and guest lodging rooms. The following is a recap of our findings:

Ms. Leigh Ann Matthews

November 8, 2010

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- The current inventory of guest lodging available in Pekin generally is unacceptable for the needs of middle management and executives or professionals.
- Many of these companies used the Pekin Holiday Inn Express before it closed due to the fire in late 2009.
- These companies are looking forward to the re-opening of the property and will use it for most of their lodging and meeting needs.
- After the HIE closed, these companies primarily went to East Peoria for their lodging needs utilizing the Embassy Suites, Hampton Inn, and the Holiday Inn Express and other hotels in the same vicinity. Occasionally, this business goes to Morton, using the Best Western Ashland House, Quality Inn, or the Baymont.
- There will be a new 67 room Holiday Inn Express opening in November 2010 in Morton in addition to the re-opening of the Pekin HIE at the same time.
- A majority of the businesses that utilized the Holiday Inn Express in Pekin before it closed will choose to use the property again when it reopens in early November 2010.
- Most companies did not express negative feelings regarding the need to go to East Peoria for lodging because of the lack of high quality dining opportunities in Pekin and therefore, they would go to East Peoria and/or Peoria for these opportunities.
- The highway improvements to State Highway 29 between East Peoria and Pekin will be completed soon. While only a ten to 15 minute drive currently, the improvements will make the trip safer.
- There are several facilities for meetings in Pekin (listed earlier in this document). Several are private clubs which require membership and are not available to the general public. The largest of these facilities are not designed for high quality events.
- A majority of the meetings and/or events conducted by the businesses in Pekin are for 100 people or less.
- Most of the businesses have meeting space on their premises to accommodate most of their needs.
- Our interviews with businesses in Pekin indicated that for high quality events of over 200 people, they go to East Peoria or Peoria.
- The Embassy Suites and Par-a-Dice are the primary choices for these large high quality events.
- Pekin provides retail and commercial services to an extended rural area surrounding the city. These towns include Tremont, Havana, Canton, and others.

- Our interviews with planning and development or economic development representatives in these communities indicated their needs for lodging are met by Morton, Pekin, East Peoria, and Peoria. Since there are no high quality lodging facilities nor dining opportunities, guests to these cities are required to utilize the facilities in larger towns and cities.
- We discovered there is a 40 room boutique hotel under construction in Canton planned to open in late 2011 to provide high quality lodging to guests of a large private company manufacturing facility new to Canton. The property is being developed by an individual with long ties to the Canton community and, along with the existing hotels and motels in Canton, will meet a majority of Canton's lodging needs.

During the course of our research we toured the Avanti Dome and met Mr. Albert Zeller, the new owner and Steve Brown, manager.

- Mr. Zeller recently purchased the Dome and installed Mr. Brown as the manager of the 75,000 square foot facility.
- In addition to the indoor sports dome and plentiful surface parking, the facility includes meeting space that will accommodate up to 200 people in a banquet setting.
- Mr. Zeller and Mr. Brown indicated there will be significant changes made to the existing facilities and grounds surrounding the actual dome.
- Immediate improvement plans for the meeting space include:
 - Repainting the interior of the facility
 - Upgrading the kitchen facility
 - Replacing tile floors and carpeted areas with wood flooring
 - Replacing Formica and crude wooden countertops with granite
 - Other appropriate changes to storage, lighting and A/V
- In addition to an aggressive sales and marketing effort, management plans to work with entities throughout the area such as public park districts, schools, and Sportsplex (East Peoria) to attract sports events of all types including tournaments, training sessions, and private events.

CONCLUSIONS

With the addition of the Holiday Inn Express imminent to the Pekin lodging market, we believe this hotel will fill the needs of most visitors to the market. We do not believe there currently is enough demand to support another hotel in Pekin.

Ms. Leigh Ann Matthews

November 8, 2010

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We offer the following points to consider for future development:

- Strongly believe the completion of Griffin Avenue east to VFW Road would enhance the Avanti Dome making it a more desirable space for events of all types.
- The completion of this road and along with the improvements to the Avanti Dome should make the land along the extended road and at its intersection with Griffin Avenue desirable for additional development.
- One of the comments we heard repeated throughout our interviews was that the prior management at the Dragon's Dome was unresponsive or difficult and the meeting space had an "unfinished" feel.
- If the enhancements are completed in the fashion presented to us to the current Avanti Dome facility, we believe this "like new" meeting space will be of the quality and size to handle most banquets and meetings desiring high quality space with ample parking.
- We understand the new management is better equipped to handle bookings and plans to expand programs and availability of the space.

We suggest allowing time for the Avanti Dome to ramp up to its potential. The success of the facility should spur development of restaurant and retail along VFW Road and Griffin Avenue.

We suggest the city consider a public/private investment at the site of the Avanti Dome, possibly expanding the existing space to create contiguous meeting space. When the additional meeting space is added, a hotel developer should be approached to develop a hotel positioned on land connected to the Avanti Dome.

Because of the potential, we suggest that in twelve months we should take a fresh look at the Avanti Dome and its progress. In twelve months, there will be a track record for the Pekin Holiday Inn Express. The level of success of both of these businesses is critical to enticing additional development to take place in this commercial corridor of Pekin.

Ms. Leigh Ann Matthews

November 8, 2010

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Once you have had an opportunity to review this information, I will be happy to discuss any questions or comments you may have. We appreciate the opportunity to be of assistance to you in your evaluation of this market and would be happy to assist in any additional research necessary.

Very truly yours,

A handwritten signature in dark ink, appearing to read "C. G. Pinkowski" followed by "ISHC". The signature is fluid and cursive.

C. G. Pinkowski, ISHC
PINKOWSKI & COMPANY

/gjm





REQUEST FOR COUNCIL ACTION

To: Honorable Mayor and Members of the City Council

CC: Sue McMillan, City Clerk

From: Burt Dancey, December 7, 2010

AGENDA ITEM: ORDINANCE TO APPROVE INTERIM CITY MANAGER AGREEMENT

AGENDA DATE REQUESTED: December 13, 2010

ACTION REQUESTED: Approval of Employment

BACKGROUND: The current City Manager, Dennis Kief, has tendered his resignation as City Manager, effective December 31, 2010. Frank Mackaman would be hired and appointed Interim City Manager. Effective date of the Agreement is December 14, 2010.

FINANCIAL IMPACT: \$9,000/month for approximately 6 months (budgeted)

NEIGHBORHOOD CONCERNS: N/A

IMPACT IF APPROVED: Interim City Manager in-place

IMPACT IF DENIED: N/A

ALTERNATIVES: N/A

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: Consistent with the High Quality of Life theme

Department Head

REQUIRED SIGNATURES
Burt Dancey

Finance Department

Angela Evans
(Certification of Availability of Funds)

Corporation Counsel

Dennis Kief
(Certification of Review)

City Manager

Dennis Kief

ORDINANCE NO. _____

AN ORDINANCE TO APPROVE INTERIM CITY MANAGER AGREEMENT

WHEREAS, the Code of the City of Pekin 1995 was adopted on April 10, 1995, and duly published in book form; and

WHEREAS, the City of Pekin is a home rule municipality as described in Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, and as such may exercise any power and function pertaining to its government and its affairs; and

WHEREAS, the current City Manager, Dennis Kief, has tendered his resignation as City Manager, effective December 31, 2010; and

WHEREAS, the City Council and Frank Mackaman have reached an agreement whereby Frank Mackaman will be employed as Interim City Manager, and in the best interests of the City, and;

WHEREAS, the parties are desirous in moving forward with Frank Mackaman as Interim City Manager; and

WHEREAS, the City Council has determined that it is in the best interests of the City to adopt said ordinance regarding such.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEKIN, TAZEVELL COUNTY, ILLINOIS, in the exercise of its home rule powers, as follows:

1. That Frank Mackaman is hired and appointed Interim City Manager;
2. The Employment Agreement attached hereto as Exhibit A is approved and the Mayor and Clerk are authorized to sign it on behalf of the City.

3. Effective date of the Agreement is December 14, 2010.

BE IT FURTHER ORDAINED that all other parts of the Code of the City of Pekin 1995 as amended except as modified herein are hereby reaffirmed and ratified and are in full force and effect.

BE IT FURTHER ORDAINED that all Ordinances or parts of ordinances in conflict herewith are hereby repealed.

BE IT FURTHER ORDAINED that this Ordinance shall be in full force and effect upon its passage and approval and publication as required by law.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Pekin, this ____ day of _____, 2010; and upon roll call the vote was as follows:

AYES: _____

NAYS: _____

ABSENT: _____

ABSTAINING: _____

APPROVED this ____ day of _____, 2010.

MAYOR

ATTEST:

CITY CLERK

FRANK MACKAMAN

INTERIM CITY MANAGER EMPLOYMENT AGREEMENT
CITY OF PEKIN, ILLINOIS

This Agreement is made and entered into this _____ day of December, 2010, by and between the City of Pekin, Illinois, a municipal corporation (hereafter called "City") and FRANK H. MACKAMAN (hereafter called "Interim City Manager").

AGREEMENT

1. **DUTIES.** The City agrees to employ Frank H. Mackaman ("Interim City Manager") as Interim City Manager of the City of Pekin to perform functions and duties in the charter, ordinances, and resolutions of the City. The Interim City Manager serves in an administrative capacity wherein his principal responsibility is to implement the policies adopted by the City Council. The Interim City Manager does not perform independent policy making functions. The Interim City Manager shall perform his duties to the best of his ability in accordance with the highest possible and ethical standards of conduct and shall comply with all general rules and regulations established by the City.
2. **SALARY.** For the term of this Agreement, the City agrees to pay the Interim City Manager a salary of \$9,000 per month for services rendered pursuant to this Agreement as total compensation. The Interim City Manager acknowledges and agrees that he shall have no rights to any other benefits, including vacation, retirement, or otherwise which accrue to other employees of the City, and hereby expressly waives any claim to any such rights.
3. **GENERAL BUSINESS EXPENSES.** The City recognizes that certain reasonable expenses of a non-personal and job-affiliated nature may be incurred by the Interim City Manager. The City agrees to reimburse the Interim City Manager for said expenses. The Interim City Manager will also be compensated for mileage incurred doing City business at the current governmental rate.
4. **TERM.** The term of this Agreement shall commence on December 13, 2010 until June 30, 2011, and such other extension as the parties may agree.
5. **HOURS OF WORK.** The City acknowledges and accepts that the Interim City Manager continues to be employed by The Dirksen Congressional Center. The Interim City Manager intends to work hours sufficient to fulfill the responsibilities of the position but no fewer than 100 hours per month.
6. **INDEMNIFICATION.** The Interim City Manager agrees to provide the services to the City required pursuant to this Agreement as an employee of the City. Therefore, the City shall defend, hold harmless and indemnify the Interim City Manager from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceeding arising out of any act or omission, now or in the future, as a result of the performance of his duties as Interim City Manager.

7. BONDING. City shall bear the U l cost of any fidelity or other bonds required of the Interim City Manager under any law or ordinance.

8. RESIGNATION AND TERMINATION. The Interim City Manager may resign at any time with or without cause and agrees to give the City at least 30 days advance written notice of the effective date of his resignation. The City may at any time terminate the Interim City Manager upon 14 days written advance notice. The parties recognize and affirm that (a) the Interim City Manager is an at will employee whose employment may be terminated by the City without cause, and (b) there is no express or implied promise made to the Interim City Manager for any form of continued employment.

IN WITNESS WHEREOF, Employer has caused this Agreement to be signed and executed on its behalf by its Mayor and City Clerk, and Employee has signed this Agreement, in supPLICATE, the day and year first written above.

MAYOR

CITY CLERK

FRANK H. MACKAMAN



REQUEST FOR COUNCIL ACTION

To: Honorable Mayor Dunn and Members of the City Council

CC: Dennis Kief, City Manager

From: Sue E. McMillan, City Clerk

AGENDA ITEM: Tax Abatements Resolution for Previous Bond Ordinances

AGENDA DATE REQUESTED: December 13, 2010

ACTION REQUESTED: Authorizing that taxes not be levied as provided in Bond Ordinances

BACKGROUND: The City's four outstanding Bond Issues plus the new Bond Issue of 2010 for the Sewer Treatment Plant Improvements have language making the assumption that the Levy would be necessary to provide the funding for the payment of principal and interest on said bonds. However, the City has sufficient sources of funds from other revenue sources to make said bond payments. Therefore the levy and collection of a direct annual tax for the payment of and interest on said bonds is not necessary and needs to be abated.

RESOLUTION NO. 72-10/11

ABATEMENT OF TAXES ORDINANCE NO. 2324 \$1,040,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2003 (REFUNDING OF 1991 CORPORATE PURPOSE)

This resolution authorizes that taxes not be levied against taxable real property in the City of Pekin in the amount of \$116,305.00 provided in bond ordinance issued for Public Works Projects through Baird.

RESOLUTION NO. 73 -10/11

ABATEMENT OF TAXES ORDINANCE NO. 2386 SERIES 2004 \$2,950,000

This resolution authorizes that taxes not be levied against taxable real property in the City of Pekin in the amount of \$397,468.26 provided in bond ordinance issued for vehicles and the Riverfront Project through Herget Bank.

RESOLUTION NO. 74 -10/11

ABATEMENT OF TAXES ORDINANCE NO. 2387 SERIES 2004 \$1,410,000 (REFUNDING TIF 1992)

This resolution authorizes that taxes not be levied against taxable real property in the City of Pekin in the amount of \$203,672.50 provided in bond ordinance issued for TIF Downtown Business District through Bernardi Securities, Inc.

RESOLUTION NO. 75 -10/11

ABATEMENT OF TAXES ORDINANCE NO. 2415 SERIES 2005 \$1,120,000

This resolution authorizes that taxes not be levied against taxable real property in the City of Pekin in the amount of \$140,700.00 provided in bond ordinance issued for Riverway Business Park industrial park land expansion through Morton Community Bank.

RESOLUTION NO. 76 -10/11**ABATEMENT OF TAXES ORDINANCE NO. 2625-10/11 SERIES 2010 \$7,110.000**

This resolution authorizes that taxes not be levied against taxable real property in the City of Pekin in the amount of \$604,730.00 provided in bond ordinance issued for Sewer Treatment Plant Improvements through Bernardi Securities, Inc.

FINANCIAL IMPACT: Bond payments to be made from sources other than the Levy

NEIGHBORHOOD CONCERNS: N/A

IMPACT IF APPROVED: Bond payments to be made from sources other than Property Tax Revenue. Some of the Bonds were for Enterprise Funds and should not come from General Fund Revenue sources.

IMPACT IF DENIED:

ALTERNATIVES:

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: Consistent with Effective Government theme

YEAR	91 Corp Purpose		90/93A TIF 1 - CBD			
	2003 GO Refunding Bonds	2004 GO Bond - Herget	2004 GO Refunding Bonds	2005 GO Bond - Morton	2010 GO Bond Berardi	
2003	\$200,807.58					
2004	\$139,517.50	\$569,777.75	\$200,367.08			
2005	\$137,073.75	469,263.88	203,737.50	169,559.44		
2006	\$144,217.50	\$454,904.76	\$204,942.50	\$163,660.00		
2007	\$116,305.00	\$440,545.62	\$205,522.50	\$157,920.00		
2008	\$118,380.00	\$426,186.50	\$205,447.50	\$152,180.00		
2009	\$120,017.50	\$411,827.38	\$204,777.50	\$146,440.00		
2010	\$116,305.00	\$397,468.26	\$203,672.50	\$140,700.00	\$604,730.00	1,462,875.00
2011	\$122,190.00	\$383,109.12	\$202,117.50	\$134,960.00	601,167.50	
2012				\$129,220.00	601,130.00	
2013				\$123,480.00	604,630.00	
2014					596,755.00	
2015					587,530.00	
2016					591,752.50	

2017	584,845.00
2018	581,670.00
2019	571,870.00
2020	565,971.25
2021	558,902.50
2022	555,407.50
2023	545,527.50
2024	539,207.50
2025	526,605.00
2026	522,312.50
2027	515,878.75
2028	498,203.75
2029	489,606.25

REQUIRED SIGNATURES

Department Director

Sue D. McMullan

Finance Department

Angela Evans

(Certification of Availability of Funds)

Corporation Counsel

(Certification of Review)

City Manager

Dan Kell

RESOLUTION NO. 72 -10/11

WHEREAS, on February 24, 2003, the City Council of the City of Pekin passed Ordinance No. 2324 entitled "AN ORDINANCE providing for the issue of \$1,040,000.00 Aggregate Principal Amount of General Obligation Refunding Bonds, Series 2003, of the City of Pekin, Tazewell and Peoria Counties, Illinois, and for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds", authorizing the sale of \$1,040,000.00 principal amount of general obligation refunding bonds; and

WHEREAS, said Ordinance 2324 (hereinafter referred to as the "Bond Ordinance"), imposed
tax levies against all taxable real property in the City of Pekin; and

WHEREAS, the tax levy for the year 2010 contained in the Bond Ordinance was based upon the assumption that a levy would be necessary to provide funds for the payment of principal and interest on the bonds authorized by the Bond Ordinance; and

WHEREAS, there are sufficient sources of funds from property taxes and other revenues as contemplated in the Bond Ordinance available for the payment of the principal and interest on the bonds authorized by the Bond Ordinance; and

WHEREAS, the tax levy for the year 2010 provided for in the Bond Ordinance is therefore substantially greater than is necessary to meet the obligation to pay the interest due created by the sale of the bonds authorized by the Bond Ordinance.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS, THAT:

Section 1. The levy of taxes for the year 2010 in the amount of \$116,305.00 provided for in Section 8 of Ordinance No. 2324 entitled "AN ORDINANCE providing for the issue of \$1,040,000.00 Aggregate Principal Amount of General Obligation Refunding Bonds, Series 2003, of the City of Pekin, Tazewell and Peoria Counties, Illinois, and for the levy and collection of a direct

annual tax for the payment of the principal of and interest on said bonds” is hereby abated and eliminated; it being the intent of the City Council that no taxes be levied for the year 2010 as provided in said Section 8 of Ordinance No. 2324.

Section 2. The remaining levies of taxes as set forth in the Bond Ordinance for the years subsequent to 2010 are not abated or affected in any manner whatsoever by the passage of this Resolution.

Section 3. In the event a court of competent jurisdiction determines that the tax levies for the years subsequent to 2010 as provided for in the Bond ordinance are in any way affected by this Resolution, then this Resolution shall be void and of no effect whatever.

Section 4. Upon the effective date of this Resolution, a copy hereof certified by the City Clerk, which certificate shall recite that this Resolution has been passed by the City Council and approved by the Mayor, shall be filed with the County Clerks of Tazewell and Peoria Counties, Illinois; said County Clerks are hereby directed to abate and eliminate the levies for the year 2010 contained in the Bond Ordinance, but only to the extent specifically provided herein.

Section 5. This Resolution is in addition to all other Resolutions on the subject and shall be construed therewith excepting as to the part in direct conflict with any other Resolution, and in the event of such conflict, the provisions hereof shall govern.

Section 6. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

ADOPTED AND APPROVED at a regular meeting of the City Council of the City of Pekin,
this 13th day of December 2010.

MAYOR

ATTEST:

CITY CLERK

RESOLUTION NO. 73 -10/11

WHEREAS, on September 27, 2004, the City Council of the City of Pekin passed Ordinance No. 2386 entitled "AN ORDINANCE providing for the issue of \$2,950,000.00 Aggregate Principal Amount of General Obligation Bonds, Series 2004, of the City of Pekin, Tazewell and Peoria Counties, Illinois, and for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds", authorizing the sale of \$2,950,000.00 principal amount of general obligation bonds; and

WHEREAS, said Ordinance 2386 (hereinafter referred to as the "Bond Ordinance"), imposed tax levies against all taxable real property in the City of Pekin; and

WHEREAS, the tax levy for the year 2010 contained in the Bond Ordinance was based upon the assumption that a levy would be necessary to provide funds for the payment of principal and interest on the bonds authorized by the Bond Ordinance; and

WHEREAS, there are sufficient sources of funds from property taxes and other revenues as contemplated in the Bond Ordinance available for the payment of the principal and interest on the bonds authorized by the Bond Ordinance; and

WHEREAS, the tax levy for the year 2010 provided for in the Bond Ordinance is therefore substantially greater than is necessary to meet the obligation to pay the interest due created by the sale of the bonds authorized by the Bond Ordinance.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS, THAT:

Section 1. The levy of taxes for the year 2010 in the amount of \$397,468.26 provided for in Section 9 of Ordinance No. 2386 entitled "AN ORDINANCE providing for the issue of \$2,950,000.00 Aggregate Principal Amount of General Obligation Bonds, Series 2004, of the City of Pekin, Tazewell and Peoria Counties, Illinois, and for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds" is hereby abated and eliminated; it

being the intent of the City Council that no taxes be levied for the year 2010 as provided in said Section 9 of Ordinance No. 2386.

Section 2. The remaining levies of taxes as set forth in the Bond Ordinance for the years subsequent to 2010 are not abated or affected in any manner whatsoever by the passage of this Resolution.

Section 3. In the event a court of competent jurisdiction determines that the tax levies for the years subsequent to 2010 as provided for in the Bond ordinance are in any way affected by this Resolution, then this Resolution shall be void and of no effect whatever.

Section 4. Upon the effective date of this Resolution, a copy hereof certified by the City Clerk, which certificate shall recite that this Resolution has been passed by the City Council and approved by the Mayor, shall be filed with the County Clerks of Tazewell and Peoria Counties, Illinois; said County Clerks are hereby directed to abate and eliminate the levies for the year 2010 contained in the Bond Ordinance, but only to the extent specifically provided herein.

Section 5. This Resolution is in addition to all other Resolutions on the subject and shall be construed therewith excepting as to the part in direct conflict with any other Resolution, and in the event of such conflict, the provisions hereof shall govern.

Section 6. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

ADOPTED AND APPROVED at a regular meeting of the City Council of the City of Pekin, this 13th day of December 2010.

MAYOR

ATTEST:

CITY CLERK

RESOLUTION NO. 74 -10/11

WHEREAS, on October 11, 2004, the City Council of the City of Pekin passed Ordinance No. 2387 entitled "AN ORDINANCE providing for the issue of \$1,410,000.00 Aggregate Principal Amount of General Obligation Refunding Bonds, Series 2004, of the City of Pekin, Tazewell and Peoria Counties, Illinois, and for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds", authorizing the sale of \$1,410,000.00 principal amount of general obligation refunding bonds; and

WHEREAS, said Ordinance 2387 (hereinafter referred to as the "Bond Ordinance"), imposed tax levies against all taxable real property in the City of Pekin; and

WHEREAS, the tax levy for the year 2010 contained in the Bond Ordinance was based upon the assumption that a levy would be necessary to provide funds for the payment of principal and interest on the bonds authorized by the Bond Ordinance; and

WHEREAS, there are sufficient sources of funds from property taxes and other revenues as contemplated in the Bond Ordinance available for the payment of the principal and interest on the bonds authorized by the Bond Ordinance; and

WHEREAS, the tax levy for the year 2010 provided for in the Bond Ordinance is therefore substantially greater than is necessary to meet the obligation to pay the interest due created by the sale of the bonds authorized by the Bond Ordinance.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS, THAT:

Section 1. The levy of taxes for the year 2010 in the amount of \$203,672.50 provided for in Section 8 of Ordinance No. 2387 entitled "AN ORDINANCE providing for the issue of \$1,410,000.00 Aggregate Principal Amount of General Obligation Refunding Bonds, Series 2004, of the City of Pekin, Tazewell and Peoria Counties, Illinois, and for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds" is hereby abated and

eliminated; it being the intent of the City Council that no taxes be levied for the year 2010 as provided in said Section 8 of Ordinance No. 2387.

Section 2. The remaining levies of taxes as set forth in the Bond Ordinance for the years subsequent to 2010 are not abated or affected in any manner whatsoever by the passage of this Resolution.

Section 3. In the event a court of competent jurisdiction determines that the tax levies for the years subsequent to 2010 as provided for in the Bond ordinance are in any way affected by this Resolution, then this Resolution shall be void and of no effect whatever.

Section 4. Upon the effective date of this Resolution, a copy hereof certified by the City Clerk, which certificate shall recite that this Resolution has been passed by the City Council and approved by the Mayor, shall be filed with the County Clerks of Tazewell and Peoria Counties, Illinois; said County Clerks are hereby directed to abate and eliminate the levies for the year 2010 contained in the Bond Ordinance, but only to the extent specifically provided herein.

Section 5. This Resolution is in addition to all other Resolutions on the subject and shall be construed therewith excepting as to the part in direct conflict with any other Resolution, and in the event of such conflict, the provisions hereof shall govern.

Section 6. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

ADOPTED AND APPROVED at a regular meeting of the City Council of the City of Pekin,
this 13th day of December 2010.

MAYOR

ATTEST:

CITY CLERK

RESOLUTION NO. 75 -10/11

WHEREAS, on March 14, 2005, the City Council of the City of Pekin passed Ordinance No. 2415 entitled "AN ORDINANCE providing for the issue of a Taxable General Obligation Bond, Series 2005, of the City of Pekin, Tazewell and Peoria Counties, Illinois, in the principal amount of \$1,120,000.00 and for the levy and collection of a direct annual tax for payment of the principal installments of an interest on said bond; and

WHEREAS, said Ordinance 2415 (hereinafter referred to as the "Bond Ordinance"), imposed tax levies against all taxable real property in the City of Pekin; and

WHEREAS, the tax levy for the year 2010 contained in the Bond Ordinance was based upon the assumption that a levy would be necessary to provide funds for the payment of principal and interest on the bonds authorized by the Bond Ordinance; and

WHEREAS, there are sufficient sources of funds from property taxes and other revenues as contemplated in the Bond Ordinance available for the payment of the principal and interest on the bonds authorized by the Bond Ordinance; and

WHEREAS, the tax levy for the year 2010 provided for in the Bond Ordinance is therefore substantially greater than is necessary to meet the obligation to pay the interest due created by the sale of the bonds authorized by the Bond Ordinance.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS, THAT:

Section 1. The levy of taxes for the year 2010 in the amount of \$140,700.00 provided for in Section 9 of Ordinance No. 2415 entitled "AN ORDINANCE providing for the issue of a Taxable General Obligation Bond, Series 2005, of the City of Pekin, Tazewell and Peoria Counties, Illinois, in the principal amount of \$1,120,000.00 and for the levy and collection of a direct annual tax for payment of the principal installments of an interest on said bond" is hereby abated and eliminated; it being the intent of the City Council that no taxes be levied for the year 2010 as provided in said Section 9 of Ordinance No. 2415.

Section 2. The remaining levies of taxes as set forth in the Bond Ordinance for the years subsequent to 2010 are not abated or affected in any manner whatsoever by the passage of this Resolution.

Section 3. In the event a court of competent jurisdiction determines that the tax levies for the years subsequent to 2010 as provided for in the Bond ordinance are in any way affected by this Resolution, then this Resolution shall be void and of no effect whatever.

Section 4. Upon the effective date of this Resolution, a copy hereof certified by the City Clerk, which certificate shall recite that this Resolution has been passed by the City Council and approved by the Mayor, shall be filed with the County Clerks of Tazewell and Peoria Counties, Illinois; said County Clerks are hereby directed to abate and eliminate the levies for the year 2010 contained in the Bond Ordinance, but only to the extent specifically provided herein.

Section 5. This Resolution is in addition to all other Resolutions on the subject and shall be construed therewith excepting as to the part in direct conflict with any other Resolution, and in the event of such conflict, the provisions hereof shall govern.

Section 6. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

ADOPTED AND APPROVED at a regular meeting of the City Council of the City of Pekin,
this 13th day of December 2010.

MAYOR

ATTEST:

CITY CLERK

RESOLUTION NO. 76 -10/11

WHEREAS, on August 23, 2010, the City Council of the City of Pekin passed Ordinance No. 2625-10/11 entitled "AN ORDINANCE providing for the issue of \$7,110,000.00 Aggregate Principal Amount of Taxable General Obligation Bonds, Series 2010, of the City of Pekin, Tazewell and Peoria Counties, Illinois, and for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds", authorizing the sale of \$7,110,000.00 principal amount of taxable general obligation; and

WHEREAS, said Ordinance 2625-10/11 (hereinafter referred to as the "Bond Ordinance"), imposed tax levies against all taxable real property in the City of Pekin; and

WHEREAS, the tax levy for the year 2010 contained in the Bond Ordinance was based upon the assumption that a levy would be necessary to provide funds for the payment of principal and interest on the bonds authorized by the Bond Ordinance; and

WHEREAS, there are sufficient sources of funds from property taxes and other revenues as contemplated in the Bond Ordinance available for the payment of the principal and interest on the bonds authorized by the Bond Ordinance; and

WHEREAS, the tax levy for the year 2010 provided for in the Bond Ordinance is therefore substantially greater than is necessary to meet the obligation to pay the interest due created by the sale of the bonds authorized by the Bond Ordinance.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS, THAT:

Section 1. The levy of taxes for the year 2010 in the amount of \$604,730.00 provided for in Section 8 of Ordinance No. 2625-10/11 entitled "AN ORDINANCE providing for the issue of \$7,110,000.00 Aggregate Principal Amount of Taxable General Obligation Bonds, Series 2010, of the City of Pekin, Tazewell and Peoria Counties, Illinois, and for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds" is hereby abated

and eliminated; it being the intent of the City Council that no taxes be levied for the year 2010 as provided in said Section 8 of Ordinance No. 2615-10/11.

Section 2. The remaining levies of taxes as set forth in the Bond Ordinance for the years subsequent to 2010 are not abated or affected in any manner whatsoever by the passage of this Resolution.

Section 3. In the event a court of competent jurisdiction determines that the tax levies for the years subsequent to 2010 as provided for in the Bond ordinance are in any way affected by this Resolution, then this Resolution shall be void and of no effect whatever.

Section 4. Upon the effective date of this Resolution, a copy hereof certified by the City Clerk, which certificate shall recite that this Resolution has been passed by the City Council and approved by the Mayor, shall be filed with the County Clerks of Tazewell and Peoria Counties, Illinois; said County Clerks are hereby directed to abate and eliminate the levies for the year 2010 contained in the Bond Ordinance, but only to the extent specifically provided herein.

Section 5. This Resolution is in addition to all other Resolutions on the subject and shall be construed therewith excepting as to the part in direct conflict with any other Resolution, and in the event of such conflict, the provisions hereof shall govern.

Section 6. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

ADOPTED AND APPROVED at a regular meeting of the City Council of the City of Pekin,
this 13th day of December 2010.

MAYOR

ATTEST:

CITY CLERK



REQUEST FOR COUNCIL ACTION

To: Honorable Mayor and Members of the City Council

CC: Sue McMillan, City Clerk

From: Dennis Kief, City Manager (11/30/2010)

AGENDA ITEM: City of Pekin 2010 Levy

AGENDA DATE REQUESTED: December 13, 2010

ACTION REQUESTED: Establishing the 2010 Levy

BACKGROUND: The City of Pekin derives approximately 13% of its total Revenue from Property Tax receipts. The Levy needs to be passed by the end of the calendar year. The proposed Levy set in December of 2010 is half of the equation to determine the City's property tax rate for those taxes received in 2011. The other half of that equation is the actual Equalized Assessed Value of all properties in the City of Pekin as determined by Tazewell County.

For instance, last year at this time the City Council approved the 2009 Levy at \$5,668,196. Inasmuch as the County provided us with an estimated City of Pekin EAV of \$455,865,324 the estimated City tax rate was:

$$(\$5,668,196)/(\$455,865,324) = \$1.24339/\$100 \text{ EAV}$$

However, when the tax bills went out earlier this year, the final EAV was \$445,677,130
Therefore, the rate actually paid on the tax bills was:

$$(\$5,668,196)/(\$445,677,130) = \$1.27182/\$100 \text{ EAV}$$

The approved Levied amount becomes the fixed number. The respective rates are based on the EAV. If the final EAV comes in higher than anticipated, the rate declines. Conversely if the EAV is lower than estimated, the rate increases.

The Police and Fire Pension amounts are established from State Actuarial studies. The Library's amount is requested by the Library Board. The IMRF pension is determined by the % rate times the number of eligible employees. The remainder goes to Corporate (General Fund Expenses).

As proposed, the Library would increase 2.5% from last year's Levy
Police Pension based on 103% of Actuarial Calculation = \$1,366,304
Fire Pension based on 105% of Actuarial Calculation = \$2,221,363
IMRF Pension based on % rate per employee = \$498,626
Corporate (General Fund) = \$757,381

Proposed 2010 Levy of \$5,891,999 is 3.95% higher than the 2009 Levy (\$5,668,196)

Estimated Rate (based on Estimated EAV) = 1.32203 or 6.32% higher than the 2009 Levy rate

FINANCIAL IMPACT: \$5,891,999 to the City's Revenue stream. However, the City's General Fund would receive \$122,530 more than the 2009 Levy. However, that is still down \$835,187 from the 2007 Levy

NEIGHBORHOOD CONCERNS: The owner of a \$150,000 home in Pekin would see a \$25.11 increase in their 2012 property tax bill.

IMPACT IF APPROVED: Levy would be set and final tax rate would be based on City's EAV at the time when the County sends out the property tax bills.

IMPACT IF DENIED: The Levy would have to be adjusted according to the City Council's recommendation

ALTERNATIVES: Reduction in City services

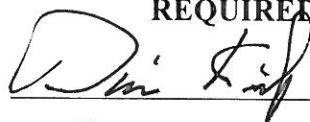
RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: Consistent with Effective Government theme

PROPOSED 2010 LEVY

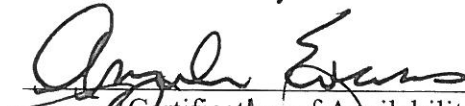
	2008 Tax Levy		2009 Tax Levy	
	<u>LEVY</u>	<u>RATE</u>	<u>LEVY</u>	<u>RATE</u>
Library	\$1,022,756	0.22436	\$1,048,325	0.23522
IMRF Pension	\$ 474,885	0.10417	\$ 498,626	0.11188
Corporate	\$ 658,592	0.14447	\$ 757,381	0.16994
Police Pension	\$1,341,733	0.29432	\$1,366,304	0.30657
Fire Pension	<u>\$2,170,230</u>	<u>0.47606</u>	<u>\$2,221,363</u>	<u>0.49842</u>
TOTAL	\$5,668,196	1.27957	\$5,891,999	1.32203
% Inc / (Dec)		+3.95% Levy		6.32% Rate
EAV		\$455,865,324		\$445,677,130

REQUIRED SIGNATURES

Department Director

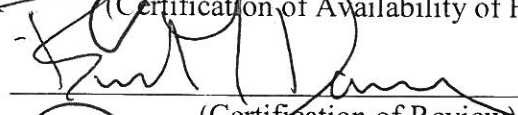


Finance Department



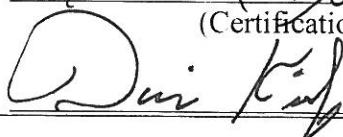
(Certification of Availability of Funds)

Corporation Counsel



(Certification of Review)

City Manager



ORDINANCE NO. 2631-10/11

**AN ORDINANCE MAKING, LEVYING AND ASSESSING MUNICIPAL TAXES
IN THE CITY OF PEKIN, TAZEWELL AND PEORIA COUNTIES, ILLINOIS,
FOR THE FISCAL YEAR FROM MAY 1, 2010 TO APRIL 30, 2011
AND KNOWN AS THE ANNUAL LEVY ORDINANCE.**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS:

SECTION I. That there be levied upon all taxable property within the corporate limits of the City of Pekin, the same being subject to taxation, and equalization for the State and County purposes for the current year A.D. 2010, the sum of \$5,891,999 pursuant to the Budget Resolution No. _____ passed heretofore as follows (the following summary, Exhibit A attached hereto and incorporated by reference, contains the detailed levy for each affected department and fund):

BUDGET SUMMARY BY FUND

<u>FUND NAME</u>	<u>AMOUNT BUDGETED</u>	<u>AMOUNT LEVIED</u>
GENERAL FUND	\$17,719,095	\$ 1,256,007
TOURISM	172,028	
SOLID WASTE FUND	1,863,822	
SEWAGE DISPOSAL FUND	10,722,290	
MOTOR FUEL TAX	3,300,000	
STORM SEWER	384,359	
HUD #2: METRO DEVELOPMENT FUND	638,996	
TIF #1: CENTRAL BUSINESS DISTRICT FUND	2,055,222	
CAPITAL PROJECTS	14,392,000	
SCHOOL BUS FUND	2,890,781	
AIRPORT FUND	338,119	
ECONOMIC DEVELOPMENT	2,111,777	
INSURANCE FUND	3,884,073	
VEHICLE MAINTENANCE	1,480,994	
MUNICIPAL LIBRARY FUND	1,245,893	1,048,325
POLICE PENSION	2,181,902	1,366,304
FIRE PENSION	2,167,647	2,221,363
TOTAL EXPENDITURES	<u>\$67,548,998</u>	<u>\$ 5,891,999</u>

SECTION II. This Levy Ordinance is adopted pursuant to procedures and authority set forth in the Illinois Municipal Code and Article VII, Section 6 of the Constitution of the State of Illinois; it is hereby provided that any limitations in the Illinois Municipal Code in conflict with this Ordinance shall not apply to this Ordinance as per the provisions of Section 6 of Article VII of the Constitution of the State of Illinois.

SECTION III. The Clerk of the City of Pekin is hereby directed and ordered to file a certified copy of this Ordinance with the County Clerk of Tazewell and Peoria Counties, Illinois, on or before December 28, 2010.

SECTION IV. That if any section, subdivision, or sentence of this ordinance shall for any reason be held invalid or to be unconstitutional such decision shall not affect the validity of the remaining portion of the ordinance

SECTION V. This Ordinance shall be in full force and effect from and after its passage and approval according to law

PASSED in due form of law by the City Council of the City of Pekin, Illinois, at its regular meeting held on the 13rd day of December, 2010; and upon roll call the vote was as follows:

AYES:

NAYS:

ABSENT:

ABSTAINING:

PRESENT:

APPROVED this 13rd day of December, 2010.

Rusty Dunn, Mayor

ATTEST:

Sue E. McMillan, City Clerk

CITY OF PEKIN

ORDINANCE NO. 2631-10/11

**AN ORDINANCE MAKING LEVYING AND ASSESSING
MUNICIPAL TAXES IN THE CITY OF PEKIN TAZEWELL
AND PEORIA COUNTIES ILLINOIS
FOR THE FISCAL YEAR FROM MAY 1, 2010 TO APRIL 30, 2011
AND KNOWN AS THE ANNUAL LEVY ORDINANCE**

**PASSED BY THE CITY COUNCIL
OF THE CITY OF PEKIN
THE 13TH DAY OF DECEMBER, 2010**

**PUBLISHED IN PAMPHLET FORM BY AUTHORITY OF THE CITY
COUNCIL OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS,
THIS 13RD DAY OF DECEMBER, 2010**

CERTIFICATION OF TAX LEVY ORDINANCE

CITY OF PEKIN

THE UNDERSIGNED, DULY ELECTED, QUALIFIED AND ACTING CLERK OF THE CITY OF PEKIN, TAZEWELL AND PEORIA COUNTIES, ILLINOIS, DOES HEREBY CERTIFY THAT THE ATTACHED HERETO IS A TRUE AND CORRECT COPY OF THE TAX LEVY ORDINANCE OF SAID CITY FOR THE FISCAL YEAR BEGINNING MAY 1, 2010 AND ENDING APRIL 30, 2011, AS ADOPTED ON DECEMBER 13, 2010

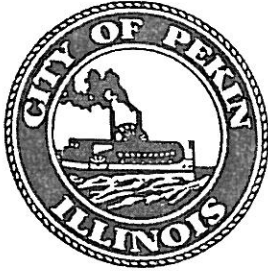
THIS CERTIFICATION IS MADE AND FILED PURSUANT TO THE REQUIREMENTS OF (65 ILCS 5/8-3-1) AND ON BEHALF OF THE CITY OF PEKIN, TAZEWELL AND PEORIA COUNTIES, ILLINOIS. THIS CERTIFICATION MUST BE FILED BY THE 28TH DAY, DECEMBER , 2010.

DATED THIS 13RD DAY OF DECEMBER, 2010

SUE E. MCMILLAN
CITY CLERK

CITY of PEKIN, ILLINOIS

	2009	Proposed	2010	Proposed
	Levy	Rate	Levy	Rate
Library	\$1,022,756	0.22436	\$1,048,325	0.23522
Corporate	\$ 658,592	0.14447	\$757,381	0.16994
IMRF Pension	\$ 474,885	0.10417	\$498,626	0.11188
Police Pension	\$1,341,733	0.29432	\$1,366,304	\$0.30657
Fire Pension	\$2,170,230	0.47607	\$2,221,363	0.49842
CITY of PEKIN	\$5,668,196	1.24339	\$5,891,999	1.32203
% Inc / (Dec)			+3.95%	+7.68%
Equalized Assessed Valuation	\$455,865,324		\$445,677,130	1.32203



REQUEST FOR COUNCIL ACTION

To: Mayor & Council Members

CC: City Manager & City Clerk

From: Angie Evans

AGENDA ITEM: IL Municipal League Risk Management Association contribution for Work Comp, Liability and Property Insurance.

AGENDA DATE REQUESTED: November 23, 2010

ACTION REQUESTED: Membership renewal

BACKGROUND: We have been members of IMLRMA since April, 2001. Premiums are based on claim history of a pool of municipalities, rather than our individual claims. This alone has proven to be a substantial cost savings. The Min/Max option allows us to pay a lower premium as long as costs stay at or below the minimum amount allowed. If claims go over the minimum, we pay dollar for dollar until we reach a cap of the maximum premium amount. In the 10 years we have been in the pool, we have gone over one time (2002).

FINANCIAL IMPACT: IMLRMA offers two premium options, the annual membership contribution of \$894,054.00, or the Min/Max contribution of \$798,167.00.

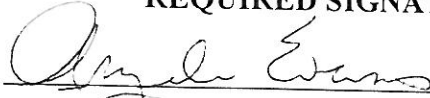
IMPACT IF APPROVED: The Min/Max option will save \$95,887.00.

IMPACT IF DENIED: Costs in excess of \$798,167.00.

ALTERNATIVES: Self Insurance plan where a third party administers the plan and the City pays all expenses directly. We pay a substantial amount on residual claims from the self insured program that ended in April 2001.

REQUIRED SIGNATURES

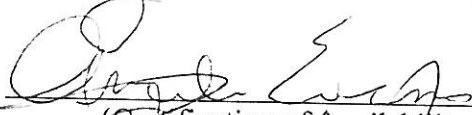
Department Director



11-23-10

Date

Finance Department

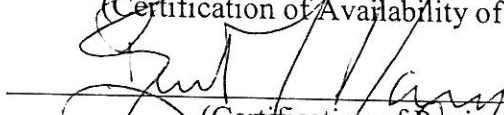


11-23-10

(Certification of Availability of Funds)

Date

Corporation Counsel

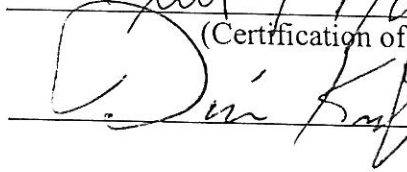


12-1-10

(Certification of Review)

Date

City Manager



12/9/10

Date

ORDINANCE NO. 2632-10/11

**AN ORDINANCE AUTHORIZING THE EXECUTION OF THE IMLRMA
MINIMUM/MAXIMUM CONTRIBUTION AGREEMENT**

WHEREAS, the City Council of the City of Pekin, Illinois, a member in good standing of the Illinois Municipal League Risk Management Association and party to the IMLRMA Intergovernmental Cooperation Contract, has been fully appraised of the IMLRMA Minimum/Maximum Contribution Agreement which amends and supplements the IMLRMA Declarations pages dated 12/31/2009 to 12/31/2010 and all endorsements thereto; and,

WHEREAS, the City Council of the City of Pekin finds it to be in the best interest of the municipality to make its IMLRMA contribution in accordance with the IMLRMA Minimum/Maximum Contribution Agreement.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY
OF PEKIN, ILLINOIS AS FOLLOWS:**

SECTION ONE: That the execution of the IMLRMA Minimum/Maximum Contribution Agreement for a one (1) year period beginning 12/31/2010 and ending 12/31/11 is hereby authorized.

SECTION TWO: That the Mayor and the City Clerk are hereby granted authority to execute the IMLRMA Minimum/Maximum Agreement which amends and supplements the IMLRMA Declarations pages dated 12/31/2009 to 12/31/2010 and all endorsements thereto.

SECTION THREE: That this Ordinance shall be effective immediately upon its passage and approval as required by law.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Pekin,
this _____ day of _____, 2010; and upon roll call the vote was as follows:

AYES:

NAYS:

ABSENT:

ABSTAINING:

MAYOR

ATTEST:

CITY CLERK



REQUEST FOR COUNCIL ACTION

To: Mayor Council

CC: City Manager - City Clerk

From: Ted Miller

AGENDA ITEM: Intergovernmental Agreement -- Animal Control

AGENDA DATE REQUESTED: December 13, 2010

ACTION REQUESTED: Approval/Adoption of the 2011 Agreement

BACKGROUND: The City of Pekin has historically contracted with Tazewell County Animal Control for care of stray animals. Animal control provides pick-up, short term care and dispersal/disposal of Pekin residents' lost or stray animals. This year's contract is for the amount of \$44,380, which is a 2.7% increase over last year's contract.

FINANCIAL IMPACT: \$44,380

NEIGHBORHOOD CONCERNS: N/A

IMPACT IF APPROVED: N/A

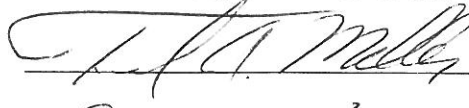
IMPACT IF DENIED: During calendar year 2010 Animal Control will have removed in excess of 800 animals from city streets. The proliferation of stray/uncared for animals would have to be dealt with through a private vendor or by in-house means in order to maintain public safety.

ALTERNATIVES: A quick cost analysis to move the program in-house was done in 2007. Even using 2007 dollars, the cost to the city to manage its own program well exceeds the cost of today's contract with Tazewell County.

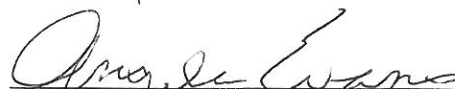
RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: Safe Community

REQUIRED SIGNATURES

Department Director

 12-8-2010
Date

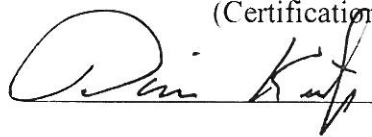
Finance Department

 12-8-10
(Certification of Availability of Funds) Date

Corporation Counsel

(Certification of Review) Date

City Manager

 12-8-2010
Date

CONTRACTS WERE INFLATED BY 2.7% 2009 CPI

PLEASE SEND CONTRACT BACK TO MY OFFICE

ROBERT MARSHALL

PO BOX 158

TREMONT IL 61568

INTERGOVERNMENTAL AGREEMENT
FOR
ANIMAL & RABIES CONTROL SERVICES

THIS AGREEMENT, entered into this 1ST day of JANUARY 2011, by and between the County of Tazewell, Illinois, a body politic and corporate (hereinafter referred to as "County") and CITY OF PEKIN, a unit of local government of the State of Illinois (hereinafter referred to as "Municipality"), this Agreement being entered into pursuant to Article 7, Section 10 of the Constitution of the State of Illinois of 1970.

In consideration of the payment by Municipality to the County of the sum of \$44,380.00, County agrees to provide the following Animal and Rabies Control services through the Tazewell County Animal & Rabies Control Department, its administrator, director, deputies, and agents as follows.

1. The County shall respond to calls and attempt to pick up animals running at large within the corporate limits of the Municipality between the hours of 8:00 a.m. and 4:00 p.m. seven (7) days a week, including the weekends, but excepting regularly scheduled County Holidays.
2. The County shall attempt to pick up animals running at large on an emergency basis only between the hours of 4:00 p.m. and 8:00 a.m. the next morning on the basis of seven (7) days a week, including weekends. With respect to regularly scheduled County Holidays, the County shall attempt to pick up animals running at large both day and night on an **emergency basis only**. For the purpose of this Contract, an emergency shall be deemed to exist only in those instances where the call involves a bite case or dangerous animal. Emergency calls shall be placed by the City or Village authorities or a citizen of the Municipality to either the Sheriff's Department (346-4141) or the Tazewell County Animal & Rabies Control facility (477-2270 or 694-6287). Responses to night calls and emergency calls shall be made by the Tazewell County Animal Control Warden who is then on duty.
3. The County of Tazewell shall accept and make reasonable response to complaints of citizens concerning animals running at large within the corporate limits of the Municipality.
4. The County shall make regular and irregular patrols thru the corporate limits of the Municipality one day a week at regular and irregular hours. The Warden making the patrol will attempt to notify an authority within the Municipality prior to making such a patrol.
5. The County shall take custody and impound animals apprehended within the corporate limits of the Municipality at the Tazewell County Animal & Rabies facility.
6. The County of Tazewell shall require proof of payment of Municipal reclamation fees to the Municipality by owners of animals sought to be redeemed before releasing said animal from custody.
7. The County of Tazewell shall provide humane treatment of animals removed from the corporate limits of the Municipality during the period of impounding.

8. The County of Tazewell shall make reasonable efforts to locate the owner or owners of any impounded animal providing that said animal is wearing a collar or rabies tag capable of identifying ownership. Upon identifying the owner or any such animal, an attempt will be made for immediate notification to said owner. A letter shall be mailed to the last known address of the owner notifying him of the impoundment of his animal. Said notification will give notice to the owner that the animal shall be destroyed after the passage of seven (7) days if not reclaimed in accordance with law by the owner. An affidavit or testimony of the Administrator, or his authorized agent, who mails such notice shall be prima facie evidence of the receipt of said notice by the owner of such animal.
9. It is mutually understood and agreed that any animal apprehended from within the corporate limits of the Municipality and impounded at the Tazewell County Animal and Rabies Control Shelter, with respect to whom the owner is unknown but which unknown owner has failed to claim the animal within four (4) working days, shall be humanely dispatched or placed for adoption at the discretion of the Director of the Tazewell County Animal & Rabies Control Department pursuant to the provisions of the Animal Control Act of the State of Illinois.
10. It is further understood and agreed that the consideration payable by the Municipality to the County may at the option of the Municipality be paid in equal monthly installments.
11. This Agreement shall become effective on the 1ST day of JANUARY 2011, _____, and shall be in full force and effect for a period of one (1) year.
12. This contract shall be governed by the interpreted in accordance with the laws of the State of Illinois. All relevant provisions of the laws of the State of Illinois applicable hereto and required to be reflected or set forth herein are incorporated by reference.
13. No waiver of any breach of this contract or any provision hereof shall constitute a waiver of any other or further breach of this contract or any provision thereof.
14. This contract is severable, and the invalidity, or unenforceability of any provision of this contract, or a part thereof, should not render the remainder of the contract invalid or unenforceable.
15. This contract may not be assigned by either party without the written consent of the other party.
16. This contract shall be binding upon the parties hereto and upon the successors in interest, assigns, representatives and heirs of such parties.
17. This contract shall not be amended unless in writing expressly stating that it constitutes an amendment to this contract, signed by the parties hereto.
18. The parties hereto agree that the foregoing constitutes all the agreement between the parties and in witness thereof the parties have affixed their respective signatures on the date above first noted.

PASSED this _____ day of _____, _____.

Tazewell County Board Chairman

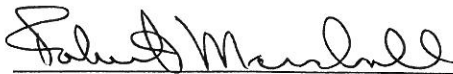
ATTEST:

Tazewell County Clerk

MUNICIPALITY:

Mayor or Village Board President

TAZEWELL COUNTY ANIMAL & RABIES CONTROL:



Director

ANNUAL AMOUNT: \$44,380.00 _____

MONTHLY AMOUNT \$3,698.33 _____



City of Pekin
Police Department

November 20, 2007

CARE OF STRAY ANIMALS
COST POTENTIAL

The below listed cost potential is based on the following assumptions:

- Tazewell County Animal Control currently picks up approximately 375 stray animals in the City of Pekin each calendar year.
- Tazewell County Animal Control is called out approximately 2.5 times per animal actually captured and this, along with miscellaneous other calls, may constitute approximately 1000 calls per year for service.
- Two part time individuals would be the most efficient hiring scenario as benefits would be negated and the necessity of 24-hour on-call availability cannot be handled by one individual.
- These projections are yearly costs and do not include initial full vehicle purchase pricing, training and equipment costs.

(2) Part Time Positions 20hrs ea. @ \$11.00 per hour	\$22,880
Call Out Overtime (assumes 25% of calls handled on off shift hours at 2hour minimum at time and a half)	\$8,250
"On Call" Status Pay = 365 hours	\$4,015
Payment to Tazewell County Animal Control for handling/ housing strays (approx. 375 animals @ \$35 per)	\$13,125
Vehicle and fuel costs (defrayed over 5 years)	\$6,000
TOTAL MINIMUM YEARLY PROJECTION	\$54,270
*Vehicle and equipment start-up costs	\$25,000

RESOLUTION NO. 77-10/11

*RESOLUTION DESIGNATING PEKIN COMMUNITY BANK
AS DEPOSITORY*

WHEREAS, the City of Pekin is desirous of designating Pekin Community Bank, Pekin, Illinois, as a depository; and

WHEREAS, the City of Pekin believes it in its best interests to designate said Bank as a depository.

WHEREAS, the City of Pekin believes that it is in its best interest and necessary to obtain ACH origination services, through the Cash Management Internet Banking Services allowed by Pekin Community Bank, and to contract between the bank and the City is necessary to identify who has the authority to obligate said City for contract;

NOW, THEREFORE, IT IS RESOLVED AS FOLLOWS:

RESOLVED, that Pekin Community Bank, Pekin, Illinois, be and hereby is designated a depository in which funds of the City of Pekin may be deposited by its officers, agents and employees; and the Treasurer, and the Assistant Finance Director, shall be and each of them hereby is authorized to endorse for deposit or negotiation any and all negotiable instruments and orders for the payment of money. Endorsements for deposit may be by the written or stamped endorsement of the City of Pekin without designation of the person making the endorsement.

RESOLVED, that the Mayor and the Treasurer, have the authority and are hereby authorized to execute any necessary contractual documents between Pekin Community Bank and the City of Pekin for the provision of ACH origination services by Pekin Community Bank's Cash Management Internet Banking.

RESOLVED, that Jim Wolf, Sr. Treasurer, and Angie Evans, Assistant Finance Director, of the City of Pekin, are authorized to sign any and all checks, drafts and orders, including orders or directions in informal or letter form against any funds and against any account standing to the credit of the City of Pekin with the said Bank, and the said Bank is authorized and directed to honor and pay any and all checks, drafts and orders so signed and charge them to the account of the City of Pekin without inquiring as to the circumstances of their issue or the disposition of their proceeds, whether or not such checks be payable to the order of or endorsed or negotiated in their individual capacities by any officer or person signing them, and without further inquiry or regard to said officers or other person's use of said checks, drafts and orders of the proceeds thereof.

RESOLVED, that Bank is hereby requested, authorized and directed to recognize the facsimile signature of any of the authorized officers and agents, as the valid and authorized signature of the City of Pekin with respect to any and all transactions relating to the account(s), except as follows: No facsimile signature will be valid on any payroll check greater than Ten Thousand (\$10,000.00) Dollars. It shall be the sole responsibility of the City of Pekin to restrict access to any stamp or machine used to reproduce the facsimile signature(s) to those persons authorized by the City of Pekin to affix the facsimile signature(s) to documents and instruments. The Bank shall not be required to inquire into the authority of any person affixing the facsimile signature(s) to any check, draft, instrument or other document presented to Bank with respect to the account(s). The City of Pekin releases and agrees to indemnify and hold harmless Bank from any claims, charges, expenses and liabilities arising from, relating to or in connection with the acceptance of any document bearing or purporting to bear the facsimile signature(s). This authorization will remain valid with respect to all checks, drafts, instruments and other

documents executed by means of the facsimile signature(s) prior to the date that written termination of this authorization is received by the Bank, regardless of when such check, draft, instrument or other document is received by the Bank.

RESOLVED, that the City Clerk is directed to certify to said Bank a copy of these resolutions and the names of officers or employees authorized hereunder and their signatures, and said Bank is authorized to rely and act upon these resolutions and anything certified to it hereunder until the Bank shall receive a like certificate of any changes therein.

PASSED BY THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS this
day of _____, 2010.

AYES _____

NAYS _____

ABSTENTIONS _____

PRESENT _____

RUSTY DUNN - MAYOR

ATTEST:

SUE E. McMILLAN - CITY CLERK