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PROCEEDINGS OF A SPECIAL MEETING
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
HELD IN THE COUNCIL CHAMBER OF THE CITY HALL
ON MONDAY, NOVEMBER 15, 2004, AT 4:00 P.M.
LYNDELL N. HOWARD * MAYOR * PRESIDING

PRESENT: COMMISSIONERS MASSAGLIA, RICHMOND, JONES, MADDOX

ABSENT: NONE

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Notice of a special work session of the City Council to discuss with Staff the Fiscal Year May 1, 2005 Through April 30, 2006 Budget was posted and received by Council on November 10, 2004.

Mayor Howard called the meeting to order at 4:00 p.m.

Roll was called and all commissioners were present. Also present were members of staff, Bob Reis, Tim Gillespie, Denny Kief, Chuck Lauss, Joe Wuellner, Pat Pollock, Greg Ranney, Sue McMillan, Pamela Anderson, David Pagliaro, Jeff Brooks, Angie Evans, Ted Miller, and Jim Brecher.

The purpose of the meeting was for Council and staff to examine and address questions or concerns from the work papers presented by City Manager Dennis Kief and Finance Director Bob Reis. The printouts contained line items by department of combined revenues and expenses for FY 2006 Budget.

City Manager Dennis Kief began with summarizing several memos he had sent to Council updating from October 29 through November 10 regarding figures for the budget, significant cuts, the anticipated deficit and proposed recommendations. Mr. Kief recommended a tax rate adjustment of at least 2.9% increase, a ¼% increase in sales tax, and making solid waste fund self sufficient at $10.45/month residential fee. He supported the pursuit of the water company and consideration of ambulance service to generate income as well as wastewater treatment if cost efficient. He then showed in a PowerPoint Presentation breakdown of revenue and expenditures in graph format as well as tax rate changes, total dollar peeks and lows of reserves FY 199-2005, for review of the proposed levy. Mr. Kief informed Council that reserves were in the range of 4 months while financial experts advise a minimum of 6 months. The City would not have reserves in other funds to tap into. He also explained that municipalities have been hurt by State funding cuts. Mr. Kief emphasized the importance of Statutes requirements for posting notice of levy hearing if increased over 5%, levy adoption, and required filing deadlines.

Commissioner Jones began discussion with questions regarding the personnel staffing needs that was distributed to the Council and expressed concern how the employees would be funded. Mr. Kief explained the background for request of the positions.
2 Street Maintenance workers previously budgeted but not filled
3 Firefighters budgeted at 6 months of salary/benefits first year
1/2 Time (Additional 4 hours) Inventory Control Clerk in vehicle maintenance
Clerical Position (Finance, Personnel & Tourism)
Mechanic due to increased workload
Field Engineer previously budgeted but not filled

Mr. Kief stated expenditures were placed in a contingency category or placed on a delay such as the vehicles authorized in February 2006 instead of May 1 and 3 firefighters budgeted at 6 months of salary/benefits the first year and purchase of property for Business Park.

Mayor Howard recommended consideration be given to different avenues of balancing finances:

- Combining departments of Economic Development and Finance for a savings of $200,000
- Offering early retirement incentives to reduce higher salaried expenses
- Eliminating contract work that can be completed cost efficiently in-house such as tree service and sewers

He suggested that HB (750) for school funding reform might have bearing on property tax. Council was told with the property tax rate holding constant and the EAV decreasing because of Senior and Homestead exemptions there would be only negligible increase from property tax for needed revenues. Com'r. Jones was told after questioning that the increased workload for mechanics was result of additional garbage trucks. Com’r. Jones also questioned if the total cost for vehicle maintenance with the County and true cost of police officers used at special events were being recouped.

Discussion continued on the numbers presented for the levy.

Motion was then made by Com’r. Richmond, seconded by Com’r. Jones estimate of taxes to be levied for the fiscal year May 1, 2004 through April 30, 2005 be $3,985,425. Com’r. Maddox and Com’r. Jones were opposed to setting a levy without additional budget questions answered and without opportunity for public input. On roll call vote, Ayes, Richmond, Massaglia, Jones, Howard: Nay, Maddox. Motion carried.

Mayor Howard requested that the Manager look again at the proposals he presented.

Council agreed to meet at 4:00 p.m. on November 29 to continue review of the proposed budget.

Council then was advised that the levy ordinance would be presented at the regular Council meeting of December 13 and agreed to set a hearing for public input regarding the proposed levy at 5:15 p.m. prior to the meeting.

No further business to come before the Council, a motion was made by Com'r. Richmond seconded by Com'r. Maddox that Council adjourn. Motion carried by voice vote.

MEETING ADJOURNED AT 5:35 P.M.

Sue E. McMillan
City Clerk