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**PROCEEDINGS OF A SPECIAL MEETING**
**OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,**
**HELD IN THE CITY HALL COUNCIL CHAMBERS**
**111 SOUTH CAPITOL STREET**
**ON THURSDAY, NOVEMBER 9, 2006 AT 5:45 O'CLOCK P.M.**
**FRANK H. MACKAMAN * MAYOR * PRESIDING**

**PRESENT: COMMISSIONERS, MADDOX, DAGIT, JONES, AND BLANCHARD**

**ABSENT: NONE**

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Council received an agenda and proper notice was posted on October 25, 2006, of a special meeting for Council to participate in a Council/Staff budget work session.

**Pledge of Allegiance** was led by Mayor Mackaman.

**Roll** was called at 5:45 p.m. All commissioners were present.

**Agenda**
Motion by Com'r. Maddox, seconded by Com'r. Blanchard that the **agenda be approved as presented**. On roll call vote, all voted Aye.

**Communications, Petitions, Reports**
Mayor Mackaman opened the work session by informing Council and those in attendance that there would be no public comment or press questions. The purpose of the meeting was to give direction to the City Manager and staff in compiling the budget.

City Manager Dennis Kief thanked staff for beginning the budget process with only actual expenditures needed. He extended appreciation to Council for reviewing the numbers presented and for suggested reductions. Discussion focused on explanations of expenditures such as treatment plant improvements and their offset by fund specific reserves. The allocated funds reduced an original estimated deficit of 4.1 million to 3.7 million.

A straw vote was taken and all councilmen agreed to authorize the manager to prepare a recommendation to increase the wastewater fee over a period of years by CPI to cover Phase II of mandatory IEPA renovations to the treatment plant. A straw vote was taken and all councilmen agreed by show of hands to utilize targeted motor fuel tax fund reserves for two capital road projects, Parkway Drive @ Broadway Road intersection and Broadway Road from Schramm Drive to Veterans Drive widening project.

Council was asked their direction on the Capital Fund deficit mostly consisting of Veteran's Drive project including land purchases and grant match for Hanna Drive extension. A straw poll was taken to use, as recommended by the City Manager a $500,000 CD to help fund Capital. It was suggested by Council to utilize Motor Fuel Tax Fund reserves. A straw poll was taken and decision made to further study using MFT.

The Council unanimously then supported using Library reserves to zero out the $85,000 fund deficit by straw poll.

Mr. Kief advised Council that after reviewing the first draft of the FY 2008 Budget he concentrated on 3 areas, Machinery & Equipment, Vehicles, and Personnel. To bring expenses in line with revenues, he advocated eliminating or placing items and personnel on a "bubble" system. The adjustment would bring the deficit to within $886. Council members were encouraged to meet with the City Manager to decided "bubble" projects.

The City Manager then suggested two new fees.  It was his recommendation to create a self-sufficient fund for significant storm water expenses.  These expenses would occur because of mandated IEPA requirements.  A straw poll was taken and all agreed that there was interest to proceed with crunching numbers to develop a storm water fee.

A straw poll was taken on a suggested garbage fee to make the Solid Waste Program self-sufficient.  It was agreed to investigate.

With no additional discussion, the City Clerk was directed to post a second budget work session for November 20th, 2006 at 5:45p.m. to continue the Budget process.

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

**COUNCIL ADJOURNED AT  6:52 P.M.**

Sue E. McMillan
City Clerk