

SPECIAL CITY COUNCIL MEETING MINUTES

Thursday, December 3, 2015

On Thursday, December 3, 2015, the City Council of the City of Decatur, Illinois, met in Special Meeting at 6:30 p.m., in the Council Chambers, One Gary K. Anderson Plaza, Decatur, Illinois.

Mayor Julie Moore Wolfe presided; together with her being Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, and Chris Funk. Councilman Bill Faber was absent. Six members present; one member absent. Mayor Julie Moore Wolfe declared a quorum present.

City Manager Tim Gleason, attended the meeting as well.

Mayor Julie Moore Wolfe led the Pledge of Allegiance to the Flag.

Mayor Julie Moore Wolfe called for Recess to Study Session.

Councilman Pat McDaniel moved to recess to Study Session for the purpose of discussing the City of Decatur 2016 Budget; seconded by Councilman Jerry Dawson and on call of the roll, Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, Chris Funk and Mayor Julie Moore Wolfe voted aye. Mayor Julie Moore Wolfe declared the motion carried. Council recessed to Study Session.

Mayor Julie Moore Wolfe emphasized that no one on the Council likes the idea of raising taxes or fees. The Council has had to make some tough decisions to repair and maintain sewers and fixing our water shortage. The Council cut 73 jobs during the recession. Pension costs continue to go up and those expenses are mandated by the State. A hiring freeze will be imposed and every small cut will be explored. The Council has to make up a \$4.3 million shortfall. At the end of this fiscal year the City will have \$1 million in cash reserves. Enough cash reserves to operate for five days. The City should have \$11 million which would give us 45 to 60 days of operating expenses. Mayor Julie Moore Wolfe asked citizen to shop locally and support local businesses.

City Manager Tim Gleason shared that he does not take any tax increase lightly. He expressed how important the Treasurer's monthly reports are. City Manager Tim Gleason is optimistic that Decatur's days are only going to get better.

Finance Director Gregg Zientara provided a packet of information to the Council and members of the press regarding the proposed 2016 Budget. He explained the City is approaching a total operating budget of \$150 million. Finance Director Gregg Zientara said the proposed 2016 Budget has total expenses of \$160 million. Many of the monies in funds are for a specific purpose and are not interchangeable. Mr. Zientara gave a review of the recent historical financial past to ensure Council understood the current financial position of the City. Despite the fact the City has cut expenses the City will have less than \$1 million at the end 2015. The City has cut \$6 million in payroll expenses, \$5 million cut in capital replacement, and the City is no longer funding MIS programs. The City needs to start building cash reserves. About 80% of every dollar is spent on Public Safety and Public Works. The City is proposing a budget of \$65.5 million in general expenses. The General Fund expense budget has been sufficiently cut since 2009 and further expense reductions will result in a reduction of public services.

Finance Director Gregg Zientara explained the Tax levy has remained essentially flat over the past five years. The Equalized Assessed Value (EAV) has declined since 2010. The City projects a 1% increase in EAV for levy year 2015. City purposes a 14.62%

increase in tax levy; an increase of \$1.725 million to help meet City's statutory obligated expenses of Police / Fire Pensions and GO Debt. The City has also included funding of the Fire Facilities for repair and maintenance.

City Manager Tim Gleason spoke about the downtown area and explained that we're underperforming on the assessment and it needs to be reevaluated. He also explained the importance of a consultant reevaluating the Police / Fire Pensions. City Manager Tim Gleason shared City staff recommends Council approve a General Fund budget of \$65.5 million creating a budget surplus of \$1.25 million.

Mayor asked for comments from Council.

Councilman Pat McDaniel inquired as to how much the City has taken from the General Fund for the Police / Fire Pension. Finance Director Gregg Zientara explained the increased pension cost were \$1.7 million. Discussion was held about the strains the State is putting on the City's budget by withholding payments and the costs of Police / Fire Pensions. Councilman Jerry Dawson spoke about contacting legislators to seek pension reform because the pensions are not sustainable. Finance Director Gregg Zientara said the City can only control how many Police Officers and Firemen there are employed. The State legislature mandates what the pensions are. Councilman Chris Funk expressed that there needs to be fundamental reform at the State level. Councilman Dana Ray wants to make sure the cash fund reserves are increased and urban revitalization needs to be a priority. Councilman Lisa Gregory said it would have been nice to have had incremental increases over time for our citizens, but it also difficult if the City cannot provide public services. The Council will be making difficult decisions on December 7th, but they are necessary. Councilman Pat McDaniel inquired about taxing online shopping. Shopping online hurts the local economy. Councilman Chris Funk would like to have ongoing discussion about other cuts that could be made to save money.

Mayor asked for comments from the Public.

Sherry Procarione asked Council to continue to look for ways to fix the roads. She asked Council to consider as many cuts as possible before raising taxes.

John Phillips thought what the City has been through these past few years was necessary. It is now time to fund a leap forward.

There being no further business, Councilman Jerry Dawson moved the special Council meeting be adjourned; seconded by Councilman Chris Funk, and on call of the roll Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, Chris Funk and Mayor Julie Moore Wolfe voted aye. The Mayor declared the Council meeting adjourned at 8:02 p.m.

Approved December 21, 2015
Debra G. Bright
City Clerk