

# **CITY COUNCIL MINUTES**

March 20, 2012

(Continued Meeting from March 13, 2012)

The meeting was held in the Council Chambers with Mayor Charles W. Mausey presiding. He called the meeting to order at 7:00 p.m.

## **ROLL CALL**

Charles W. Mausey	Mayor	Present
Michele A. Edwards	City Clerk	Present
Mary Jane Fuller	Deputy City Clerk	Absent
Mark Carney	City Treasurer	Present
Phyllis Emery	Alderman/Ward 4	Present
Tom Gentry	Alderman/Ward 1	Present
John Gooden	Alderman/Ward 3	Absent
Mike Helfrich	Alderman/Ward 2	Present
James Houseworth	Alderman/Ward 1	Present
Jacob Rendleman	Alderman/Ward 2	Present
Brad Robinson	Alderman/Ward 4	Present
Tony Trombino	Alderman/Ward 3	Present

The Mayor declared a quorum present.

Others present were: Marvin Oetjen, Curt Oetjen, Diane Gutierrez, Mel Gutierrez, Sandra Congiardo, John Streuter, Denise Glennon, Janet Schuyler, Gary Hanley, Doug Williams, Bob Coffield, Rich Davis, Janie Davis, Laura Addison, Rob Bisching, Steve Battiste, Kelley Ballard, and Evelyn Fuqua, citizens.

Mayor Mausey explained the reason for the continuance. He reminded those present that this was not a hearing, but merely an informational meeting to let the public know the possibility of upcoming changes in the City's tax structure. He stated that a committee had been appointed to review the City's financial position and to report to the Council tonight. He asked Mark Carney, City Treasurer, to present the findings in the form of a power point. He said that if any action were to be taken, it would be placed on the agenda for the next regular City Council meeting.

Mark Carney addressed the Council and those present. He stated that the committee that was appointed to review the information was made up of the Mayor, City Clerk, Treasurer, and Aldermen Mike Helfrich and Brad Robinson. He presented and described several slides in a power point demonstration showing that total tax revenues have decreased in the last two years because of relocation of a few significant businesses. In the last two years, disbursements made by the City have been \$200,000.00 more than it has received. Due to the 2010 Census, the City's population has surpassed the 5,000 mark thus causing state mandated pension changes. With that the fire and police departments are

forced to withdraw from the Illinois Municipal Retirement Fund and establish their own separate pension funds and appoint a pension board for each. The mandates include provisions for 100% funding of these pension funds. This will be an approximate \$81,000.00 annual increase in the amounts levied annually for the pension fund. This figure does not include an "element of unknown cost" that occurs within the first two years of establishment of the pensions.

Some goals have been set to try to assist with the changes. Changes in operation expenses are being considered, as well as increased revenues. Costs savings have already been made in the way of not filling open positions in the fire department, police department and office staff in the City Hall and Water and Sewer Department, decreasing insurance premiums by offering an opt out program for employees who have health insurance coverage through other means, and eliminated health insurance coverage for elected officials. Other possibilities being discussed are revising the purchasing procedures by having only one person per department authorized to make purchase of supplies and to set price limits for purchases made without City Council approval; a central office supply room with supplies being bought in bulk and disbursed as needed from City Hall; review City vehicle usage (driving City owned vehicles home); reevaluating insurance policies (health, W/C and liability); elimination of excess property or equipment that may be owned by the City; update fire and ambulance services contracts and rates; evaluate rates charged for community center; evaluate service contracts for the water and sewer department; increase water and sewer rates; increase garbage pickup rates; review building permit fees; review street bond fees; and review liquor license fees. The proposed increase in home rule sales tax would be 0.5% (\$.50 for every \$100.00). The proposed Property Tax increase would be 1.72% of the total property tax base (\$17.25 for every \$1,000.00).

Mayor Mausey stated that the information that Mark Carney had just presented were not only just made available to the public but to the City Council members as well. He said that suggestion forms for the public were provided on the table next to the entrance to be picked up and filled out by anyone interested. No decision will be made at this continued meeting. However, there is a small window of opportunity in which the Tax Levy Ordinance has to be passed. If an increase over 5% is to be made to the levy, the City is required by law to hold a "Truth in Taxation Hearing" prior to the passage of the Tax Levy Ordinance. This hearing notice must be published in a local newspaper exactly as prescribed by the State prior to the hearing, and the Levy Ordinance must be filed with the County Clerk's Office (with all supporting documentation). He explained the process by which the committee arrived at their proposed policies. He encouraged the public to fill out a form with any ideas that may help with the planning.

The Mayor opened the meeting to comments and asked anyone speaking to state their name.

**Rob Bisching** asked if paper copies of the presentation were available. Mayor responded that we can make them available at City Hall and they will be posted on our website..

**Doug Williams** asked if the proposed actions would take care of what is needed. He asked if it left room for shortfalls.

**Alderman Mike Helfrich** explained that it is really unknown at this time exactly what will happen and whether or not it will be sufficient to cover the possible shortfalls. He also explained that no one wants to see an increase in taxes but we have absorbed the cost for so long that we cannot absorb this instance. We are expecting with the changes in the levy and the general cuts to help us to break even.

**Mayor Mausey** shared the tax information for the surrounding cities in comparison. Carterville has the lowest property tax base per capita even with the increase. Levied funds are earmarked for certain things and must be used for them only. Having surplus amounts in funds does not mean that they can be used in another account that is lacking. We do have an "emergency/equipment fund" for use in emergency situations that carries around \$500,000.00 and is restricted by the City Council's approval for use.

**Mel Gutierrez** voiced concern about the proposed tax increase affecting his business.

**Bob Coffield** argued that Carterville does not have the lowest sales tax base. He is against the increase because he has to compete with other communities with a lower sales tax rate (for example, West Frankfort)..

**Several people** voiced the concern that they had been misled as to why the sales tax increase was being made. They felt that the initial reason was for the funding of the pension fund and that the reasoning had been changed now to another reason.

**Alderman Brad Robinson** clarified the process used by the committee to evaluate funding for the City of Carterville. He explained that the City Council initially was in a panic as to how they would come up with the funds needed for the pension funds. However, during the process of evaluating City funding, the committee found several problems with income and expenditures over the past two to three years.

**John Streuter** said that he can see that the pension funding is what finally brought the tax issues about, but it is not the only problem. He asked why Crainville and Cambria (the other two communities that make up Tri-C) had not contributed to the funding for the roads and other necessary projects that resulted from the new high school.

**Denise Glennon** stated that she has made several purchases from Carterville businesses because she feels the obligation to support the community and she stated that she purchases goods in Carterville without even thinking of the amount of sales taxes charged.

**Janie Davis** stated that while her business has no bearing on sales taxes, she feels that good marketing strategies would help defer the increase in the sales tax.

**Doug Williams** asked if, of the \$400,000.00, the City would be absorbing half by way of cuts and the tax payers the other half.

**Alderman Brad Robinson** stated that when a City plans to raise property taxes by more than 5% it is mandated that a Truth in Taxation hearing be held to inform the public of the proposed increase. He stated that the Council has always been able to raise the property tax by 4.99% without any input from the taxpayers. But instead they have chosen to continue to absorb all of the financial issues without adding the burden to the taxpayer. With the changes in the pension funds, the City cannot absorb any more on its own.

**Mayor Mausey** stated that the main reason the City has not increased property tax is to allow for the growth of the schools. There are other areas that are in discussions for necessary changes and updates that have to be planned for as well.

**Doug Williams** asked if the proposed increase is predicted to be sufficient for the next two or three years without another increase.

**John Streuter** thanked the Council for the information that has been provided to them and that they have allowed for the community input.

**Motion 29:** Robinson moved and Emery seconded to adjourn, all present voted yea. The Mayor closed the meeting at 8:48 p.m.

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**Charles W. Mausey, Mayor**

**Next Resolution No. R394-12**

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**Michele Edwards, City Clerk**

**Next Ordinance No. 1313-12**