

## CUTS AND CHANGES

As we approach the halfway point in our fiscal budget year myself, the Mayor and the Board of Aldermen face the task of amending the budget to better suit our revenues and expenditures. On Monday, April 16<sup>th</sup> during a special workshop the Board of Aldermen made substantial cuts with the possibility of more to come. The bottom line is we had to use our last big CD to balance the budget this year and things were left in the budget on a preliminary basis until we had a better idea of where we stand. Had the ballot measure passed, the additional revenue from the business license increase would not be recognized and used until next year's budget but would have allowed us some breathing room. However, since the voters rejected the ballot measure and we cannot count on those additional revenues we are now forced to make cuts in order to ensure we have a substantial amount of carry over for next year's budget. The City of Pevely is not unique to this situation, cities all across the country are facing the same financial difficulties we are. Although no one likes to see services cut I'm confident that with time our economy will improve and we will be able to move this City forward with progress. **ALL CUTS AND CHANGES WILL TAKE PLACE MAY 1<sup>ST</sup> 2012.**

### SERVICE CUT

### ESTIMATED COST SAVINGS

Fall bulk clean-up	\$1500.00
Pevely Homecoming Festival	\$30,000.00-50,000.00
Park Improvements	\$10,000.00
Not replace staff as they leave (projecting 3 leaving)	\$120,000.00
Fluoride additive to the water system	\$10,000.00
Street Department Salt Cover	\$5,000.00
Tree limb removal from monthly to quarterly	\$12,000.00
Sewer Department – Brush Hog	<u>\$700.00</u>
<b>TOATL ESTIMATED YEARLY SAVINGS</b>	<b>\$204,200.00</b>

The **spring bulk clean-up will still be held on Saturday April 28<sup>th</sup> from 8:00am until 12:00pm.** However, unlike in years past City workers will not be out canvassing the city and picking up items in front of residences. There will be four dumpsters located at the back of Pevely Park 1 for you to place your items in; two city workers will be on hand at the park to assist you from 8:00am until 12:00pm. **There will be NO fall bulk clean-up day.**

**Pevely Homecoming Festival will NOT be held this year.**

Park Improvements such as repaving the walking trail at Pevely Park #1, and paving a walking trail at Stacey Reece park that were scheduled for this year will NOT take place however, the City did receive a grant for Joe Whaley Park and new equipment will be installed soon.

The Police Department has one employee retiring and the Public Works departments may have up to three employees leaving for better opportunities, these employees will NOT be replaced as they leave. Hopefully this will prevent us from having to layoff any more employees. Please keep in mind, the fewer employees we have the fewer services we can offer and the longer it may take to get projects completed.

The Fluoride additive that we currently add to our water system is not a mandated regulation by the Department of Natural Resources or any other agency. Not only is this costly but is highly corrosive and destroys equipment and machinery requiring higher maintenance costs. This additive will be phased out and NOT reordered.

Street department salt cover will NOT be built.

**Tree limb removal will be reduced from monthly to quarterly.** Currently the street department picks up limbs on the last Monday of the month. The new limb pick-up schedule will be the last Monday in January, April, July, and October. Residents must call City Hall and be put on the limb removal list. PLEASE DO NOT PUT YOUR LIMBS OUT ON THE CURBSIDE PRIOR TO THE LAST MONDAY OF THE SCHEDULED MONTH; YOU WILL BE ISSUED A SUMMONS.

The sewer department will delay the purchase of a brush hog.

The City will now bid out auto service repairs, looking for competitive bids to lower our costs while ensuring that we still safely maintaining our vehicles.

### **OTHER OPTIONS THE CITY IS LOOKING AT INCLUDING:**

**2" snow plow rule** - meaning the street department will not begin plowing snow unless there are at least 2" inches of snow covering the ground.

**4-10 hour work days for public works** – allowing the City to save on fuel, electricity, and other costs by only working 4 days a week.

**Job restructuring when employees leave** - As employees leave, there will be some job restructuring and or eliminations.

**Parking police cars at least 15 minutes per hour** – In an effort to save on fuel costs officers will do less patrolling and more community oriented policing.

## **FEE INCREASES/BALLOT ISSUES:**

**Water and Sewer fee increases** – The City has recently approved a study to be done by Carl Brown Consulting LLC. We will arrive at new user charge rates and fees that will adequately fund the systems for a substantial period of time. The studies will project our rates, fees, operating costs, capital improvements and all other important costs and revenues, plus important financial performance indicators 10 years into the future. Equipment replacement and refurbishment plans will be projected 20 years into the future. This study will allow us to set rates, fees and other charges that are fair to our ratepayers.

**Tourism Tax** – Hopefully in the near future we will be able to have a ballot measure for a tourism tax similar to what the city of Festus recently passed whereby those individuals who stay overnight in our Hotels pay a special tax. This tax that WILL NOT be on area residents and if passed will allow us to promote Pevely and our area attractions such as the I-55 Raceway, the Villa Antonio Winery, Sun Valley Sports Complex and our City Parks. Passage of this ballot measure will free up money from the general funds to help operate our parks department. I have been working diligently with Senator Ryan McKenna at the State level in an effort to pass language that allows Pevely to place this on the ballot.

**Reintroduce business license fee structure** – The recent defeat of the business license fee structure was a big blow to the City. Please understand this was NOT a tax of any sort on any individual or business. This was simply a restructuring of our current business license fee from \$40.00 per year to a fee structure based on the amount of annual gross receipts for each merchant or manufacturer. This is similar to not only what our neighboring communities have had in place for a number of years but what other communities all across the region are doing. We hope to sit down with the merchants and manufacturers soon and come to a mutual agreement and reintroduce this on the April ballot next year.

Please remember, myself, the Mayor, and the Board of Alderman do not take these cuts and recommendations lightly, these are not easy decisions to make. I ask that you be patient and understanding as we work diligently on your behalf to make Pevely a City we can all be proud to call home. If you have any questions or concerns please feel free to call anytime.

Sincerely,

Jason Eisenbeis  
City Administrator