

MINUTES OF THE PUBLIC HEARING  
OF THE CITY OF HERRIN PROPOSED  
PROPERTY TAX LEVY INCREASE HELD  
IN THE COUNCIL CHAMBERS OF  
CITY HALL AT 300 N PARK AVE AT  
6:00 P.M. ON NOVEMBER 20, 2017

Mayor Frattini opened the Hearing. In attendance on behalf of the City was Treasurer Carl Goodwin, Attorney John Brewster, City Clerk Shelly Huggins, budget director Carrie Cravens, Deputy Police Chief Jimmie Loyd, Fire Chief Shawn Priddy, Public Works Director Tom Somers along with Alderman Ahlgren, Shoemake, York, Crompton, Miller, Kinley, Sizemore and Ruppel. The purpose of this public hearing is to discuss the proposed tax levy increase. Mayor thanked everyone for coming. We do not conduct Executive Session meetings any longer. All committee and council meetings are public and everyone is encouraged to attend. Meetings are published in accordance to open meetings act statutes. We also invite everyone to our budget process meetings. A budget is a road map to how we spend our money. The budget process has a public hearing as well. It is held in the spring prior to passing the budget at council. Tax Levy is for property tax. We are going to present a brief history of our levy to help understand how we got where we are.

Carl Goodwin, treasurer stated that the city should have been taxing at 4.8% each year for costs of running the city. However, they have not. If we would have been doing this increase it would have generated over 1 million dollars. We have to raise 15% to cover our rising costs of police and fire pensions. If your home is valued at \$100,000 this would be an increase of \$54 per year. We have reduced staff, created two tier pay system in all dept., except fire, sold off excess property, refinanced bond issue that was callable this year and reduced expenses each year from the previous year. State of Illinois has mandated what is required to finance police and fire pensions by 4.5% each year with a return of 6.5% each year with city making up difference. These plans make up 66% of our budget. State is also holding 10% of our revenue for our state. Alderman Kinley is going to present a power point to further explain.

Alderman Kinley showed a sample tax bill. He explained what percentages of our taxes go where. This proposed increase is only on the 20% of the bill that is Herrin's portion, not the whole bill. Real Estate Tax Levy history shows that from 2004 to 2012 taxes were not increased at all. We have looked back to not make the same mistakes as before. Police and Fire pension history numbers from 2004 to present were shown. As well as the levy amount vs. the pension increases. Almost 70% of our monies are going to pensions. How much will this cost? Again looking at tax bill. Net taxable value at the bottom is the number to look at for increase. \$35,640 net taxable value equates out to 87.13 or 7.26 per month increase. For home valued at \$100,000 is would be approximately \$66 for the year. Nobody wants tax increases. We are mandated to pay pension increases. Average house value price is \$72,000 which would be 44.00 for the year. Mayor stated that by state mandate the pensions have to be 90% funded with other percentages that have to be hit before then. If we do not meet these, the State will keep our tax revenue payments to cover it. In upcoming fire negotiations, as with other

contracts a tier two will be presented to help with costs of new employees. All those already employed, it has already been agreed on and we cannot do anything about their benefit package. We will not see a lot of the benefits until more tier 1 employees retire, however, steps are taken to help in the future.

The proposed rate increase is 15%. We also have open mind to reducing costs as well as increasing revenue. We cannot speak for the other taxing districts.

David Minor - Against tax increase. I could probably afford \$50 per year, however every entity will be raising. Could there be some other reductions, such as wage freezes?

Bob Newman - Done tons of business over the years. Lived here for 46 years. Retired 2 years ago. I am a landlord. With rental properties it is an investment property. Taxes cost us more than owner occupied. Somewhere around 700-800 a year. I pay now \$33,000 in taxes not including my own home. This is my retirement. Budget has been set for this. The City has worked well with our family. I understand costs go up. It will hurt my pocket.

Cindy Morgan submitted a letter asking for consideration regarding not raising taxes. She stated all of her bills have went up and she is now a single income household. She has asked to look at other ways to raise money.

Eric Smith - 4<sup>th</sup> generation Herrinite. I am an insurance adjuster and work from my home. Live in Timbercreek Subdivision. Feels that he regrets the decision to annex into the City. Decided to sale home 2 years ago. Asking \$50,000 less than appraisal. Have had for sale for almost 2 years and have not had one offer. Taxes are \$7,200 per year. There are no sidewalks or curbs and gutters in my neighborhood. When I sell my house, I will be gone. I love Herrin but will move to a neighboring county or even out of state. He has several family and friends that have stated that they are tired of paying Herrin taxes. If you rent, your landlord will have to raise your rent. He is asking for our leaders to become more innovative to raise funds rather than raise taxes. He asked to compare fire and police salaries to other communities. He thanked them, but our salaries are not comparable.

Rusty Chiaventone - Lifelong resident of Herrin. Did own a house in Melody Acres. Taxes went from 950 to over 3,000 in 6 years. Thank you for analysis of finances. You have mentioned the past 12 times, you have no choice 6 times and not pointing fingers 7 times. You cannot borrow your way out of debt but can you tax your way out of debt. We may be able to afford 54 for the year but the perception is out there that taxes are too high in Herrin. Perception is that you are not going to come to Herrin and if you have property here you are going to sell it. On Illinoispolicy.org they are trying to do a 5 step program to get the state out of debt without raising taxes. People will leave and are leaving our community. Average occupancy is 2.5 persons per house. When people leave, you lose property tax as well as sales taxes. Don't give up. There may be other solutions. Furlough days may have to happen, auxiliary or part time.

Sam Shemwell - Property tax is the worst tax that anyone has had put on them. In 2003 we had a public hearing like this for home rule. It passed. Property tax freeze was voted on in 2004 for 5 years. Home rule generated \$60,000 per month along with

\$12,000 per month in gas tax. There are other things you can do with home rule. You're putting it on the backs of property owners. Everyone should have to pay their part, not just property owners. Let all persons pay for the taxes. It seems this administration has found it when they wanted to. Bought out someone for \$215,000, hired fire chief when we could have used someone already here. Public Works has had 3 high paid employees leave that have not been replaced. You can bill TIF for some man hours and equipment for work done in the TIF area. You can bill out of MFT as well. Please keep working towards a solution. Think of your constituents when you are voting.

Freeland Murray - lived here for 64 years, retired in 2015. Built 2 new homes in Herrin, friend has built 9. This is not a good incentive to have us continue to build here. Need to look at other alternatives as well. Have more public interaction meetings.

Michael Odum - lived here 21 years. About 2 years ago taxes were raised then. Now were in the same room talking about the same thing. Suggestions, first recommend police department enforce all laws especially down Park Avenue. Does Herrin Police have unmarked vehicles? Yes we do, should use these to catch persons breaking the law. Is there any way we can renegotiate the pensions? I was told 2 years ago that in the last year of his salary it gets bumped to \$100,000. This is so they can get \$50,000 per year in retirement. Instead of paying in the 20<sup>th</sup> year bump, pay them the \$50,000 when they retire. Does Herrin make a profit off of the Herrinfest? All finances pertaining to Herrinfest should be public knowledge. Why not ask Uncle Sam give us a grant to pay for pension funds? Mayor asked Mr. Odum to contact him regarding his concerns. Mayor stated that Herrinfesta is an arm of the Herrin Chamber and you would need to contact them regarding their audits and where their money goes.

Resident asked about a previous meeting where it was stated would we be willing to pay more taxes for more police protection. She stated that she is retired and had to save to retire, why should anyone get \$50,000 on retirement.

Resident asked how many police officers we have. 18 full time officers. They live in Timbercreek and see none. We do not see them. There is a small amount of part time officers as well. Mr. Newman stated that he had a work trailer vandalized and had the police out to make a report. Officer stated that he couldn't do anything. Mr. Newman stated that he would go to the neighbors and state what happened and it would possibly help with stopping it. Arrest numbers are up. We have been making strides in a positive direction. We are 7.5 miles long and 3.5 miles wide.

Tracy McKown - Pension fund is guaranteed a 6.5% increase per year. The fund investment is guaranteed at 6.5% increase per year. This is state mandated. This is a state wide deal except Cook County. Many persons come from jobs that do not have pensions. In last police contract there is a new tier for new hires and there is no end of service bump.

Ed Schullian - Lives in Kane Addition. Don't see many police. Trying to sell for 195,000 got 145,000. Seven houses for sale in last 6 months for at least 50,000 cut. Should have asked assessor to review as well as we are over evaluated.

Adrienne Thomas - on disability. Lives in Legacy. Houses out there are for sale for at

least 2 years. Can't afford to move and home is totally accessible for me.

Heath Aldridge - Moved here in 2011 to be closer to family. Have been shocked and surprised at increases in taxes. Work in a tech industry. The new generations don't feel that they are tied to a community. They will go wherever cost of living is less. With more people being able to work from home they can live anywhere. Seeing where in the future that it is going to get better would help.

Mayor invited anyone to contact him if they would like to come in for a meeting to discuss any of this further.

Hearing adjourned at 7:30 p.m.