

MINUTES OF A SPECIAL MEETING/BUDGET WORKSHOP OF THE ZION CITY COUNCIL HELD ON MONDAY, MARCH 31, 2014, AT 10:00 A.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, ZION, ILLINOIS

Mayor Harrison called the meeting to order at 10:14 a.m.

On call of the roll the following answered present: Commissioners Flammini, Taylor, Hill, and Mayor Harrison
Commissioner DeTienne was absent.

CLOSED SESSION

It was moved by Commissioner Taylor, seconded by Commissioner Hill that the Council recess to Closed Session at 10:15 a.m. to discuss personnel. The vote on roll call was: Commissioners Flammini, aye; Taylor, aye; Hill, aye; and Mayor Harrison, aye. Motion carried.

It was moved by Commissioner Flammini, seconded by Commissioner DeTienne to reconvene the Regular Council meeting at 10:45 a.m. with all members present. The vote on roll call was: Commissioners Flammini, aye; Taylor, aye; Hill, aye and Mayor Harrison, aye. Motion carried.

2014/2015 BUDGET

Finance Director David Knabel stated that over the past few weeks, he has met with department heads to review their department budgets, line by line, to track current and historic figures.

Revenue

Mr. Knabel stated property taxes are down due to the freeze in the levy. He stated there were minor increases in the tax funds. CTCA permit fees of \$300,000 have been included as one-time revenue. Commissioner Hill asked if there has been a request from CTCA to waive the permit fees or to have them reduced. Mayor Harrison stated he does not believe they have made a request to waive or reduce the permit fees. Fire/Rescue Chief Lewis stated CTCA did ask the fees be reduced for the recently constructed parking garage and believes they will also request the fees be reduced for the new addition. He stated he feels if the Council waves the fees it will have a negative impact on the City. Mayor Harrison stated CTCA will pay what the Council directs them to pay.

Commissioner DeTienne arrived at 11:00 a.m.

Director Knabel stated the City will receive several one-time payments in the 2014/2015 budget year. He stated for the past 6 years Calpine has been underpaying the host agreement fees and owes the City \$128,000 which the City will receive in June 2014. Mr. Knabel stated the City will receive its last payment of \$625,000 from Zion Solutions. He stated this September we will receive our last payment of \$130,000 from the SAFER Grant. The City obtained the grant in September 2012 which covered the salary and benefits of three Firefighter/Paramedics for two years. Mr. Knabel stated traffic and boot and tow fines will generate \$250,000 in revenue. Mayor Harrison stated the collection of the \$1,000,000 in outstanding Building fines alone could balance the budget. Mr. Knabel stated with implementation of the Municipal Collections of America (MCA) boot/tow program, the City should see some revenue generated during the next fiscal year.

Expenses

Mr. Knabel stated the majority of the budget is consumed by salaries and benefits. He stated the contractual and non-union personnel salary increases total \$250,000. Mr. Knabel stated this budget also reflects a significant increase in health insurance premiums (\$280,000). Mr. Knabel stated The Wal-Mart Sales Tax Incentive Agreement payment was increased from the previously budgeted amount of \$10,000 to \$230,000. He stated the proposed budget reflects a deficit of \$16,302. . Mr. Knabel recommended each department go back and look through their individual budgets and try and shave what they can. Mr. Knabel stated he would like to see the City pass the budget with a surplus. Director Colangelo stated CTCA is proposing future expansion which could mean a lot of property acquisition. Mr. Colangelo stated he envisions a campus type facility for CTCA. Director Colangelo stated the City needs to look at the Right-of-Way Vacation Policy for future projects in the City, specifically with CTCA. Mr. Colangelo stated he believes the right-of-way policy was originally designed for dealing with residential requests, not commercial. He believes the City should receive proper compensation. Commissioner Hill stated the Commissioners have upcoming meetings scheduled with Scott Jones from CTCA to discuss future plans.

Commissioner Hill asked if the City has received any plans for the future from the CTCA. Mr. Colangelo stated he has not seen any plans yet. He stated the City should be addressing the Code now before any plans are submitted. Commissioner Hill asked if Mr. Colangelo had a policy in mind. Mr. Colangelo suggested changing language to amend the Right-a-Way policy to state the City has the right to appraise the properties and set the pricing for each request. Commissioner Hill suggested two or three of the department heads meet and come up with a policy. Commissioner Hill asked if there was any chance of putting road projects in the budget. Mr. Knabel stated the budget includes \$426,015 for road projects. Mr. Colangelo stated it costs about \$2.7 million to maintain the existing roads. He stated the City was awarded a CDBG grant from the State for \$85,000 for the resurfacing of 8 blocks of Gideon Avenue. Mr. Colangelo stated 5 years from now things should look a lot better when the bonds are paid off. Mr. Knabel stated the IMRF fund shows a deficit due to the rollover from years before for not levying the correct amount. Mr. Knabel stated \$180,000 was budgeted for TIF #1 for future projects and for TIF #3 \$150,000 is budgeted for future projects. Commissioner Hill stated the possibility of a Cultivation Center has been looked at as a future revenue source for the City. He stated there has been a change in location regarding the Greenhouse construction for the Cultivation Center. Commissioner Hill stated previously the location was Trumpet Park. He stated according to State statues, the City would be required to provide "Reasonable Zoning" for any Cultivation Center. Commissioner Hill stated Trumpet Park does not provide the correct zoning. He stated the only other property in the City that could provide reasonable zoning is the back two acres of the BC Automotive property. He stated the engineers are in the process of looking at the feasibility of the property. He stated he would inform the Council of the progress if they wish to proceed. Mayor Harrison directed Commissioner Hill to proceed with the new location and report back to the Council as things progress. Mr. Knabel stated regarding the Water/Sewer fund, the projects (changing all the existing meters to wireless and Slip Lining) continue to be a big expense. Mr. Knabel stated the Waste Collection fund shows an increase in waste collection fees due to the 11% rate increase. Commissioner Flammini stated the line item for leaf and chip dumping should be eliminated due to Advanced Disposal taking over the leaf pick up. Commissioner Flammini stated it is his understanding the City is dropping the Cart Lease program. He stated this program will also be handled by Advance Disposal and there will be no revenue or expense to the City.

Mayor Harrison asked the Council if they were in agreement Director Knabel would work with each department to cut expenses and reconfigure the budget to show a surplus. He stated the budget will be presented at the April 15th meeting. Mr. Knabel stated he would have to cut about \$16,000 to balance the budget. Mr. Knabel stated the Council will have to discuss possible revenue sources for the future. He stated the first 2012 principal bond payment of \$285,000 will be due in the Fiscal Year 2015/2016. Mr. Knabel stated in the 2015/2016 Fiscal Year, he predicts there will be a \$1,500,000 shortfall.

Commissioner Taylor left the meeting at 12:15 p.m.

Commissioner Hill questioned why there is a deficit in the Jubilee Days budget. He asked if a budget is presented to Director Knabel. Mr. Knabel stated the budget is presented to him. He stated he does not have any control over the Jubilee Days budget. Commissioner Flammini stated part of the reason for the deficit could be the cut back in sponsorships, as he sees this with Nostalgia Days. Commissioner Flammini stated the Zion Train Station parking lot is in bad shape. He stated the City is responsible for the maintenance. He stated Zion is currently the only station on the north side of the County that does not charge for parking. Commissioner Flammini proposed the City start charging the public for parking if they do not have a City sticker. He stated there is a possibility the City could net \$30,000 a year. Commissioner Hill stated he agreed with idea and would like Commissioner Flammini to pursue it further.

It was the consensus of the Council to table the budget until the April 15th meeting.

ADJOURN

There being no further business to come before the Council at this time, it was moved by Commissioner Hill, seconded by Commissioner DeTienne and unanimously approved the meeting be adjourned at 12:57 p.m. Motion carried.

Deputy City Clerk