

MINUTES OF A SPECIAL MEETING OF THE ZION CITY COUNCIL HELD ON THURSDAY, MAY 7, 2015, AT 7:31 P.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, 2828 SHERIDAN ROAD, ZION, ILLINOIS

Mayor Hill called the meeting to order.

On call of the roll the following answered present: Commissioners Taylor, McDowell, McKinney, DeTienne and Mayor Hill. A quorum was present.

Also present: Chief of Police Steve Dumyahn, Fire/Rescue Chief John Lewis, Public Works Director Ron Colangelo, Finance Director David Knabel, Building/Zoning Director Richard Ianson

AGENDA CHANGE

It was moved by Commissioner Taylor, seconded by Commissioner DeTienne to accept the Council agenda with amendments as follows:

- Add sale of real estate to Closed Session

The vote on roll call was: Commissioners Taylor, aye; McDowell, aye; McKinney, aye; DeTienne, aye; and Mayor Hill, aye. Motion carried.

2015/2016 BUDGET

Director Knabel stated that the City is facing a \$1,623,384 deficit due to:

- \$625,000 loss in permit revenue from Zion Solutions (decommissioning)
- \$285,000 increase in expenses in form of a bond payment coming due
- \$250,000 in general salary increases at 2% (built in without the benefit of negotiations having been completed)
- \$250,000 loss in permit fees from MRMC expansion

Director Knabel stated that he met with all department heads and performed a line-by-line item review and then compiled the preliminary budget draft for the Council's consideration. He stated that if the Council approved a budget with a \$1.6 million deficit, and then spent the \$1.2 million in cash reserves, the cash deficit would be reduced to \$400,000. Commissioner McDowell stated that a minimum of \$400,000 must be cut from the budget as the City cannot operate at a deficit. Mayor Hill stated that prior discussions included a more aggressive approach toward the rental and nuisance abatement programs. He asked if the proposed budget included expenses and revenue to support these programs. Director Knabel stated that the revenues and expenses were not included in the budget, however, the rental program was expected to be a "net zero" program. He stated that the charges would be determined at a rate to cover expenses and would therefore have no impact on this budget. Mayor Hill stated that he would like the exact revenue and expense figures for the housing program to be brought before the Council. Mayor Hill stated that the City may receive attorneys' fees reimbursement for the Grand Slam Sports case from the insurance company which could include as much as the \$267,000 in legal fees expended to date and the \$55,000 settlement amount. Mayor Hill asked for a cost analysis regarding high legal fees associated with the adjudication process. Mayor Hill asked the Council if any part of the \$1.2 million in cash reserves was used, how much would they recommend be spent and how much would they recommend be carried over. Commissioner McDowell stated that sustainable alternate revenue sources would make an impact on the budget. Mayor Hill stated that no determination on the license for the cannabis cultivation center has been made. Mayor Hill stated that he contacted the Kenosha Kingfishers to see if they had any interest in purchasing the stadium lights. Director Colangelo stated that the

College of Lake County had expressed an interest in the stadium seats and scoreboard. Director Colangelo stated that Midwestern Regional Medical Center (MRMC) is working on a five-year plan which could have a big impact on the City budget. He stated that the scope of future projects is undetermined but these rumored projects could generate significant revenue through permit fees. Mayor Hill stated that the City should evaluate all fees and fines to determine if possible increases are necessary. Chief Lewis stated that fire cost recovery fees could be a significant source of revenue if the City ever gains home rule status. Mayor Hill asked if funds from the Water Fund would be available. Director Knabel stated \$1 million is available. Mayor Hill stated that the City may have to issue bonds to cover 80% of a \$4.5 million Lake County Public Water District intake project. He stated that with the building of the marina, the natural flow of sand has been disrupted and is causing the undermining of the water intake pipe. He stated the issuing of bonds would significantly increase water rates for Zion residents. He suggested that the Water District investigate alternate sources of revenue for the project (FEMA grants, funds from Sand Management/DNR).

Mayor Hill stated that once the Council has had an opportunity to review the proposed budget, another budget meeting will be held to address budget adjustments.

CLOSED SESSION

It was moved by Commissioner McDowell, seconded by Commissioner Taylor that the Council recess to Closed Session at 8:40 p.m. to discuss personnel and sale of real estate. The vote on roll call was: Commissioners Taylor, aye; McDowell, aye; McKinney, aye; DeTienne, aye; and Mayor Hill, aye. Motion carried.

It was moved by Commissioner McDowell, seconded by Commissioner DeTienne to reconvene the Regular Council meeting at 9:34 p.m. with all members present. The vote on roll call was: Commissioners Taylor, aye; McDowell, aye; McKinney, aye; DeTienne, aye; and Mayor Hill, aye. Motion carried.

ADJOURN

There being no further business to come before the Council at this time, it was moved by Commissioner Taylor, seconded by Commissioner McDowell and unanimously approved the meeting be adjourned at 9:35 p.m. Motion carried.

City Clerk

Approved May 19, 2015