

MINUTES OF A WORKSHOP MEETING OF THE ZION CITY COUNCIL HELD ON THURSDAY, JUNE 10, 2015, AT 5:05 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 McDowell, McKinney, and Mayor Hill. Commissioner DeTienne was absent. A quorum was present. Commissioner Taylor arrived at 5:14 p.m.

Also present: Chief of Police Steve Dumyahn, Fire/Rescue Deputy Chief Eric Montellano, Public Works Director Ron Colangelo, Finance Director David Knabel

2015/2016 BUDGET

Director Knabel stated that the City is now facing a \$1.5 million budget deficit as compared to a \$1,623,384 deficit at the last budget meeting. He stated that he is seeking direction from the Council regarding how much to cut the budget based on how much of the cash reserves the Council wants to spend. Director Knabel stated that the pension boards have been approached to determine if they would be willing to defer the payments on the pension repayments until April 2017 but with continuing to pay the interest. He stated that the deficit includes \$200,000 in grant match. He stated that funds could be transferred from the Water Fund. Commissioner McDowell asked, if the departments were asked to make further cuts, how much would be necessary.

Revenue

Director Knabel stated that the permit fees line item will be reduced by \$900,000 (\$625,000 from Zion Solutions and \$275,000 from the MRMC expansion. Mayor Hill stated that revenue doesn't include right-of-way sales and no MRMC expansion fees beyond \$225,000. He stated that there may be a reduction from 10% to 5% in Advanced Disposal fees. Mayor Hill stated that sale of the stadium lights could bring in revenue. He stated that traffic fines and boot tow revenue could be increased. Chief Dumyahn stated that being able to increase revenue through boot tow fines is a matter of manpower. Mayor Hill stated that the City contributes \$15,000 to Nostalgia Days. He stated Nostalgia Days revenue is \$18,000 but expenditures are \$33,000. Director Knabel stated that \$29,000 in hotel/motel tax makes up the difference therefore creating a net zero in the General Fund. Mayor Hill stated that Nostalgia Days financial support should be reviewed. Commissioner McKinney stated that he has received inquiries re: the sale of City of properties which could bring in revenue. He stated that he would discuss the sale of property with Director Ianson. Commissioner McKinney stated that the rental property registration could be a revenue source. Director Knabel stated that the program would be a net zero/break even program.

Expenses

Public Affairs

Liability insurance - decrease based on quotes received

Travel/conference – covers City Council members' expenses – paid quarterly – increased due to re-instatement of Mayor's expenses which were not being paid under the past administration – this item can be re-visited

Special events – covers 4th of July fireworks payment to Zion Park District

Economic Development

Legal fees – increase due to incentive development agreements preparation

Promotional - for advertising – Zion Benton News ½ page ad and advertisements for properties for sale – includes live remote incentives as an incentive for new businesses to locate in Zion (2 have been used in past year) – includes sponsorships for golf outings, tables at dinners, etc.

Walmart – pledged sales tax – 7 years remaining of a 10 year agreement

Police

Overtime held to minimum to Chief's credit – stays flat due largely to Memorandum of Understanding with the Sergeants' Union – all overtime sheets are strictly reviewed by the Deputy Chief

Wage increases – 2% figure used for overall wage increases

CSO (Community Service Officer) – increase due to reclassification of an administrative employee who was working in the CSO class

Animal Warden - overtime spent to clean/maintain kennel on days off – task could be completed by someone other than the animal warden at a lesser cost – Chief noted that overtime also includes call outs for animal-related issues

Civilian Dispatch – Chief stated that he is in favor of consolidating dispatch services with other communities - Chief stated that there is legislation in the works that would require municipalities with a population under 50,000 to consolidate – Chief stated that the focus countywide is to consolidate and a feasibility study is being conducted – Chief stated that consolidation would require the purchase of mandated software and a change in radio equipment which would require a substantial initial investment – Mayor Hill asked Chief Dumyahn to check the status of the legislation – Chief stated that the Zion communication center was built for expansion to take on another municipal service but he sees no benefit for Winthrop Harbor to consolidate at this time.

Public Works

Overtime – Director Colangelo stated that there is no required overtime – overtime issues in winter due to snow plowing – 95% of Public Works overtime is reactionary – budgeted overtime is an average taken over the past 5 years – may or may not be spent

Other Equipment – covers maintenance on machinery, plotter, pressure washer replacement, small items outside of office and motor equipment

Public Service – 22% budget increase with only a 2% salary increase – Director Colangelo stated that \$12,500 to \$13,000 is more realistic for overtime – grass cutters supervisor salary is permanently in Public Service not Building Department – Mayor Hill asked if Public Service Supervisor could be scheduled Tuesday through Saturday to cut overtime expenses – Director Colangelo stated that 20,000 to 22,000 hours of free labor per year are provided through the Public Service Program. If hours were cut, there would be a loss in service. He believes the overtime is money well spent - Director Colangelo recommended not changing or cutting Public Service hours.

Building Department

Legal fees – substantial increase - due to aggressive administrative adjudication for court findings for deferred revenue in fines/settlements – legal fees considered an investment for later compliance and revenue – Mayor Hill stated that rental inspection program revenue and expenses are not included in this budget.

Fire Department

Overtime – increase - based on actual realistic need – previously not budgeted correctly – new full time employee will help reduce overtime – Fire/Rescue overtime much higher than Police

Worker Compensation – premium especially high – few years ago \$900,000 in claims – factored as part of 5 year history review when settling premiums – FF/P in general have injury rate double that of police officers statewide

Mayor Hill - consider 8-hour shifts in hopes of reducing overtime and hire additional staff. DC Montellano stated studies show 8-hour shifts are not cost effective – can identify system abuses for wear and tear on staff from nuisance calls

Training/Memberships & Travel/Conference – why so high – approximately \$30,000 total – higher than all other departments – DC Montellano stated some memberships are required in order to get mutual aid and some are required to maintain certifications – will discuss with Chief Lewis – will try to train on duty in order to reduce overtime – will investigate postponing some training until the next fiscal year

Health Care Premiums

Mayor Hill asked about total health care premiums – Director Knabel stated City pays \$1.9 million in premiums - \$16,000 on average per employee

Commissioner McDowell asked what the exposure would be for the City if funds were transferred from the Water Fund to help reduce the budget deficit. Director Colangelo stated that such action would be reactive, not proactive, and it would delay infrastructure capital improvements. He stated that 25% of the water system was built in the 1920s. He stated that the City of Zion has the lowest water rates in comparison to other communities. He requested that he be able to review the bid results from the Lake County Public Water District repair project. Director Colangelo will attend the next Water District meeting to request that they pursue the lowest possible bond amount and encourage them to seek grants.

Director Knabel stated that raising water rates due to the Lake County Public Water District repairs and bond issue, and then taking funds from the Water Fund would most likely be perceived poorly by the public.

Mayor Hill stated that during the next budget workshop meeting (June 24) the Council will address further budget cuts, the amount of funds that would need to be transferred from the Water Fund, and the status of the pension payments.

ADJOURN

There being no further business to come before the Council at this time, it was moved by Commissioner McDowell, seconded by Commissioner Taylor and unanimously approved the meeting be adjourned at 6:55 p.m. Motion carried.

City Clerk

Approved July 7, 2015