

MINUTES OF A BUDGET WORKSHOP OF THE ZION CITY COUNCIL HELD ON TUESDAY, APRIL 5, 2016, AT 6:02 P.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, 2828 SHERIDAN ROAD, ZION, ILLINOIS

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Mayor Hill called the meeting to order.

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

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

BUDGET/FISCAL YEAR 2016/2017

Director Knabel stated that this budget discussion will include all funds, with the first ten pages of the proposed budget being the General Fund line items which were previously discussed at the March 30, 2016 budget workshop. He stated that the only change in the General Fund line items after the previous workshop was the addition of \$40,000 in gaming tax revenue which then came off the Water Fund transfer. He stated that the E911 and the TIF funds budgets still have not been approved by their boards. He stated that he prefers to receive the E911 and TIF boards' approval of their budgets prior to including them in the City budget. Director Knabel stated that all other funds are presented. Commissioner McDowell asked if the receipt of additional revenue/income would reduce the amount of the Water Fund transfer. Director Knabel stated that it would, and that it would take \$300,000 in additional revenue to eliminate the need to draw from the Water Fund.

E911 Fund

Director Knabel stated that the E911 Fund is a restricted fund. The funds are to be used for dispatch and communication purposes.

Zion-Newport Fire Station Fund

Director Knabel stated that the Zion-Newport Fire Station Fund is a restricted fund. He stated that the funds received for the purpose of building a new joint fire station must be deposited into the fund. Annually the fund is split 50/50 with the Newport Fire Protection District.

Emergency Service Rescue and Fire Protection Funds

Director Knabel stated that the Emergency Service Rescue Fund and the Fire Protection Fund are special revenue tax levy funds. The funds are received and then transferred causing the funds to carry a zero balance.

Street and Bridge Fund

Director Knabel stated that the Street and Bridge Fund is a special tax levy fund to be used for street or bridge projects only. The funds come from the property tax levy.

IMRF and FICA Funds

Director Knabel stated that the IMRF and FICA Funds are restricted funds to be used for retirement fund and Social Security fund purposes only.

TIF Funds and related bond funds

Director Knabel stated that these funds have not been completed as TIF Review Board budget approval is pending.

Lake Mound Cemetery

Director Knabel stated that the Lake Mound Cemetery Fund is a special revenue fund which is to be used solely for the upkeep and maintenance of the city-owned cemetery.

Water & Sewer Fund and Debt Service Funds

Director Knabel stated that even though there was an increase in the water rates, the account still reflects a \$166,310 deficit due to the transfer to the General Fund, however, there is a beginning cash balance in the fund. Mayor Hill recommended that the City Council invite a representative of the Lake County Public Water District to a City Council meeting in June or July to present the District's annual audit and explain any changes in the water rates. Director Knabel stated that the Debt Service Fund collects funds set aside to cover debt service which is the principal and interest bond payments.

Capital Projects Fund

Director Knabel stated that this fund predominately covers lease payments for equipment purchases. He stated that some funds have been budgeted for building improvements. He stated that the fund deficit is due to a transfer having been made to cover last year's demolition grant match.

Commissioner DeTienne arrived at 6:26 p.m.

Waste Collection Fund

Director Knabel stated that the Waste Collection Fund covers garbage collection. He stated that the waste collection rate increase covered the deficit that the Water Fund was covering and that the Waste Fund is now repaying the Water Fund.

Bond Series 2012B & 2012C Road Bonds

Director Knabel stated that the Bond Series 2012B and 2012C Road Bonds Fund is a "funds in – funds out" account to cover road bond payments.

Motor Fuel Tax (MFT) Fund

Director Knabel stated that the Motor Fuel Tax Fund is a state required fund used to track funds received for projects, programs, engineering costs, and road salt.

Liability Insurance Fund

Director Knabel stated that these funds are used to cover the City's liability insurance and worker's compensation premiums.

Local Law Enforcement and Drug Traffic Prevention Funds

Director Knabel stated that these funds are to be used for law enforcement and drug traffic prevention only.

Industrial Development Fund

Director Knabel stated that this account is used to track the Calpine host fees.

Hotel/Motel Tax Fund

Director Knabel stated that Hotel/Motel Tax funds are restricted per State Statute. Funds in this account are used for rebates to Country Inn & Suites and to fund the grant program for special events which provides funds to organizations hosting special community events/attractions. He stated that this fund includes shared costs for staff time for Nostalgia Days and funds to cover Jubilee Days celebration expenses.

Jubilee Days Fund

Director Knabel stated that this fund, along with a transfer from Hotel/Motel Tax funds, covers the cost of the Jubilee Days event.

Self-Insurance Fund

Director Knabel stated that the City is self-insured for health insurance. He stated that this account is funded by the General Fund and that this fund is used to pay insurance claims.

Mayor Hill asked to re-visit the Fire Department budget with regard to the overtime line item. He stated that the Fire/Rescue union concessions item was being deleted from the April 5, 2016 City Council meeting agenda as there is a misunderstanding regarding overtime. He stated that the overtime budget is not as previously discussed. Chief Lewis stated that the increase in the overtime budget is insurance that the station will be covered. He stated that the Paid on Premise Program was being eliminated which would result in a \$148,000 cost savings. Chief Lewis stated that, in reality, that \$148,000 in cost savings was shifted to the overtime budget. The comp time and sick time union concessions totaled \$60,000. Commissioner McDowell stated that the overtime budget was set at \$300,000 and then was reduced to \$180,000, which is reflected in the proposed budget, to make up for the loss of the Paid on Premise Program. Chief Lewis stated that not all department personnel will take sick time in increments of less than 24 hours. Mayor Hill stated that the sick time concession was a commitment made by the union, and that if it cannot be managed, then it should not be used. Chief Lewis stated that the sick time concept works well in other departments but he cannot guarantee or provide data to prove it will be a savings for the Zion department. Commissioner McDowell stated that the concessions proposal will be changed and new numbers will be provided by the union. Mayor Hill stated that he needs to come to a clearer understanding of the concessions offered by the Fire union.

ADJOURN

There being no further business to come before the Council at this time, it was moved by Commissioner McDowell, seconded by Commissioner Frierson and unanimously approved the meeting be adjourned at 6:39 p.m. Motion carried.

City Clerk

Approved April 19, 2016