

**MINUTES OF A BUDGET WORKSHOP OF THE ZION CITY COUNCIL HELD ON TUESDAY, MARCH 7, 2017, AT 6:00 P.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, 2828 SHERIDAN ROAD, ZION, ILLINOIS**

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Mayor Hill called the workshop meeting to order.

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

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

**BUDGET/FISCAL YEAR 2017/2018**

Director Knabel presented a rough preliminary version of the General Fund budget. He stated that the “bottom line” showed a budget deficit of \$1,062,324. He stated that an increase in health insurance costs had a substantial impact on the budget.

Commissioner McDowell asked about the overage in telephone expenses in every department budget. Director Knabel stated that the City was out of contract with AT & T this year. The City was charged the out of contract rate which meant an additional \$45,000 to \$50,000 in expenses from January through March.

Director Knabel recommended that the Council review the budget page by page and he would call their attention to the most significant increases/decreases on each page.

Revenue

Mayor Hill questioned the unrealized revenue in the Utility Tax line item. Director Knabel stated that the summer was cooler and the winter was milder so there was not as much usage for half of the year.

Mayor Hill questioned the decrease in the State Income Tax line item. Director Knabel stated that the State drives the State Income Tax and the City has no control over this revenue line item.

Mayor Hill stated that the City will not benefit from the \$78,000 from Midwestern Regional Medical Center in the Permits line item in the upcoming year as it did in last year’s budget.

Mayor Hill stated that the Vacant Property Registration Fees line item is less than what was budgeted. He stated that there are 487 vacant properties in the City which is 195 fewer than when the program started so less fees will be collected.

Mayor Hill stated the Rental Inspection Program should see all properties inspected by the end of the second year of the program. He stated that there are an estimated 4,200 properties and 1,763 have been inspected.

Expenses

Director Knabel stated that salaries are currently flat and that negotiations are upcoming. He stated that any wage increases would have to be factored into the budget.

Director Knabel stated that the \$24,620 increase in the Public Affairs Legal Fees line item was due to the nuclear impact fee legislation. He stated that this represents the total expenses of which 85% will be recouped from the taxing bodies and that revenue will offset this expense.

Director Knabel stated that legal expenses have reduced some over time so he decreased the budget from \$275,250 to \$240,250.

Director Knabel stated that the Economic Incentives line item shows a budget increase due to the first year expense of a contractual commitment with Retail Strategies.

Clerk Burkemper stated that the Testing line item in the Fire and Police Commission budget shows a substantial increase over last year's budget due to the upcoming testing process for original entry Police Officer, Fire Lieutenant promotional and Fire Battalion Chief promotional.

Director Knabel stated that the Legal Fees line item in the Liquor Control Commission budget reflects a \$13,028 budget increase due to gaming expenses and a liquor license violation which resulted in a hearing and appeal. He stated that the legal fees incurred as the result of the liquor violation may be reimbursable.

Director Knabel stated that the Credit Card Processing Fee line item reflects a \$39,108 budget increase as it was anticipated that the program would be ready sooner and the City has had to absorb the credit card fees in the meantime. He stated that the program launch date is July 1, 2017.

Director Knabel stated that the Police Department salaries line item reflects a \$205,137 budget increase due to an additional hire and union step increases being erroneously omitted from last year's budget.

Director Knabel stated that the Community Service Officer line item includes a budget increase due to the need to hire an additional Community Service Officer to support the use of newly purchased body cameras.

Director Knabel stated that the Contractual-Dispatch line item decreases significantly due to salary elimination as the result of the communications center consolidation with Gurnee.

Director Knabel stated that he expects the Police Department legal fees line item to be on-going and without reduction.

Director Knabel stated that the Police Department health insurance line item is over budget which is based on annual claims costs. He stated that claims have exceeded the fund transfer to cover them. Mayor Hill stated that perhaps the City could save insurance costs by joining a self-insured pool with other municipalities to help stabilize rates.

Director Knabel stated that the purchase of body cameras for the Police Department results in a \$65,000 increase in the Capital Outlay line item with the first year expense being \$132,000.

Director Knabel stated that the Public Works Trees line item shows the expense of ash tree removal here but it may be reclassified as a capital item.

Director Knabel stated that, in the Building Department budget, there is a reduction in legal fees over last year and demolition fees are less than expected.

Director Knabel stated that the Fire/Rescue Department salaries are flat. He stated that the Paid on Premise (POP) Program may be re-instated. Chief Lewis stated that three part time personnel are required to fill a shift. Mayor Hill stated that the City applied for a Safer Grant, and if awarded, it would fund one employee per shift for three years at a cost of \$45,000 for all three. Chief Lewis stated that if the City receives the Safer Grant, only two POP personnel will be necessary per shift in order to keep nine personnel on shift per day. Commissioner McDowell asked how the consolidation with the Beach Park Fire Protection District could impact the budget with regard to the POP Program. Chief Lewis stated that the impact would be difficult to determine until "we see how it plays out".

Director Knabel stated that there was some reclassification in the ESDA budget but there were no major changes.

### **ADJOURN**

There being no further business to come before the Council at this time, it was moved by Commissioner Frierson, seconded by Commissioner McDowell and unanimously approved the workshop meeting be adjourned at 6:58 p.m. Motion carried.

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City Clerk

Approved March 21, 2017