

MINUTES OF A BUDGET WORKSHOP OF THE ZION CITY COUNCIL HELD ON WEDNESDAY, APRIL 12, 2017, AT 5:30 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, Public Works Director Ron Colangelo and Building & Zoning Director Richard Ianson.

BUDGET/FISCAL YEAR 2017/2018

Director Knabel presented an updated version of the General Fund budget. He stated that the department heads met and reviewed expenses. They determined that the budget is “bare bones” and there were no further expenses to be cut. He stated that the department heads could not comment on personnel reductions in departments, other than their own, as they don’t know what functions other department personnel perform. Director Knabel stated that the department heads brought forward some revenue increases:

- Permits – increased by \$150,000 due to expected developments
- Plan Fees & FD Permits – increased by \$5,000
- Sale of City Property – increased by \$20,000 due to anticipated vacant lot sales

Director Knabel stated that the budget shows a \$616,000 deficit. He stated that the department heads suggested deleting mosquito spraying and the CODE RED notification system.

Director Knabel stated that the CODE RED expense is not currently in the budget as it is paid for through the E911 fund (\$12,500 for 33,000 minutes). Chief Lewis stated that he investigated another notification system which is currently being used by Gurnee. He stated that Gurnee agreed to front the first year’s full cost (approximately \$9,000) in their E911 Fund as Zion will no longer have an E911 fund. Chief Lewis stated that the City uses an average of 12,000 minutes annually. He stated that, if the City is paying for it, then the City needs to use it. He stated that as little as it is used, residents probably wouldn’t notice if it was discontinued. He stated that the City could use social media (Facebook and Twitter) to communicate with residents.

Director Knabel stated that further budget cuts will have a definite impact on services and will have a ripple effect. He stated that the department heads agree that the Council should decide upon which services priority should be placed and where they are willing to “take the heat” from residents. He stated that department heads agree that it must be a policy decision by the City Council.

Director Colangelo stated that the Public Works budget, as well as personnel, are below “bare bones”. He asked if the deficit the department heads were asked to reduce is \$616,000 or \$114,000 or somewhere in the middle. He asked if another funding source will be used to shore it up, and if so, that must be identified. He stated that the department heads need direction from the Council.

Director Knabel stated that, if the attorney’s determine that the road project cannot be funded through TIF funds due to the ambiguity of the tax act, then the TIF funds will be distributed and the City would receive \$400,000 in revenue. He stated that the schools want the \$2 million distribution payout. They do not want the funds to be used for the road project so they asked for a legal opinion on use of the TIF funds. Commissioners McDowell and Frierson stated that it would be better to use the TIF funds for capital improvements rather than to receive a disbursement.

Director Knabel stated that the Water Fund has been used as an alternative funding source in the past, but he does not recommend it.

Commissioner McDowell asked if the goal is to reduce the budget by \$616,000 (and retain the beginning balance) or by \$114,000.

Chief Lewis stated that the City could bill the insurance company a fee set for each apparatus and personnel for every accident or fire. He stated that it would not be taxing residents but billing the insurance company. He stated that many cities do it, including the Village of Beach Park. He stated that it could provide between \$20,000 and \$75,000 in new revenue depending on the call volume. He stated that the City's current ambulance billing service could also provide this service. Chief Lewis stated that he and Director Knabel would meet with the billing company to see how it works. Mayor Hill asked Chief Lewis to compile a list of non-home rule municipalities who do it and see if there are any repercussions.

Mayor Hill asked what the Fire/Rescue Department could do to reduce the number of ambulance "frequent flyers". Chief Lewis stated that Wheeling has an ordinance whereby, after the third call, a graduating fee schedule for additional calls is used. He stated that, most likely, the City would not collect on such billings as those calling for assistance do not have the resources to pay the bill.

Mayor Hill stated that each percentage of wage increase for union employees equals \$90,000. He stated that wage increases are not reflected in the proposed budget.

Mayor Hill stated that \$250,000 could be taken from the beginning fund balance for budget use. He stated that \$200,000 could be borrowed from the Water Fund. He stated that the following could be deleted to help reduce the remaining \$150,000 in deficit:

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| - Community of Character | \$6,500 |
| - Mosquito spraying | \$7,500 |
| - Liquor Commissioner stipend (Mayor's) | \$1,400 |
| - ESDA Assistant Director stipend | \$2,000 |

Chief Lewis stated that the ESDA Director and Assistant Director stipends total \$10,000. Commissioner McDowell recommended that Chief Lewis ask Director Brandon Busch to talk to the Assistant Director and advise him that his stipend will be a recommended budget cut.

Mayor Hill stated that follow-up is needed on the following:

- Extension of the term of the Walmart sales tax rebate incentive
- Cost recovery for ambulance billing
- ESDA stipends

Mayor Hill asked the department heads to review their department rosters to determine if, in their opinion, any long time employees might consider accepting an early retirement package. He stated that the City Attorney has advised that early retirement incentives can be offered to some and not others.

Commissioner McDowell asked if the Public Service part time position and overtime could be reduced. Director Colangelo stated that overtime totals \$15,000 and is very beneficial to the City. He stated that the program being open six days a week causes the overtime. He stated that many people need to do their public service hours on weekends and that some duties can only be performed on Saturday.

Commissioner McDowell asked if legal counsel attendance is necessary at all City Council meetings. He stated that perhaps attendance once a month would be sufficient, and if there was an issue on the agenda that required legal attention, then the attorney could be advised to attend. Mayor Hill and Director Knabel will further discuss legal service expenses.

Director Knabel stated that, if he is successful with the Walmart tax extension request and the Fire/Rescue cost recovery billing earned \$50,000 in new revenue, the budget would be \$10,000 on the positive side. He stated that if the TIF road project moves forward, there could be a \$150,000 disbursement to the City. He stated that \$5,900 for CODE RED was erroneously included in budget line item "Public Education" and will be removed.

Director Ianson stated that the expense for the mowing program can be reduced from \$26,000 to \$20,000.

Mayor Hill stated that if a funding source is found prior to budget approval, he would prefer that \$200,000 not be borrowed from the Water Fund.

Director Colangelo stated that perhaps the City should reconsider charging for parking at the Metra station. Director Knabel stated that he would review the past analysis. It was agreed that this matter needs more research and it was noted that major lot repairs would be necessary.

A budget workshop was scheduled for Tuesday, April 25, 2017 at 5:00 p.m.

ADJOURN

There being no further business to come before the Council at this time, it was moved by Commissioner McDowell, seconded by Commissioner DeTienne and unanimously approved the workshop meeting be adjourned at 6:59 p.m. Motion carried.

City Clerk

Approved May 2, 2017