

MINUTES OF A BUDGET WORKSHOP OF THE ZION CITY COUNCIL HELD ON TUESDAY, APRIL 25, 2017, AT 5:00 P.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, 2828 SHERIDAN ROAD, ZION, ILLINOIS

.....

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 the third revised version of the General Fund budget. He stated that the reductions from the April 12, 2017 budget workshop were incorporated into the revised budget:

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

Director Knabel stated that \$200,000 would be borrowed from the Water Fund. He stated that this deficit would be paid down using reserves in the amount of \$250,000, leaving a budget deficit of \$125,000. He stated that the request for a 50% reduction and extension of the term from Walmart would cover the \$125,000 deficit, however, he has not received a response from Walmart. He stated that this revised budget includes no raises except for step increases. He stated that every 1% in raises citywide would equal \$90,000.

Commissioner McDowell stated that implementation of a cost recovery billing for Fire/Rescue services would be a source of new revenue. He stated that the Illinois Billing Regulations 65 ILCS 5/11-6 for Municipal Fire Departments does not allow full billing from non-home rule communities. He stated that the Code restricts the amount that can be billed. He stated that this revenue source should be investigated and it should be determined if State representatives can remove the restriction for non-home rule municipalities through legislation. Commissioner McDowell stated that the City could pass an ordinance to allow for the billing. He stated that the City could recover one half of \$87,000 if legislation was passed which would take at least six months. Commissioner McDowell stated that the City Council should consider passing an ordinance in order for the City to be prepared if the legislation is passed. He stated that he provided a sample ordinance to Chief Lewis and Director Knabel. He stated that the rates are set by State Statute at a minimal level. He stated that the City needs to consult with the attorneys as to when they could start the billing process. Commissioner McDowell stated that other communities are doing it. Chief Lewis stated that the Act is open to interpretation. He stated that the legal language states that an individual cannot be billed, however, there is no mention of billing insurance companies. He stated that it would probably take three years to receive full reimbursement. It was the consensus of the Council that the Council should seek legal counsel on the matter and that an ordinance should be passed.

Mayor Hill stated that currently the City has collected \$117,000 in gaming tax revenue. He stated that the proposed budget only reflects \$105,000 with a month remaining in the fiscal year. He stated that it is safe to increase the revenue to \$125,000 which would reduce the deficit by \$20,000. He stated that the former Starlite Restaurant will also open with gaming over the course of the next fiscal year.

Commissioner McDowell asked if Mayor Hill had discussed a fee reduction with legal counsel. Mayor Hill stated that he has not. Commissioner McDowell stated that he believes it is not necessary for an attorney to attend every City Council meeting which would reduce costs. Director Knabel stated that this could result in a \$10,000 reduction in annual legal fees.

Commissioner McDowell recommended decreasing the ESDA director and co-director salaries line item to \$7,000 from \$10,000 with a stipend of \$5,000 for the director and \$2,000 for the co-director. He recommended reducing the ESDA telephone expense (\$5,000) by \$4,000 and having members use their personal cell phones. He recommended reducing the uniforms line item (\$2,500) by \$1,500. Chief Lewis stated that the telephone budget

includes the T1 line, phones and computers. He also noted that the ESDA building is a city building with a fire alarm.

Commissioner McKinney arrived at 5:27 p.m.

Commissioner McDowell recommended informing ESDA that they must cut \$4,000 from their budget and then let them determine what adjustments to make.

Commissioner McDowell recommended reducing the animal warden overtime budget.

Commissioner McDowell recommended reducing the Public Service part time supervisor and looking at the \$15,000 in Public Service overtime. Director Colangelo stated that, using both Public Service vehicles, they can accept 14 workers per day, and with only one vehicle, they could accept 8 workers. He stated that perhaps the Park District would agree to take more workers. Commissioner McDowell asked if the Park District could help out by cutting grass on City property. Mayor Hill stated that the Park District would not agree to do so. Commissioner McDowell asked if the Zion Township Youth Program could cut grass. Mayor Hill stated that the youth program participants are not allowed to use motorized equipment. Commissioner McDowell asked if volunteers could be used to cut grass. Director Colangelo stated that using volunteers would come with great liability. Commissioner McDowell asked if there were any Public Works personnel who could help supervise Public Service workers in critical times. Director Colangelo stated that he could assign someone to a crew during critical times. Commissioner McDowell stated that several area churches have youth groups who work on projects for communities. Director Colangelo stated that 95% of the work performed is maintenance and that there are few special projects. It was the consensus that the Public Service part time position be eliminated (\$21,900), the Public Service overtime budget remain as presented, and a Public Works employee would help out when needed in Public Service.

Commissioner McDowell asked if the mowing budget could be reduced. Director Ianson stated that the mowing budget was already reduced from \$26,000 to \$20,000 during the April 12, 2017 budget workshop. He stated that he was able to reduce the mowing budget because Public Service was going to assist with cutting city-owned properties and now the Public Service part time supervisor position has been eliminated. Director Colangelo stated that the former ballfield property, the former Touhy Lumber and Dunes Theater properties, and the parcel behind the former Dunes Theater are very large properties and take two days to cut. Mayor Hill stated that he would approach the Park District to determine if they could use their large equipment to cut these large properties in order to free up Public Service mowing time, perhaps in exchange for them being able to use the ballfield property.

Director Knabel stated that a \$79,000 budget deficit remains.

Commissioner McDowell stated that the only other big area of the budget is personnel. Mayor Hill stated that perhaps the City should start sending the unions layoff letters.

Commissioner McDowell asked if CODE RED could be cut. Chief Lewis stated that the annual contract is for \$12,500 but only \$6,250 is in the budget. Mayor Hill stated that the CODE RED expense should be cut from the budget.

Commissioner McDowell stated that the City will not be able to balance the budget without looking at personnel.

Mayor Hill stated that a Closed Session would be added to the next regular City Council meeting agenda for the discussion of personnel.

Commissioner McDowell asked for the total of all departments' training budgets combined. Chief Lewis stated that he could cut some in the Fire/Rescue Department's \$7,000 budget but not all.

Director Knabel stated that the Department Heads will take direction from the Council and cut their budgets based on the areas in which the City Council is willing to defend themselves against the impact of budget cuts.

Commissioner McDowell stated that the Council has said that the Police and Building Departments are the two main priorities. He stated that residents want lower taxes and are concerned about personal safety. Mayor Hill stated that crime and housing are the Council's top priorities this year. He stated that when the Calpine money becomes available in the next fiscal year budget, 80% of it will be used for streets, and at that time, Public Works will become the top priority.

Commissioner McDowell stated that putting money into economic development is the ultimate solution. Commissioner Frierson stated that current staff is not properly trained to spearhead economic development, and that should be addressed if economic development is expected to bring the City out of financial crisis. Director Colangelo stated that residents should be educated regarding the value of their tax dollars so they realize how the tax dollars are spent in order to help eliminate resident complaints. He stated that this could help alleviate the angst employees feel when dealing with residents.

Commissioner McDowell left the meeting at 6:28 p.m.

Mayor Hill asked Commissioner Frierson if he was suggesting that the City hire an economic development director. Commissioner Frierson stated that the need for an economic development director is greater than the need for a personnel director. Director Knabel stated that a two-year certification program is available and that the current economic development coordinator is willing to invest time and personal funds for lodging, etc.

ADJOURN

There being no further business to come before the Council at this time, it was moved by Commissioner DeTienne, seconded by Commissioner Frierson and unanimously approved the workshop meeting be adjourned at 6:30 p.m. Motion carried.

City Clerk

Approved May 16, 2017