

MINUTES OF A BUDGET WORKSHOP OF THE ZION CITY COUNCIL HELD ON MONDAY, FEBRUARY 27, 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 Frierson, McDowell and Mayor Hill. Commissioners DeTienne and McKinney were absent. A quorum was present.

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

BUDGET/FISCAL YEAR 2017/2018

Director Knabel stated that he met with all department heads for a line by line review of each department's budget. They reviewed projected actual and historical data and began building departmental budgets. He stated that he plans to have a very preliminary General Fund budget ready for the March 7, 2017 budget meeting.

Capital Replacements

Director Knabel presented a list of Fiscal Year 2017/2018 Proposed Capital Replacements. He stated that department heads prepared a 5-year replacement plan. He stated that the City must catch up due to past years' inability to afford capital purchases. He stated that the first payments on new purchases would be due in 2018/2019. He stated that the capital equipment additions financing total is \$1,899,113. He stated that financing these purchased items would increase the budget by \$99,396 in the next fiscal year (2018/2019).

Commissioner McDowell asked if Fire/Rescue equipment (engine) could be shared with the Village of Beach Park as the result of the consolidation. Chief Lewis stated that that would be a possibility in the future. Chief Lewis stated that it takes 10 months to build an engine so the purchase may not have to be made until 2018.

Commissioner McDowell asked if State funding is available for the purchase of body cameras for the Police Department. Chief Dumyahn stated that State funding is currently unavailable but may be in the future. He stated that it may become a public relations issue if Zion does not purchase body cameras as surrounding municipalities have purchased them. Chief Dumyahn stated that he doubted that the State would reimburse communities who already made the purchase if funding does become available. He stated that the purchase of body cameras would necessitate hiring a full time Community Service Officer to support the cameras. This position would require \$48,000 in salary plus benefits which is not included in the \$269,822 capital replacements line item. Storage costs will also apply with the average for Cloud storage being \$15,000 to \$20,000 per year. Chief Dumyahn stated that the cost per officer would be \$99 and includes the camera, storage, etc. He stated that 38 cameras would be purchased and the proposed package would include 33 tasers with warranties. He stated it would cost approximately \$45,000 per year to manage with the first year being a little more for one-time equipment and software purchases. He stated that the majority of the annual cost is for storage. Chief Dumyahn stated that \$269,822 is the total to be financed and is a 5-year total excluding personnel costs. Mayor Hill asked Chief Dumyahn if he would rather have 10 squad cars or 4 squad cars and body cameras. Chief Dumyahn stated that he would rather have 10 squad cars. He stated that he would like to see if State funding becomes available but the State currently does not even have a plan. Commissioner Frierson stated that he could not calculate the body camera expenses so that they equaled the capital replacements amount. Commissioner McDowell stated that the first year cost was \$62,217 and the four subsequent years' cost was \$51,120. There was further discussion and some confusion regarding the body camera costs. Director Knabel stated that the body cameras may be an inappropriate capital replacement item. He stated that the City would not be able to finance service agreements and maintenance contracts. He stated this this expenditure may need to be a General Fund budget item. It was the consensus that body cameras would be removed from the proposed capital replacements list.

Mayor Hill stated that the Building Department's 3 inspector vehicles costs should be funded from General Fund revenue from fees. Director Knabel stated that the City is collecting rental inspection fees to pay payments on vehicles.

Chief Lewis stated that a custom engine takes 10 to 12 months to build and a stock engine takes 6 months to build. He stated the average cost for a custom engine is \$570,000 and a stock engine would be between \$400,000 and \$570,000 and would require the installation of some custom items at an additional cost. He stated that these are current industry prices and his "best guess". Director Knabel stated that, if an engine was purchased now, it would eliminate repair costs. Commissioner McDowell asked if there would be any value in waiting to see how the consolidation with Beach Park works out. He stated that perhaps the City could use a new engine as leverage in the consolidation negotiations. Chief Lewis recommended that the City not hold off until the consolidation as he cannot guarantee the back-up engine will survive if the first line engine goes out of service. He stated that he has considered a demo model to which they could add any necessary equipment. Mayor Hill stated that the Fire Department should look at what is necessary to service the community with no extra "bells and whistles".

Director Ianson stated that his vehicle is in poor condition and is on the brink of being taken out of service. He stated that the other two vehicles on the capital replacement list are "hand me downs" from other departments.

Mayor Hill stated that Director Colangelo presented a 5-year capital plan for streets and water. He stated that the Public Works capital replacement items would be discussed when Director Colangelo can be present.

Director Knabel stated that all items will remain on the list except body cameras and the engine (until Chief Lewis gets quotes).

Street and Bridge

Director Knabel stated that the Street and Bridge Fund is a special revenue fund including property taxes and grants only. He stated that revenues are budgeted at \$304,836 and expenses are budgeted at \$266,880.

MFT Fund

Director Knabel stated that total revenues in the MFT Fund are budgeted at \$1,136,009 and expenses are budgeted at \$1,325,997 reflecting a \$190,000 net loss.

Water & Sewer Fund

Director Knabel stated that there is not much change from the 2016/2017 budget. He stated that the cost to purchase water is increasing due to a Lake County Public Water District rate increase. He stated that the water meter inventory is running out and one quarter of the meters in the City still need to be replaced.

Mayor Hill stated that the Service Charge line item (4000102160) increased from \$84,500 to \$125,000 to cover a portion of the Finance Director, City Clerk and Deputy City Clerk salaries which is allocated back to the General Fund for shared salary costs.

Director Knabel stated he is not anticipating a transfer from the Water & Sewer Fund to the General Fund this year. He stated that \$350,000 was transferred last year. Mayor Hill recommended avoiding a transfer if at all possible.

Director Knabel stated that worker compensation insurance went up but the rate for the Public Works share decreased (\$103,000 to \$61,530) and Police and Fire/Rescue increased. He stated that rates have gone back up due to two long term employee absences.

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 6:28 p.m. Motion carried.

City Clerk

Approved March 7, 2017