

MINUTES OF A SPECIAL MEETING/BUDGET WORKSHOP OF THE ZION CITY COUNCIL HELD ON TUESDAY, NOVEMBER 13, 2018, AT 1:30 P.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, 2828 SHERIDAN ROAD, ZION, ILLINOIS

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Mayor Hill called the special meeting/workshop meeting to order.

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

Also present: Police Chief Steve Dumyahn, Fire/Rescue Chief John Lewis, Public Works Director Ray Roberts, City Administrator David Knabel, Building & Zoning Director Richard Ianson.

CITIZEN COMMENTS

Kathy Champine, Zion thanked the Council for their hard work on home rule. She stated creating an Animal Control Commission was a great idea. She asked if the policies were currently in place. Commissioner McDowell stated the policies were drafted but the Animal Control Commission will be reviewing them at their next meeting. Ms. Champine asked that they be placed on website once they are approved with an easy access link for residents. She stated the fires in California have got her thinking about local policies. She asked if the City had a policy in place if a fire breaks out near the nuclear caskets. Chief Lewis stated they do not have a specific policy in place for the nuclear plant but they do have a policy for fighting brush fires and wild fires. Ms. Champine stated a policy for the nuclear plant may be worth considering.

MAY 1, 2019 –APRIL 30, 2020 BUDGET DEFICIT

Mayor Hill stated the budget deficit for the 2019/2020 budget year is \$1,662,174. He stated the City is covered for the current budget year. He expects to have a beginning fund balance at the end of this year of \$400,000 of which is already included in the \$1,662,174 figure. If they did not have this \$400,000 carryover, the deficit would be somewhere in the neighborhood of \$2 million. He stated they will balance the budget. He stated it will be difficult for everyone. They will approach it by doing what has the least amount of impact on the citizens of Zion. He stated often times when communities are trying to reduce their deficit they try and scare citizens and go after things that are important to the community. He has not yet discussed his proposal with the Commissioners. Each Commissioner is responsible for certain areas in the City and he is asking them to take their department hats off and consider what is best for the City as a whole, not just their areas. They must do what is best for the overall good of the City. He stated he wants it understood that the decisions will be City Council decisions. The Commissioners must remember when cuts are made and citizens complain about the cuts they must support their Department Head. They cannot go back to their Department Heads and ask them to provide the services. The Council must live with their decisions to cut services as they happen. Although many of the recommendations for cuts have come from the Department Heads they must not allow the Department Heads to be attacked. He stated in the past the Council has made crime and housing the priorities. He would like to have discussions if they intend to change the priorities. He stated he will be presenting his proposals to address the deficit to the Council. The discussion will be between the Department Heads and the City Council. There will not be a question and answer session from the floor. This may come at another time. He stated there are some things that he does not want to do in public.

Mayor Hill stated there are a number of people in high level positions making a significant amount of money. He stated they will be speaking with higher end salaried employees that are eligible for retirement and see if perhaps some incentives can be provided to retire. Some positions will be eliminated and some will be filled. They will be sending layoff letters to all unions. They may be approaching the unions to discuss the preference for each union on 5% furloughs on all employees. That would mean employees would not work every other Friday. Commissioner McDowell asked that it be clear that the proposals are that of the Mayor and not the Council. The 5% furloughs would be an alternative to the layoffs. Another alternative is to increase insurance compensation based on a proportionate share of total salaries. The health insurance contribution would total \$364,290. It would be structured so that everyone is affected equally based on their pay. Commissioner McDowell stated although layoff letters are being sent, other items proposed may happen and can prevent layoffs. Mayor Hill stated they are asking for \$364,290 from employees. Each union would have their choice on how to come up with the amount. Administrator Knabel stated per union contracts, the only way to re-open negotiations is to send layoff letters and have the union request to sit down with the City and re-open the contract for negotiations to talk about the other items. Mayor Hill

stated some of the proposals may be adopted and some may not be. He shared the following proposals with the Council.

PROPOSED CUT	AMOUNT SAVED
Negotiate to 6 minimum manning in Fire	100,000
Close Station #2	20,000
CSO Not Replaced	75,765
Officer Not Replaced	91,116
Unnamed Officer Budgeted (Not Filled)	91,116
Reduce OT for alley plowing	35,000
Clerical FT -> PT Savings	41,036
Commissioner "Donations" (10%)	9,950
Property Tax Maximum Levy (2.1%)	153,108
Balance Bill Ambulance Calls	40,000
10% increase in permits and license charges	69,500
10% increase in fines and tickets	55,000
Eliminate Nostalgia Days, Jubilee Days, etc.	40,000
Remove bulbs from various locations	65,625
Remove ESDA Salaries	10,000
Eliminate chipping program (1200 hours)	-
Eliminate mosquito spraying	4,000
Council Meetings Once a Month (Legal Fees)	7,200

With the additional revenue and expense cuts the amount would be \$2,069,777 with an ending surplus of \$477,303. If all of the changes were implemented, the amount is approximately one week of expenses. He understands it is not good news for employees. All employees do a good job but unfortunately they are at a point where they have patched the budget together for the past five years. He is hoping to discuss putting a sales tax only referendum on the April ballot. If approved there may be some light at the end of the tunnel. He stated there are a couple of things they have been working on which he hopes comes to fruition; a medical marijuana cannabis cultivation center located in the City; potential compensation for the spent fuel rods. He stated citizens did not want home rule because they were afraid of taxes but he proposes putting the sales tax increase back on the referendum as the only tax that can be raised.

Commissioner McDowell asked what part of Nostalgia Days and Jubilee Days would be eliminated. Mayor Hill stated police overtime and staff time would be eliminated. Commissioner McDowell stated if the Chamber decides they want to continue using the police they would have to pay special duty pay. Administrator Knabel stated they could apply for Hotel/Motel tax grant funding like every other special event going on in the City. When the events were private, funds were contributed to pay police overtime. He stated per contract, the Chamber of Commerce receives Hotel/Motel tax contributions from the City in the amount of \$30,000 per year for both events.

Commissioner McKinney stated he believes there was a big disconnect with thought of home rule. Citizens believed the City wanted home rule to raise property taxes. Mayor Hill stated the Realtors Association came out with non-home rule flyers sent to the residents telling them if home rule passed the property taxes would go up. He stated the City sought home rule for three main reasons; to have more flexibility and power on building and code violations, increase crime free housing by enhancing the Building Department and the Police Departments, and raise sales tax. Sales tax in Zion is currently at 7%, which is sent to the State, the State then returns 1% back to the City for about \$2.4 million a year. If they increased the sales tax and additional 1% it would not apply to food, pharmacy or larger purchases. This could bring in approximately and additional \$1.7 million. The intent was to spread the burden to individuals from surrounding communities and people traveling through the City. Sales tax in surrounding communities average between 8 and 8.5%, Mayor Hill stated although sales tax in Wisconsin is 5.5% and property taxes are lower the income tax is higher.

Commissioner McDowell stated decisions cannot be made on the proposals until there are discussions with Department Heads and Unions. Mayor Hill stated he understands there will have to be more meetings but he is looking for a commitment from the Council in order to consider the items. They have not come to any final decisions on what will be done. He stated some Department Heads will be approached and asked to retire and if they choose not to, they will need to go back to the original deficit amount of \$797,071. Commissioner McDowell stated they cannot make those kinds of decisions unilaterally they must meet with the Department Heads. Mayor Hill stated understands the issues are sensitive and they deal with people's lives. He does not want to talk about something in public that they are not committed to doing as it is unfair to the employees. He feels they should discuss it quietly between themselves and see if it would be a possibility or not.

Commissioner McDowell stated most of the questions he has left are within the departments. He asked how they arrived at the savings to close Station 2. Administrator Knabel stated they are costs associated with the utilities, operations, maintenance and overall costs of the building. Commissioner McDowell stated he is not sure it is something he wants to do as they are in the middle of consolidation talks with Beach Park Fire Protection District. Mayor Hill agreed many of the proposals do involve meeting with the Department Heads. He stated he would like go through each item and vote on them to see which of them can be implemented immediately.

Commissioner Fischer stated overtime will be reduced for plowing. Main streets will be plowed first during regular business hours if they do not get to the alleys within that time they will come back first thing the next morning and finish them. He stated it may depend on the weather to see how much this will impact the residents. It is a low impact way to save some money. Commissioner McDowell stated he does not know if he can give an answer to the items as there are many variables involved. If they don't get agreements on the furlough days or insurance then they may have to resort to some of the cuts. Mayor Hill stated they will still have to follow the cuts or will have to find money elsewhere. Commissioner McDowell asked why there is no dollar amount associated with the chipping program. Commissioner Fischer stated the five weeks in the spring and the five weeks in the fall would allocate the man hours to patching pot holes on streets and alleys. He stated the program is an additional service that is provided to the residents. Residents can still use the landscaping bags for leaves and Advanced Disposal will pick them up. Commissioner McDowell stated it should be clarified that the alleys will be plowed during a regular business day but the overtime will not be used to plow them after hours. The consensus is yes for this item.

Administrator Knabel stated they would be filling the open position in the Accounts and Finance Department with two part-time employees. They will not have to pay insurance and will be hired at a lower hourly rate but still be able provide the same level of service. The consensus is yes for this item.

Commissioner/Mayor donations of 10%. The consensus is yes for this item.

Mayor Hill asked if the Council is committed to increase the property tax levy 2.1% which is the estimated increase in the CPI. Commissioner McDowell asked if it would affect the property tax rate. Administrator Knabel stated it would depend on how much property values go up but would probably have an impact. Any time a taxing body asks for more in their levy taxes will increase. Larry Wicketts, Township Assessor stated 2019 is a re- assessment year and all properties will be re-evaluated. He anticipates the overall assessed values will be going up about 8%. Commissioner McDowell stated he is not going to commit to this. This item is a maybe.

Commissioner McDowell stated balanced billing for ambulance was brought up at a prior meeting and the Council voted against it. Commissioner Fischer stated circumstances have changed and believes the Council should consider it. Commissioner McDowell asked if a resident is unable to pay what would they do. Administrator Knabel stated it would be sent to collections. Chief Lewis stated the resident balance billing for ambulance calls would be no different than non-residents. The bill will go through insurance first, once the insurance has paid their portion, the remaining balance will be the responsibility of the resident. If a resident is unable to pay the bill they may get an attorney to try and get the bill written off. He stated it has been up to him to decide if bills get written off or not. He does not want to get into the practice of writing them off. He stated residents voted no to home rule and the City must find revenue in other ways. It is a customer based fee. Not everyone will get charged. Commissioner McKinney asked if this will address those who call for an ambulance when it is not needed. Chief Lewis stated that particular program was implemented in August and they just recently sent out the first bill. He stated he does not know what the City will do when the residents refuse to pay the bill. He wondered if it may end up going to adjudication. This consensus on this item is a maybe

A 10% increase in permits and license fees would include all permits and fees including vehicle stickers. The consensus on this item is yes. (Commissioner McDowell, maybe)

A 10% increase in fines and tickets. The consensus on this item is yes.

Eliminate Nostalgia Days and Jubilee Days. This does not include elimination of the events but elimination of overtime for police and staff. The consensus on this item is yes.

Removing bulbs from various locations within the City. The consensus for this item is yes.

Eliminate the chipping program. The consensus for this item is yes.

Eliminate mosquito spraying. The consensus for this item is yes.

Legal fees for City Council meetings to reduce to one time a month. Mayor Hill suggested possibly having the attorney on an “on call” basis. The consensus for this item is yes.

Mayor Hill stated for the rest of the items they will be approaching the Department Heads to see who is eligible for early retirement. He suggested doing this within the next two weeks.

SALES TAX REFERENDUM

Mayor Hill asked the Council if they wished to propose the question to voters to raise the sales tax. Commissioner McDowell stated he does not mind putting the question to the voters. He stated the referendum does not affect the items proposed as it is too far in the future and could likely be voted down. Commissioner Fischer stated they will still have to make cuts regardless but feels it does not hurt to ask the public.

Mayor Hill stated he is perturbed that six months before the election people come out of the woodwork twisting things and saying things that are untrue. He stated the Council is not voting to raise taxes, they are voting- to ask the citizens if they are willing to fund City services by the way of raising sales tax.

Commissioner McKinney stated the Council is putting the question out to the citizens to vote on an increase in sales tax. They must put out correct information; that it will help to improve services and the City itself. Citizens must understand the City is behind when it comes to the percent of sales tax. Not only would it help maintain services but would help with the entire budget.

It was moved by Commissioner McKinney, seconded by Commissioner Fischer to place a referendum question on ballot asking citizens for a sales tax increase. The vote on roll call was: Commissioners McKinney, aye; DeTienne, aye; Fischer, aye; McDowell, aye; and Mayor Hill, aye. Motion carried.

Mayor Hill invited people to feel free to ask the Mayor or Commissioners any questions. They will be happy to take the time to speak with anyone who has questions or wants to discuss issues.

ADJOURN

There being no further business to come before the Council at this time, it was moved by Commissioner McDowell, seconded by Commissioner Fischer and unanimously approved the meeting be adjourned at 2:40 p.m. Motion carried.

City Clerk