

MINUTES OF A SPECIAL MEETING/BUDGET WORKSHOP OF THE ZION CITY COUNCIL HELD ON THURSDAY, JUNE 29, 2021, AT 4:00 P.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, 2828 SHERIDAN ROAD, ZION, ILLINOIS

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Mayor McKinney called the Special meeting to order.

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

Also present: Police Chief Eric Barden, Fire/Rescue Chief Justin Stried, Public Works Director Ray Roberts, City Administrator David Knabel, Building & Zoning Director Richard Ianson.

Kathy Champine led in the Pledge of Allegiance to the Flag.

Mayor McKinney asked for a moment of silence for the tragedy in the Florida building collapse.

AGENDA CHANGES

It was moved by Commissioner Holmes, seconded by Commissioner Fischer to approve the Agenda as presented.

The vote on roll call was: Commissioners Fischer, aye; Frierson, aye; Holmes, aye and Mayor McKinney, aye. Motion carried.

CITIZEN COMMENTS

There were no Citizen Comments

BUDGET/FISCAL YEAR 2021/2022

Administrator Knabel presented the General Fund budget along with other self-contained budgets. The Street and Bridge Fund, Motor Fuel Tax and Hotel/Motel budgets were approved at prior meetings. He previously sent the General Fund draft to all Commissioners by email for review. Tonight's meeting is for review and discussion only and no action will be taken. He stated there have been a few minor changes to the General Fund from the original budget. The original budget showed \$200,000 of net income. Although the City will be receiving \$1.5 million in ARPA funds, those funds will be used to pay back the money borrowed from TIF #3. That will leave the City with a \$1.2 million deficit. He has included the borrowing in the revised budget to accurately show the full picture of the City's financial state. The City will be left with \$418,000 to use for operations. If the pensions go up \$600,000 next year, they will not be able to cover it.

REVENUES

General Property Tax – Decrease of \$698,000 to the levy offset by pension increases

General Property Tax – Pension - Increase of \$678,353 due to the increase in the pension fund levy.

Sales Tax – An increase of \$685,000 due to online use tax and higher actuals than budgeted.

Utility Tax – Continue to decrease, primarily telecom and well as gas.

State Income Tax – Increase of \$417,236, the prediction is a 2% decrease

Replacement Tax - Adjusting down 10% for anticipated COVID impact

Gaming Tax – Increase of \$336,000. The City is receiving between \$28,000 and \$32,000 a month due to COVID effect removed.

Ambulance Fees – General Billings are down but GEMT payments are coming in strong.

Rental Inspection Fees – Program has been on hold due to COVID and staffing. They are in the process of scheduling them again.

Mayor McKinney asked about item #19 City Stickers. There is a decrease of \$45,000 due to the reduction of individuals purchasing stickers. He asked how they can get more residents to purchase stickers. Administrator Knabel stated they will be working with Chief Barden on enforcement. He stated they have been seeing a trend of residents not purchasing stickers. Mayor McKinney stated he has met with the Lake County Housing Authority. They are working on trying to find a way for residents to purchase a City sticker when moving in to rental properties. He asked if they can be tied into the State database to see which vehicles are registered in Zion. Chief Barden stated this would not comply with Leads standards and would not be able to be used for this purpose.

Commissioner Frierson questioned the Veolia Host Fees, he asked if this included the siting and would it be a trend that will go down steadily. Administrator Knabel stated he does not have an answer from GFI (new company name). They were doing construction on the new cell and were not taking in as much waste. Once the expansion is approved they are hoping to see a trend upwards.

Insurance Medical/Dental/Life – The employee concession contribution to the insurance that has been in place for two years will expire.

Grants - Public Safety Use – There will be an increase due to a IPRF Safety Grant for the use of safety equipment and \$6,000 supplemental Safety Grant from the new insurance carrier.

TRANSFERS

Other Financing Sources – This is the proceeds from the Tax Anticipation Warrants necessary to cover the deficit.

Commissioner Fischer asked what line 51 (reimbursement for Street Maintenance) pertained to. Administrator Knabel stated it was reimbursement from the State for services for Sheridan Road and Route 173. Commissioner Fischer noted that the amount seemed low. Administrator Knabel stated they have tried to negotiate this to no avail. He stated it needs to happen at an elected official level to negotiate the amount.

EXPENSES

Administrator Knabel stated there are no major changes in expenses. He stated the legal fees are now better tracked by department. Commissioner Holmes questioned Memberships, line 86, Great Lakes Waterway. Administrator Knabel stated this gives the City access to grants and resources. Mayor McKinney stated he is on the Great Lakes Waterway Board and is trying to get more money and information to communities. They have talked about the danger on the lakefront with the spent fuel rods. Their initiative is clean water and getting rid of the lead in the pipes.

Zion Walmart Pledged Sales Tax – The incentive agreement with Walmart was a ten-year agreement due to underpayment in prior years at a cost of \$800,000. The amount is down to \$65,000 which will expire next year and drop off completely.

Accounts & Finance – A Senior Account Tech retired which is a \$14,000 savings in the salary differential. There has been a reduction in Audit Fees due to a single audit for this period. There is an increase in computer software due to new automated and updated payroll system to make the City more current. Commissioner Frierson asked if there will be a licensing fee for payroll. Administrator Knabel stated there will be a one-time cost for implementation and consulting from Computer Help Key.

Police Department – The department has a reduction in salaries with new officers pay differential and operating with one less officer. Although overtime has been adjusted up it is still down from previous years. Chief Barden is implanting changes and they will be tracking OT monthly to see where it is being generated. The minimum pension contribution has increased by \$513,598. The minimum contribution will continue to grow as they are not paying enough into the fund. The hope is that there will be some kind of pension reform by re-amortizing the due date making the monthly payments more manageable. Police and Fire pensions are adding another \$1 million to the budget. There has been an error in budgeting for the dental insurance. The City is self-insured for dental and they have not included it in the budget in the past. Health care insurance was flat. Usually they see a 13% increase in health insurance. Commissioner Frierson asked if they have looked into EAP programs. Administrator Knabel stated he has had a few ideas for a program. He would like to partner with the insurance company or other possible agencies with the possibility of creating a full or part-time therapist group. There has been a 20% spike in fuel prices. They are looking into a camera system for the interview rooms. The Police budget has an increase of \$626,000 mostly due to pension.

Public Works – No real changes. The Public Works budget is up by \$24,758 from the prior year. There has been an increase in Work Comp premiums as the history of the long terms claims are reflected in the rates which causes them to increase. There has also been an increase in Local 150 union insurance premiums. Commissioner Frierson asked why they are not part of the City's insurance. Administrator Knabel stated it is a union requirement and they have no say in the matter. There has also been an increase in repairs and maintenance of equipment.

Public Service Program – They are looking to put a part-time coordinator in place. It was not necessary to fill the position last year due to COVID and the closure of the program for most of the year.

Commissioner Frierson asked if the part-time coordinator will cover the weekend. Administrator Knabel stated the part-time coordinator will assist with the public service workers. If the City cannot manage the amount of people sent to do public service the County will re-consider Zion being part of the program. Commissioner Frierson asked if an analysis has ever been done on how much the City actually saves on labor. Administrator Knabel stated they have and it is an incredible savings.

Building Department – There is a decrease in the Building Department budget by \$79,978. This is due to an Inspector position that was not replaced and a reduction in legal fees.

Public Property – The total budget has increased by \$6,000 due to various IT expenses and Office licensing installs. This is due to a server exchange upgrade and copier and deferred maintenance.

Fire Department – There has been a reduction of \$263,000 in salaries due to the department being down three full-time positions. But overtime has increased by \$160,000. They are hoping to fill the positions in August. They have also approved a contract with Metro Paramedics for additional personnel due to the reduction of POPs. Fire pension minimum contributions have increased by 164,754. Work Comp premiums are down by \$84,126 although there has been an increase in dental and brokerage fees not shown in prior years.

ESDA – No major changes.

The issuance of the Tax Anticipation warrants will be revenue and expense in the same year. The warrants will be paid back in the next fiscal year. The bond payment for the ballfield will be shifted to TIF. There will be \$300,000 transferred to cover lease payments and general capital projects. Instead of \$2 million deficit it will be at \$514,979. Commissioner Frierson noted that even with the ARPA funds the deficit will still be \$1.7 million.

OTHER FUNDS

E-911 – Starcom Radios were a big expense. They are leased but will be partially reimbursed through JETSB.

W & S – The purchase of water from the Lake County Public Water District (LCPWD) has increased by 2%. This City has no choice but to pay the increase. Last year \$60,000 was budgeted for a sewer camera but was never purchased. It will be purchased this year but has been moved to the capital equipment budget. There has been an increase for maintenance and repairs from the LCPWD. These are pass-through costs to the City. Item 741 is a new line item specifically for water main breaks. Actual costs for materials will now be tracked. They are looking at purchasing a new meter system this year. Commissioner Frierson asked if it will be a new system. Director Roberts stated it will be an upgrade to the current system. Capital Outlay has the purchase of four big items. The costs will be split between the Water Fund and the General Fund. There will be a number of Water-Sewer projects this fiscal year. There are also some projects that were not done in last budget year that have carried over to this fiscal year.

Capital Projects – There are a lot of capital needs due to aging equipment.

Waste Collection Fund – The City did not increase rates for ten years and now are back to the deficit costs exceeding the revenue. They may have to look at increasing rates in the future.

Administrator Knabel stated the budget will be approved at the July 6th City Council Meeting. The Public Hearing for the Appropriation Ordinance will be on July 20th.

CLOSED SESSION

It was moved by Commissioner Frierson, seconded by Commissioner Fischer that the Council recess to Closed Session at 5:35 p.m., pursuant to 5 ILCS 120/2 “Open Meetings”, for the discussion of filed, pending and/or imminent litigation, collective bargaining, sale of real estate and/or personnel. The vote on roll call was: Commissioners Fischer, aye; Frierson, aye; Holmes, aye; and Mayor McKinney, aye. Motion carried.

It was moved by Commissioner Frierson, seconded by Commissioner Fischer to reconvene the Regular Council meeting at 5:41 p.m. with all members present. The vote on roll call was: Commissioners Fischer, aye; Holmes, aye; Frierson, aye; McDowell, aye; and Mayor McKinney, aye. Motion carried.

ADJOURN

There being no further business to come before the Council at this time, it was moved by Commissioner Holmes seconded by Commissioner Frierson and unanimously approved the meeting be adjourned at 5:46 p.m. Motion carried.

City Clerk