

MINUTES OF THE WORK SESSION
CITY COUNCIL OF CREST HILL
WILL COUNTY, ILLINOIS
March 24, 2025

The March 24, 2025, the City Council work session was called to order by Mayor Raymond R. Soliman at 7:00 p.m. in the Council Chambers, 20600 City Center Blvd. Crest Hill, Will County, Illinois.

The following Council members were present: Mayor Raymond Soliman, City Treasurer Glen Conklin, City Clerk Christine Vershay-Hall, Alderman Scott Dyke, Alderwoman Jennifer Methvin, Alderman Darrell Jefferson, Alderwoman Claudia Gazal, Alderperson Tina Oberlin, Alderman Mark Cipiti.

Also Present were: Interim City Administrator Tony Graff, Police Chief Ed Clark, Finance Director Glenn Gehrke, City Engineer Ron Wiedeman, Community & Economic Development Director Patrick Ainsworth, Interim Public Works Director Julius Hansen, Interim Human Resource Manager Dave Strahl, Building Commissioner Don Seeman, City Attorney Mike Santschi.

Absent were: Alderman Nate Albert, Alderman Joe Kubal.

Mayor Soliman commented that he received a message from Alderman Kubal, and Alderman Albert, and they are excused for the meeting.

TOPIC: FY 2025/2026 Draft Budget Presentation

Treasurer Glen Conklin thanked the Finance Director Glenn Gehrke for all his hard work he has done working on the budget. He also commented that he has prepared a quite easy to understand budget presentation and he wanted to mention that it has been a pleasure collaborating with Director Gehrke and he is concise, honest, and accountable. Treasurer Conklin also commented that Director Gehrke informed him that he met with all the department heads, and it was a good experience, and all the department heads pushed projects that they thought were necessary for the city.

Finance Director Glenn Gehrke commented that the budget was a project of the entire staff here in the city and he wanted to thank everyone for helping in making the best possible solution for the city.

Director Gehrke commented that we have a balanced budget for the General Fund/Operations showing \$6,056.21, we are using every max dollar that we can get while trying to be as efficient as possible.

The Enterprise Operating Budget shows a balanced budget of \$2.3 million dollars, but the positive budget will be used for future capital projects that will be needed for the Grand Prairie Water Commission.

He then commented that we have been able to reduce the property tax rate from .5484 to .5190. This shows that we are trying to use alternative revenues opposed to property taxes

to maintain the revenue source to make sure we can provide services to the residents, as the Council wants done.

They reinstated the vehicle and equipment capital replacement program, and the city has funded \$70,000.00 and enterprise has funded that as well with approximately \$325,000.00 this year. They will be purchasing five police vehicles and four of those will be paid by a grant from DCEO and the fifth vehicle will be paid out of the general fund.

The major revenue sources that support the general fund are:

State Income Tax	\$ 3,540,257.00
Sales Tax	\$ 3,141,500.00
Property Taxes	\$ 1,420,950.00
Franchise Tax	\$ 1,295,500.00
Online Sales Tax	\$ 772,085.00
Charges for Services	\$ 524,908.00
Places for Eating Tax	\$ 786,000.00
Video Gaming Tax	\$ 401,200.00
Interest Income	\$ 154,500.00
Other	\$ 725,350.00
Total Revenue sources	\$12,762,249.00

Alderman Gazal asked how much was the Property Tax Rebate? Director Gehrke commented that this year it was approximately \$270,000.00 and currently we have \$134,000.00 still needing to be cashed. Alderman Gazal asked what line item with that come from. Director Gehrke commented that it is funded by the sales tax per ordinance.

General Fund Expenditures

Most of the general fund expenditures are from the Police Department, which is typical of most municipalities.

Officials	\$ 103,328.00
Police	\$ 5,505,336.00
Streets	\$ 1,690,325.00
Facilities Maintenance	\$ 498,049.00
Administration	\$ 2,160,775.00
Clerks	\$ 249,571.00
Treasurers	\$ 341,840.00
Community Development	\$ 1,013,811.00

Total General Fund Expenditures \$12,786,193.00

He then explained the Enterprise Fund stating there is an excess of \$2.3 million dollars. He then explained the graph stating the dark blue side is your revenue and the other half is your expenditure for those funds.

Capital Replacement Program Fund

There was \$325,000.00 put into this fund and \$150,000.00 will be used for enterprise equipment such as a mower deck, lawnmower, and a skid steer for the WSTP.

He then commented that the west water treatment plant is nearing completion and that means the debt service for the IEPA loan that we have will start coming due and those payments have been forecasted into the budget.

Alderson Oberlin asked what the date is for completion of the west water treatment plant and was told October of 2026 and is on schedule.

Police Pension Fund

He stated that we are on schedule to meet, per our ordinance, the actuarial recommending contribution, which comes out each year, which in April of 2024, it was \$1.3 million. We are meeting that plus the \$150,000.00 if we are not 80%. We are not 80%, we are slightly over 73% and this is what we are looking at. You will not see a \$150,000 payment since most was taken out of property taxes and the difference was taken from the general fund to make that total since it is a requirement.

Alderson Oberlin asked why there is such a discrepancy for the Officials in the General Fund from this year to last year? Director Gehrke commented that a lot of transactions have been miscoded, and he has been trying to estimate the budget on what we had in the past. He then commented that he will need to go back and review each one of these. He also commented that he found that there were three months that the IMRF payments exceeded, where there were double entries in the accounting system, but we did not pay twice, and he will need to find those entries and back them out and this error was \$100,000.00 error.

Alderson Oberlin asked if once corrected could the Council be updated regarding the correction. Director Gehrke commented that he would, and this is going to be part of the budget amendment process.

Alderson Oberlin questioned the Police current year to date seeming quite low compared to the actual of the prior year. Director Gehrke commented that this is up through the first payroll in March and there are three more payrolls to do with that and should not go over that \$5.7 million. Alderson Oberlin commented that she is concerned it is too low compared to the last years. Director Gehrke commented that he noticed that, and it was confusing to him since it was not accurate, so he ran the numbers, and he feels the previous year's budgets were overstated and he had no idea where they retrieved their numbers from since they did not go with their current salaries. He then explained how he redid the entire city's payroll system and looked at each line item for each.

Alderman Cipiti asked again if Director Gehrke was comfortable with the \$5.5 million for the Police in this budget since the previous year's actual was \$7.2 million and asked what accounts for that discrepancy. Director Gehrke commented again that he must dig into that, and his focus was to prepare a budget for this year and still figure out what is going on.

Alderman Cipiti then asked to turn to page seven and asked how we are forecasting a 10% jump in sales tax and why the optimism. Director Gehrke commented that they may have misreported on those entries in 2024, but he will be going back and making sure those previous numbers were accurate.

Alderman Cipiti then asked to turn to page ten regarding the historical expenditures by department and asked why it is more than doubled in the line item from 2023 to 2024 and what would be accounted for that? Director Gehrke commented that he would have to investigate what is making up those entries. Treasurer Conklin commented that it was something that the former Finance Director Lisa Banovetz did as far as an allocation of a salary and some sort of accounting that was switched over that he did not like but it was her method. Director Gehrke commented again stating there will be another budget amendment happening in June or July once he figures out all the discrepancies.

Alderman Oberlin asked if the journal entries that are duplicated have been entered by the same person, and she was told it was by two separate people in two separate ways. He then explained how you do a journal entry with the system.

Alderman Gazal asked if it is considered a good budget since things have been done like they have been since the numbers are so off and are you estimating to have a fair budget. Director Gehrke commented that it is a good budget, and he explained that he focused on the most recent current year budget/activity and then looked at the prior years activity and if anything seemed strange, he tried to get the best possible read on that particular department since he is looking at line items within the departments. He then commented that the huge difference he found was in the Police Department salaries.

Treasurer Conklin commented that a budget is a reasonable estimation of what expectations may be based on historical data, and forecasters from trends and sales, opening closing of businesses, stock market, etc.

Interim Administrator Graff commented that Director Gehrke has been working on this budget day, night and weekends and he is getting the factual basis from our auditors, as well. These trends can be backed up through the audit and we are confident that this is a balanced good budget.

Alderman Cipiti commented that he looked at the facility maintenance line in 2023 and 2024 and noticed the difference and wanted to know what the proposed jump is from this year's budget to last years and what is included in facilities maintenance. Director Gehrke commented that most of it was salaries, but he initially had it lower but found out that there are janitorial positions that will be full-time as opposed to part-time which made an increase, and he added in the staffed positions which made another increase. He also included the maintenance of the window replacement in there also.

Director Gehrke also commented that if you look at audits from 2022 and 2023, the contributions for the Police Pension Fund were short what they should have been done according to the ordinance. They should have contributed the actuarial contribution plus the \$150,000.00 and it was made up in the contributions in 2024 once discovered but that is the jump in the Police Pension Fund, and you ended up losing the interest over that which is why you are behind in the percentage. He also stated that once 80% is reached the Board is supposed to revisit this and see if you still want to continue the \$150,000.00 payment and he stated that he would recommend continuing that or at least 120% since there are always injuries or disabilities that hit the Pension Fund which would make it fall below that 100%.

Alderman Cipiti asked why the 20% increase for the IT from the annualized 2025 to the proposed budget for 2025/2026? Director Gehrke commented that he sat with Eric the I.T./AIS Director and again there was a misallocation of where the charges go and he's finding that they are hitting different departments except I.T., and when you come up with the differences, he can come up with what he can assure would be a correct estimation.

Alderman Cipiti commented that it is less costly to the city to have an I.T. Director than a contracted service and wonders if the Council would consider going back to an I.T. Director. Treasurer Conklin commented that they can make a budget amendment if an in-house director is ever hired.

Alderman Cipiti asked if the total revenue numbers are active. Director Gehrke commented that he was using the previous spreadsheet from the former finance director, and he believes the total is overstated in both revenue and expenses since they are capturing transfers between the funds twice, so this will need to be backed out and both numbers (revenue and expenses) will decrease.

Alderman Jefferson asked if the audit caught some of this stuff. Treasurer Conklin commented that former Finance Director Lisa Banovetz had two large dollar amounts going to the Police Pension Fund and assumed we were delinquent, and she did correct that which is why there was a big discrepancy in the Police Pension Fund.

Treasurer Conklin commented that this budget is very concise and to the point and very accurate of what your vision will be going into the new year.

Alderman Jefferson commented that there is a big jump in the fleet vehicle maintenance from the annualized to the 2025/2026 budget year and asked to explain why that is so significant. Director Gehrke commented that they are trying to get caught up on the vehicle replacement program and it is coming from getting the new vehicles.

Treasurer Conklin commented that the Council can always talk to the Finance Director and ask for the budget to be presented in a different way or recommend that you go through the analysis page by page to be clearer and take questions on each page.

Alderman Jefferson asked if there is a possibility that we could find extra money in the current budget and asked if the budget will take a 'hit' if we permanently fill the interim positions? Director Gehrke commented that the salaries and raises are in the budget already. He then commented that there will be positive money coming into the budget and he would like to put it in the capital projects since engineering has a lot of work needed to be done. Alderperson Oberlin commented that the money from the prison needs to go into the water. Engineer Wiedeman suggested we put that money on the side because we anticipate certain revenue with Stateville being open but if that changes, we will have that money and if Stateville is open then we can reappropriate that money to another project.

Alderman Dyke commented that he always looks at the list of bills and he noticed that in the budget there is supplies but wondered where janitorial supplies would be listed. Director Gehrke commented that it would be under facility maintenance, where you would see material & supplies, office supplies, repair maintenance and they are all under materials and supply under that department.

Alderman Dyke asked Chief Clark if he would let the Council know which vehicles he would be surplus and Chief Clark commented that he would bring that to the Council.

Alderman Cipiti asked what the budget number would be for the City Hall building for supplies? Director Gehrke commented that he does not have that broken down like that, but he could get back to him on that.

Mayor Soliman asked Engineer Ron Wiedeman to go over the capital projects that are planned.

City Engineer Ron Wiedeman commented that the capital projects are:

- Traffic Signal Repair and Roadway Crack Control
- Sidewalk Cutting
- Bridge and Culvert Inspection Services
- Material & Supplies (Salt & Brine)
- Inspect Caton Farm Bridge that goes over the RR
- Street Rehabilitation Design
- Sign Repair
- Pavement patching
- Division West of Weber Roadway Reconstruction
- Lidice at Churnovic Widening – Truck Route
- Theodore Retaining Walls at Cora & Kelly

Water /Sewer Capital Projects

- Water Main Replacement
- Watermain Lining
- Wellhouses Chemicals Feed Project
- Well Maintenance
- Technology Upgrade SCADA
- Caton Farm Water Main (GPWC)
- Eastern and Western Receiving Station and 3.5 M Storage Tank (GPWC)
- Sanitary Sewer Lining and Repair
- Public Works Equipment and Vehicles

Alderman Cipiti commented that he remembers Engineer Wiedeman discussing helping Richland out with some flooding issues by a parking lot and a walking path in the back by the power lines and asked if this is factored into the budget? Engineer Wiedeman commented that there is some money factored in the budget.

** There was continued discussion regarding Alderman Cipitis's question, but it was inaudible due to the side talking between Council members at the dais and the person talking did not have their portable microphone turned on.

Aldersperson Oberlin commented that she is concerned if we do this, we are opening ourselves up for liability issues and we need to be careful.

Alderman Cipiti commented that did we not pass a budget with a \$5 million deficit last year. Director Gehrke commented that when you talk about a budget you talk about your operating budget which is your day to day expenses and you want to keep that budgeted, and your capital budget is when you have costs that are associated with projects that last a long period of time and those funds are not paid with funds that you raised in one given period. Those funds are usually funds you have bonded out or you used your fund balance (savings) to pay for that and you would then roll the 'excess funds' in your operating account to your capital accounts and those funds are used and this would not be a deficit. He commented that a deficit spending means you do not have the money, and you are borrowing to pay for that and that would be more of an operational budget since you do not have the money right now to pay those operational costs. He then commented that when you bond out for capital projects means you are spreading the cost of the project over the life of the project. Director Gehrke then commented that stating deficit spending means you do not have the money and do not have enough to do your operations but to say you are using your capital fund balance as deficit spending and he would say that it is inaccurate.

Alderpersion Oberlin commented that there are two ways to look at this but each year we say here is the budget and here is what we spent, and it is not balanced when you spend more than what you actually spent. Director Gehrke commented that it is semantics, but he would not call it deficit.

Interim Administrator Graff commented that they will have how much they actually did spend out of the capital at the end of the year, and he does not believe it will be the \$6 million.

Alderwoman Gazal wanted to confirm that the Police Department is getting five new vehicles and four of them paid with grant money and stated that the safety of the residents is important and wants to know if we are still budgeting for the speed cart. Chief Clark commented that the speed cart is budgeted.

Chief Clark commented that he also has budgeted:

- Handheld Lazer Radar for speed enforcement
- Fingerprint processing – to lift prints
- Two additional Officers

Alderwoman Gazal asked if the speed cart would have a camera and was told it would.

Alderwoman Methvin asked if the retired vehicles go to auction and was told they do.

Alderpersion Oberlin asked where the two Ford Explorers are currently being used? Chief Clark commented that the Police Department is using one to go back and forth to the Police Academy and Interim Public Works Director Julius Hansen stated that he is using the other one. Alderpersion Oberlin commented that she is just wondering because no final decision was made about those vehicles.

PUBLIC COMMENT:

There were no public comments.

MAYOR UPDATES:

There were no Mayor updates.

COMMITTEE/LIAISON UPDATES:

There were no committee/liaison updates.

CITY ADMINISTRATOR UPDATES:

There were no City Administrator Updates.

There being no further business before the Council, and no action needed from the executive sessions, the meeting is adjourned.

The meeting was adjourned at 9:00 p.m.

Approved this _____ day of _____, 2025.

As presented _____

As amended _____

CHRISTINE VERSHAY-HALL, CITY CLERK

RAYMOND R. SOLIMAN, MAYOR