

MINUTES OF THE WORK SESSION
CITY COUNCIL OF CREST HILL
WILL COUNTY, ILLINOIS
March 22, 2023

The March 22, 2023 City Council work session was called to order by Mayor Raymond R. Soliman at 7:00 p.m. in the Council Chambers, 1610 Plainfield Road Crest Hill, Will County, Illinois.

The following Council members were present: Mayor Raymond Soliman, City Clerk Christine Vershay-Hall, City Treasurer Glen Conklin, Alderman John Vershay, Alderwoman Claudia Gazal, Alderperson Tina Oberlin, Alderman Mark Cipiti, Alderman Nate Albert, Alderman Joe Kubal.

Also present were: Administrator Jim Marino, Director of Public Works Mark Siefert, Police Chief Ed Clark, Finance Director Lisa Banovetz, Building Commissioner Don Seeman, City Engineer Ron Wiedeman, City Attorney Mike Stiff.

Absent were: Alderman Scott Dyke, Alderman Darrell Jefferson, Interim Planner Maura Rigoni.

TOPIC: Fiscal Year 2023-24 Draft Budget Discussion

Administrator Jim Marino commented that this is a preliminary budget, and any suggestions or findings can be adjusted. He stated that some items show a deficit but we need to keep in mind that we have reserve funds to cover the deficit.

City Treasurer Glen Conklin stated there is a projected budget deficit and there is money to cover the deficit in our reserves. He stated we currently have a very strong reserve amount and are developing a surplus of unspent money from projects, materials not being purchased, and unfilled positions. Treasurer Conklin stated we currently are projecting a budget deficit of \$4,537,056.00. He also stated the Finance Director Lisa Banovetz has already figured in the upcoming salary adjustments and police negotiations that would affect our budget, by approximately \$25,000.00.

Finance Director Lisa Banovetz commented that of the deficit, we are carrying over \$1,900,000.00 from Fiscal Year 2022-2023 for a watermain lining project that did not occur and \$400,000.00 of meters that were budgeted for Fiscal Year 2023 but will not be ordered/received until Fiscal Year 2024, and this money not being spent in this current Fiscal Year will be a fund surplus.

Alderwoman Gazal asked even though we show a deficit budget; we technically are not, correct? Director Banovetz said we are carrying over \$2.5 million from the current fiscal year which will show a surplus; so, we are basically going into the savings now and will be taken out of the savings next year.

Alderperson Oberlin asked if the \$2.5 million surplus is not part of the \$4.5 million deficit? Director Banovetz stated it is part of the \$4.5 million deficit. Treasurer Conklin stated we technically are in deficit, and we need to post as a deficit; however, we will have a surplus.

Director Banovetz commented that a year ago we applied for two grants, \$1,000,000.00 each, from the DCEO and are expected to possibly receive these reimbursements this Fiscal

Year 2024. Director Banovetz wanted to make it very clear that we have in revenue \$2,000,000.00 of anticipated money from DCEO.

Director Banovetz discussed our IT services. She explained the city is paying the current IT vendor more than the previous IT vendors, which has added to the expense of the IT budget for Fiscal Year 2024. She explained once we are at the new City Center the current IT vendor will be charging us per device serviced and they will have more responsibility, which will increase the cost even more.

Director Banovetz also commented that we currently have no vehicles budgeted to be replaced during the Fiscal Year 2024. She stated we currently have a pause in place to evaluate the condition of the current vehicle fleet and will discuss at a future date the condition of vehicles and how to proceed with the capital replacement program. Director Banovetz continued discussing the General Fund revenue to be \$11,729,063.00 for Fiscal Year 2023-2024, which is an increase of \$886,156.00 from the previous year's budgeted revenue. She continued to explain the eating tax will estimate \$500,00.00 for the Fiscal Year 2023-2024. She informed the Council she sent out twenty-five letters to businesses informing them they need to comply. Alderman Albert asked if it is small or large businesses that are not compliant with the eating tax? Director Banovetz commented that it is both the small and large businesses and she explained she sent these letters certified and since some have complied. Alderman Cipiti asked if the non-compliant businesses are aware of the penalty? Director Banovetz commented that some have called when they received that letter and she explained everything to them. She also commented that the Lockport Township Golf Course said they do not have to pay. Director Banovetz explained to them they will need to pay the eating tax and that they are not exempt. It was commented that the top five sales tax generating businesses are:

- Menards 34%
- William F Meyer 12%
- Food 4 Less #561 11%
- Thorntons #124 8%
- Speedway#3715 7%

Director Banovetz stated as of February 28, 2023 our liquid assets are \$30,736,228.00. She also stated that we have a healthy reserve. Treasurer Conklin stated that we will finish this year with \$27,000,000.00 in liquid reserves, which is equivalent to a year. He stated we collect taxes to spend on the City and build our reserves.

Police Chief Ed Clark commented with more Police Officers comes more reports, more citations, and more paperwork generated by the officers and with that comes more work and a need for an additional full-time administrative clerk. Alderwoman Gazal asked if they will be cutting somewhere to cover the additional full-time clerical position? Chief Clark commented that there is nowhere he can cut. Chief Clark also commented with the body cameras there will be thousands of hours of data which will need to be maintained, disseminated, and redacted and we will need the staff to handle all of this data. Chief Clark commented that a grant is available for the body cameras. He also stated body cameras will be mandatory by 2025. Alderperson Oberlin asked if there is a way to take prisoners from other municipalities and hold them for that municipality since we have the holding cells and possibly charge for the holding of the prisoner and recoup some revenue? Chief Clark commented yes, that is possible. Chief Clark stated he wanted a facility built that can hold the prisoners before they see a Judge. Chief Clark also stated that currently we pay the

County for this process through the DUI Fund, and the estimated cost for this is approximately \$10,000.00. Alderwoman Gazal asked if we can maybe focus on overtime and create savings there. Chief Clark said yes, that would be an option but at one time this year we were down five officers and that was a troubling experience, and we are still down three officers currently. Alderman Albert asked can we consider the pension pay back and pull this out of the reserves? Treasurer Conklin commented that the police pension cost so much each year and we are currently at 73.9% funded and the sooner we reach 80% the rate will decrease.

Director Banovetz asked if there is approval to add the two positions to the budget? Mayor Soliman asked if there are any objections to adding the two positions to the budget. There were no objections.

Public Works Director Mark Siefert commented that they have cut over \$130,000.00 from the street department budget. Director Siefert commented that the Fleet Maintenance went up by \$9,000.00 for salary adjustments.

Director Banovetz discussed the Non-Home Rule Tax revenue and how it is budgeted to fund the following:

• Capital Projects	\$ 971,400.00
• Annual Debt Service Payment	\$ 763,600.00
• Property Tax Rebate Program	\$ 215,000.00
• Economic Incentive	<u>\$ 50,000.00</u>
Total	\$2,000,000.00

Director Banovetz commented that we reduced the property tax rebate expense from \$250,000.00 to \$215,000.00 and this year we paid out \$209,000.00. Treasurer Conklin commented that if possibly in the future exclude the commercial properties, rental properties and/or abolish it all together, if we are looking for savings. Alderwoman Gazal commented that we should ask the residents if they want the rebate or would they want to put the money toward road repairs and see how the residents feel about this. Alderman Albert stated he would like to know how much it cost to process these tax rebates. Alderman Albert commented in the end picture we promised the residents this tax rebate; we did not promise the landlords or commercial owners.

Director Banovetz commented that the water revenue is up from last year, but it is based on usage.

City Engineer Wiedeman discussed projects that are estimated to be completed, which are:

- American Rescue Plan Chaney and Center Water Main
- Street rehabilitation projects (Theodore, Borio, and Ingalls)
- Parkrose-Gaylord to Sweetbrier (Roadway only)
- Weber & Knapp Construction
- City Welcome Signs
- Theodore retaining wall
- City Center Entrance and wayfinding signs
- Completion of City Center
- Street rehabilitation design

- Public Works grading site work, masonry inspection
- Prairie-Theodore to Raynor (Rebuild Illinois Funds)

Alderson Oberlin asked why the street lighting at the new City Center was not paid for by the developer? City Engineer Wiedeman commented that he does not have that answer since it was well before the time of anyone handling this now.

Alderman Cipiti asked how much additional change orders or costs we should anticipate until the completion of the City Center. Administrator Marino stated he does not believe there will be any more significant costs and not many more change orders. Administrator Marino also stated we are still waiting for the assessments of the HVAC system and the structural and concrete assessment of the building, until the reports come back, we do not know the findings. Alderson Oberlin asked if we would get these reports before we move into the building? Building Commissioner Don Seeman commented we should have the reports within a week or so. Alderson Oberlin asked if we could go back and look at the agreement with Menard's developer and see if there is anything regarding the street lighting? Director Banovetz commented that the developer went bankrupt. Public Works Director Mark Siefert commented that the City of Crest Hill had to finish the roads because the developer went bankrupt.

Director Banovetz commented that the Larkin/Route 30 TIF Plan gives us about \$35,000.00 in revenue and if we can improve this area, we would get more incremental value to enhance the area. Administrator Marino commented we received a notice from the broker on a proposed sale of the city property, and will be meeting with them on what type of business and what is allowed. Administrator Marino commented to keep in mind we will be getting proceeds from the sale of the property that is not in this budget.

Director Banovetz thanked all department heads, officials, and staff for their help with the budget.

Alderman Kubal asked if we plan on adding any money for the City Center Park in this year's budget? Treasurer Conklin commented there is nothing budgeted this year. Administrator Marino commented it is not in the budget but will need direction from the Council.

A public hearing for the budget will be held on April 3, 2023 and voting on the budget will be April 17, 2023.

PUBLIC COMMENTS:

There were no public comments.

MAYORS UPDATES:

Mayor Raymond Soliman commented that everyone knows the problems we are having with IDNR regarding the allocation of Lake Michigan Water. Public Works Director Mark Siefert came to the Mayor to possibly form a committee to educate the public on IDNR and the allocation. Mayor Soliman is recommending Alderwoman Gazal and Alderman

Cipiti to be members of this committee. Mayor Soliman commented that these meetings would be quarterly and would need posted and minutes will need to be taken.

COMMITTEE/LIAISON UPDATES:

There were no Committee/Liaison updates.

CITY ADMINISTRATOR UPDATES:

There were no updates from the City Administrator.

The meeting was adjourned at 9:02 p.m.

Approved this _____ day of _____, 2023

As presented _____

As amended _____

CHRISTINE VERSHAY-HALL, CITY CLERK

RAYMOND R. SOLIMAN, MAYOR