

July 29, 2014

State of Illinois
County of Cook
Village of Stickney

A Special Session of the Board of Trustees of the Village of Stickney was called to order by Mayor Deborah Morelli on Tuesday, July 29, 2014 at 6:30 P.M. for the purpose of a Public Hearing in the Stickney Village Hall, 6533 W. Pershing Road, Stickney, Illinois.

Upon the roll call, the following Trustees were present:
Trustees De Leshe, Gomez, Lazansky, Savopoulos, Sleighter and White

The purpose of the Public Hearing was to present the "Proposed Annual General Appropriation for the Fiscal Year, beginning May 1, 2014 and ending April 30, 2015.

The Clerk read the official notice of the public hearing as published in the *Suburban Life* Publication on Wednesday, July 16, 2014.

The Clerk read the summary of the "Proposed Annual Budget and Appropriations Ordinance 2014-06 for the Fiscal Year, beginning May 1, 2014 and ending April 30, 2015.

COMMENTS FROM THE BOARD OF TRUSTEES: Trustee Savopoulos asked if we hired, or are we going to hire any new employees. Treasurer Kasnicka said there are no new employees projected. The only one could be a partial salary if we do hire another police officer. We have one retiring on April 30. If we do not have to hire one, we have potential savings there. There are no other new hires projected. Trustee Savopoulos then referred to the insurance being raised \$76,000 from last year. That is enough money to cover four more employees. The treasurer clarified that line item 10.1 is actually the payment to IRMA for our annual contribution and also any monthly deductibles we have to pay. Trustee Savopoulos asked what were the actual amounts from last year. The treasurer said right now it was \$159,692.40 but there is a credit that is applied to the payment. We need to add that in there. That is where the amount is increased at \$236,000. Our experience factor is also higher than it has been in prior years. It is also based on a revenue-based work sheet and is due later this week. Our revenues are up and that is what our contribution is. Trustee Savopoulos stated that the actual number that we spend is \$159,000. Attorney Kreger asked, "Is part of the money came as a rebate?" Treasurer Kasnicka explained that when we get our annual contribution it states this is what you have to pay and it includes what we have available as a credit. Trustee Savopoulos asked what the real number is that we pay for insurance? Treasurer Kasnicka said that you are adding \$25,000 to \$30,000. He continued to say that the

amount is going up based on our history. We have an experience modifier. Right now it has increased at about 25%. Treasurer Kasnicka reminded them that this is not health insurance, it is general liability insurance.

Trustee De Leshe asked about the plus or minus of each department. The treasurer said that the general fund had an increase of 2.17%, the police pension fund is 2.16% increase, and there were increases in the administrative department, police department and a very small one in the fire department. This last year they didn't hire a group and they were able to keep their personnel training costs down. Public works went up a little bit. Public buildings and grounds went down. Sanitation went up a little bit. Insurance went up \$20,000. Municipal Retirement went up \$6,000. Parks and Rec went up \$16,500. There were no changes in the executive and legislative department. Professional services, miscellaneous (contingencies) were kept at \$50,000. No changes in the auditing. No changes in the transfer of the capital projects fund which was not made last year but it still at \$175,000. Hopefully we can bring more money in and keep more capital projects going.

Trustee White asked if that 2.1% was it from actual. The treasurer said that it was budgeted numbers. White asked what was the difference between budgeted and actual numbers. The treasurer explained that last year we budgeted \$7,076,000 and change and expended \$6,388,000. You are roughly a little over \$6.4 million compared to a budget a little over \$7,076,000. Trustee White stated that we budgeted \$700,000 more than we needed. So now we are going to take the budget for this fiscal and start with the number from last year and add to that. The treasurer explained that no, we start the budget over. The numbers that put together we use the same principals and ideas there are numbers in certain accounts. Hopefully we do not spend. He looks at numbers that we are not going to spend.

Trustee White asked about any increases in fees or taxes. The treasurer said that on the revenue side the only two accounts that we have a potential increase that would have to go to the board is a small amount in the tax levy. . . .very small. And, when you talk about the general fund, the police pension and also the bond and interest (which we have no control over) you are talking about 1.5% potential increase. That is up to the board later on if you want to follow through with that. Trustee White asked if this budget balances if we don't do that. Is the monies all accounted for in this budget if we don't raise any taxes or fees? The treasurer said that if we don't do the tax increase right now we have an increase in the general fund of \$25,000. If you so choose to forgo the \$25,000 until a later date when we do the tax levy we can do that. Trustee White asked, "Then the only proposed tax levy is the \$25,000." The treasurer responded, "For the general fund and then there is \$14,907. For the police pension fund and bond and interest is \$7,790 (which is a

quarter of a percent of the total levy). It would be .79% to the general fund, .46% to the police pension fund, and .25% to the bond

and interest. The only other potential increase is built in to the budget revenue numbers is raising the garbage rates. The garbage rates have been \$12.00 per month for a long time. If we were to consider raising it to \$15.00 a month every dollar we raise it would generate \$20,000. If you look at the garbage disposal fees, that is why the budget has increased a little bit.

Trustee Savopoulos questioned a raise in the water rates. The treasurer told us that water is already built in under a previous ordinance that has been passed. The City of Chicago is raising the water rates another 15% on January 1.

Trustee De Leshe questioned the 1.5% tax increase for the tax levy for the police pension, 15% on water and then raising garbage. Kasnicka said that it is the only ones built into the budget. Obviously as time goes on everything keeps going up. You can't cut everything out of it. The board has scrutinized the expenditure side to keep everything down. We have got to continue. . . any spending that is not necessary. We still have a projected deficit in the general fund for \$550,000. That is the elephant in the room. We could get by for two or three years and shuffle along. Long term, five or ten years, as things keep going up, you are going to have to get more revenue. One of things that came across in preparation in sitting down with department heads is more needs. Public works needs another truck. It is to replace a truck from 2000. We are trying to finish the park with the park grant. We have an ambulance coming up. Seeing down the road they are looking for a truck. We may not be able to swing a truck. The truck is built into the capital projects. We obviously have to fund money from the general fund. How much could we drain it down. The good thing is the general fund did turn a positive of \$148,000 and with it we didn't fund extra money in to the capital projects. At least the cash balance isn't continuing to go down. But when you have the budget going up 2.17% it is just over \$150,000 to the general fund. The money will be used up by everything going up.

Trustee De Leshe asked if there was anything else we could do as far as not raise the water and garbage. Could we pass the water on to the industrial people to bring this back down to be more manageable. The treasurer talked about garbage going in the general fund. If you don't raise and pass it on you will be short additional revenues. We may have to go into reserves. That \$148,000 will have to eventually into reserves. Sure you don't have to pass that but that is something that should be discussed later and get a general consensus before we bring it up for a vote.

Trustee Savopoulos questioned if they made any effort to cut anything. Kasnicka said there have been efforts to cut back in any way they can.

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Savopoulos quoted that the actual money spent last year was \$6,388,000. And the new budget is \$7,229,000. And that is an increase of \$840,000. And that is no cut. The treasurer injected, "I hope we don't spend all of that." Savopoulos said, "There are no cuts."

Kasnicka responded that you are comparing actual to budget. But if we compare our budget from this year to last year..Savopoulos kept saying what is the money we actually spent, the real numbers. The treasurer reminded us that one of the things he emphasize at the budget meetings (one of which Trustee Savopoulos attended one of them) is that even though we put it down these are what we might need on a specific line item, that doesn't mean you go out there and spend it. He is looking at line items there are cushions built into some line items. That doesn't mean we are going up from the actual to spend every dime. Trustee Savopoulos responded that we got away with \$6,388,000 last year and why can't we do the same this year.

Attorney Kreger commented that this isn't just a budget ordinance; it is also an appropriation ordinance. It allows you to spend money from a specific line item. I hope you don't have to spend the line item for attorney fees. But if somebody sues you, and the insurance doesn't cover it, it is there. The problem is we are calling it a budget/appropriation ordinance. With an appropriation ordinance it is the top limit to spend. Some places have a pocket budget where they say this is what a real budget is and this is what we are appropriating. . . to plan for what may occur. Trustee Savopoulos asked if we could go back to last year's budget for \$6,388,000. Attorney Kreger corrected him by saying that last year's budget was \$7.5 million. The budget is higher because they appropriate for spending that don't occur. Treasurer Kasnicka said that it would be easy for him to take what we spent last year and print that out and say that this is what we are going to spend this next year. Then he doesn't have to sit down and figure out all these numbers. One of the things that we do with a lot of the line items is to access what has changed from year to year and try to take the actual salaries and put in actual amounts in here to get realistic numbers. He reflected on his previous job where he did auditing. A particular township took the budget from the previous year and posted it and claimed it as the budget for the next year. They did change a few numbers but didn't put a lot of thought in it. Kasnicka reminded Savopoulos that since he looks at all the bills twice per month, he should say something if we are spending on something he doesn't think we should be spending on. The treasurer admitted that he personally acts like this is his own money, and it isn't, but that is how he feels. We will continue to watch what we spend.

Mayor Morelli stated that she would also like to make a comment concerning the Family Day. She would like to move it to a Fall Festival. Her recommendation is that the monies that would be needed is \$10,000 for that. There is \$25,000 budgeted for that. We do not need \$25,000; \$10,000 is what we are looking at. She would be helping

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to arrange and move forward with this project. She wanted to let everyone know about that. And, get your words on that as well.

AUDIENCE QUESTIONS:

Bea Callahan asked about pay raises of the office clerks and gave statics. Treasurer Kurt Kasnicka stated that the office got a 2%

raise and they are maxed out in there. One of the issues is overtime is on the increase. Overtime is cheaper than hiring another person. All the foreclosed properties cause a lot of work. Ms. Callahan suggested that a part-time person doesn't get benefits. Kasnicka told her that we already have one part-time person. There is significant work than time available.

Bea Callahan asked about the increase in payment for the electrical inspector. Again, she was told that it is tied in to the inspections that must be completed. Everyone is buying these homes and fixing them up.

Ms. Callahan asked about the raises for the sergeants. This year they went up \$6,000. She was told by the treasurer that we have is a work sheet that he uses and we have three sergeants now. We take what their actual salary is supposed to be plus we took a provision of a 2% increase and rounded it up and it is reflecting what the sergeants are making. Right now the contract is in negotiations and when it is finalized with whatever the raise ends up to be, we have provided for it on that line item for sergeants.

Bea Callahan then asked about the computer maintenance. She is asking why it went up \$21,000. Kasnicka said that one of the things that is included in there is the web maintenance, paying for Google for our internet and all our Comcast for the internet. We will be needing a few new computers this next year. We have a server waiting to be installed. The fire department will be having their computers updated. The police department is already taken care of. Public works added a new line. Ms. Callahan also asked about maintenance. Kasnicka informed her that Dell offers us a maintenance agreement when we purchase the equipment.

Next, Ms. Callahan asked about the new \$25,000 line item for the Stickney Recreation Center. The treasurer responded that we added account 17-0004 which is maintenance and supplies for the parks. What we did was split any maintenance we do for the Stickney Recreation Building. What we wanted to do was track it on a separate line item.

She asked a question about the park patrol. Kurt Kasnicka responded that the security is being handled by the police department. Last year it was \$12,000. Right now we don't have any park patrol and has been reduced to \$6,000. Considering that it may be phased out by next year.

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Trustee De Leshe asked just how much has been spent in overtime for Administration? Mr. Kasnicka admitted that it has been on an increase. The office totally is about \$10,000. Trustee Sleighter asked if we get any of the money back in fees. The treasurer reminded them that we get revenue in fees. It may not cover it. It may be a safety factor.

Audience member Mark Kusper quoted that Kasnicka said that we budgeted \$7.7 and we spent \$6.3 so we have a \$700,000 difference, could you tell us what we took in. The treasurer said that we brought in \$6,527,000 and we spent \$6.3. Kasnicka said that using the modified accrual basis \$6,388,000 was spent. This shows that we had revenue over expenses. The final numbers will be entered for the audit. He said it is a good thing that we are in the black. The cash balance is at \$148,000. This number he is talking about of \$138,000 will change because of final accrual. He reminded us that things are coming up in the village. Things need to be fixed in the village or purchased and we don't have the money. We are not in dire straits but we are not floating in it. He commented that if the budget does pass within six days he has to comply with PA 0609 which mandates that it must be posted on our web site. It shows all our current employees and their total compensation.

Mark Kusper asked why the past budgets are not on the web site. Kurt Kasnicka said they should be on there but he will look into it.

Mr. Jeff Walik asked if he (Kurt Kasnicka) received a raise this year. Kurt said, "Yes, that he makes \$92,000 yearly." Other department heads are getting more. But, for the size of the village the salary is in line. Mr. Walik remarked on the plus or minus question asked by Trustee De Lesch. Mr. Walik stated that Kasnicka didn't give him the plus or minus that Trustee De Lesch was asking for. Mr. Walik asked who went down. Treasurer Kasnicka said that he has a sheet and that the public building and grounds went down \$13,000. Walik said that administration was up, police was up, fire was up (Kasnicka said, a small amount).

Mr. Walik said that Trustee White did a great job asking about the increases and until Trustee Savopoulos and Trustee Sleighter brought up the water and garbage we would have never known about those increases. Good job catching it.

Bea Callahan talked about how years ago in the capital projects fund there used to be a list of things such as, village hall X amount of dollars, street improvements X amount of dollars, reserve for future projects. She asked if we could go back doing something like that so we, as an example, can show the Bobcat is X amount of dollars. As residents we can see. . . . Treasurer Kasnicka replied that he does have a little bit of a detail on that.

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Trustee De Leshe spoke about the raises of the salaries for office clerks is listed at 2.4 and also listed at 13.10 on the water fund; is it 2% raise in each category? The treasurer stated that one person is paid out of the general fund and two people are paid out of the water fund. They got a 2% raise and if you look at the budget amounts it is just trying to factor in what they are making in overtime. Trustee De Lesch wanted assurance that nobody got a 4% raise. The Trustee wanted more clarification. Kasnicka confirmed that everybody got 2%. There were some situations that the figure was rounded up.

Trustee Sleigher addressed the public works contract was not finalized yet and we do not know what their raises would be. The treasurer said that he used 2% factored in for budget purposes. We have to wait and see for the final contract.

There being no further business, Trustee Lazansky moved, duly seconded by Trustee Gomez, that the meeting be adjourned. Upon which, said Board of Trustees adopted the motion unanimously at 7:17 p.m. and Mayor Morelli declared the motion carried and the meeting adjourned.

Respectfully submitted,

Audrey McAdams
Village Clerk

Approved by me, this 6th day of April, 2014.

Deborah Morelli, Mayor