

PUBLIC HEARING

**City Council of the City of Calumet City
Cook County, Illinois**

JULY 28, 2016

CALL TO ORDER

The City of Calumet City met for a Public Hearing on Thursday, July 28, 2016 at 7:08 p.m. called to order by Mayor Michelle Markiewicz Qualkinbush.

ROLL CALL

PRESENT:	6	ALDERMEN:	Wosczynski (7:12), Jones, Williams, Munda, Manousopoulos, Bullocks (7:13)
ABSENT:	1	ALDERMAN:	Bullocks

Also present is City Treasurer Tarka, City Attorney Horvath, Finance Director Kasperek, Deputy Clerk Bonato and various departments and employees and member of the public.

Finance Director Kasperek Finance Director Kasperek: "I will give an appropriation overview for the Fiscal Year Ending April 30, 2017.

At tonight's meeting, the appropriation ordinance and the salary ordinance should be passed. As such, the budgetary process is coming to a close. It started over a month ago with myself meeting with the department heads to discuss their budget requests.

I met with the City Treasurer and he gave me a list of revenues estimated for various funds. I reviewed the list with him and I included those amounts in the budgetary workbook. After meeting with the department heads and reviewing other appropriated funds and departments of the Corporate Fund I created a temporary budget workbook which I reviewed with the mayor.

We reviewed the revenues and the line items in each department and/or funds included in the appropriation process. After the meeting with the Mayor, the initial budgetary workbook dated July 19, 2016 was used to review the revenues and appropriated expenditures included in the appropriation ordinance.

Finance Director Kasperek

Over the last week and this week, the city held Finance Committee of the Whole meetings to review the anticipated revenues and expenditures of each city fund that is included in the annual appropriation ordinance. Some adjustments were made during the Finance Committee meetings and before us today is the final work product.

Let me give a brief overview. The Corporate Fund is the main operating fund of the city. It covers almost all expenditures of the city except for the Water/Sewer Fund, the Pension Funds, the Library Fund, and a few other small funds.

This year the corporate fund is estimating \$35,965,233 in revenue. This reflects about a 3.3% increase over last year's estimated revenues. For fiscal year ending April 30, 2016, the (unaudited) actual revenue received was \$36,149,043 which was about \$1.3 million more than estimated.

When comparing the estimated revenues to the actual, the Treasurer was within 4% of the actual. Unanticipated sale of land owned by the city, insurance claim reimbursements and real estate tax collections were the main reason for the additional revenues.

The Treasurer has always been very close to estimating revenues including two years ago within .5%, I feel his estimated revenues for the new fiscal year are reasonable.

Ald. Wosczynski -
entered meeting

Alderman Wosczynski entered meeting at 7:12 p.m.

Ald. Bullocks - entered mtg.

Alderman Bullocks entered meeting at 7:13 p.m.

Finance Director Kasperek

This year's Corporate expenditures are set at \$36,456,409 which when compared to last year's budget of \$36,310,025 is slightly more than a .4% increase over the prior year. The total increase is \$146,384.

While there was a \$900,000 reduction in the budget due to the Fire Training Station being nearly complete, there were other budgeted line items that had fairly large increases including salaries of Patrolmen of about \$320,000, health insurance costs of \$330,000, telephone expenses of \$160,000 costs of private scavenger costs of about \$180,000.

Overall, if you take the estimated revenues of the Corporate Fund plus add the anticipated transfers into the Corporate Fund of \$470,000 pay for balance of the Fire Training Center and other capital purchases and subtract that from the anticipated expenditures, the city is looking at about a \$21,000 deficit. With expenditures appropriated at \$36 million, the amount of the deficit is very minimal. So from a practical standpoint, the city has a balanced budget for the Corporate Fund.

As we go through the year, the Treasurer and I will keep a watchful eye on the estimated revenues. While the Governor and the General Assembly cannot seem to figure how to balance their budget, there is always the possibility that the State will take away some type of revenue sharing with the local municipalities.

There rumors of what the Governor wants to do are too numerous to name, but he feels balancing the State budget means reduced sharing with local governments. So again, while we have a balanced budget, depending on what the State does to local municipalities, we may have funding issues down the road.

The Library is anticipating about a \$163,500 increase in the estimated revenue over the prior year estimated revenues. Total estimated revenues are at \$1,953,700. The expenditures were budgeted the same as last year, which was \$2,469,500. The Library finished last year with about a \$126,000 surplus, however, the Library was the beneficiary of a large donation that was over \$100,000.

This is not something that is planned for, so the surplus is higher because of the donation. It think it is worth noting that while the Library has appropriated expenditures over \$500,000 more than revenues, the Library has reserves to cover those expenditures if need be. The library is looking at upgrading the lighting system and the computers in this fiscal year.

Overall, the Library has been always well ran I am confident the Library will operate within their means.

The Water/Sewer Fund is anticipating a small increase in estimated revenues over the prior year. This year's appropriated expenditures s revenue is \$8,953,000 which is about \$68,000 more than the prior year.

This year's appropriated expenditures are \$8,952,089 which is about \$4.0 million less than last year.

Last year's appropriation included the water meter replacement program of \$4.0 million. The cost of the program was moved to the 2015 bond issue so it no longer needs to be appropriated in the water fund.

Adjusting for this reduction, the overall appropriation is about \$60,000 more when compared to the prior year.

Estimated revenues are about \$900 more than appropriated expenditures which is a balanced budget.

Overall, I anticipate the Water/Sewer Fund to be able to support itself and should be able to repay the Corporate Fund the money borrowed in the past.

The Ambulance/Paramedic Fund is anticipating approximately a \$20,000 increase in revenue over the prior year. This year's estimated is \$921,000.

Last year this Fund received \$913,237. The revenue is dependent on the number of ambulance calls the department receives. Budgeted expenditures are set at \$1,278,400 which is an increase of about \$262,000 over the prior year.

This year budget includes over \$320,000 to Fire Station #1 building upgrades and the purchase of a new ambulance costing approximately \$200,000. The fire chief and I have gone over the revenue projections for the year along with the cash on hand at the beginning of the year and feel comfortable that this Fund can cover all of its capital costs.

The Capital Projects Fund anticipated expenditures is set at \$600,000. This fund is basically to reflect long term borrowing like capital leases. Police vehicles will be financed through this Fund.

This Fund is only used in those circumstances where financing is needed.

The Illinois Municipal Retirement Fund estimated revenue is about the same as last year which is \$1,565,641. Appropriated expenditures have been reduced by \$150,000. This fund is financially sound and I do anticipate any cash flow problems.

The City continues to fund its Police and Fire Pension Funds. The City's estimated contribution to the Fire Pension Fund is about \$2,900,000 and the Police Pension Funds is about \$3,900,000.

Once we get the actuarial valuation in the fall, we will fund these obligations through the real estate tax levy as had been done in the past.

Finally, the city's Special Service Area budget remained at \$1.2 was the prior year. However, spending is limited to the levy in place which is set at \$300,000.

This year's appropriated expenditures for all funds included in the appropriation ordinance total \$59,796,152. Last year's entire appropriated expenditures were \$63,525,168.

The year's appropriated expenditures are about \$3.7 million less than the prior year.

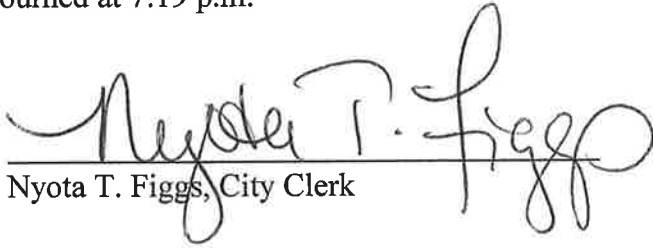
As the City's finance director I want to personally thank all the department heads for the efforts in putting a budget plan together, the mayor and city council for taking time to review all the requests and present the appropriation ordinance that the city can sustain.

Public Comment

There was no public comment regarding the appropriation.

ADJOURNMENT

The public hearing adjourned at 7:19 p.m.


Nyota T. Figgs, City Clerk

/rb