

Minutes Budget and Appropriation Ordinance Public Hearing

STATE OF ILLINOIS

LAKE COUNTY

TOWN OF NEWPORT

THE BOARD OF TOWN TRUSTEES met at the office of the Town Clerk at the Village Hall on May 15, 2013

Members Present:

Beth Hartford, Trustee

Ronald Miller, Trustee

Katherine Newyear, Trustee

Richard Galgan, Trustee

Daniel Dziekan, Highway Commissioner

George Pavelich, Supervisor

Debbie Spurgeon, Clerk

Call to Order: Mr. Pavelich, acting chairman, called the meeting of the Road District Budget Appropriation Ordinance Public Hearing to order at 6:50 p.m.

Pledge of Allegiance: Mr. Pavelich led the Pledge of Allegiance.

Roll Call: In attendance were Beth Hartford, Ronald Miller, Richard Galgan, Katherine Newyear, Dan Dziekan, Jerome Berens, George Pavelich, and Debbie Spurgeon.

Public Hearing for the Road District Budget for Fiscal Year March 1, 2013 - February 28, 2014

Review / Adoption of Tentative Road District Budget:

Highway Commissioner Dan Dziekan stated Highway Commissioner-elect Rodger Edmunds wants to redo the road district budget. [Dziekan has had a budget on public display for 30 days.] Pavelich expressed concern that Dziekan did not notify anyone on the board of this change of plans, reminding the highway commissioner he is responsible to put a budget in place before

leaving office. With the requirements for public display of a new budget, failure to pass a budget tonight could result in the road district once again being faced with shut-down. Pavelich stated Dziekan would be leaving the new highway commissioner with no funds to operate on, and the inability to pay bills for possibly 60 or more days. Trustee Hartford asked Rodger Edmunds, seated in the audience, if he understands that without a budget, the road district will face shut-down as of June 1st --- no employees can work and there will be no funds to operate on. Edmunds indicates he understands. Randy Whitmore, Township Supervisor-elect interjects from the audience that they will hold a Special Meeting. The trustees comment to Whitmore and Edmunds that a Special Meeting will not help them, because the 30-day minimum requirement for public display must first be met. Whitmore responds, "We'll work it out." The current Board of Trustees indicate they do not support leaving such a loose end as they conclude their work for Newport. Trustee Hartford adds that she has put together an alternative budget which meets the parameters of the money that Dziekan has left. She asks if Mr. Edmunds would like to take a look at this budget. He declines.

Addressing the trustees, Pavelich noted that the Board was faced with this scenario once in the past, and was told by the court that they could pass a budget as long as there is enough money to pay the bills. He asks if the Board wishes to discuss the budget Trustee Hartford has provided for consideration. Unanimously, the board would like to review the alternative budget, which if passed would provide the new board operational funding while they have an opportunity to determine if additional adjustments are necessary. Trustee Newyear noted she does not want to leave office with the road district facing shutdown. She addresses Rodger Edmunds and Randy Whitmore in the audience and asks if they are okay with the boards' consideration of this alternative budget. Both respond affirmatively.

Hartford explains she used Dan Dziekan's 'Annual Highway Commissioner's Report' provided to the board in May, to construct the alternative budget. She noted Dziekan showed an ending balance of \$150,000 in Road & Bridge, which is not enough money to cover the budget Dziekan displayed. Hartford continued, Road & Bridge is only going to receive ~\$33,000 this year, because the road district tax levy has been mishandled for a number of years now. Hartford said the total money the highway department will have in this account is ~\$180,000, adding that she does not know if the figures in Dziekan's report are entirely accurate, noting her calculations are different. Hartford continued that in his original budget Dziekan used an opening balance of \$291,000, which she also used. Trustee Hartford further stated that Dziekan, in his budget, neglected to take into account the \$133,000 in bills paid in March, for February, which included Dziekan's legal expenses to his attorney firm, Ancel Glink Diamond Bush Dicianni & Krafthefer, and the road district's regular monthly bills. She subtracted these figures, essentially starting with \$159,164.02 which is similar to Dan's Road & Bridge ending balance--- with a noted difference of ~\$10,000 and stated, "That's all he's got to work with." Hartford addressed Rodger Edmunds commenting that if the entire appropriation was spent, the road district will have only the previously mentioned \$33,000 in Road & Bridge for all of next year. She explained the Road & Bridge Fund supports road district salaries, office supplies, and all general road district expenditures other than road work. She added it is imperative that the proposed expenses be cut, or the highway department will run out of money.

Referencing the Gravel Fund, Hartford indicated it has already been determined this fund can only be used for fixing the roads. Monies cannot be moved from one fund to the other. Hartford continued that Dziekan has proposed a negative balance in his budget for the Insurance Fund, which is not proper. She adjusted the actual amount he has coming in by about \$300, but has no idea how the highway commissioner can rectify the deficit in this fund other than by possibly negotiating with TOIRMA, or perhaps selling a currently insured asset, such as equipment. Trustee Newyear recalled a similar issue with Dziekan's Insurance Fund in the most recent completed fiscal year. Hartford confirmed, but noted the difference is Dziekan eventually received enough money to cover the 2012 road district insurance bill, and with the 2013/14 fiscal year, Edmunds will not receive enough money to pay this bill. She added the problem will continue next year as well, as the new highway commissioner will only be able to increase the levy by 4.99%. The money cannot be paid from another account; Insurance is a designated fund.

Hartford indicated Dziekan previously reported to the board that he had no road projects planned, however, his Gravel Fund budget now shows a \$230,000 proposed road project. She e-mailed Commissioner Dziekan last week, asking him to send her details on the project and received no response, therefore, it was removed from her alternative budget. She also stated she pulled Dziekan's proposed expenditure of \$25,000 in legal fees and added back in half of the highway commissioner's salary, because this is historically how it has been budgeted for. Dziekan interjects that this is by agreement and the new highway commissioner may have a different approach. Hartford understands, but adds the General Township Budget has already been passed and this expense was not budgeted for due to the existing agreement. If the new supervisor and highway commissioner agree, they can amend their budgets to address this differently. With the alternate budget, if every dollar was spent the road district would have a remaining balance of ~\$20,000, which would mean about \$50,000 to operate with for 2014/15. Hartford asked if there were any questions.

Motion to Adopt the Newport Township Road District Budget: Hearing no questions, Pavelich requested a motion and a second to pass the alternate road district budget, including the following appropriation amounts: \$167,280 total budget for Road & Bridge, \$26,500 total budget for Gravel, \$9,100 total budget for Insurance (the balance in the account), \$0 total budget for Equipment & Building, for appropriations totaling \$202,898.

Motion by Galgan; seconded by Newyear.

Voice Vote: Ayes, all; Nays none. Motion passed 4-0.

Motion to Adjourn: Pavelich asked for a motion to adjourn the hearing if there is no further board discussion.

Motion by Newyear; seconded by Galgan.

Voice Vote: Ayes, all; Nays none. Motion passed 4-0.

Hearing was adjourned at 7:04 p.m.

Dated the 15st day of May, 2013.

s/ Debbie Spurgeon

Debbie Spurgeon, Township Clerk