

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 November 25, 2013.

Members Present:

Beth Hartford, Trustee

Ronald Miller, Trustee

Diane Crittenden, Trustee

Corey Kirschhoffer

Randy Whitmore, Supervisor

Debbie Spurgeon, Clerk

Call to Order: Mr. Whitmore, acting chairman called the meeting of the Budget Appropriation ordinance Public Hearing to order at 6:30 p.m.

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

Roll Call: In attendance were Beth Hartford, Ron Miller, Rodger Edmunds, Diane Crittenden, Corey Kirschhoffer, Randy Whitmore, and Debbie Spurgeon. Jerome Berens, absent. Also present, Keri-Lyn Krafthefer of Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer, PC.

Hearing on the Amendment to the General Town Budget for Fiscal Year March 1, 2013 - February 28, 2014

Review / Adoption of Tentative General Town Fund Budget:

Ms. Keri-Lyn Krafthefer indicated the General Township Budget and Appropriation Ordinance requires amendment at this time, because the Road District is loaning money to the Township.

Supervisor Whitmore agrees. Krafthefer continued, noting amendment increases funds to the Township Budget. Whitmore agrees. Trustee Hartford says it is her understanding Whitmore intends to take money out of the Town Building Fund (township's savings account). Whitmore agrees. Hartford says this action does not require a budget amendment, noting she previously brought this up at the October meeting. Krafthefer indicates a budget amendment is required because there was a resolution previously adopted by the Road District. Highway Commissioner Rodger Edmunds says the township's budget amendment has nothing to do with the road district amendment, commenting that the supervisor and attorney were doing something else and his budget hearing tonight is because he wants to transfer \$200,000 from Gravel to the Road & Bridge permanent road fund. Whitmore interjects, recalling he is adding line items for mileage money and an administrator's salary, indicating this as the reasons he requires a budget amendment hearing. Krafthefer still believes the Town Building Fund is being increased. Hartford explains the Town Building Fund is really the township's savings account. What she heard Whitmore describe previously is that he wanted to move money from the savings account to (essentially) what is the township's "checking" account. She reminds the board this is why she had questions at the October meeting, again noting a transfer such as this would not require a budget amendment hearing. Trustee Hartford continued, if there are line item changes over 10%, or if Whitmore is adding additional line items, then a budget hearing is necessary. Hartford comments that she did not receive an answer to her question at the previous meeting. The clerk provides preliminary copies of budgets which she believes were the versions posted by Mrs. Toni Edmunds, adding she has no way of knowing if these are the final (clean) versions Whitmore and Edmunds intend to adopt. Krafthefer asked if the clerk had distributed clean budget copies to the board. Hartford recalls Krafthefer and Whitmore stated at the September meeting they would provide clean copies to everyone. The clerk notes she inquired several times regarding clean copies of the budgets. Attorney Krafthefer determines the copies at hand can be circulated for use at tonight's hearing. Following additional discussion, Whitmore and Krafthefer determine the addition of a mileage line item for Whitmore and the addition of a line item for an administrative assistant to Whitmore [Nancy Lech], in addition to the transfer of \$60,000 are the reasons for tonight's township budget amendment hearing.

Hartford notes the supervisor's salary is incorrect and that the legal services line item has been increased from the previous budget.

Whitmore asks if the public has any comments on the proposed amendments.

Resident Mike Dolan inquires as to how much money is being transferred from the Town Building Fund (savings) to checking. Supervisor Whitmore responds \$60,000 out of the \$142,000 fund total is being transferred for operations, in case he runs out of money. Dolan asked what the money was originally levied for. Whitmore indicates he will be talking about that tonight. Krafthefer interjects, not for the Town Building Fund. Dolan asks if the \$60,000 transfer is a loan which will eventually be repaid to the Town Building Fund. (No.) Dolan explains why the Town Building Fund was set-up in 1993 when he was the township supervisor, adding that if the money is spent for general operating expenses it will not be there for a township building someday. Whitmore says they are trying to get some levies changed, because the levies were taken down to rock bottom by the previous supervisor and road commissioner. Whitmore says he

and Edmunds are just trying to survive. Dolan asks what the shortfall is expected to be. Krafthefer says the beginning balance at the start of the fiscal year of the General Town Fund was \$96,000. She explains this is the available dollar amount to cover all the expenses for the township, including salaries. Hartford corrects, noting there has been an additional \$50,000 in revenues from the taxpayers that has come into the GT Fund throughout the year and noting the total available balance would have been closer to \$150,000. Dolan is curious about the spending projection. Hartford says it originally [the 2013 budget passed under the previous supervisor] was less than it is now, noting that the board then did not expect to support an additional \$15,000 in attorney fees, new mileage expenses, and another salary for an administrative assistant. She notes there are more expenses than there were under the previous supervisor. Trustee Kirschhoffer says the township is also taking in \$600,000 less revenues than it was two years ago. Trustee Hartford notes this revenue change, which was not \$600,000, was only in the Gravel Fund and has nothing to do with the township funds. Dolan agrees. Dolan assumes Whitmore will be increasing levies as well. Whitmore comments that levies are two years behind. Hartford says this is incorrect. Mr. Dolan again asks about money being pulled out of the Town Building Fund. Hartford comments that a previous board a few years ago went to the voters (referenda) and asked whether the township should build a permanent building and the answer from the voters was no. She explains this is why the money remains in the Town Building Fund, untouched, to date. She continues, the boards since have considered it a savings fund since the consensus from the voters was that they did not want a building built. She comments that Dolan's purpose in establishing the fund was very good and that at one time the board had hoped to proceed with a building, but they also wanted to adhere to the voters' wishes.

Resident Tom Hartford inquires about the mileage line item, questioning if the mileage expenses will be for Whitmore alone, or others. Supervisor Whitmore replies that it will be for him alone if he needs it.

Resident Mildred Corder inquires as to whether Supervisor Whitmore plans to continue using the mileage expense line item. (Yes.) Corder would like to know if this will be something he intends to use every month. Whitmore responds, he will take it when he needs it, and noted he only drives 3 or 4 miles every week for what he does. He noted the reason he is adding the line item is because he went to Rockford and Chicago for conventions and came to the board for mileage reimbursement and they were unable to pay it because there is currently no line item for the supervisor to take mileage.

Resident Christina Rush inquires as to what the \$15,000 line item for legal fees is for. Whitmore says it is just money being put into the budget for legal services. Mrs. Rush wondered why the legal fee line item needs to triple, and asks if Whitmore is anticipating legal issues. Whitmore says they have had a lot of things to do related to public hearings. Attorney Krafthefer quips that more than \$15,000 was spent in legal fees last year. Hartford notes this was not the norm. Krafthefer comments the retainer fee for Ancel Glink, et.al. is \$500 per month. Trustee Miller notes that Krafthefer is actually billing multiple funds for legal fees. Mrs. Rush would still like to understand why the township needs to have an attorney on retainer. Supervisor Whitmore states it is because it was less expensive to put Krafthefer on retainer than to pay her \$250-\$300 per hour. Mrs. Rush wonders if there were other local attorneys that could have handled this work

rather than employing a downtown Chicago firm, noting there are plenty of lawyers in the area with municipal experience. Whitmore says he spoke with quite a few attorneys before choosing Keri-Lyn Krafthefer and the firm of Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer, PC. He believes the township has a competent attorney who knows township law. Mrs. Rush comments that this is just Newport Township, a small rural community adding that the situation with Dan Dziekan was ridiculous. Trustee Kirschhoffer states the township has no money left because of that situation, adding it set the township back two years.

Resident Bob Maday inquires about the retainer details with the attorney. Whitmore notes that if the Road District uses Krafthefer or if he needs her, then the legal expenses go over the \$500 monthly retainer fee. Trustees Hartford and Miller comment that the legal expenses for Ms. Krafthefer have been averaging about \$2000 per month each month. Whitmore says he won't be using her as much in the future. Miller suggests once the township's money is gone, Krafthefer and her firm will likely go away.

Resident Pat Palmeri comments that Lake County is 17th highest in Illinois for real estate taxes---400% higher than the national norm. She added the State of Illinois has over 700 units of government, more than any other state in the union, and the state is over a hundred billion dollars in debt. She cannot conceive any town, village or city even thinking about raising a revenue at this point. Trustee Kirschhoffer says the township wouldn't have to raise it if it had not been cut out, adding the township is not taking in any money and stating there is no way of doing the streets and roads. Trustee Hartford counters that Newport has 1.4 million dollars in the bank. Kirschhoffer says there was over 3 million, asserting that the money has been pilfered away and we need to get it back. Resident Palmeri says any pilfering was due to the previous road commissioner [Dan Dziekan] and the nonsense that he initiated noting the township had to pay for his mess.

Resident Mark Kirschhoffer says situation [with Dziekan] was nonsense and he appreciates the good legal representation he says is being provided by the current attorney, adding you can't spend the money any better than having the right people guide us.

Attorney Keri-Lyn Krafthefer says there is nothing on the agenda tonight to increase the levy. She added that this hearing is dealing with money for this year and that the hearing for the levy will come next month. She continues, with respect to the General Town Fund, there is no need to increase the levy to meet the expenditures needs of the township. Hartford notes that the Regular Board Meeting Agenda for tonight calls for discussion and potential action to adopt a resolution of estimate of township levy and road district levy and questions whether Krafthefer's statement about "nothing on the agenda tonight" is accurate. Krafthefer asserts her previous statement was and is correct.

Resident Mark Kirschhoffer comments on miniscule local taxes versus school and state taxes and states his opinion that we get off cheap in this township and village. He believes the money in our community and the surrounding communities has been remarkably well-managed and that we [residents] expect services without funds, and cannot continue to expect people to work for nothing. Mrs. Palmeri commented on rising government pensions, concluding that government starts in your own backyard. Kirschhoffer says there are needy people in Newport who have been

getting services from other townships for years. Trustee Miller doesn't believe this is a true fact and comments that the financial report provided in tonight's board packet [dated 10/17/13-11/25/13] indicates that Ancel Glink was paid \$2200 and if multiplied by twelve months, the \$500 retainer which is supposed to cost \$6000, is now more than \$26,000 'fat' being shelled out for the current attorney firm. Trustee Kirschhoffer comments that it is better than the "\$201,000" that was already shelled out, indicating they are just trying to clean it up.

Hearing no additional public wishing to comment, Whitmore requests a motion and second to recess the General Town Budget Hearing at 6:58 p.m.

Motion made by Crittenden; seconded by Kirschhoffer.

Vote: Ayes, all; Nays, none. Motion passed 5-0.

The hearing was recessed at 6:58 p.m. for the commencement of the Road District Budget Hearing.

The Newport Township Amendment to the Budget & Appropriation Hearing was reconvened at 7:32 p.m.

Whitmore requested a motion and second to adopt the proposed amendment to the General Town Budget.

Motion made by Kirschhoffer; seconded by Crittenden

Vote: Ayes, Crittenden, Kirschhoffer, Whitmore. Nays, Hartford, Miller. Motion passed 3-2.

Adjournment: Whitmore asked for a motion and second to adjourn the Newport Township Amendment to the Budget & Appropriation Ordinance Public Hearing at 7:34 p.m.

Motion by Miller; seconded by Hartford.

Voice Vote: Ayes, all; Nays none. Motion passed 5-0.

Dated the 25th day of November, 2013.

s/Debbie Spurgeon

Debbie Spurgeon, Township Clerk