

STATE OF ILLINOIS,)
 Lake County,) } SS.
 Town of Shields)

THE TOWN BOARD OF SHIELDS TOWNSHIP met at the Shields Township office for its regular monthly meeting on January 20, 2011 at 4:00 p.m.

PRESENT: <u>Gale Strenger Wayne</u>	Supervisor
<u>David Barkhausen</u>	Town Clerk
<u>Lynn Baehr</u>	Town Trustee
<u>Cele Bull</u>	Town Trustee
<u>Laura Carney</u>	Town Trustee
<u>Mary Woodson</u>	Town Trustee

Highway Commissioner Bill Goodman and Assessor Teresia Yakes were also present.

I. Meeting Called to Order

Supervisor Strenger Wayne called the meeting to order at 4:00 p.m. and requested an attendance roll call. All Board members were present.

II. Pledge of Allegiance

Supervisor Strenger Wayne opened the meeting with the Pledge of Allegiance.

III. Budget Workshop Discussion

Supervisor Strenger Wayne introduced Tony Michelotti from the Eder Casella accounting firm that handles the Township’s audit and assists with related matters. They have been helping with the use of new software for budget preparation, monthly reporting, and a transition to Quick Books software.

Town Fund Discussion

Supervisor Strenger Wayne summarized the budget format for the Town Fund. She mentioned the front page as the summary, followed by separate pages for the supervisor’s and assessor’s Town Fund expenses, then General Assistance expenses from the General Assistance Fund, and then totals for all expenses.

Trustee Bull suggested breaking out individual elected officials’ compensation and showing the assessor’s compensation as part of the assessor’s office budget since all assessor’s expenses are paid from the Town Fund. Supervisor Strenger Wayne said that Township attorney Richard Cowen advised that the assessor’s salary must be reported in the same section with the other elected officials’ salaries and not separately under the assessor’s budget.

Trustee Bull suggested cutting some of the salary costs from both the supervisor’s and assessor’s budgets, and Trustee Baehr said she preferred cutting operating expenses rather than programs and services. Trustee Bull said she would like to see \$25,000 more in reductions from both offices. Both Trustees Baehr and Woodson said they agreed with Trustee Bull.

Trustee Carney pointed out that the reduction in the salaries figure in the supervisor’s office from the last year, which was based on the previously agreed arrangement for the office manager’s position to be half time, was too low because it failed to account for the associated reductions in pension and social security costs, which are based on salary levels, and the fact that a \$4,500 portion of the remaining salary is proposed to be paid from the Road Fund rather than the Town Fund. Office manager Arona Landsman acknowledged that this \$4,500 proposed to be paid from the Road Fund had not been subtracted from Town Fund staff salaries figure, which also led to a \$750 drop in associated payroll expenses, for a total reduction of \$5,250 for the Town Fund.

Trustee Carney also said that it is confusing to separate out General Assistance in a General Assistance Fund from the Town Fund, with many expenditure items item being split between the two funds, especially considering that there is no separate GA levy to justify using a separate fund. With these adjustments, the staff salary figure for the supervisor’s office from Town Fund and not including the General Assistance (GA) Fund was determined to be \$61,426 with other adjustments made to payroll expenses.

Trustee Bull renewed her suggestion for an additional reduction of \$20,000 in salaries from the supervisor's budget on top of the savings noted by the changes discussed above. When Supervisor Strenger Wayne suggested that might mean the supervisor's office could only support two half-time employees, Trustee Bull suggested that might not be a bad idea. Trustee Baehr said she agreed and that the Township should try to serve the community on a smaller budget. When Supervisor Strenger Wayne asked how she would propose to do that, Trustee Baehr said it is not the Board's role. Supervisor Strenger Wayne said she has gone from two to one and a half employees. Trustee Bull responded that there are three employees and not two when the employee for General Assistance is included. Trustee Bull said that folding General Assistance into the Town Fund should be considered as part of the overall supervisor's and Town Fund operations and that having a part-time employee to handle General Assistance might make sense. Trustee Carney said that in separating out General Assistance activities and expenses, Supervisor Strenger Wayne had tried to build an "artificial wall" around GA.

Trustee Bull then said that perhaps an employee could be shared between the supervisor and assessor to answer the phone. Trustee Woodson said that is exactly the sort of change that has been made in their office in North Chicago. Trustee Baehr noted the reduction in Township activities without a commensurate reduction in staff expenses, mentioning the discontinuation of college scholarships, a summer youth employment program, and the need to oversee grants to charities. Supervisor Strenger Wayne said that, on the other hand, the increase in traffic from those seeking assistance has made additional demands on staff. Office manager Arona Landsman said she and Kathy French are not equipped to handle caseworker responsibilities, which would require special training and which are Devon Nelson's sole responsibility. Ms. Landsman added that the different responsibilities do not have anything in common. Trustee Baehr said it is not up to the trustees to determine exactly how these saving might best be achieved and renewed her suggestion that there by a \$20,000 in further salary reductions from both the supervisor's and assessor's staff salaries. Trustee Bull said she thought it should be \$25,000 and noted that some of the additional savings had already been identified. Trustee Baehr said the ratio of staff expenses to benefits is unreasonable and that overhead needs to be reduced. Supervisor Strenger Wayne said it is inappropriate to compare the benefits to salaries because the comparison does not take into account the referral services to other agencies that the office provides.

Without any formal motion or additional discussion on the question of staff salaries, the matter was deferred until later in the meeting.

A lengthy discussion followed about the Township's current lease and related utility expenses. Trustee Carney said that she had reviewed the lease and that the Township appeared to be paying too much based on the initial annual lease payment of \$26,116 in July, 1999 and cost-of-living adjustments based on the the lesser of the CPI-Urban index or 5% for each year since then. Based on this index, Trustee Carney said the Township should only be paying \$33,627. She noted that in spite of the very small increase in inflation in the past year, the budget for rent was \$46,000 versus a projected amount of \$40,175 in the past year. It was decided to reduce the budgeted amount to \$41,000.

It was pointed out that the Township had to start paying taxes when the school district sold the building to a private owner within the last few years. Trustee Baehr questioned the Township's need for 8,000 square feet of space, and said the rent does not look like such a good deal considering the space taken up. She also suggested going to the landlord and asking him to reduce the rent based on budget reductions and not having as much money available.

Regarding utilities, Trustee Carney asked why the budgeted amount was increased from \$20,000 last year to \$25,000 when last year's expenditure for utilities is projected at \$15,600. Office manager Arona Landsman said that there is generally a substantial delay and an unpredictability in the timing of the billing for utilities, and it is likely that utility expenses could be higher still for this year. The budget for utilities was set at \$24,300.

Other budgeted amounts under the heading of "Operating Expenses" were agreed to as follows, with the adjustments from the initially proposed budget as noted: Building Maintenance - \$6,500 (down from \$7,000); Refuse Removal - \$1,100 (down from \$1,500); Equipment Maintenance - \$1,000 (down from \$1,940); Accounting Services - \$10,000 (down from \$10,500); Legal Services - \$8,000 (down from \$11,000); Computer Assistance - \$6,500 (down from \$10,000); Postage - \$2,450 (down from \$3,450); Telephone - \$5,000 (down from \$6,300); Office Supplies - \$6,000 (down from \$6,700); Website Management - \$3,500 (down from \$4,000); Publishing for Legal Notices - \$1,600 (no change); Publications - \$450 (down from \$750 with specific discussion of ending the Economist magazine subscription for the assessor's office); Printing - \$1,900 (down from \$2,250); Dues and Conferences - \$4,500 (down from \$6,400, with specific discussion of eliminating Rotary and Chamber of Commerce Dues); Travel - \$3,500 (no change); Training - \$3,000 (down from \$3,500); Utilities - \$24,300 (down from \$25,500); Liability Insurance - \$8,000 (no change); Newsletter - \$0 (down from \$5,000, based on going without a newsletter given the ability to provide necessary information on the Township's website and through press releases); Equipment Leasing - \$3,000 (down from \$4,600).

Under the budget heading of "Community Outreach," the following decisions were made for items for which funds were budgeted or spent in the current fiscal year (no new line items were added): Discretionary-Administration - \$0 (down from \$1,000); the Senior Taxi Ride Subsidy Program in North

Chicago - \$30,000 (down from \$35,000, with suggestions of possibly raising the eligibility age from age 62 to age 65); Lake Forest-Lake Bluff Senior Center Grant - \$25,000 (down from \$30,000, with comments noting that this amount is still significantly greater than what was given to the Senior Center to support their transportation program in previous years); Emergency Assistance Partnership Fund - \$10,000 (no change; this money, designed to help organizations that assist individuals with forms of assistance similar to that provided by the Township, is being given to Mother's Trust this year); Food Pantry - \$5,500 (no change; the budgeted amount equals the budgeted amount projected to be received from administrative fees received from issuing passports).

With regard to the Emergency Assistance ("EA") Partnership Fund, Trustee Carney suggested expanding the idea to a "Community Partnership Fund," whereby any agency helping to provide forms of assistance to Township residents in the manner in which the Township has done through EA could present a bill to the Township, perhaps cumulatively over a 3-month period. Trustees Carney and Baehr suggested that this fund could take the place of having the Township directly provide Emergency Assistance, thereby reducing administrative overhead and paperwork. Supervisor Strenger Wayne said she did not want to give up EA because there is too critical a need for it at this time and that she was not willing to trade it off. She said that other government and non-profit social service agencies, such as the Illinois Department of Human Services and Catholic Charities, are overwhelmed. Trustee Baehr said that the overhead cost is at least four times the amount of EA and GA benefits provided, and Supervisor Strenger Wayne said that the value of the referral service to other agencies has to be considered. In any case, it was tentatively decided to leave the EA Partnership Fund budget line item at \$10,000.

Trustee Carney suggested a new \$10,000 line item for food pantry assistance in North Chicago and then raised the possibility of providing this assistance through funds raised through the Township's private "Phoenix Rising" foundation.

Under the headings of "Capital Outlay" and "Miscellaneous Expenses," the following decisions were made: Separate line items for building, equipment, and camera/sound equipment in the initial budget totaling \$11,750 were combined into one "Building/Equipment" line item for \$2,000. At the same time, the "Contingencies" line item under "Miscellaneous Expenses" was increased from \$7,500 to \$14,500, with the thought that any extra and necessary expenses could be funded with a transfer from this line item.

For the three office expense items specifically relating to the assessor's office – Computer Software, Open Tax File, and Professional Services – Computer Software was reduced from \$1,000 to \$250, Open Tax File, an amount Assessor Yakes said is required by the County Supervisor of Assessments, was left at \$9,000, and Professional Services was reduced from \$4,500 to \$3,000.

Under the "General Assistance Fund" heading covering GA and EA benefits, the total was reduced by \$7,500 from \$37,850 to \$30,350 as the result of the elimination of the full amount (\$8,000) in the "Contingencies" line item and an increase of \$500, to \$1,000, in the "Miscellaneous Expense" line item, as the trustees felt that the increase in the "Contingencies" line item in the Town Fund by \$7,000 provided adequately for any unanticipated benefit expenses. It was pointed out that the line items beginning with the "Personal Grants" item represented EA, as opposed to GA, benefits, and the trustees asked to have GA and EA benefits labeled separately in the final budget as they have been in the past.

Trustee Baehr expressed a desire to reduce the property tax levy to \$850,000 by means of additional reductions in personnel expenses, suggesting \$25,000 reductions in both the supervisor's and assessor's offices and adding that it was not up to the Board to determine the best way to accomplish this objective. Supervisor Strenger Wayne mentioned the expense to the Town Fund of the practice of paying the full salary of the Highway Commissioner from the Town Fund rather than the Road Fund, rather than just half as is required by state law, and she suggested that Commissioner Goodman make cuts in his budget in order to pay part of his salary from the Road Fund. She added that past comparisons of supervisor's office expenses with those in West Deerfield Township and the fact that the West Deerfield Township supervisor has no employee to handle GA are misleading in that the supervisor there has said she would need GA-related staff help if she had a population to serve similar to that in Shields Township.

With regard to personnel expenses in the assessor's office, Assessor Yakes agreed to reduce the budgeted amount for salaries from \$200,000 to \$180,000, about \$2,800 less than the amount projected to be spent on salaries this year, with commensurate reductions in pension and social security and Medicare contributions that are tied to salary levels. Trustee Bull said that there should be a similar reduction of such expenses in the supervisor's office, and Supervisor Strenger Wayne again noted the financial burden of funding the full Highway Commissioner's salary in the Town Fund budget. She noted the personnel cost and other reductions that had already been made, observed that the Township accounts for less than 1 percent of property taxes, and said that any further reductions would result in inefficiencies in Township operations.

After a further discussion of personnel expenses, the Board agreed to have participants in the Township's health insurance program pay 10 percent of the cost, which was estimated to produce a savings of \$4,050.

Road and Bridge Fund Budget

The discussion of the Road Fund budget took very little time. Commissioner Goodman said there were no major increases. He said the biggest potential variable expense relates to the demand for snow plowing. The health and dental insurance expense is down to \$600, as Rob Beake, the one employee of the Road District, went off the Township's health insurance policy, and Commissioner Goodman has not taken the insurance coverage since he has held the position. The total Road Fund budget of about \$245,000 roughly equals projected revenues for the next fiscal year.

After the lengthy budget discussion of about four hours, the Board members moved from the conference table in the Board meeting room to their chairs in front of the room for the more formal part of the meeting.

IV. Consideration of Minutes from the Previous Town Board Meeting

A motion by Trustee Carney to approve the minutes of the Board's monthly meeting of December 16th, seconded by Trustee Woodson, was approved unanimously on a voice vote.

V. Payment of Bills

Town Fund Bills: A motion by Trustee Woodson, seconded by Trustee Bull, to approve the payment of Town Fund expenses in the amount of \$78,587.21 passed 5-0 on a roll call vote.

Road & Bridge Bills: A motion by Trustee Bull, seconded by Trustee Woodson, to approve the payment of Road Fund expenses in the amount of \$25,328.22 passed 5-0 on a roll call vote.

General Assistance Bills: A motion by Trustee Baehr, seconded by Trustee Bull, to approve the payment of General Assistance expenses in the amount of \$11,483.75 passed 5-0 on a roll call vote.

VI. Public Comment – Non-Agenda Items

Dan Rogers of Knollwood suggested that, as a potential additional source of revenue for the Road District, the Board, instead of reducing the Town Fund levy, should have the amount by which the levy might be reduced used to help the Road Fund, with half the amount raised from that portion of the levy returned to each municipality in which it is raised, and the remaining portion transferred to the Road District. He noted how relatively little he pays in property taxes to the Road District (about \$47) compared to the amount he pays to the Rockland Fire Protection District (over \$1,500).

Regarding the Township's newsletter, he urged the Board to continue it once a year as an important source of information, especially for seniors and new residents.

He noted that references had been made at recent meetings to the practices of other townships and asked if the trustees had talked to trustees of other townships to better understand the reasons for any differences in the practices of other townships.

VII. Old Business - None

VIII. New Business

a. Present, Discuss and Adopt Budget & Appropriation Ordinances

Supervisor Strenger Wayne mentioned that there had been a long discussion about the budgets and that there are no final numbers to present after various changes had been made. Based on the decisions that had been made during the discussion, Trustee Carney moved and Trustee Baehr seconded a motion to approve a tentative Town Fund budget as amended, which motion was approved 5-0 on a roll call vote. Similar action was taken on the General Assistance Fund tentative budget on a motion by Trustee Carney, seconded by Trustee Woodson.

Regarding the Road and Bridge Fund tentative budget, Trustee Carney's motion, seconded by Trustee Bull, to approve an amount of \$245,335 passed 5-0 on a roll call vote.

b. Set date and time for Public Hearing on Fiscal Year 2010-2011 Budgets

A motion to approve the scheduling of public hearings on the above budgets for February 24th at 6:30 p.m. was made by Trustee Carney, seconded by Trustee Woodson, and approved 5-0 on a voice vote.

IX. Public Comments – Agenda Items - None

X. Township Officials' Reports

a. Highway Commissioner's Report

Highway Commissioner Goodman said that the Road District had been doing a lot of snow plowing lately, which had taken a toll on some of its equipment.

b. Trustees' Report - None

c. Supervisor's Report

In her Supervisor's Report, Supervisor Strenger Wayne mentioned her appreciation of the following donations to the Township's food pantry: monthly donations from the Lake Forest-Lake Bluff Kiwanis Club and Union Church in Lake Bluff; of non-perishable food items from the food pantry of the Church of the Holy Spirit because of their lack of space; of paper products and toiletries donated by Ann Anderson; of an anonymous donation of \$1,200 in the form of twelve \$100 bills received two days after Christmas; and \$2,000 from the Chicago Community Trust on behalf of the Baird & Warner real estate firm.

XI. Executive Session

A motion by Trustee Carney, seconded by Trustee Bull, to go into Executive Session to discuss the minutes of prior executive sessions was approved 5-0 on a roll call vote at 8:35 p.m..

XII. Consideration of Executive Session Minutes

In three separate 5-0 rolls call votes, Executive Session minutes for the following dates were made on motions made and seconded as follows: November 9th by Trustees Carney and Woodson, November 18th by Trustees Woodson and Bull, and December 16th by Trustees Woodson and Carney.

XIII. Adjournment

A motion to adjourn by Trustee Baehr, seconded by Trustee Woodson, was approved unanimously on a voice vote at 8:41 p.m..

Attest

David N. Barkhausen, Town Clerk