

**Troy Township
Finance Committee Meeting Notes
Tuesday, October 1, 2013
4:45 p.m.**

Committee Chairman Larry Ryan called the meeting to order at 4:45 p.m.

The Pledge of Allegiance was recited.

Roll Call

In attendance:

Supervisor Joseph D. Baltz

Assessor Kim Anderson

Administrator Jennifer Dylík (acting as Secretary)

Trustee Larry Ryan (Chairman)

Highway Commissioner Thomas R. Ward

Absent: None

Chairman Larry Ryan asked for any citizen comments. No citizens or guests were present.

Supervisor Baltz began the discussion of the proposed 2013 levies for both the Road and Bridge Fund and the Town Fund which also includes General Assistance and the Assessor's budget. Supervisor Baltz stated that both of the proposed levies are very fair and conservative. There is a need for increasing the levy by the allowable amount of CPI at 1.7% and picking up new property. Troy Township has a great group of elected officials and employees and our goal should be to keep Troy Township as one of the premier townships not only with regards to the services provided but with regards to our staff and the equipment provided to them. All of this in turn gives the constituents of Troy Township the best service possible. Troy Township continues to be very conservative in the levy. This has been shown by the Township's rate consistently being among the lowest for townships in Will County. The Road & Bridge rate is consistently the third lowest and the Town Fund rate is consistently the fourth lowest. Supervisor Baltz believes that even with the small increases proposed, Troy Township's rate will continue to be the lowest amongst Will County townships.

Administrator Dylík presented a summary of the proposed Road and Bridge Levy:

The proposed R&B Levy is \$1,174,860.00 which is an increase of \$27,495.80 or 2.40% over the prior 2012 extended levy of \$1,147,364.20. After the half-share is distributed to the local municipalities, the Road and Bridge Fund would net approximately 53% of the increase or \$14,572.77. Future needs for the Highway Department include equipment repairs and replacement, road maintenance, paving projects and needed drainage improvements.

Highway Commissioner Ward added that no major pavement projects were done this year and that he is waiting for motor fuel tax for possible major paving projects next year. There are immediate paving needs through at least 50% of the Township. The older used equipment is starting to require a substantial amount of maintenance. All repair work is done in-house to save money. There are drainage improvements that are needed in the unincorporated areas. Highway Commissioner Ward would like to get away from the tar and chip process in the future. The road and draining needs must be addressed before a new building campus and building projects will be commenced. The new International Truck

purchased this year will help improve efficiencies and cut salt costs when salting roadways. The computers in the newer trucks take the guess work out of salting the roadways.

Supervisor Baltz explained the formula which uses CPI and calculates the limiting rate. The limiting rate is the rate which the Will County Clerk uses to calculate the maximum amount of an increase in the levy which a taxing district can receive. Taxing districts can legally increase their levy a figure equal to the CPI plus capture the new property added to the EAV. The levies proposed are only asking for the increase equal to CPI plus the new property.

Supervisor Baltz motioned; seconded by Trustee Ryan, to **recommend to the full Board that the Board approve the proposed Troy Township Road District Tax Levy Ordinance 13-14-TBD** an ordinance levying taxes for all road purposes for Troy Road District, Will County, Illinois, for the tax year 2013, collectible in 2014, in the amount of \$1,174,860.00. Motion carried.

For the Town Fund, Trustee Ryan reviewed a summary of the filed, extended, and received levy funds going back to 2009 and noted that the actual funds received can be lower than what was fully extended in the levy:

Levy Year Year Levy Paid	Levy Summary - Town Fund			
	2009 2010	2010 2011	2011 2012	2012 2013
Town Fund Levy Filed \$	900,000.00	\$ 927,000.00	\$ 970,000.00	\$ 970,000.00
Town Fund Levy Extended \$	885,910.19	\$ 925,722.37	\$ 953,612.83	\$ 972,036.63
Actual Property Taxes Received \$	883,354.41	\$ 924,759.26	\$ 945,068.58	
Difference \$	(2,555.78)	\$ (963.11)	\$ (8,544.25)	
Extended Levy Increase from 2009 to 2012				\$ 86,126.44

Levy Year Year Levy Paid	Levy Summary - R&B Fund			
	2009 2010	2010 2011	2011 2012	2012 2013
R&B Levy Filed \$	1,065,000.00	\$ 1,095,075.00	\$ 1,147,000.00	\$ 1,147,000.00
R&B Levy Extended \$	1,047,539.25	\$ 1,093,500.37	\$ 1,125,869.49	\$ 1,147,364.20
1/2 Share \$	563,657.16	\$ 589,155.36	\$ 606,241.22	\$ 616,604.84
Actual Property Taxes Received \$	562,276.67	\$ 588,457.34	\$ 601,138.46	
Difference \$	(1,380.49)	\$ (698.02)	\$ (5,102.76)	
Half Share Increase from 2009 to 2012				\$ 52,947.68
Half Share Percentage of Extended Levy	53.81%	53.88%	53.85%	

Administrator Dylik presented a summary of the proposed Town Fund Levy:

The proposed Town Fund Levy is \$995,520.00 which is an increase of \$23,483.37 or 2.42% over the prior 2012 extended levy of \$972,036.63. Dylik noted that going forward in future budgets, the General Assistance Fund will no longer pay any portion of the Debt Certificate payment or any building expenses. Additionally, Dylik reminded that the General Assistance 2013-2014 FY Budget was passed with a net income of (\$9,500.00) and would caution against repeating that. Other general areas of vulnerability for the Town Fund include:

- Town Fund:
 - Reserve balance (carryover balance) extremely low at 1.46 months.
 - Not receiving what is fully extended in the levy.

- No grant funding.
- Technology Upgrades (server, networking, equipment) \$15,000.
- Financial reporting software improvements \$10,000.
- Parking lot draining.
- Roofing repairs (roof from 1985) - estimate to need full replacement in 4-5yrs.
- Unknown health insurance costs.
- GA
 - Reserve balance (carryover balance) ok, but don't want to go lower.
 - GA medical claims - deductible on large claims is \$25K.
 - Increased GA client needs.
- Assessor
 - Technology Upgrades (server, networking, equipment).
 - System conversion to website.
 - Equipment needs.
 - Training requirements for newer staff.

Trustee Ryan noted that over the past four years, from 2009 to 2012, the Town Fund extended levy increased by \$86,126.44 and asked what happened to that \$86,000.00. Dylik explained that yes, the extended levy has increased by that amount over the past four years and during that time the following accomplishments have been made:

- Town Fund Carryover Balance Increased by \$56,573.36
- General Assistance Carryover Balance Increased by \$19,111.76
- Purchase of a new township vehicle, paying cash, totaling..... \$21,107.00
- Total..... \$96,792.12

Dylik further explained that using our current fiscal year budget figures, the Town Fund will end this fiscal year with approximately 1.46 months of a carryover balance (reserve balance) or approximately \$116,216.34 and the General Assistance Fund will end this fiscal year with an estimated 4.93 months of a carryover balance (reserve balance) or \$35,774.73. Dylik reminded that with General Assistance we are required to pay our client's medical needs. We can refer clients to a free clinic but if an emergency situation occurs and they are not taken to the free clinic, we are responsible for those bills. Catastrophic insurance coverage is carried however the deductible is \$25,000.00. A few small claims or one large claim by a General Assistance client could potentially eliminate the General Assistance carryover balance.

Dylik clarified that when referring to the Town Fund levy, it should be noted that the Town Fund levy not only funds the Town Fund but also the General Assistance Fund and the Assessor's budget.

Dylik called special attention to the Town Fund's ending cash balance (carryover balance) at the end of FY 2013-2014 noting that it is estimated to be \$116,216.34 or 1.46 months of a carryover balance. Given the fact that our fiscal year ends March 31st and general real estate tax revenue is not received until the middle of May, 1.46 months of a carryover balance is not sufficient. Additionally, the fact that we are showing a trend of not receiving the full funds as extended in the levy and the lack of grant funding are both causes for concern.

Technology needs are great as well. The server which houses all of the Township Assessor's property data is at the end of its useful life. It was the hope that grant funding would be received in the 2013-2014 fiscal year to fund that project along with networking all office computers so that all Township data was housed securely and backed up appropriately. In partnership with that, and also through the anticipated grant funding, it was the intent to update the Township's financial reporting software to QuickBooks. With the lack of grant funding and the future potential for it looking bleak, these projects will likely not happen in this fiscal year. Therefore, they will need to be budgeted for in the upcoming fiscal year without relying on the grant funding.

Dylik reviewed further the above list of vulnerabilities and summarized again the list of Township needs.

Supervisor Baltz motioned; seconded by Trustee Ryan, to **recommend to the full Board that the Board approve the proposed Troy Township Town Fund Tax Levy Ordinance 13-14-TBD** an ordinance levying taxes for all town purposes for Troy Township, Will County, Illinois, for the tax year 2013, collectible in 2014, in the amount of \$995,520.00. Motion carried.

There is no need to schedule another committee meeting at this time. If further question are raised by a Trustee(s) a meeting can be scheduled in the future.

Supervisor Baltz recommended that the Finance Committee meet again in approximately three months to start working on the 2014-2015 FY Budget.

Motion made by Highway Commissioner Ward; seconded by Assessor Anderson to adjourn the meeting at approximately 5:25 p.m. Motion carried.



Submitted by:
Jennifer Dylik
Secretary