

TROY TOWNSHIP BOARD WORKSHOP

Troy Township Community Center

August 20, 2012, 5:30 p.m.

Purpose:

Discussion of Salaries and Benefits for the Elected Officials of Troy Township for the 2013-2017 term.

Supervisor Baltz called the meeting to order at 5:35 p.m.

The Pledge of Allegiance was led by Trustee Theobald.

Attendees:

Supervisor Joseph Baltz

Trustee Larry Ryan

Trustee Donald Walden

Highway Commissioner Thomas R. Ward

Collector Kristin Ethridge

Clerk Jim McFarland

Trustee John Theobald

Trustee Brett Wheeler

Assessor Kim Anderson

Administrator Jennifer Dylik

Supervisor Baltz stated that proper notice of the workshop was given and that the purpose of the workshop was to discuss the salaries and benefits for the elected officials of Troy Township for the 2013-2017 term.

Supervisor Baltz asked for citizen comments.

Resident Ed Murphy stated his dissatisfaction with the current pay levels of the elected officials and does not believe any increase is warranted.

Resident John MacQueen noted that during these tough economic times; it is not time to give anyone raises.

Supervisor Baltz thanked both residents for their comments and feedback.

Supervisor Baltz closed the meeting for public comments.

Administrator Dylik gave a short presentation giving a basic review of the township's budget and levy process. The presentation is attached.

Supervisor Baltz recapped that at the Salary Committee Meeting held on Tuesday, July 24, 2012, he made three recommendations of possible salary options:

1. No increase for any elected official.
2. A step increase for the Assessor and Highway Commissioner with salaries frozen for year one, then an increase of \$4,000.00 per year for years two, three and four.
3. A step increase for the Assessor and Highway Commissioner with salaries frozen for year one, then an increase equal to CPI, not to exceed 5%, for years two, three and four.

Supervisor Baltz reviewed that each official received a copy of Administrator Dylik's presentation, a salary survey conducted by the Assessor's group, a salary survey conducted by the Will County Supervisor's Association and a survey conducted by a Lake County Township Administrator for some Lake and Cook County townships. Administrator Dylik noted that the Assessor's survey was missing the salary for the Frankfort Township Assessor. That information was captured by the Will County Supervisor's survey and should be noted at \$78,000.00.

Supervisor Baltz distributed a list of all taxing bodies in Troy Township. Assessor Anderson noted that the Joliet Public Library needed to be added to the list. There are a total of 34 other taxing bodies in Troy Township.

Supervisor Baltz commented that he had done some research reviewing the salaries of employees at other municipalities and noted that for the highway commissioner who does his own building, grounds, roads, planning and purchasing etc.; most maintenance employees are paid a higher wage than our highway commissioner who has more responsibilities.

Supervisor Baltz reminded the board that currently there is no proposal from the Salary Committee for the board to consider and that after today's board workshop another Salary Committee meeting will be scheduled to bring information back to the Salary Committee from the board workshop. Supervisor Baltz commented that it is not up to him to say if an increase is to happen, it is his role to be a leader and bring options to the committee for their consideration.

Supervisor Baltz opened the floor to the board for any comments or questions. Trustee Ryan asked about contributions to health insurance by the elected official noting that if there was an increase in the contribution rate it would equate to a decrease in salary. A discussion was had about health insurance premiums, out of pocket expenses and the township's possible consideration of HSA accounts or HRA accounts.

Clerk McFarland commented that he does not believe the township can financially sustain any type of salary increase and that the board needs to focus on the position itself and not the individual holding the position.

Trustee Wheeler also commented that he does not believe now is the time to raise the salary of any position.

Assessor Anderson reminded that there has not been an increase in the position since 2008. This will be an eight year freeze in the salary of the position. She believes a small increase based on CPI over a few years would be easier for the township to sustain the financial increase.

Collector Ethridge commented that she is on the Troy School Board and voted no for any increase there and believes the township should follow suit. However, if there is an increase in the health insurance contribution she believes that would be a decrease in salary for which she is not in favor.

Highway Commissioner Ward concurred with Collector Ethridge that he is not in favor of an increase in the health insurance contribution that would essentially be a decrease in salary.

Clerk McFarland added that the township should be concerned with the sustainability of the budget; that is was a difficult last year and that it is going to get worse. Supervisor Baltz stated that the township will be filing for the exact same levy amount as last year and will not be seeking additional funds.

Trustee Walden commented that being on the Township Officials of Illinois Trustees Board he sees the operations of a lot of townships and believes Troy is one of the best run townships in the state; he's proud to have served the township for the past 30 years. Walden believes the township still needs to be concerned about costs and supports no increase with no change in health care contribution.

Trustee Theobald concurred that it is not the right time to increase salary, but would like to see the health insurance contribution rate fixed as well.

Trustee Wheeler concurred.

Trustee Ryan agreed as well; no increase in salary; freeze the health insurance contribution level.

Supervisor Baltz opened the meeting back up for comments from the audience.

Resident Ed Murphy noted that he believes the township made a bad choice having a health insurance sales person and not a health insurance expert explain the differences in changing from Blue Cross Blue Shield to Humana.

Supervisor Baltz reminded that the discussions regarding health insurance, HSA's, HRA's or FSA's would all be discussed at a later date during a health insurance committee meeting.

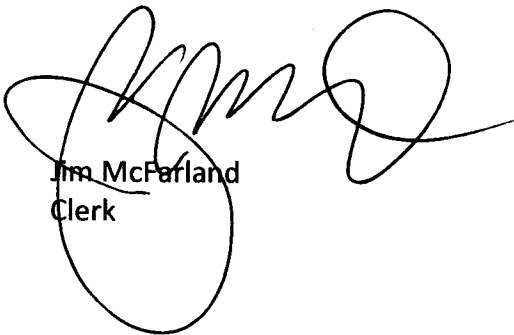
Resident John MacQueen commented that the township should consider not only leaving the levy amount the same but put more efforts into how to do things for less and reduce the costs.

Supervisor Baltz commented that the township employees and Board have been working on ways to reduce expenses and have made some significant changes; reiterating the comments of Trustee Walden that the township is doing a great job of doing more with less.

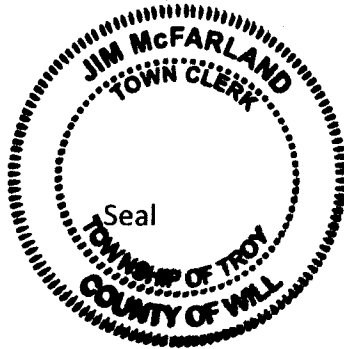
Motion made by Trustee Wheeler; seconded by Trustee Theobald to adjourn.

Workshop adjourned at 6:39 p.m.

Respectfully Submitted,



Jim McFarland
Clerk



TROY TOWNSHIP

Budget & Levy Process

- ### Basic Financial Information
- ❑ The township's fiscal year starts on April 1st and ends on March 31st.
 - ❑ Although the majority of the money coming into the township during the fiscal year comes from general real estate taxes other sources include such items as:
 - Ending balance of prior year is carried over to starting balance.
 - Corporate Personal Property
 - Community Room Rental
 - Grants
 - Fines & Highway Maintenance (for R&B)
 - ❑ To request funds from the tax payer (for general real estate taxes) you prepare a levy. This is prepared in the fall of each calendar year.
 - ❑ The budget (or estimate of how you are going to spend the money) is prepared in the spring of each year.

- ### Levy & Budget Cycle
- ❑ Prepare/File Levy (fall)
 - ❑ Prepare/File Budget (spring)
 - ❑ Start Fiscal Year (April 1st)
 - ❑ Collect Tax Revenue (June - December)

Levy & Budget Cycle

Levy Prepared/Filed	What FY Levy Funds?	Budget Prepared/Filed for FY
Fall of 2011	04/01/12 to 03/31/13	April 2012
Fall of 2012	04/01/13 to 03/31/14	April 2013
Fall of 2013	04/01/14 to 03/31/15	April 2014
Fall of 2014	04/01/15 to 03/31/16	April 2015
Fall of 2015	04/01/16 to 03/31/17	April 2016

Current Fiscal Year

How does a potential increase in Elected Officials' Salaries tie into the budget & levy process? EXAMPLE:

- ❑ For Highway Commissioner & Assessor
 - Year 1 - Salary Freeze
 - Year 2 to 4: Increase equal to CPI, not to exceed a maximum increase of 5%, not to go below 0%.
 - Our example will use maximum scenario of 5% increase in each year 2, year 3 and year 4.

Ten year history of the Consumer Price Index All Urban Consumers (CPI-U) U.S. City Average All Items December - December Percentage Change:	December 2011 3.0% December 2010 1.5% December 2009 2.7% December 2008 0.1% December 2007 4.1% December 2006 2.5% December 2005 3.4% December 2004 3.3% December 2003 1.9% December 2002 2.4%	
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This is the same index used by the County Clerk in the formula to determine a taxing body's limiting rate.

Increased Elected Officials Salaries Example - Financial Impact

Term Dates	Highway Commissioner	Term Dates	Assessor
May 2013 to 2014	\$65,000.00	January 1, 2014 - Dec.	\$65,000.00
May 2014 to 2015	\$68,250.00	January 1, 2015 - Dec.	\$68,250.00
May 2015 to 2016	\$71,662.50	January 1, 2016 - Dec.	\$71,662.50
May 2016 to 2017	\$75,245.63	January 1, 2017 - Dec.	\$75,245.63

When is Levy Filed which would fund FY?	Fiscal Year Budget	Total Financial Impact*
Fall 2011	Current 04/01/12 to 03/31/13	NONE
Fall 2012	April 1, 2013 to March 31, 2014	NONE
Fall 2013	April 1, 2014 to March 31, 2015	\$4,573.51
Fall 2014	April 1, 2015 to March 31, 2016	\$12,642.47
Fall 2015	April 1, 2016 to March 31, 2017	\$21,114.89

Note: An increased need in the budget line item of salaries does not necessarily mean you need to increase your levy. You can potentially balance out the increase in your budget through savings in other line items.

*The financial impact above is gross salary, FICA and Employer's IMRF Contribution (currently 12.97%)