

**Troy Township  
Finance Committee Meeting Notes  
Tuesday, April 8, 2014  
5:30 p.m.**

Committee Chairman Larry Ryan called the meeting to order at 5:30 p.m.

The Pledge of Allegiance was recited.

In attendance:

Supervisor Joseph D. Baltz

Trustee Larry Ryan (Chairman)

Assessor Kim Anderson

Highway Commissioner Thomas R. Ward

Administrator Jennifer Dylik (acting as Secretary)

Absent: None

Chairman Larry Ryan asked for any citizen comments. Trustee Brett Wheeler, Trustee John Theobald, Trustee Donald Walden and Clerk Kristin Dawn Cross were present. No other citizens or guests were present.

Chairman Ryan opened the meeting up for discussion on the Road and Bridge (R&B) Fund budget.

Supervisor Baltz asked to give a brief introduction and commented that Administrator Dylik will be distributing the proposed R&B Fund budget and the proposed Town Fund budget (including Town, Assessor and General Assistance) for the 2014-2015 fiscal year. With rising costs we are proud to present budgets with only slight increases as compared to the budgets of the prior year.

- Budgeted expenses for R&B increased 1.52% over the prior year's budget.
- Budgeted expenses for Town decreased 1.03% from the prior year's budget.
- Budgeted expenses for the Assessor increased 2.67% from the prior year's budget.
- Budgeted expenses for General Assistance increased 0.25% from the prior year's budget.

Supervisor Baltz worked closely with Administrator Dylik, Assessor Anderson and Highway Commissioner Ward to arrive at these figures. They believe these budgets to be fair, conservative and beneficial for the Township and ask this committee to recommend these budgets as presented today for approval by the Troy Township Board at the May 19, 2014 Public Hearing.

Administrator Dylik distributed the updated 2014-2015 FY proposed budget for R&B which shows the updated actual year-end figures as of March 31, 2014. Dylik distributed a chart comparing four years of actual figures to the proposed R&B budget figures. Dylik further noted that cell phone income was added to the proposed budget and the utilities expense line item increased slightly to account for an increase in electric rates.

Chairman Ryan complimented Highway Commissioner Ward on ending the 2013-2014 FY budget with a net positive income of \$49,377.88.

Supervisor Baltz asked Chairman Ryan for approval to distribute the salary information that he had previously requested. Supervisor Baltz commented that Administrator Dylik was asked to provide a list

of all current Township employees and list their wages, all allowances or reimbursements and all benefits received. She was asked to include the employer's FICA/MC costs as well as the employer's IMRF cost with these figures to come up with what is referred to as a "payroll burden" figure. It was also requested that she provide a three year history of each employee and any pay or benefit increase that they received. All information on the sheet she is distributing is information that can be received via a FOIA request and therefore public information. However, for the purpose of this committee meeting Supervisor Baltz asked that participants refrain from discussing any one individual's salary and benefits and focus only on the higher level and total dollars allocated toward payroll. Please remember that the job of the Board is to approve the total dollars spent and that the Board should be empowering and allowing each Elected Official/Department Head to manage their staff accordingly.

Administrator Dyluk will also review the total costs associated with any proposed pay increases and that total cost of that increase on the Township. Supervisor Baltz asked Dyluk to compare the Township's total payroll burden from the prior four years vs. the current proposed budget as well as to compare Troy Township as a whole to two other local governmental units. Administrator Dyluk distributed the bar charts showing the payroll burden.

A discussion was had regarding payroll burden, increased health insurance costs, and possible employee pay increases, quality of work, etc. Dyluk provided detail on expected total cost of proposed pay increases as follows:

- Proposed pay increases in the R&B Fund affect the four full-time employees of the Highway Department. Total funds allocated towards wage increases in the 2014-2015 FY are \$12,480.00 or 5.67% of the total salaries line item of \$220,000.00. Increases average of 10.09%. The total burden on the Township (wage, plus IMRF, plus FICA) is \$15,135.74. Increases for R&B Fund employees are merit based and evaluated with performance appraisals. Three employees are being considered for increases in excess of 5%. These increases are being considered for employees who have had exceptional performance, taken on additional responsibilities and/or leadership roles, secured a CDL license, etc. One employee is being considered for an additional mid-year increase based on successful completion of new performance expectations established at the beginning of this fiscal year. Please note that some of the employees have not had any pay increase since early 2012. Increases would be retro-active back to April 1, 2014.

Chairman Ryan asked Highway Commissioner Ward to summarize his wish list of new equipment, building improvements, etc. Highway Commissioner Ward reported his wish list is detailed in the capital bill grant request that was sent to the five Troy Township legislators. Dyluk reported the list details and will forward this list to all Board members.

Discussion was had regarding capital outlay projects including QuickBooks and the employee handbook. Dyluk confirmed that QuickBooks will benefit all four departments and hence the cost is split between all four departments. Dyluk further noted that the current employee handbook was drafted in 2004 and has sections of it that pertain to only R&B and some sections that pertain to only office personnel. Highway Commissioner Ward and Assessor Anderson will be an integral part of the handbook rewrite with the Township attorney to ensure the new handbook meets the needs of all departments. The handbook would then be approved by the Township Board. The cost of the handbook is also split between all four departments.

Discussion was had regarding the increased cost of fuel in the R&B budget. The increased cost is a direct result of usage during the past fiscal year between the flood, leaf pick up and snow.

Motion made by Supervisor Baltz; seconded by Assessor Anderson for the Finance Committee to recommend this R&B 2014-2015 FY budget to be passed by the Board as the tentative budget at the April 21, 2014 board meeting and then forward this budget on for the public hearing and approval at the May 19, 2014 meeting. Motion carried.

Chairman Ryan opened discussion on the Town Fund proposed budget.

Administrator Dylík distributed the updated 2014-2015 proposed budget for the Town Fund which shows the updated actual year-end figures as of March 31, 2014. Dylík distributed a chart comparing four years of actual figures vs. the proposed Town Fund, Assessor and General Assistance budgets. Dylík further noted that the utilities expense line item increased slightly to account for an increase in electric rates in the Town Fund.

Dylík provided detail on expected total cost of proposed pay increases as follows:

- Proposed pay increases in the Town Fund affect the Township Administrator, Senior Center Director and Building Maintenance Coordinator (1 full-time, 2 part-time). Total funds allocated in the 2014-2015 FY towards wage increases are \$1,031.68 or 0.0038% of the total salaries line item of \$270,000.00. Increases average 3.249%. The total burden on the Township (wage, plus IMRF, plus FICA) is \$1,180.35. Increases for Town Fund employees are merit based and evaluated with performance appraisals. Increases would be retro-active back to April 1, 2014. One employee is being considered for an increase in excess of 5%. This increase is due to exceeding expected job knowledge and ability to save the Township money based on skillset and ability to perform work and repairs in-house.
- The proposed pay increase in the 2014-2015 FY in the General Assistance Fund totals \$274.56 or 1.96% of the total salaries line item of \$14,000.00 (1 part-time employee). The total burden on the Township (wage, plus IMRF, plus FICA) is \$332.99. Increases for the General Assistance employee is merit based and evaluated with performance appraisals. Increases would be retro-active back to April 1, 2014.
- Proposed pay increases in the Assessor's budget affect full-time and regular part-time staff (2 full-time, 3 part-time). Total funds allocated towards wage increases in the 2014-2015 FY are \$1,722.00 or 1.11% of the total salaries line item of \$155,000.00. Increases average 5.02%. The total burden on the Township (wage, plus IMRF, plus FICA) is \$2,088.44. Increases for the Assessor employees are merit based and evaluated with performance appraisals. Two employees are being considered for increases in excess of 5%. Assessor Anderson will provide further detail when discussing the Assessor's portion of the budget. Proposed increases would be effective January 1, 2015.

Chairman Ryan commented on the total salary burden, reviewing the charts provided, for the Town Fund, Assessor and General Assistance and noted that given the fact we are a "service" business it is expected that the percentage of salary burden compared to total expenditures would be high. Budget figures under the health insurance line item include the insurance premium, a potential premium increase of 15% plus an employee's full use of the pledged HRA funds.

Chairman Ryan is proud of the capital outlay projects proposed in all of the budgets and believes that the new server and QuickBooks project will be beneficial and improve efficiencies across all departments.

Motion made by Assessor Anderson; seconded by Highway Commissioner Ward for the Finance Committee to recommend the Town portion of the 2014-2015 FY Town Fund budget to be passed by the Board as the tentative budget at the April 21, 2014 board meeting. Motion carried.

Chairman Ryan asked Assessor Anderson to review the Assessor's budget. Assessor Anderson reviewed the actual payroll expenses for the four years prior and noted various staffing changes that contributed to the actual numbers. Health care costs will increase because of usage. Assessor Anderson commented on the extreme need for the new server and how detrimental it would be if the current server failed. The new server will better meet current needs and provide not only a hard on-site backup but also an off-site electronic back up.

Chairman Ryan asked if the server upgrade will offer any future savings. Administrator Dylík noted that once the server is in place she and Assessor Anderson will explore the option to eliminate all local desk top printers and network to two all-in-one copy/print machines. The various ink cartridges, toners, and drums for all of the stand-alone desk top printers can be very expensive. There can be potential savings there by centralizing all printing with equipment and contract that includes all supplies except paper.

Assessor Anderson noted that her two full-time employees are being considered for pay increases in excess of 5%. Both employees have received promotions, both will receive their CIAO designations in 2015, one is now the FOIA officer and one is now a notary.

Motion made by Supervisor Baltz; seconded by Highway Commissioner Ward for the Finance Committee to recommend the Assessor's portion of the 2014-2015 FY Town Fund budget to be passed by the Board as the tentative budget at the April 21, 2014 board meeting and then forward this budget on for the public hearing and approval at the May 19, 2014 meeting. Motion carried.

Chairman Ryan asked Administrator Dylík to briefly review the General Assistance budget. Administrator Dylík pointed out that in the past General Assistance paid a portion of the building expenses or debt certificate interest totaling \$25,000. Those expenses have been removed and picked up in full by the Town Fund. The dollars allocated in the levy towards General Assistance were reduced by approximately \$16,000 and then the full \$25,000 of expenses is picked up in the Town Fund budget. Other than the proposed capital outlay projects of the server, QuickBooks and the employee handbook, General Assistance is no longer sharing any portion of the building expenses.

Supervisor Baltz reminded the committee that the average number of months in reserve is noted on the bottom of the sheets showing the actual vs. budget figures.

Motion made by Highway Commissioner Ward; seconded by Assessor Anderson for the Finance Committee to recommend the General Assistance portion of the 2014-2015 FY Town Fund budget to be passed by the Board as the tentative budget at the April 21, 2014 board meeting and then forward this budget on for the public hearing and approval at the May 19, 2014 meeting. Motion carried.

Chairman Ryan asked that the budget be reviewed and questions be directed to him or Administrator Dylík. Questions can be brought either on a one-on-one basis to him or Administrator Dylík or questions can be brought to the April 21, 2014, board meeting. If another committee meeting is needed, it will be scheduled at a later date.

Chairman Ryan asked for any other new business. After asking three times, no new business was brought forward.

Motion made by Supervisor Baltz; seconded by Assessor Anderson to adjourn. Motion carried. Meeting adjourned at 6:48 p.m.

Submitted:

  
Jennifer Dylik  
Secretary