

**Troy Township
Finance Committee Meeting Notes
Monday, March 21, 2022
5:30 p.m.**

Committee Chairman Trustee Bryan Kopman called the meeting to order at 5:31 p.m.

The Pledge of Allegiance was led by Trustee Jerry Nudera.

Committee Members in Attendance:

Trustee Bryan Kopman (Chairman)	Trustee Jerry Nudera (Vice-Chairman)
Supervisor Joseph D. Baltz	Highway Commissioner Thomas R. Ward
Administrator Jennifer Dylik non-voting member (acting as Secretary)	

Committee Members not in Attendance: Assessor Kimberly Anderson.

Others in attendance: Trustee Johnnie Greenwood, Trustee Brett Wheeler (arrived at 5:35 p.m.); Clerk Larry Ryan (arrived at 5:36p.m.)

A quorum is established.

Chairman Kopman opened the meeting for citizen comments. After asking three times Chairman Kopman closed the meeting for citizen comments. No citizens were present.

Chairman Kopman opened the meeting for the review and discussion of the proposed 2022-2023 fiscal year budgets.

Administrator Dylik distributed updated estimated actual figures for the fiscal year ending March 31, 2022. Dylik reported that the 2021 tax levy extension was received and the extended amounts are right in line with the budgeted revenue for general property taxes. The 2021 tax rates remain flat and are the same rates as 2020. Supervisor Baltz noted that the tax rate has continued to decline since 2015 thanks to the guidance of the Board and the Administrator's assistance with budgeting.

Trustee Brett Wheeler arrived at 5:35 p.m.

Administrator Dylik continued by distributing updated budget vs. actual figures for all departments (Town, Assessor, GA, and Road and Bridge) for the past three years (2019-2020; 2020-2021; 2021-2022) and the proposed budgets for 2022-2023.

Clerk Larry Ryan arrived at 5:36 p.m.

Dylik started with a review of the General Town Fund budget highlighting four major changes to the budget:

- All salaries and benefits have been moved from General Assistance to the Town Fund due to a price increase for processing payroll for the General Assistance Fund.
- The Administrative Assistant position will go from part-time to full-time.

- Proposed Building Renovation Project - The project estimates are higher than originally anticipated but also include some exterior building renovation and repairs that were not originally in the scope of the project. These improvements could also be parceled out and bid as separate projects if needed.
- A 25% increase is budgeted for health insurance due to usage of the plan during the current plan year. The current plan is a grandfathered pre-affordable care act plan that can still be rated based on experience. Dylik reported that the Health Insurance Committee will be meeting to give serious consideration to all renewal options once the renewal figures are received. Trustee Wheeler asked if this increase is because of adding people to the plan. Dylik confirmed that adding people will of course increase costs, but the budgeted 25% premium increase is expected as a direct result of usage due to health conditions.

Chairman Kopman complimented the budget presentation as well as the organization and clarity of the information provided. Chairman Kopman expressed that he had no issues with the salary changes but requested additional information on the part-time position going to full-time. Dylik reported the increase in hours will help with office coverage, allow time for the completion of projects such as scanning of old records, and will provide additional assistance with processing General and Emergency Assistance including allowing the Township to start a standard procedure of assisting potential clients with completion of the application and collection of required documents. In 2021, 25 applications were sent out, and zero were returned. This specific employee has direct experience working for DHS processing public aid applications and working with townships. On average, for every General Assistance call, staff will spend approximately two hours on the phone (in total over about 2 to 4 calls) with each potential applicant. Supervisor Baltz also noted that for years, the Supervisor's side has been using an Assessor employee as a receptionist for the entire building.

For the General Town Fund, and other than the building renovation project, Chairman Kopman asked if there were any other line items that the committee wished to discuss in depth. No questions were raised.

Supervisor Baltz distributed a memo summarizing the results of the recent Building Renovation Committee meeting where the Committee recommended to move forward with the entire project as it is currently presented. Supervisor Baltz reported that he is working on securing a grant totaling \$270,000 from the State via Representative Larry Walsh in the State's 2022-2023 fiscal year. The grant is contingent on the State's budget being approved. A grant of this amount could greatly help this project and if received in full, it would cover approximately 40% of the total project's budget.

At a total project cost of \$657,000, Highway Commissioner Ward questioned who this project was helping. Supervisor Baltz believes the project helps every single resident that the Township serves. Baltz gave a history of the original building built in 1985 and how no tax dollars were used for the construction; the township saved federal revenue sharing dollars for the project at a cost of \$400,000. The addition constructed in 2006 cost \$2,000,000 to add 5,600 square feet.

Clerk Ryan requested that the Road District be considered to receive a portion of the grant funding. Baltz agrees that this should be considered and further reported that the Town Fund has enough in reserves to cover the full cost of the project.

Administrator Dylik distributed two charts:

- Chart 1 – Town Fund budgeted net income vs. actual net income showing how the Township has performed better than budgeted in every single year since she started in November of 2010.
- Chart 2 – Shows the history of the Town Fund's ending cash balance of about one half of a month of reserves in March of 2011 to current. The chart also shows that if the Town Fund were to spend every single dollar budgeted in the entire 2022-2023 fiscal year budget, the ending cash balance would be approximately \$630,743.00 setting the Town Fund back approximately three years and reducing the months of reserve to approximately 7.26 months. No grant funding is considered in this scenario.

Dylik reviewed some of the major focuses of the project:

- Approximately \$90,000 is allocated for exterior dryvit repairs and repairs to circuit number 3 on the RTU. These projects could be pulled out of the building renovation project, bid separately, and/or considered for a later date.
- Creating a central reception area off of the community center which also allows the ability to secure the back-office space. This eliminates the current dual entrances for the public. The new reception area will feature a full glass wall for staff to operate behind which also will work well if Covid should increase or another novel virus present itself. This area will include a secure buzz-in style door to access the back-office space.
- The Assessor's office space was built in 1985 and only received new paint and carpet with the 2006 addition. Office space is becoming very limited and with the addition of a new hire that is currently being actively recruited, the Assessor will be maxed out for workspace. The current cubicles and workspaces are pieced together with various pieces of equipment to try and make the space usable. The current reception area in the Assessor's side will be removed to create a usable workspace. With these changes comes the addition of a dedicated server room that is climate controlled and away from possible water sources.

Supervisor Baltz reported that a one- or two-year note could be considered for financing the project. A one-year note would be approximately 3.25% interest and a two-year note would be approximately 3.75%.

Dylik also reported that the Assessor's office will be entering the quadrennial assessment year in 2023 making it impossible to perform renovation work on the Assessor's side during that time. This time constraint makes breaking the project down into multiple phases difficult. If not done this year, the renovations on the Assessor's side would then be pushed out at least two years. It would also be impossible to eliminate the reception area on the Assessor's side without having a reception area in the Community Center area. With the pace at which the Township is growing, and the current workloads, the Assessor's side would likely outgrow its current space before renovations could take place, if renovations were to be delayed two or more years.

Chairman Kopman expressed that his understanding of the project scope was to create a central reception area and make the office space more secure at a cost of approximately \$100,000 to \$150,000.00. Although the money is there, Chairman Kopman doesn't believe it should be spent and believes the project, as currently proposed, is more than what the Township needs. His concerns center around an economy propped up by Covid relief, many people going without because of the economy, and concerns about spending such a large amount of reserves on one project that is not needed or

necessary. His additional concerns are that the Township is a governmental entity and class A office space is not needed to operate.

Supervisor Baltz shared Chairman Kopman's concerns and noted that he had the same concerns with the 2006 project but, although expensive, it was important then and is important now to keep up with the times. Clerk Ryan agreed that you have to keep up with the times but is concerned about the price doubling from an original estimate of \$300,000 to \$657,000. Dylik confirmed that original estimates were closer to \$300,000 but also encouraged the Committee to remove the exterior projects (totaling over \$90,000) from the project estimate as they were never originally part of the scope, can be looked at separately, or even delayed a year. Doing so brings the project estimates closer to \$550,000. Trustee Nudera confirmed that when the project was first discussed prices were much less but have gone up considerably due to Covid. The group consensus is that costs will continue to rise.

Clerk Ryan has concerns about depleting the cash reserves.

A discussion continued around the possibilities of digitizing property record cards to save money and free up office space. Additionally, Chairman Kopman apologized for not attending the Building Renovation Committee meetings for two reasons; he thought the project was small and that he would not have a problem with it, and the meetings were held at times inconvenient to his schedule. Trustee Wheeler echoed that comment. Kopman also believes there is more planned for in the project than what is needed to run efficiently and to work well. With a budget at \$657,000 Kopman truly believes the bids may come back in closer to \$1,000,000. Kopman is willing to support the new reception area, converting the old reception area into a conference room, and taking down walls to create the cubicle area in the Assessor's office.

Further discussion ensued regarding the location of the current server and the feasibility of moving it to another location vs. building walls around its existing location to create its own space, the future need of IT rack space vs. all programs being cloud based, and programs currently used that are not convertible to a cloud-based solution.

Highway Commissioner Ward added that the Town Fund is lucky to be able to do this project without eliminating other services. He has similar needs but is unable to afford to address them.

Chairman Kopman reviewed the Committee's options at this time:

- Vote on the budget as it is.
- Have a motion asking for more information from the Building Renovation Committee.
- Have a motion asking for more information from the Assessor.

A discussion ensued about the idea of approving the budget as presented but still reviewing the project to scale it back, to incorporate some of Chairman Kopman's ideas, and what to do if the project bids come in over budget. If bids are over budget the project must be scaled back or eliminated altogether. Dylik reminded the Committee that if the funds are approved in the budget, the Board still must approve the bids for the project to move forward.

Trustee Greenwood stated that today we are setting the budget, but the actual expenditures will be reviewed for Board approval after the bids are returned. The budget is serving as an outline and does not stop the Township from further evaluating the project for ways to phase it and/or areas to save money.

Trustee Kopman raised a question about the salary line-item, having 27 pay periods, and employees being overpaid since they are paid a salary. Dylik confirmed that she is the only salaried employee. All other employees are paid hourly. All employees (both salary and hourly) are paid bi-weekly. The first pay date in the fiscal year is April 1st. The 27 pay periods is an anomaly and has only happened one other time since 2010. No employees are being overpaid.

Administrator Dylik reported that on the Assessor's budget the health insurance line item has the highest increase as explained under the Town Fund. No other questions were raised about the Assessor's budget.

Administrator Dylik reviewed the General Assistance Fund budget. Highlights include removing all payroll and benefits from GA. Remaining budget items include both General and Emergency Assistance, training expenses for GA specific training, newsletter costs, and some minimal miscellaneous other expenses. No additional questions were raised about General Assistance budget.

Administrator Dylik reviewed the Road and Bridge Fund budget. The largest increases are in wages and health insurance. Also, Capital Outlay of Building is increased for some exterior improvements. Highway Commissioner Ward reported that he is considering re-siding the exterior of the building and replacing the roof and gutters. Doing so will require the repair of any structural damage found once the siding and roofing is removed. Highway Commissioner Ward expects the cost to be approximately \$200,000 based on a rough estimate he received. A total of \$235,000 is budgeted. If needed, it could possibly be phased doing the roof and gutters one year and the siding in the second year. Another goal would be to finish heating the remainder of building. This could possibly require additional insulation in that section of the building. Administrator Dylik pointed out the Road District's ending cash balance will be approximately \$85,000 higher than what was estimated in the February 28th proposal, ending around \$1,112,000.00. Additional discussions included the price of fuel, how fuel is purchased, and that no major equipment purchases or asphalt projects are planned this year. No additional questions were raised about the Road and Bridge Fund budget.

A discussion ensued about how the Committee should proceed by either voting on the budget or scheduling another committee meeting.

Highway Commissioner Ward suggested that the Town Fund needs to help fund the leaf pick up service performed by the Highway Department. He recommends that Administrator Dylik and Supervisor Baltz sit down and give this consideration. Chairman Kopman and Supervisor Baltz suggested that Highway Commissioner Ward come up with some budget numbers to accomplish such.

Motion made by Highway Commissioner Ward; seconded by Supervisor Baltz for a future meeting of the Finance Committee to be scheduled as needed.

Chairman Kopman recommended that either another Finance Committee meeting is scheduled, or the Committee vote on the budget recommendation today. Supervisor Baltz would like to see the budgets voted on by the Committee today.

Motion made by Highway Commissioner Ward; seconded by Supervisor Baltz to rescind his previous motion for a future meeting of the Finance Committee to be scheduled as needed. Motion carried.

Motion made by Trustee Nudera; seconded by Highway Commissioner Ward for the Finance Committee to recommend the Township Board approve the Town Fund budget including Assessor's budget as presented. Chairman Kopman requested a roll call vote. Kopman-No; Baltz-Yes, Nudera-Yes, Ward-Yes, Anderson-Absent. 3 Yes, 1 No, 1 absent. Motion carried.

Motion made by Supervisor Baltz; seconded by Highway Commissioner Ward for the Finance Committee to recommend the Township Board approve the General Assistance Fund budget as presented. No roll call vote requested. Motion carried.

Motion made by Trustee Nudera; seconded by Supervisor Baltz for the Finance Committee to recommend the Township Board approve the Road and Bridge Fund budget as presented. No roll call vote requested. Motion carried.

Chairman Kopman thanked everyone for the discussion, feedback, and work that was done putting the budget together.

Motion made by Highway Commissioner Ward; seconded by Supervisor Baltz to adjourn the meeting at 6:47 p.m.

Submitted:

Jennifer Dylik
Secretary