

**CHANNAHON VILLAGE BOARD
COMMITTEE OF THE WHOLE MEETING
MARCH 2, 2015**

Village President Joe Cook called the meeting to order at 6:00 p.m. with Trustees Greco, McMillin, Militello, Schumacher, Scaggs and Slocum present.

Also present were Village Administrator Thomas Durkin, Director of Public Works Ed Dolezal, Director of Community Development & Information Systems Mike Petrick, Finance Director Heather Morandi, Police Chief Jeff Wold, Village Attorney David Silverman and Village Clerk Patricia Perinar.

ADMINISTRATION DEPARTMENT

No Formal Items for Discussion.

COMMUNITY DEVELOPMENT & INFORMATION SYSTEMS

**A Resolution Authorizing Participation in the 2015 ComEd Green Region Program
for the Ford Road Bike Path Interconnect Project**

DCD&IS Petrick presented a resolution for applying to the ComEd Green Region grant. The specific qualifying program being applied for is the connection of the Ford Road Bike Trail to the Channahon Park District DuPage River Access.

The grant is a 50% matching grant capped at \$10,000. Current estimate of the bike path is approximately \$25,186, leaving the Village to fund \$15,186. The awards will be announced in June, and the recipients will have 18 months to spend the grant award, which allows the project to be completed in upcoming FY15-16 or the following FY16-17.

With the Village of Minooka constructing the McEvelly Road bike path beginning this spring, this proposed interconnect would link the Villages of Channahon and Minooka at the Channahon Park District site. Further, it would prevent bicyclists and pedestrians from needing to use the curve on Ford/McEvelly Road. This would also provide continuous bike path from I-55 to the western edges of Minooka's trail system.

This does not need to be in the budget for next year but the following year since it will not be awarded till June and allows 18 months for construction.

Village President Cook asked about the Bridge. Petrick stated that the bridge is Minooka's property. A brief discussion took place regarding the bike path and land surrounding it.

FINANCE DEPARTMENT

Financial Software Request for Proposal

Finance Director Heather Morandi stated that the Village departments, especially Finance, rely heavily on the daily use of the financial software. The current financial software is Fund Balance (a Tyler Technology product) and has been used by the Village for close to 20 years. The Fund Balance software company was acquired by Tyler Technologies many years ago. The Fund Balance program is not well supported by their technical staff after all these years of existence and especially after the sale to Tyler Technologies. The Village currently utilizes an

older version of Fund Balance. At one point, the Village attempted to convert to a newer version of the software, but it caused numerous issues (including the software being unavailable for over two days) and the old version was reinstated. There has been no discussion by Tyler Technologies for any future updates to the Fund Balance software. The Fund Balance software that is currently being utilized by the Village is designed for a municipality of 5,000 residents and the Village has outgrown the capacity for the utility billing module.

The current software does not have the capability of doing several key operational functions such as allowing all staff to work in each module consecutively. A license must be purchased for each user and the Village has purchased only a certain amount of licenses. This can often cause a backup of work for employees. The payroll module is made for only one fund and each payroll a manual journal entry must be entered by the Finance Department to correct each payroll posting so that it is distributed to the appropriate department. The Village does not currently have the capabilities with Fund Balance to enter and track permits for the building department. A separate database is maintained for the permits issued and then the cash receipts must be manually entered into the Fund Balance system and compared to the permit database. There are several other key functions that the Village will benefit from having a modern, user-friendly software system.

Currently, the server that runs the Fund Balance software is over ten years old. It has encountered many issues and will need to be replaced with a new server regardless if new financial software is purchased or if Fund Balance is continued to be used. The current server met the needs of the Fund Balance software, however if Fund Balance remains, there will have to be additional costs involved with getting the old software to be compatible with the new server.

A request for proposal of financial software was sent out at the end of 2014. Four proposals were received from the following companies:

- Tyler Technologies, Incode
- BS&A Software
- Ascent
- Zobrio
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All four proposals were reviewed by Tom Durkin, Mike Petrick and Heather Morandi. After the initial review, two of the proposals, Ascent and Zobrio were eliminated due to the increased cost of massaging the software to function as it would need to for the Village. The two financial software packages proposed seemed to fit the needs of the Village and were within a reasonable price range. Tyler Technologies and BS&A Software sent individuals out to the Village to demonstrate the software to key Village employees within the Finance Department, Building Department and Administration, including the HR Manager. After both software demonstrations it was a unanimous selection of the BS&A software as it appears that it will fit the Village's needs in both the current environment and in the future as growth occurs. Both BS&A and the Tyler Technologies Solution are driven by the same "engine" of Microsoft SQL. Both are similarly capable and function on the back-end in an equal way. The major differences stem from the user interface, licensing structure, and overall cost.

Trustee Scaggs asked whether it would be possible to postpone the purchase due to the finance deficit the Village will be dealing with.

Petrick stated that IT is in need to move it to a modern server and needs to have new technology to go with the updates to prevent issues. The new server is budgeted for this current year. It would make the most sense to upgrade to the new software so everything is compatible.

Trustee Greco asked whether the cost includes a maintenance package. Petrick stated that the physical server is in house but other maintenance and updates are part of the annual cost of usage. The cost includes the transitioning over and implementation to the new system. The new system would make the audit less labor intensive.

The company is willing to work with the Village on splitting up the payments with half in 2016 and half in 2017. The new software would probably not get started until sometime this summer or early fall.

Trustee Scaggs asked Village Administrator Durkin about what he has heard regarding the current financial issues with the state. Durkin believes most to be false rumors. VP Cook believes the municipalities will be looking at a 20% or less decrease. So with estimation the Village could lose approximately \$240,000 leaving the Village deficit at approximately \$780,000 over a full fiscal year.

POLICE DEPARTMENT

No Formal Items for Discussion.

PUBLIC WORKS DEPARTMENT

Purchase of a Used 2012 John Deere CX15 Rotary Cutter

Director of Public Works Dolezal stated the Village owns a 2002 Woods Batwing Rotary Cutter. The cutter is scheduled to be replaced this budget year. The Public Works Department was seeking quotes when it learned that Channahon Township would be trading in their 2012 John Deere Cutter. Channahon Township has offered to sell the cutter to us for the trade-in value of \$7,000.00. \$13,000 was budgeted for purchasing a new cutter, so \$6000 would be saved. The John Deere Cutter was inspected by staff and looks to be in excellent operating condition.

Purchase of Natular Larvicide for Mosquito Abatement

Dolezal stated that for the past several years the Public Works Department has controlled mosquito populations using larvicide briquettes. The product Natular, which is manufactured by Clarke Corporation, was distributed through the Will and Grundy County Health Departments at no cost to the Village, but as funds have been cut from this program the Village receives little if any of the larvicide. The Village budgeted \$9,800.00 to offset the reduced supply of larvicide from the Health Departments to continue our program. We purchase from Clarke Corporation through the state joint purchase program. Our cost would be \$806.74 per case or 12 cases at \$9,680.88. This is a budgeted item.

Hunters Crossing Lift Station Pump 2 Replacement

Dolezal stated the Village operates several lift stations that pump sewage to the waste water treatment plant. Hunters Crossing lift station is the second oldest in our system. The pumping equipment has been operating relatively trouble free but has had a few issues which required the pump to be removed from service and repaired. We continue our pro-active approach to replacing these pumps with Pump #2 at the Hunters Crossing lift station scheduled next to be replaced. Pump #2 was installed in 1999 and has been repaired one time. Cost for the repairs can be as much as 40-60% of a new pump. We are recommending replacing the pump with the same pump, a Flygt Model NP-3127.095. The sole supplier is Xylem Water Solutions, USA of Tinley Park, Illinois. \$7,700.00 is budgeted.

FINANCE DEPARTMENT (Cont.)

Budget Workshop, Part 1

Finance Director Heather Morandi provided the Board with a packet to view and go over.

Morandi provided the Board with the first draft of the Fiscal Year 2015-2016 budget document. The document that was provided did not include the non-financial budget information such as the Transmittal Letter and Budget Message. These two documents will be included in the revised and/or final version of the budget document since certain numbers from the final budget are used in these two documents and may change as a result of the budget workshops. The attached documentation includes only the proposed budgeted amounts for all Village funds (see the attachment titled "Description of Village Funds" for reference).

Beginning in December 2014, Administration and Finance met with each department and their respective trustees to obtain information on the budget process as well as any budget requests for the upcoming fiscal year. Budget worksheets were distributed to each department to complete. Finance compiled all of the information from the departments, trustee meetings and account analyses performed. This resulted in a General Fund budget with expenses over revenues in the amount of \$1,393,122 and the Utility Fund budget with expenses over revenues in the amount of \$520,133.

To address the budget gap, a meeting was held with Administration, Finance and all Department heads to review the budget document and the contents within. During this meeting, the budget was reviewed as a whole and various items were removed from the budget (mostly in the way of capital expenses and revenue adjustments). After the budget was reviewed and adjusted by staff as a whole, there remained a budget gap between expenses and revenues of \$949,022 and \$37,058 in the General Fund and Utility Fund, respectively. Further review of the budget document has resulted in a General Fund and Utility Fund shortfall of \$515,542 and \$108,440, respectively.

The budget document includes various expenses that are related to the following: debt service payments (the Village has previously borrowed money for capital projects and has promised to repay the debt based on an amortization schedule), payroll and related payroll expenses (union and non-union personnel salaries and the costs associated with having employees such as insurance, taxes, etc.), operating expenses (such as supplies, tools, maintenance, etc.) and capital projects.

The following capital projects are included in the Utility Funds current budget document totaling \$539,100:

- \$97,050 in water capital equipment (\$55,000 for a mixer in one of the existing water towers, \$10,800 for a crane on a truck and \$31,250 for ½ of the financial software);
- \$42,050 in sewer capital equipment (\$10,800 for a crane on a truck and \$31,250 for ½ of the financial software); and
- \$400,000 for the design of waste water treatment plant expansion.

In addition to the volatility of some revenue streams on an annual basis, the Governor has proposed a 50% reduction in the municipal share of the LGDF distribution (Income Taxes). If the Governor's budget proposal is accepted, Channahon would see an annual reduction of approximately \$600,000 of the revenue currently received from the State. This reduction is currently not factored into the attached proposed budget document.

The remainder of the budget will be covered at the workshop scheduled for Saturday, March 7th, at 9:00 a.m.

The Committee of the Whole was adjourned at 6:45 p.m.

**Submitted by
Patricia Perinar
Village Clerk**