

**CHANNAHON VILLAGE BOARD
SPECIAL BOARD MEETING
March 7, 2020**

VP Moorman Schumacher called the meeting to order at 8:30 a.m. and led the Board in the Pledge of Allegiance.

Roll call was taken with Trustees Greco, McMillin, Perinar, Scaggs and Slocum present. Trustees Host was absent.

Also present were Village Administrator Thomas Durkin, Director of Community Development and Information Systems Mike Petrick, Finance Director Heather Wagonblott, Director of Public Works Ed Dolezal, Chief of Police Shane Casey, Emergency Services Coordinator John Grimmenga and Village Clerk Kristin Hall. Village Attorney David Silverman was not in attendance.

Public Comment

Trustee Host entered the meeting at 8:34 a.m.

Discussion – 2020-2021 Proposed Budget

Finance Director Heather Wagonblott presented a detailed presentation to the Board. The presentation highlighted the past, progression and balance of the Village. It also detailed the Village's tax rate, diversified tax base, revenues and interest income. In addition, the road program, reserves and outstanding debt we also detailed. She stated all good things in regards the to Village's proposed budget.

A lengthy discussion took place.

Wagonblott continued she is very pleased to report that Village staff worked diligently over the past few months to prepare a **balanced budget** for your review and discussion today. She stated over the past few years, the Village has been fortunate to experience a steady growth in revenue. She also stated this revenue growth has occurred without increasing the annual property tax rate or the institution of any new taxes or fees to residents. She further stated the Village has also diversified the property tax base by approving non-residential development in an effort to stabilize the tax rate for the residents. She stated services provided to residents have been consistent, safety of the community has not been compromised and Channahon continues to be a community in which people want to live. She also stated over the past few years, revenues have increased for various reasons resulting in positive additions to the Village's reserves. She further stated these positive additions to reserves are a result of sound fiscal management, our conservative approach to budgeting and thoughtful consideration related to all decisions from staff and the Village Board. She stated in addition, the positive additions to reserves are anticipation for future diversification of investments, for payment of capital equipment or projects, or for an unexpected major loss of revenue. She stated the required Public Hearing for the budget would be held on April 6, 2020. She also stated final budget documents will be distributed to the Board prior to April 20, 2020. She further stated in addition, the budget ordinance would be on the Board agenda for approval on April 20, 2020. The following information will be included in the minutes of this meeting.

Personnel

Over the past few years, the Village of Channahon has been expanding, developing and experiencing growth, which has triggered the need to increase staff in various departments. The staffing needs that have been identified within the Village departments for the upcoming budget year are listed below and **are included** in the proposed balanced budget:

- Police Department – Patrolman (Step 2 or Lateral) \$63,400
- Public Works – Laborer \$48,178
- Community Development – Increase Planner’s part-time hours from 20 to 24 hours a week (which would result in a change from \$30,800 to \$37,000 annually)

Please note that the Patrolman and Laborer positions noted above are additions to Village staff and would be increasing the Village’s total headcount, as these are not replacement positions. The Planner position is currently a part-time position that would increase 4 additional hours per week and remains ineligible for insurance benefits. If there are any specific questions, the respective department head will address the specifics related to the proposed addition to staffing.

In addition, a 2.50% salary adjustment effective May 1st for all union and non-union positions is included in the proposed balanced budget. The General Fund has sufficient revenues to accommodate the salary increase for both union and non-union positions. Staff evaluations have been completed and are available for review.

Discussion took place regarding Personnel.

Capital Projects

The capital needs of the Village vary from budget year to budget year. Department Heads are responsible for identifying and prioritizing capital needs for their respective departments each year. Staff works diligently year-round to evaluate and identify the capital needs. Below are various capital items or projects that have been identified for inclusion in the 2020-2021 budget. In addition, Village staff has begun the process of re-establishing a 5-year capital plan. Establishing a long-term capital plan will streamline the capital budgeting process each year and will ensure proper preparation for future major capital projects including identifying adequate revenue streams to support the capital expenditures. Below is a listing of capital that *is included* in the proposed draft budget for fiscal year 2021.

General Fund – Fund 11 Capital Items

Capital Vehicles:

- Replacement of a police vehicle (replacing a 2014 Dodge Charger with 99k miles) \$40,000. The intent is that this vehicle will be sold at auction or out-right, whichever leads to a higher amount of revenue recovered. The proceeds received from the sale of the vehicle will be deposited into the general capital fund, Fund 11. **Police Department**
- Replacement of a police vehicle (replacing a 2013 Chevy Tahoe with 95k miles) \$50,000. The intent is that this vehicle will be repurposed for the ESDA department vehicle in lieu of purchasing an additional vehicle. **Police Department**
- Replacement of a police vehicle (replacing a 2015 Ford Explorer with 113k miles) \$50,000. The intent is that this vehicle will be repurposed for the ESDA volunteers in lieu of purchasing an additional vehicle. **Police Department**
- 2020 Chevy Tahoe (new addition to the fleet to accommodate the 2 working foreman) \$14,000. **Public Works (2/3’s of this cost is in the Utility Fund)**
- 2020 Ford F150 Engineering Technician vehicle (replacing a 2008 Ford Ranger with 115,000k miles) \$31,000. The intent is that this vehicle will be sold at auction or out-right, whichever leads to a higher amount of revenue recovered. The proceeds received from the sale of the vehicle will be deposited into the general capital fund, Fund 11. **Public Works**
- 2020 Ford F550 work truck with plow (replacing a 2010 Ford F550 with 140,000k miles) \$95,000. The intent is that this vehicle will be sold at auction or out-right, whichever leads to a

higher amount of revenue recovered. The proceeds received from the sale of the vehicle will be deposited into the general capital fund, Fund 11. **Public Works**

- Dump truck with plow/under body scraper and salt spreader \$193,000. Replacing a 2001 International with 104,000k miles. This capital item was delayed from last year. **Public Works**

Capital Equipment:

- John Deere Front-End Loader \$60,000. The Village does not currently own a front-end loader, rather when the equipment is needed, it is borrowed from Channahon Township. The Village will need this piece of equipment as a part of daily operations as a result of the new waste water treatment plant expansion and the requirement to push sludge, along with other department tasks carried out during the year. **Public Works (2/3's of this cost is in the Utility Fund)**
- Skid steer \$17,000. Replacing a 2005 skid steer. **Public Works (2/3's of this cost is in the Utility Fund)**
- Replacement of the key card access system throughout Village Hall and the Police Department \$30,000. The current system is obsolete and parts are no longer available. **Public Works**
- Fuel system overhaul \$12,000. The current system is obsolete and is need of replacement. **Public Works (2/3's of this cost is in the Utility Fund)**
- Rt. 6 LED light change out (equipment only) \$75,000. Application for grant money related to this expense has been completed and if awarded could be at least \$20,000 reimbursement to the Village. The Village should also realize electric expense savings as a result of the light change out. **Public Works**

Other Miscellaneous Capital Expenditures:

- Dove Drive \$57,500. This project should be completed during fiscal year 2021. Revenues are also included in the draft budget related to the State's portion of the project expense. **Public Works**
- Bridge Street Multi-Use Path \$203,200. This has been an ongoing project spanning over multiple years. Revenues are also included in the draft budget related to a portion of the project expense that will be recouped as a result of a grant. **Public Works**
- Drainage erosion projects \$463,000. The Director of Public Works will explain in detail the listing of the projects, which are included. **Public Works**
- Police Department parking lot expansion \$30,000. **Public Works/Police Department**
- Right-of-Way or easement acquisition for the Bridge Street Multi-Use Path \$10,000. This is a continuation of the ongoing multi-use path project. **Public Works**

Discussion took place regarding Fund 11 – Capital Items.

Utility Fund – Fund 31 Capital Items

Capital Vehicles:

- 2020 Chevy Tahoe (new addition to the fleet to accommodate the 2 working foreman) \$28,000. **Public Works (1/3 of the cost is in the General Fund)**
- 2020 Ford F250 with a service body \$47,500. Addition to the fleet for the wastewater treatment plant. **Public Works**

Capital Equipment:

- John Deere Front-End Loader \$120,000. The Village does not currently own a front-end loader, rather when the equipment is needed, it is borrowed from Channahon Township. The Village will need this piece of equipment as a part of daily operations as a result of the new waste water

treatment plant and the requirement to push sludge, along with other department tasks carried out during the year. **Public Works (1/3 of the cost is in the General Fund)**

- Skid steer \$34,000. Replacing a 2005 skid steer. **Public Works (1/3 of the cost is in the General Fund)**
- Fuel system overhaul \$24,000. The current system is obsolete and is need of replacement. **Public Works (1/3 of the cost is in the General Fund)**

Other Miscellaneous Capital Expenditures:

- Purchase of land for the Brisbin Road Waste Water Treatment Plant (debt issuance would be anticipated for this capital item) \$1,200,000. **Public Works**
- Tower 2 rehabilitation project \$300,000. **Public Works**
- Well #2 Rehab \$30,000. **Public Works**
- 4 lift stations converted to cellular \$50,000. **Public Works**
- I&I repair work by RJN \$197,800. **Public Works**
- Repainting fire hydrants \$110,000. **Public Works**

Discussion took place regarding Utility Fund – Fund 31 – Capital Items.

Non-Capital Expenditures over \$10,000

- Computers and technology budget \$83,800. Expenses include annual licensing & use fees (60%), equipment (33%) & IT Consultants (7%). **Community Development**
- Beautification expenses \$50,000. Items yet to be determined based on the Comprehensive Plan implementation recommendations. **Community Development**
- Public Art program \$40,000. Based on the Comprehensive Plan implementation recommendations. **Community Development**
- Tree replacement program \$30,000 (\$10,000 of revenues are estimated to be received from residents as a result of the 50-50 replacement program). **Public Works**
- Police Department uniforms \$45,900 (up \$16,000 from the previous year as a result of hiring new officers both for replacements in anticipation of retirements and one addition to staffing). **Police Department**
- Training \$39,600 (up \$27,100 from the previous year due to required training, unfunded mandates, and the changes to the traffic and criminal conviction surcharge fund which previously paid for a portion of police training for all departments). **Police Department**
- Collective bargaining legal fees \$10,000. Three union contracts expire on April 30, 2021. Expenses have been budgeted to accommodate contract negotiations prior to the expiration of the contracts. **Administration**
- Equipment & vehicle maintenance \$120,500. Equipment & vehicle maintenance for public works has doubled since fiscal year 2018 as a result of aging fleet. **Public Works**
- Landscape maintenance for I55 & Route 6, roadway medians and Village Hall properties \$10,000. **Public Works**
- Holiday lights and holiday décor for Channaholidays \$15,000. **Administration/ Marketing**
- Mobile Radios \$60,000. Replacement radios for the squad cars. Police squad cars had mobile radios prior to when WESCOM moved from analog to digital radios a few years ago. **Police Department**
- In-squad printers. This would allow police officers to electronically issue tickets vs. handwriting the tickets and accident reports. \$16,000. **Police Department**

VP Moorman Schumacher stated she would like to increase the 60th Anniversary budgeted amount from \$1,000 to \$10,000, since 4 months of the anniversary year are in this current budget. She stated that she

thinks the Village should have events throughout the year and would like to have budgeted funds to do that.

Board Direction was to increase the line item to \$10,000.

Public Works Capital Road Program & Other Transportation Costs

The proposed budget includes \$1.3 million allocated to the capital road maintenance program. This is an 18% increase in the total amount of budgeted road program expenses from the fiscal year 2020 budget. The following roads are anticipated to be included on the annual road capital maintenance program utilizing the proposed budgeted funds, however are subject to change based on further road system evaluations:

- Roberts Road
- Kent Road
- Kurt Road
- Bud Court
- Belle Court
- Carrie Avenue (North of McClintock)
- Joseph Avenue (North of McClintock)

In addition to the road program expenses, the current draft budget includes \$250,000 for bike path extension projects (budgeted in the MFT Fund 26 which is the fund that accounts for the Village fuel & diesel tax). These projects have been identified within the Comprehensive Plan. The construction and connection of the entire bike path system throughout the Village is a multi-million-dollar project. Staff is in the process of evaluating the various sections of missing bike path, estimating costs, and discussing potential funding sources (i.e. Village fuel & diesel tax, issuance of bonds).

Discussion took place regarding Public Works Capital Road Program & Other Transportation Costs.

Budget Overview

- In previous years, Fund 01 and Fund 11 (General Fund & General Capital Fund) have relied on Fund 14 to offset anticipated expenses. The proposed fiscal year 2020-2021 draft budget **does not** rely on Fund 14 to offset any anticipated expenses within the other 2 General Funds (for the 2nd fiscal year in a row). Rather, the proposed draft budget for the General Fund is balanced without any reliance on Fund 14. Village fuel & diesel revenues are utilized to cover street maintenance expenses related to the public works department and street related capital expenses that are paid out of Fund 11.
- Please note that you will see a reduction of fund reserves in Fund 14 which can be attributed to the bond principal and interest payments for the outstanding 2011 GO Bonds. Fund 14 reserves are responsible for and have been designated to pay the remaining 2 years of principal and interest payments related to the 2011 GO Bonds. The last bond payment for Fund 14 will be paid out in December of 2021. The reserves remaining in Fund 14 are sufficient to pay the remaining debt payments.
- At the end of December 2019, the Board voted to set the property tax rate the same for the 2019 tax levy – the rate was not increased for this year (property tax revenue to be received in calendar year 2020). However, the Village is still anticipating an increase in property tax revenue as a result of new residential and commercial construction and a projected increase in the EAV. The

amounts in the budget document for property tax revenues are based on the total amount levied (by category – general, police protection, etc.). Since the value of the new construction is unknown at the time of budgeting, the amounts budgeted for the property tax revenue are rather conservative; and

- The Village continues to flourish from steady revenues received from state and local sales tax, income tax, excise tax (formerly known as telecommunications tax), state gaming taxes and, Village fuel & diesel tax. These revenue sources allow the Village to maintain satisfactory services to the residents, be compliant with state mandates, and purchase capital equipment and fund minor capital projects without taking on additional debt.

Outstanding Debt

- The Village has a total of seven outstanding bonds. Of the seven, four are related to water and sewer infrastructure. Two bonds issued are split between general capital and water/sewer funds. The last bond relates to WESCOM which is not the sole responsibility of the Village, rather it is debt Channahon issued on behalf of WESCOM and all members of the dispatch system are responsible for their portion of the debt;
- The 2011 bonds mature in approximately two years. This bond is split between general funds (75%) and water funds (25%). The last payment is due in October 2021 (fiscal year 2022); **this is the bond that was referred to earlier where the general portion is paid out of Fund 14. There is an adequate amount of fund reserves remaining in this fund that will continue to be utilized to pay the remaining portion of this outstanding debt.**
- The 2012 Water and Sewer bonds have five years remaining until the bonds are paid off. The last payment is due in December 2024 (fiscal year 2025);
- The 2016 GO Refunding bonds are far from mature as these bonds were issued only a few years ago for the water main and Bluff Road projects. These bonds will be partially paid by the Village and other taxing bodies based on the intergovernmental agreement the Village entered with the taxing bodies (IDI development project); and
- Three IEPA loans are currently outstanding. One will be paid in full during fiscal year 2021 and one will not be paid until fiscal year 2040. The most recent IEPA loan for the expansion of the wastewater treatment plant was approved and first drawn on during fiscal year 2020 and the first repayment is not due until fiscal year 2022. The final terms of repayment for the most recent IEPA loan have not yet been received.

The Village's debt will be decreasing significantly over the next 1-3 years (assuming that additional debt is not incurred). This retirement of the debt will open up the respective revenue sources for other planned capital projects, operating costs or will increase the Village's reserves for future use. The Village can always strive towards "zero debt", however, the reality of imperative capital needs will always remain and the Village has the opportunity to issue tax exempt bonds to assist in the payment of the large capital needs.

Discussion took place regarding Outstanding Debt.

Trustee Scaggs made a motion to adjourn the Special Board Meeting at 10:20 a.m. Seconded by Trustee Perinar.

VERBAL ROLL CALL: ALL AYES

MOTION CARRIED

Submitted by

Kristin Hall, Village Clerk

Kristin Hall by Anselme DC