

**CHANNAHON VILLAGE BOARD
SPECIAL BOARD MEETING
BUDGET WORKSHOP
MARCH 19, 2022**

VP Moorman Schumacher called the meeting to order at 9:00 a.m. and led the Board in the Pledge of Allegiance.

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

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, Village Clerk Kristin Hall and Finance Department staff Maggie Churchill and Susan Mikolic. Village Attorney David Silverman was not in attendance.

Public Comment

Michael Leonard, from the Channahon Park District, asked if the Village would consider a partnership with the Park District on the Independence Day event. He stated that for this year, the event is scheduled for July 3rd rather than July 4th, due to the fireworks company is no longer available. He also stated that the cost of fireworks has doubled over the previous year. He further stated that he is here to ask for a partnership for this event and future events in the amount of 50% of the cost of the fireworks program. He stated that they also plan to get sponsors, so the amount of the partnership could go down.

VP Moorman Schumacher stated that these events have a great benefit for the community and residents. She stated that it gets them out to enjoy the community.

Durkin stated that there is \$12,500 included in the proposed FY 2022-2023 23 budget for this.

Discussion – 2022-2023 Proposed Budget

Finance Director Heather Wagonblott presented a detailed presentation to the Board. The presentation highlighted the budgeting process, the village progress, surviving during the pandemic, revenues, road maintenance program, debt, personnel/staffing, capital, non-capital expenditures and budget overview.

Wagonblott made a presentation the Village Board that included the following:

Village staff has worked together during the budget process to prepare the draft budget for fiscal year ending April 30, 2023. The Village's diversified revenue stream has the Village on pace for another successful fiscal year which will end April 30, 2022. This will also help pave a path towards a positive and successful fiscal year ending April 30, 2023. The past few years have included extreme uncertainty, uncharted waters and contentious unknowns. Navigating through a global pandemic has certainly brought about many challenges. However, amid the chaos over the past few years, the Village has demonstrated unity, strength and perseverance. Prior to and more importantly throughout the pandemic, the Village has been fortunate to experience a steady growth in not only development, but also revenue. This revenue growth occurred without increasing the annual property tax rate or the institution of any new taxes or fees to residents. Over the past several years, the Village has diversified the property tax base by approving non-residential development in an effort to stabilize the tax rate for the residents (evidenced by a decrease in the property tax rate for the past 6 years). Thoughtful consideration to the development of the community allows the Village to position itself for the unforeseen and unprecedented occurrences and permits the Village to implement planned expansions to staffing and equipment necessary to continue and improve the services to the community. Conservative spending, fiscally responsible investing of public

funds and dedicated police, public works and all departments result in the Village's continued success. Services provided to residents have remained dependable, safety of the community has not been compromised and Channahon continues to be a community in which people want to live, build and travel. Over the past few years, revenues have increased, resulting in positive additions to the Village's reserves. These positive additions to reserves are a result of sound fiscal management, the conservative approach to budgeting and thoughtful consideration related to all decisions from the Village Board and staff. In addition, the positive additions to reserves will assist in future diversification of investments, investment in capital equipment or projects or an unexpected major loss of revenue. The required Public Hearing for the proposed fiscal year 2023 budget will be held on April 4, 2022. Final budget documents will be distributed to the Village Board in advance of the April 18, 2022 board meeting at which the budget ordinance will be included on the Board agenda for approval.

PERSONNEL

Over the past few years, the Village of Channahon has been expanding, developing and experiencing growth which has increased the need for additional staff. The Village anticipates retirements within two departments (Police and Community Development) and has therefore identified the need for replacement staffing, prior to both retirements, so that cross training can occur with minimal interruptions to services. Additional staffing needs that have been identified by Village departments (which are included in the fiscal year 2023 proposed budget) are listed below:

- Police Department - Records Clerk \$45,000
- Police Department - Records Clerk \$45,000 (pending current staff retirement)

The Police Department once employed 3 support personnel in the Records Department until 2011 and has been getting by with 2 support personnel in the Records Department since 2011. However, many changes to the Police Records duties and responsibilities have occurred over the last 12 years, including additional state and federal mandates, placing many additional obligations along with criminal and civil liability on the record-keeping function of municipal departments. The PD has taken steps to restructure the Records Department by adding the Records Administrator position (in lieu of Police Executive Assistant) and planning for the retirement and succession of a current Records Clerk. The Records Administrator position is intended to be a hybrid position between a Records Manager and a Police Executive Assistant. Many pieces of legislative over the last decade have added duties across all facets of police work. Many of these requirements have been added in the area of police records' management, maintenance and reporting. Some of these changes took place with the passing of the Illinois Police and Community Relations Improvement Act in 2016 and many additional were added in 2021 when the Illinois SAFE-T Act was passed. The Police Department is at a junction where the regular workload justifies the addition of a Records Clerk, so the Police Department can begin delegating additional duties and responsibilities among 3 Records Clerk. It is imperative we hire and begin to train the replacement staff. It is imperative to plan for the pending retirement to minimize the disruption to the department.

- Public Works Department - Assistant Public Works Director \$115,000

The position would provide needed managerial and supervisory support to the Director. The Director has increasingly been engaged with individual projects, such as the Alternative Water Source study, land acquisition for bike paths and a future waste water plant and the pending construction of a new wastewater treatment facility. There is less time for the necessity of the department overview, planning, succession planning, standardizing procedures and coordination of diverse staff. These issues will be exacerbated over the next decade as the department proceeds with 20 million dollars of infrastructure planning and improvements associated with Lake Michigan

Water. In addition to the internal water improvements, there will be attention needed to Lake Michigan Water Commission, as part of our membership.

- Community Development Department - Chief Building Official \$90,000 (replacement position due to current staff retirement)
- Community Development Department - Building Inspector \$62,000

The number of inspections performed has increased 188% since 2016. With the retirement of the current Chief Building Official, additional inspection staff may be timely and necessary.

- Community Development/Public Works Department - GIS/Planning Technician/Engineering Technician \$70,000

The needs of staff require a support position to input, analyze, manipulate and manage data products. This position would work with output map and data exhibits, gather data from the field and support Public Works and Development departments' activities. This position will create and push data programs and apps to all Village users that have applicable job needs. As the public works field functions are becoming increasingly digital, the need for a staff position to support and organize necessary data and communications is ever-increasing. Production of some exhibits, such as PACER rating maps has been discontinued (since this position has been vacant) and would be of benefit to restart. This position is intended to be a hybrid position that has crossover with Public Works in engineering technician and field data gathering functions, but has been placed in the Community Development department for efficiency of organization. With the transition to Lake Michigan water, in-house provision of data and map products will greatly aid in the completion of that program.

- Finance Department - Assistance Finance Director \$95,000

This position would assist with Finance Department duties including, but not limited to, review of accounts payable; preparation or review of payroll; completion of annual state filing requirements such as MFT reporting, Comptroller reports or Department of Insurance reports; annual fixed asset entry and reconciliations; review of daily cash receipts; review of bank reconciliations; preparation of monthly, quarterly and annual journal entries, etc. Since the intention is to move the responsibilities of payroll processing and reporting from the Administration Department's HR Manager to Finance Department staff, the need for additional staff is imperative.

In addition, a 2.75% salary adjustment effective May 1st for all union and non-union positions is included in the proposed balanced budget. This is consistent with the increases included in the 1st year of the recently approved collective bargaining agreements with Local 150. The police officers' union contract, Metropolitan Alliance of Police (MAP), will expire on April 30, 2022. Union negotiations have not yet begun for the MAP bargaining unit. The General Fund has sufficient revenues to accommodate the proposed salary increase for both union and non-union positions. Union and non-union staff evaluations have been completed by the Village Administrator or the respective Department Heads and are available for review.

CAPITAL PROJECTS

The capital needs of the Village vary from budget year to budget year. During the recovery from the Great Recession, the Village postponed several capital equipment purchases or replacements due to various reasons including the concern of lack of funds, uncertainty of future revenues, etc. The delay of these capital purchases caused the equipment to age, maintenance cost to increase and the replacement schedule to back up. In more recent years, as a result of steady and diversified growth, the Village has been able to adhere to the department's recommended replacement schedule. Funds are available to

replace crucial vehicles and equipment needed to maintain an appropriate level of service and to ensure that the vehicles and equipment that Village staff are utilizing is safe and effective. Capital expenses are often paid with “cash” by the Village; however, long-term or extremely large capital projects often require the Village to take on debt in the way of loans or general obligation bonds. The proposed budget includes various vehicles and equipment that are intended to be purchased with “cash” as well as one long-term project that is intended to be financed. Department Heads are responsible for identifying and prioritizing capital needs for their respective departments. Staff works diligently year-round to evaluate and identify the capital needs of the Village. The 5-Year Capital Plan will be listed on the April 4th board agenda for consideration. 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 are various capital items or projects that have been identified by Village staff and **are included in the fiscal year 2023 draft budget.**

GENERAL FUND - FUND 11 CAPITAL ITEMS

Capital Vehicles:

- Replacement of a police vehicle (replacing a 2017 Ford Explorer with 115K miles) \$55,500. The intent is that this vehicle will be repurposed to a training squad vehicle. The current training squad will be repurposed to the Public Works Department to replace the 2005 Colorado. **Police Department**
- Replacement of a police investigations vehicle (replacing a 2013 Dodge Charger with 120K miles) \$40,500. The intent is that this vehicle will be deemed surplus and sold as the vehicle has numerous mechanical issues and is becoming costly to maintain. **Police Department**
- Replacement of a police vehicle (replacing a 2014 Dodge Charger with 140K miles) \$48,000. The intent is that this vehicle will be deemed surplus and sold as the vehicle has numerous mechanical issues and is becoming costly to maintain. **Police Department**
- Replacement of police vehicle (replacing a 2014 Dodge Charger with 107K miles) \$46,000. The goal with this replacement is to create a CSO/Crime Scene vehicle with the purchase of a transit van which will allow for an easier job function for both the CSO and the evident technicians when responding to process a scene. 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**
- A new vehicle for the Community Development Department due to the additional position of the Building Inspector \$30,000. **Community Development**
- Mack Tandem truck with plow and salt equipment \$250,000. Replacing current truck #18 which is a 2004 International Harvester 7400, tandem axle truck with snow package which has 49,591 miles and is 17 years old. **Public Works**
- Mack Tandem truck with plow and salt equipment \$250,000. Replacing current truck #13 which is a 2004 International Harvester 7400, tandem axle truck with snow package which has 46,481 miles and is 17 years old. **Public Works**
- Ford F550 1-Ton dump with plow and salt equipment \$110,000. Replacing current truck #42 which is a 2013 Ford F550 truck with snow package, SS bed and toolbox which has 72,095 miles and is 8 years old. **Public Works**

Other Miscellaneous Capital Projects or Expenditures:

- Security fencing and electronic gate for around the Police Department parking lot \$50,000. **Police Department**
- Space planning engineering \$200,000. **Administration and Public Works**

- Bridge Street Multi-Use Path phase 2 engineering for stage 2 \$180,000. 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 the ITEP grant. **Public Works**
- Bridge St. Multi Use Path phase 3 engineering stage 2 \$118,200. **Public Works**
- Bridge St. Multi Use Path construction stage 2 \$400,900. **Public Works**
- ROW or easement acquisition for Bridge Street Multi Use Path \$12,000. **Public Works**
- McEvilly bike path right-of-way acquisition \$29,000. **Public Works**
- East side bike path (Rt 6/Patricia) \$451,000. **Public Works**
- Expansion of the bike path or recreation path network per the comprehensive plan \$250,000. Costs include engineering and construction of a portion of the paths needed to complete the path system (east side Rt. 6 bike path design and land acquisition and other various bike paths prioritized in the comprehensive plan). **Public Works**
- Multiple drainage erosion projects \$450,000. Drainage erosion projects to correct or mitigate nuisance drainage and flooding. **Public Works**

UTILITY FUND - FUND 31 CAPITAL ITEMS

Capital Vehicles:

- 2021 Ford F450 Crane Truck \$110,000. Replacing current truck #30 which is a 2006 Ford F450 truck with crane and lift gate which has 146,585 miles and is 15 years old. **Public Works**

Other Miscellaneous Capital Projects or Expenditures:

- Operator interface in the waste water office \$30,000. SCADA interface updates. **Public Works**
- Plant water pump #2 replacement \$23,000. **Public Works**
- Design and construct a new waste water treatment plant to serve west McClinden Road including the Brisbin Road Interchange (create the IEPA planning report) \$400,000. **Public Works**
- Road construction engineering for the west side waste water treatment plant access road \$75,000 (1/2 in Fund 26). **Public Works**
- Lift station SCADA update \$140,000. Replacement of an older/antiquated portion of the SCADA system. **Public Works**
- Construct well #7 \$2,360,000. A new well to meet the Village's growing demand for water planned at Ridge Road and Route 6. **Public Works**
- Well #6 Rehab \$180,000. **Public Works**
- Tower #3 Rehab \$360,000. **Public Works**
- Visu-sewer I&I project continuation \$250,000. A continuation of work being done on the sanitary sewer system to prevent ground water infiltration. **Public Works**
- Sanitary sewer cleaning/inspection \$50,000. **Public Works**
- Land acquisition related upcoming capital infrastructure needs related to the water commission \$275,000. **Public Works**

Fiscal Year 2022 Vehicle and Equipment (Carried Forward to Fiscal Year 2023) - Funds 11 & 31

The capital items below were budgeted in the previous fiscal year 2022 budget, however, due to supply chain issues, these capital items are not anticipated to be delivered until after April 30, 2022. Therefore, the fiscal year 2022 capital items listed below are also included in the fiscal year 2023 budget. This will allow for the proper accounting of the capital expenditures so that the expenditures are budgeted in the same year in which the expense will be paid.

- 2022 Dump belt truck with plow/under body scraper, gravel shoot and salt spreader \$204,000. Replacing current truck #4 which is a 2001 International 4900 with 60,007 miles. The intent is that this vehicle will be sold at auction or out-right, whichever leads to a higher amount of revenue recovered. **Public Works (Fund 11)**

- 2021 Ford F550 1-ton work truck with plow and salt spreader \$103,000. Replacing current truck #35 which is a 2009 Ford F550 1-ton dump body with 148,203 miles. The intent is that this vehicle will be sold at auction or out-right, whichever leads to higher amount of revenue recovered. **Public Works (Fund 11)**
- 2022 Dump truck with plow and salt spreader \$176,000. Replacing current truck #17 which is a 2003 International 7400 with 46,755 miles. The intent is that this vehicle will be sold at auction or out-right, whichever leads to a higher amount of revenue recovered. **Public Works (Fund 11)**
- Ford F250 truck with service body with plow \$50,000. Replacing current truck #56 which is a 2007 Dodge Dakota with 104,000 miles and is 14 years old. **Public Works (Fund 31)**

NON-CAPITAL EXPENDITURES OVER \$10,000

- US Route 6 LED street light change out \$115,000. To look at the photometrics of the new LED lights to replace the existing high pressure sodium lights and to obtain IDOT approval for such replacements. **Public Works**
- Computers and technology budget \$111,750. Expenses include annual licensing & use fees (64%) and equipment (36%). **Community Development**
- Collective bargaining legal fees \$25,000. The MAP police officer's union contract will expire on April 30, 2022. Expenses have been budgeted to accommodate contract negotiations that will occur during fiscal year 2023. **Administration**
- Town Center project management \$50,000. **Administration**
- Equipment & vehicle maintenance for all departments is budgeted at approximately \$211,000. Equipment & vehicle maintenance for all departments has increased the past few fiscal years as a result of aging fleet.
- Landscape maintenance for I-55 and Route 6, roadway medians and Village Hall properties \$63,000. **Public Works**
- Space planning/expansion design engineering \$200,000. Architect and engineer hours at from FGM to assist the Village with space planning or expansion needs for the future. **Administration**
- Lighted street name signs on stoplight masts (1/3 of multi-year project) \$84,000. **Community Development/Marketing/Public Enhancement**
- Welcome to Channahon sign upgrades (1/4 of multi-year project) \$35,000. **Community Development/Marketing/Public Enhancement**
- Artistic Design Christmas Tree for Channaholiday's \$30,000. **Community Development/Marketing/Public Enhancement**
- Fireworks for the 4th of July celebration in conjunction with the Park District \$12,500. **Community Development/Marketing/Public Enhancement**

PUBLIC WORKS CAPITAL ROAD PROGRAM & OTHER TRANSPORTATION COSTS

The proposed budget includes \$1.4 million allocated to the capital road maintenance program. This is \$100,000 more than the amount budgeted in the prior fiscal year (2022) for the road maintenance program expenses. The following roads are anticipated to be included on the annual road capital maintenance program utilizing the proposed budgeted funds, however these roads identified are subject to change based on further road system evaluations:

- Pine Street
- Maple Street
- Spruce Street
- Birch Street
- Elm Street
- Bluebird Court
- Turnstone Boulevard
- Sandpiper Drive

- Bluff Street (Canal to Tryon)
- Joliet Street
- Bridle Path
- Fox Trail
- Ascot Court
- Winding Oak Court
- Wind Oak Court
- Kinberly Lane
- River Bluff Drive

Included in the road program expenses and other budgeted expenses within Fund 26 are various other sidewalk projects and road maintenance costs such as sealcoating, crack filling and spray patching on various streets, material testing and surveying/design professional services. In addition to the items listed above, the draft budget also includes \$500,000 for preliminary engineering for road widening on Rt. 6 from Manor Lane to Houbolt Road (1/2 shared remaining costs by Channahon, Will County and the City of Joliet). The estimated total preliminary engineering costs for this project is \$3.2 million. The State of Illinois has verbally committed to pay for half of the project (\$1.6 million).

OUTSTANDING DEBT

As of May 1, 2022, the Village has a total of five outstanding GO bonds and/or IEPA loans:

- GO Bonds, Series 2016: these bonds have 11 years remaining until maturity. These bonds were issued as a result of street and water main infrastructure related to the Bluff Road development project. These bonds are partially paid by other taxing bodies based on an intergovernmental agreement and paid out of Fund 15.
- GO Refunding Bonds, Series 2021A: the 2012 refunding bonds were refinanced during fiscal year 2021. These water and sewer bonds have four years remaining until the bonds are paid off. The last payment is due in December 2024 (fiscal year 2025).
- GO Refunding Bonds, Series 2021B: the 2013 GO Bonds related to WESCOM were refinanced during fiscal year 2021. These bonds are not the sole responsibility of the Village and only a portion of these bonds relate to the Village.
- One of two IEPA loans outstanding will mature in ten years. The other IEPA loan, the most recent loan, relates to the expansion of the waste water treatment plant project that was completed during fiscal year 2021.

The anticipation is that debt will significantly increase in the Utility Funds within the next few years due to many factors: 1) the Village joining the regional water commission that will result in Lake Michigan water becoming the Village's source of water, 2) additional construction of infrastructure related to capacity needs as a result of a growing community, and 3) the construction of waste water treatment plant on the far west side of town. Water and sewer rates are established at an appropriate rate, with annual increases, to contribute to the current and future outstanding debt payments related to the utility fund.

BUDGET OVERVIEW

- The fiscal year 2023 draft budget is reflective of a thriving and prospering community. The draft budget is representative of a solid and sustainable future. A united Village Board, a professional and dedicated staff, a strong local economy, flourishing of development projects and conservative budgeting has positioned the Village as an exemplary municipality.
- Most General Fund capital projects are facilitated by "cash" rather than incurring long-term debt that includes interest payments. Building reserves and the intended expenditure of a portion of those reserves, has afforded the opportunity to continue to fund capital needs, maintain operations and allows the Village to be financially prepared for any unknown or unanticipated downturn in revenues.

- The fiscal year 2023 budget draft includes several capital equipment items that were intended to be purchased during fiscal year 2022, however due to economic factors beyond the Village's control, the items were not available for purchase. Three (3) capital equipment items were ordered in early fiscal year 2022, however the projected delivery date was not until after May 1, 2022 (after fiscal year 2022 has concluded). Therefore, the fiscal year 2023 budget draft includes three (3) capital equipment items carried forward from fiscal year 2022, totaling \$483,000, within the General Capital Fund.
- At the end of December 2021, the Board voted to set the property tax at a lower rate compared to the 2020 tax levy. The Village was able to propose a lesser tax rate in 2021 as a result of the anticipated increase in the EAV and the diversification of and increase in revenues. The Village anticipates an increase in property tax revenue (the dollar amount received by the Village) 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 deemed conservative.
- 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 and diesel tax. These revenue sources allow the Village to maintain exemplary services to the residents, to be compliant with state mandates, facilitate planned community growth and improvement, fund capital equipment and minor capital projects within incurring long-term debt.

Wagonblott thanked the Board for coming to the Budget Workshop and her staff for the help setting up.

VP Moorman Schumacher thanked the Department Heads for the phenomenal job.

Wagonblott distributed the final 5-year Capital Plan, she stated that it will be on the April 4th agenda for consideration.

VP Moorman Schumacher stated that this information is available on our website for the public.

Trustee Scaggs made a motion to adjourn the Special Board Meeting at 11:42 a.m. Seconded by Trustee Greco.

VERBAL ROLL CALL: ALL AYES MOTION CARRIED

**Submitted by
Kristin Hall
Village Clerk**

