

**CHANNAHON VILLAGE BOARD
SPECIAL BOARD MEETING
MARCH 27, 2021**

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

Public Comment

VP Moorman Schumacher thanked everyone for spending their Saturday morning here. She thanked Wagonblott and staff for preparing another balanced budget.

Discussion – 2021-2022 Proposed Budget

Finance Director Heather Wagonblott presented a detailed presentation to the Board. The presentation highlighted the challenges, interest income, survival, stability, progress, revenues and expenses. She stated that the Village maintained relatively uninterrupted revenue streams related to property, sales and income taxes. She also stated that she attributes this to the diversity of the revenue streams the Village has in place.

A lengthy discussion took place on the various highlights.

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. The Village anticipates a retirement within one department and has therefore identified the need for replacement staffing, prior to the retirement, so that cross training can occur and any interruptions to services can be mitigated. In addition, the police department has identified the need to fill a currently unfilled position within the department. The staffing needs that have been identified by Village departments which are included in the proposed budget are listed below:

- Police Department - Patrolmen (Step 2 or Lateral) \$65,000
- Police Department - addition of a Police Executive Assistance/Records Administrator position \$60,000
- Community Development Department (Chief Building Official) - overlap for pending retirement

Please note that the Patrolman and police executive assistant/records administrator positions noted above are additions to Village staff and would be increasing the Village's total headcount as these are not replacement positions. Adding this additional officer will bring the total sworn personnel to 27 (19 police officers, 5 sergeants, 2 deputy chiefs and 1 chief). The respective department head will address the specifics related to the proposed addition to staffing.

In addition, a 3.00% salary adjustment effective May 1st for all union and non-union positions is included in the proposed balanced budget. The police officers' union contract, Metropolitan Alliance of Police

(MAP), will expire in April of 2022 and therefore has one year remaining. The board approved increase within the MAP contract, beginning May 1, 2021, is 3.00%. **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.

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. Staff works diligently year-round to evaluate and identify capital needs. Below are various capital items or projects that have been identified for inclusion in the fiscal year 2022 budget. In addition, Village staff is in the process of compiling information for the 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 2022.

GENERAL FUND - FUND 11 CAPITAL ITEMS

Capital Vehicles:

- Replacement of a police vehicle (replacing a 2015 Ford Explorer with 132K miles) \$45,000. The intent is that this vehicle will be repurposed to be an ESDA volunteer vehicle. **Police Department**
- Replacement of a police vehicle (replacing a 2015 Ford Explorer with 116K miles) \$45,000. The intent is that this vehicle will be repurposed to be an ESDA volunteer vehicle. **Police Department**
- Replacement of a police vehicle (replacing a 2013 Dodge Charger with 116K miles) \$45,000. The intent is that this vehicle will be sold at auction at 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**
- 2022 Dump belt truck with plow/under body scraper, gravel shoot and salt spreader \$205,000. 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**
- 2021 F550 1-ton work truck with plow and salt spreader \$105,000. 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 a higher amount of revenue recovered. **Public Works**
- 2022 Dump truck with plow and salt spreader \$180,000. 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**
- 2021 pickup truck with a bed cab for the ESDA Director as a response vehicle and for facilitating deputy liquor commissioner duties \$37,000. **ESDA**

Capital Equipment:

- 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 \$50,000. The current system is obsolete and parts are no longer available. The replacement system will also integrate with the current video camera system. **Public Works**

Other Miscellaneous Capital Projects or Expenditures:

- Public Works Garage (Blackberry Annex) asphalt rehab project \$57,000. **Public Works (2/3's of this cost is in the Utility Fund)**
- Land acquisition costs for the Public Works Garage (Blackberry Annex), 16.75 acres at approximately \$17,000/acre \$150,000. **Public Works (1/2 of this cost is in the Utility Fund)**

- Design of the Navajo Drive roundabout fountain and correlating artificial Christmas tree project \$45,000. **Public Works**
- Bridge Street Multi-Use Path engineering and construction costs \$200,000 and right of way or easement acquisition for the Bridge Street Multi-Use Path \$10,000. 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 reoccupied as a result of the ITEP grant. **Public Works**
- Expansion of the bike path or recreation path network per the comprehensive plan \$300,000. Costs include engineering and construction of a portion of the paths needed to complete the path system (east side of Route 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 F250 service body with plow (replacing a 2007 Dodge Dakota with 92K miles) \$50,000. 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**

Capital Equipment:

- Skid steer \$34,000. Replacing a 2005 skid steer. **Public Works (1/3 of the cost is in the General Fund)**

Other Miscellaneous Capital Projects or Expenditures:

- Land acquisition for the Public Works Garage (Blackberry Annex), 16.75 acres at approximately \$17,000/acre \$150,000. **Public Works (1/2 of this cost is in the General Fund)**
- Operator interface in the waste water office \$30,000. SCADA interface updates. **Public Works**
- Create an IEPA planning report \$85,000. Expenses related to designing and constructing a new waste water treatment plant to serve west of McClinden Road including the Brisbin Road interchange. **Public Works**
- Public Works Garage (Blackberry Annex) asphalt rehab project \$114,000. **Public Works (1/3 of cost is in the General Fund)**
- Replacement PLC (Program Logic Control) for water treatment plant \$15,000. Replacing or upgrading existing equipment. **Public Works**
- Purchase of land for the Brisbin Road Waste Water Treatment Plant \$1,353,000 (debt issuance at a later date would be anticipated for this capital item when the construction of the waste water treatment plant begins). **Public Works**
- Lift station SCADA update \$135,000. Replacement of an older/antiquated portion of the SCADA system. **Public Works**
- Design well #7 \$70,000. A new well to meet the Village's growing demand for water planned at Ridge Road and Route 6. **Public Works**
- Well #5 Rehab \$70,000. **Public Works**
- Visu-sewer I&I project continuation \$121,000. 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**

NON-CAPITAL EXPENDITURES OVER \$10,000

- US Route 6 street lighting photometrics \$55,000. 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**

- Public Image Enhancement expenses \$50,000. Expenses related to beautification, branding, Village identity and open space projects. Specific items yet to be determined based on the Comprehensive Plan implementation recommendations. **Community Development**
- Computers and technology budget \$89,500. Expenses include annual licensing & use fees (67.29%), equipment (23.32%) and IT Consultants (9.50%). **Community Development**
- Tree Program \$40,000. As a result of receiving tree preservation revenues, the Village will suspend the 50/50 tree program temporarily. All tree replacement and/or tree planting expenses will be covered 100% by the Village during this fiscal year. Residential tree program expenses as well as parkway trees on Navajo, Bell Road and other areas identified as in need of replacements. **Public Works**
- Collective Bargaining legal fees \$35,000. Three union contracts expire on April 30, 2021. Expenses have been budgeted to accommodate contract negotiations that will occur during fiscal year 2022. **Administration**
- Equipment and vehicle maintenance \$120,800. Equipment and vehicle maintenance for the public works department has doubled since fiscal year 2018 as a result of aging fleet. **Public Works**
- Landscape maintenance for I-55 and Route 6, roadway medians and Village Hall properties \$50,000. **Public Works**
- Tyron redevelopment TIF services by Kane McKenna \$40,000. **Administration/Community Development**
- Space planning services \$35,000. Approximately 160 architect hours at \$150/hour to assist the Village with space planning or expansion needs for the future. **Administration**
- The Village's 60th anniversary celebration \$50,000. **Administration/Public Works/Police Department**
- Village Hall holiday lights and holiday decor for Channaholidays \$15,000. **Administration/Marketing**

PUBLIC WORKS CAPITAL ROAD PROGRAM & OTHER TRANSPORTATION COSTS

The proposed budget includes \$1.3 million allocated to the capital road maintenance program. This is the same amount budgeted in the prior fiscal year 2021 for the road 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 changed based on further roads system evaluations:

- Story Street
- Jessup Street
- Canal & Fryer Street
- Front Street
- Meadowlark Drive
- Bluebird Court
- Robin Court
- Sandpiper Drive
- Green Heron Drive
- Cherry Street
- Riverbend Road
- Bayberry Court
- Bayberry Drive
- Evergreen Lane
- River Bluff Drive
- Bluff Street (Tryon to Canal)

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, surveying/design professional services including the design of the extension of Old Kerry Grove to Ridge Road and the reconfiguration of the IDOT park & ride.

OUTSTANDING DEBT

As of May 1, 2021, the Village has a total of six outstanding GO bonds and/or IEPA loans:

- GO Refunding Bonds, Series 2011: the final payment will be made during fiscal year 2022 for these bonds which related to the Village Hall and Town center infrastructure. As of December 2021, the Village's General Fund will be debt free!
- 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, related to the expansion of the waste water treatment plant. Fiscal year 2022 includes the first full year of principal and interest for this outstanding debt.

The anticipation is that debt will significantly increase for the Utility fund in the next decade due to many factors; the need for finding a new water source, additional construction of infrastructure related to capacity needs as a result of a growing community; the construction of a waste water treatment plan on the far west side of town.

BUDGET OVERVIEW

- Positive changes are reflected in the draft budget for fiscal year 2022. A united Village Board, a strong economy, flourishing of development projects and conservative budgeting has assisted to result in these positive changes. General capital projects are facilitated by cash rather than incurring long-term debt resulting in unnecessary interest payments. Building 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 proposed reduction in the General Funds (01, 11 and 14) reserves is a result of the final debt payment related to the 2011 GO bond which will be paid in December 2021 and the utilization of past General Fund reserves intended for future capital needs. On or around December 2021, staff will recommend closing down Fund 14 at which time the fund reserves will be transferred to Fund 01 or Fund 11. In addition, staff will bring before the Village Board recommendations for various investment options, different from the long-term bonds and money market accounts the Village currently maintains. Staff's recommendation will demonstrate an effort to diversify the Village's investment portfolio. Staff estimate that approximately \$4.4 million will be transferred out of Fund 14 when the fund is dissolved and transferred into one of the other General funds (01 and 11).
- At the end of December 2020, the Board voted to set the property tax at a lower rate compared to the 2019 tax levy. The Village was able to propose a lesser tax rate in 2020 as a result of the anticipated increase in the EAV and the diversification of 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 and fund capital equipment and minor capital projects without incurring long-term debt.

GENERAL FUNDS

The General Fund is the Village's main operating fund and is unrestricted by law. Accounting standards define the General Fund as the fund used by default to account for and report all financial resources not accounted for and reported in another fund. The General Fund accounts for all financial resources that are not restricted to specific purposes. It is the only fund that every government maintains. The Village's General Fund is made up of three separate funds: Fund 01, Fund 11 and Fund 14. These three General Funds are combined for reporting purposes during the annual audit. The three General Funds are described below.

Fund 01 (General): The following departments are accounted for in this fund: Administration, Finance, Community Development, Police Protection, Public Works (Streets/Building and Grounds Division), Emergency Services Disaster Agency and Police Commission. Fund 01 supports the general operating expenses such as employee salaries, employee health benefits, professional services, maintenance and other general operating expenses.

Fund 11 (Capital Improvements): The General Capital Improvement Fund was created for capital purchases and/or projects that are over the Village's capitalization threshold of \$20,000. Historically, the source of revenue for this fund has been impact fees, dedicated sales, excise and fuel and diesel taxes, grants and other miscellaneous fees.

Fund 14 (Tax Rebate): Prior to fiscal year 2015, the sources of the revenue for this fund was derived from State and Village sales taxes collected as they related to outstanding economic development sales tax rebate agreements. Subsequent to fiscal year 2015, after changed in Department of Revenue rules and regulations, there were no longer any valid economic development agreements. Therefore, Fund 14 no longer has a source of revenue. Fund 14 will only exist until the General Obligation Bonds, Series 2011 have been paid in full, as this fund is the dedicated source of repayment for these bonds. The final bond payment will be made during fiscal year 2022 with the December 2021 being the last payment.

Village staff has worked diligently to incorporate the essential personnel, capital and operating expenses to provide the same excellent level of services to the residents while still maintaining the conservative manner that has been demonstrated over the Village's history. Over the past several years, the Village has consistently increased reserves. Staff anticipates that the General Fund reserves will also increase at the conclusion of fiscal year 2021. Fiscal year 2022 anticipated a slight reduction in reserves. The Village maintains more than 20 months in reserves, well exceeding the recommended amount based on "good business practices". The Village has built up a significant amount of reserves for the capital needs included in the fiscal year 2022 budget in anticipation of the equipment replacement, infrastructure and other capital needs.

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

Trustee Scaggs made a motion to adjourn the Special Board Meeting at 11:20 a.m. Seconded by Trustee Greco.

VERBAL ROLL CALL: ALL AYES MOTION CARRIED

**Submitted by
Kristin Hall, Village Clerk**

