

VILLAGE OF LAKE BLUFF - FINANCE COMMITTEE
MINUTES OF MEETING – **April 25, 2016**

I. Call to Order – Roll Call

The Finance Committee of the Village of Lake Bluff was called to order on Monday, April 25, 2016 at 6:00 PM in the Village Hall Conference Room, 40 E. Center Ave., Lake Bluff, Illinois.

Members Present: Trustee Steve Christensen, Chairman
Trustee Mark Dewart, Member
Trustee Barbara Ankenman, Member

Others Present: Kathleen O'Hara, Village Board President
Eric Grenier, Village Board Trustee
William Meyer, Village Board Trustee
John Josephitis, Village Board Trustee
Peter Friedman, Village Attorney
R. Drew Irvin, Village Administrator
Susan Griffin, Finance Director
Marlene Scheibl, Assistant Finance Director

II. Approval of Minutes

Member Dewart made a motion to approve the minutes of the March 14, 2016 meeting as presented; seconded by Member Ankenman and approved unanimously on a voice vote.

III. Business Items

1. Discussion Regarding the Replacement of the Enterprise Resource Planning Software (Financial Accounting, Utility Billing and Community Development)

In November 2015 the Village issued a joint request for qualifications (RFQ) for financial software systems with the Villages of Gurnee and Round Lake. The Village uses an enterprise resource planning (ERP) suite of integrated software to manage data for operations which includes financial accounting software, utility billing, and building permit tracking software. The current system was implemented in 1999 and is based on an obsolete programming language. The goals of this process were to select a vendor that meets the current trends in ERP systems, have a system understandable to our IT administrative team, have a strong presence in Illinois, and have a proven record of delivering quality, timely customer service. After receiving eight responses to a joint request for qualifications issued by the Villages of Gurnee, Lake Bluff and Round Lake, four companies were invited to present their basic accounting and water billing modules in a brief demonstration to the Finance Directors of those communities and then to submit price proposals to the communities. After considering the cost proposals and the preliminary demonstrations, Lake Bluff invited two companies, BS&A and Civic Systems, to give comprehensive demonstrations of their software modules to staff members from all departments. BS&A gave its presentation today and Civic Systems will give their presentation on April 27.

The initial pricing was provided with some basic information about the four firms. BS&A had not included the Building Permit Application in their original proposal. Director Griffin provided the revised amounts for BS&A of a one-time cost of \$147,720 and annual cost of \$14,710. She said it is difficult to compare the components of the proposals due to the different components included in the individual modules. Lincolnshire has implemented

BS&A and was very pleased with the software and implementation. InterDev, the Village's IT administrator, worked on the conversion in Lincolnshire and said there were only some minor issues with community development module integration with Apple iPads. BS&A has performed many conversions from MSI software. Member Dewart asked if there is a correlation between the cost of the software and the size of the community. Director Griffin said Civic had provided a discount based on the size of the community. Chairman Christensen asked since both BS&A and Civic proposals are within the budget, are the hardware prices the same. Director Griffin said since the Village has just installed new servers there should not be much hardware needed. The final summary will include all costs. President O'Hara asked how long the Village has had the current system and what is the lifespan of the new software. Director Griffin said the Village has had the MSI system since 1999 and that vendors say the lifespan is 10 years but it is most likely closer to 15. Trustee Ankenman asked since the Village relies on Lake Forest for the permit inspections, does it make sense to tie into their system. Director Griffin said Lake Forest uses HTE and they never responded to the RFQ. If the Village had HTE for only Building Permit module the system would lack integration with the financial suite. Another benefit of the implementation is the new processes should involve less paper and more productivity. The budgets should be all integrated to the General Ledger which may eliminate the Excel budget worksheets. The Village is planning to continue to use ADP for payroll processing. Trustee Meyer asked if the software vendors provided a complete list of clients. Director Griffin replied they did provide complete lists and she will check the client references. Trustee Ankenman said to be sure to check with someone independent to make sure there are no additional requirements for optimum implementation. Director Griffin said that Lincolnshire commented that BS&A reviews all processes at the start of the project and had given InterDev list of required specifications to review.

2. Discussion Regarding the Waiver of Building Fees for Other Governmental and Non-For-Profit Organizations

On September 8, 2014 the Village Board approved (i) a request from the Lake Bluff Park District to waive building permit fees and demolition taxes, and (ii) a request from Union Church of Lake Bluff to waive building permit fees. During the discussion questions were raised regarding the criteria and process to approve such requests (ad-hoc or systemic approach) so the topic was referred to the Finance Committee for further consideration.

At the October 20, 2014 Finance Committee meeting, the members discussed the options as: (i) grant a waiver, (ii) deny the waiver, or (iii) charge a reduced fee (a partial waiver). VA Irvin stated that the fees are meant to cover costs and Chairman Christensen commented that case-by-case decisions might be in the best interest of the Village by allowing the Board to take different factors into consideration. Member Renner remarked that the policy does not have to be an exclusive waiver but could provide the option to grant a reduced fee which would still cover some of the costs involved. Trustee Grenier said there should be logic to apply the policy. The decision was made to continue to bring these requests to the Board for a decision on a case by case basis.

The staff obtained information from Glencoe, Highland Park, Lake Forest and Northfield. Glencoe does reduce fees for charitable institutions to .25% of the value of the construction but not less than \$50. Highland Park does waive fees for nonprofits if a request is made. Lake Forest does waive the fees for city owned property such as Gorton and Ragdale and has only waived the fees once or twice over the past decade if requested for other nonprofits. No specific additional information was provided. Northfield has waived fees for the Park District twice in the past.

Trustee Ankenman said consideration could be given to the impact of the fees on the project. Trustee Grenier said the school district project was \$19 million and the fees were waived. Even if the fees had not been waived, the school district would have proceeded with the project. Trustee Meyer said if the Village waives fees on large projects, this could

be benefitting other entities. President O'Hara said consideration should be given to not only schools and parks but also churches. Chairman Christensen said it should be determined what the real costs are to the Village for each permit. VA Irvin said the building permit fee were increased from 1%-3% of the construction cost several years ago due to wear and tear on the roads, etc. Trustee Meyer said the kind of entities to consider for waivers would need to be discussed. He asked how the Village should determine which entities to waive fees. Attorney Friedman replied that the Village must treat all types of non-profits the same. Trustee Grenier said he is not comfortable with the possible subjectivity if the decisions on the fee waivers are made on a case by case basis. Chairman Christensen remarked that a set percentage could be waived. Trustee Meyer said there could be a sliding scale for the waivers such as up to \$1,000 for certain project cost and over \$1,000 for a larger project cost. VA Irvin said there could be a certain price to cover expenses incurred such as road wear and tear. Member Dewart asked if there is a way to determine local price of projects that involve other communities. Trustee Grenier asked if actual costs related to a permit could be determined. VA Irvin said the Village would not charge the non-profits for fixed costs and projects would not be sent to Lake Forest if it is not necessary. VA Irvin said maybe the costs of the last five projects could be looked at to see what expenses were involved. Chairman Christensen said there could be a different graduated scale for fee waiver for governmental entities and charitable entities after covering certain costs. Member Dewart said the Village should determine what it incurs in variable fees before determining the fees to be waived.

3. Informational Update on the Automated Water Meter System Implementation

Director Griffin informed the committee that a meeting was scheduled for Tuesday April 26, 2016 with Strand Associates to discuss the automated water meter reading (AMR) system implementation. Strand Associates was asked to present a proposal to be the project manager for assessment, design, RFP/Contract development, and implementation of an AMR project.

IV. Next Meeting

The next meeting is to be determined.

V. Adjournment

Member Dewart made a motion to adjourn the meeting at 6:55 PM; seconded by Member Ankenman and all members voted aye.

Respectfully submitted,

Marlene Scheibl
Assistant Director of Finance