

APPROVED MINUTES
VILLAGE OF ANTIOCH
BOARD OF TRUSTEES, REGULAR MEETING
Municipal Building: 874 Main Street, Antioch, IL
January 16, 2007

CALL TO ORDER

Mayor Larson called the January 16, 2007 regular meeting of the Board of Trustees to order at 7:30 PM in the Municipal Building: 874 Main Street, Antioch, IL.

ROLL CALL

Following the Pledge of Allegiance, roll call indicated the following Trustees were present: Hanson, McCarty, Caulfield, and Porch. Also present were Mayor Larson, Administrator Haley, Director of Physical Services/Assistant Administrator Keim, Attorney Karlovics and Clerk Rowe. Absent: Trustee Pierce, Trustee Turner and Attorney Magna.

APPROVE BALANCE OF AGENDA FORM

Trustee Porch moved seconded by Trustee McCarty to approve the balance of the January 16, 2007 meeting agenda as presented. Upon roll call, the vote was:

YES: 4: Hanson, McCarty, Caulfield and Porch.

NO: 0.

ABSENT: 2: Pierce and Turner.

THE MOTION CARRIED.

DECEMBER 12, 2006 COMMITTEE OF THE WHOLE MEETING MINUTES

Trustee Porch moved, seconded by Trustee McCarty to approve December 12, 2006 Committee of the Whole meeting minutes as presented. Upon roll call, the vote was:

YES: 4: Hanson, McCarty, Caulfield and Porch.

NO: 0.

ABSENT: 2: Pierce and Turner.

THE MOTION CARRIED.

JANUARY 2, 2007 REGULAR MEETING MINUTES

Trustee Porch moved, seconded by Trustee McCarty to approve the January 2, 2007 regular meeting minutes as presented. Upon roll call, the vote was:

YES: 4: Hanson, McCarty, Caulfield and Porch.

NO: 0.

ABSENT: 2: Pierce and Turner.

THE MOTION CARRIED.

PETITIONS/BIDS

No report.

MAYOR

No report.

CLERK

No report.

ADMINISTRATOR

Financial Software – Administrator Haley, as he briefly reported at the last committee meeting, discussed Pentamation financial software being sub-par and thought it was time to address it. Administrator Haley said the finance department met with staff that uses the system and he also reviewed Finance Director McCarthy's memo dated January 11, 2007. Administrator Haley said the current lease with Sunguard Pentamation expires in December 2007 and we have been experiencing significant problems with the software. He reviewed the lease cost for the software if continued to the end of this year being \$124,160. He also reviewed the expected cost of the software, if maintained for a period of 10 years, would cost the village \$342,587, still without owning the software. Administrator Haley said the software is having a severe impact on our efficiency and productivity and over the long run would have an impact on our financial resources. Administrator Haley discussed the finance and clerk department's research of other products that included modules and features we currently don't have or in some cases, can't have because it's not offered by Pentamation. He said that since leased Pentamation system is an internet product and if for some reason the internet is down, the finance department would not be able to function at all. Administrator Haley also discussed the parks department purchasing other software because Pentamation's module is not useable to them and the planning, zoning and building department also not having useable features and having to manually enter items into the system. He said currently there isn't an accounts receivable module in the system and so our accounts receivables have to be kept in an Excel file and then transferred into Pentamation and the license cost to add printers to the system. Mr. Haley also discussed Pentamation's lack of response and the time it has taken to get an answer

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to issues ranging up to three months before being resolved. He said that he and the finance department recommend replacing Pentamation as a matter of urgency and, if approved, to buy out the contract at an approximate cost of \$2100.00 a month. He also discussed the time needed to convert and implement a new system. Administrator Haley asked if there could be a motion to authorize the Attorney to notify Sunguard Pentamation of our intention to terminate the contract starting with the fiscal year. Finance Director McCarthy discussed her concerns regarding Pentamation and said the software is really very cumbersome and creates problems with productivity and efficiency.

Comment – Trustee Caulfield

Trustee Caulfield said that he is surprised that this has led to some state of urgency because he hasn't heard anything in the last two years regarding Pentamation's inefficiencies. He also said that unless he's wrong, he believed that Director McCarthy worked with former Finance Director Steele in choosing the system and he thought the data being offsite was one of the reasons the system was chosen. He asked that if it's really this big of problem, what discussions have we had with Pentamation to rectify this and if a representative has been here to address our concerns. He said that he has no reason not to believe that it's as bad as he's being told by staff and Pentamation should have been out here earlier. He said the finances are going along well and it seemed like a big expense to dump this thing and he wondered if perhaps it's a training issue or an issue that can be resolved with Pentamation. Trustee Caulfield said that he has researched this product on his own and other municipalities using the software and he looked very hard to find others who were complaining about this software and if it's as horrible as staff is saying that it is, we should have some money coming back. Director McCarthy addressed Trustee Caulfield's statement regarding her participation in choosing the financial software with former Finance Director Steele. She said that she was only involved during the implementation process after the product was purchased and she did not have any input in regard to the decision in selecting Pentamation. Finance Director McCarthy said that one of the first steps she took was finding other municipalities who use Pentamation and she said that some of the issues that she listed in her memo, they also experienced, but the difference is they have purchased the software. She said that she contacted the City of Des Plaines and believed they purchased the software for \$300,000 - \$400,000 and own the software. She hasn't been able to find anyone else who has an ASP system and who are leasing their software. She said that she believed a lot of these problems are due to the fact that it's over the internet. Finance Director McCarthy also addressed Trustee Caulfield's concern regarding the security of the data and discussed how backing up the system and storing that information offsite would secure our data.

Comment – Trustee McCarty

Trustee McCarty discussed how the internet could be used to back up the system, so he doesn't feel that is a major issue anymore because that is something that has become more available. He asked how critical the modules that are not available to us are. Finance Director McCarthy said that it mostly impacts our productivity and she discussed Pentamation not having a check reconciliation module available. She also discussed some of the features of the other products researched by staff.

Mayor Larson

Mayor Larson said that she knew there were issues with Pentamation when she took office and that staff has been trying to figure out how to make it better and actually work with the software. The product doesn't have the efficiency that the finance department would like to see and it has been an ongoing problem that has gotten worse.

Finance Director McCarthy also discussed today's major problem processing the 1099's for every vendor who has done business with the village and the deadline required by the IRS and so far, Pentamation has not called us back. Trustee Caulfield asked if we used the system last year to do the 1099's. Finance Director McCarthy said that we used the system last year for 1099's and it worked.

Comment – Trustee Porch

Trustee Porch said she remembered when we first decided to lease Pentamation, one of the benefits was that it was user friendly and our different departments would be allowed to enter their own bills and payables and she asked if that happened. Finance Director McCarthy said that has happened and all departments are trained to enter their own bills and that seemed to work well, the problem is when we have to create the list of payables for the Village Board, there's always a problem with that report and each month they have to modify it to make sure it's accurate. Trustee Porch asked about accounts receivable module. Finance Director McCarthy said that we don't have that module and she believed it was an oversight when the system was first leased.

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Comment – Trustee Hanson

Trustee Hanson said that he has more questions and felt that something of this nature and magnitude and such a big deal, finance being the biggest deal we have in the village, he would like to see this go to committee so we can at least address the 43 questions listed in the memo. He said that we owe it to ourselves to get someone from Pentamation to at least answer some of these questions. He said we can go back to two years ago and we have no history with this company and he asked if the company is shrinking or getting smaller. He said these are things that he would like to know because we already have \$100,000 of taxpayers money already invested. He also discussed Pentamation being a tool and not a solution and he asked if they would be guaranteed tonight that the finance department won't come back in two years and ask to change the system. Trustee Hanson said that he doesn't really feel comfortable, because we have a big investment here and we need more answers to these questions. Administrator Haley said that he had no problem placing it in committee. He said we would be happy to spend as many hours the Board needs to review it because it is an important and expensive issue. He said that staff has spent a lot of time on this but until the Board is comfortable with it, they would attend as many committee meetings the Board would like to make this happen.

Mayor Larson

Mayor Larson said that if we can't get Pentamation to answer our simple questions, are we going to get them to come to a committee meeting. Trustee Hanson said that if we threaten to pull the plug they would. Mayor Larson said that we can't threaten to pull the plug because we have a contract. Administrator Haley said that maybe the Board would be more comfortable in waiting until the end of the year when the contract is up and not renewing it at that time. He said the issue from staff's point is that we can't work effectively and we don't have the productivity that we need with this system, but if the Board thinks that we should have more meetings on it, he is more than happy to do that. Mayor Larson said the Board needs to have all the information to make good decisions.

Comment – Trustee McCarty

Trustee McCarty said that we have staff that we trust to make sure that everything is done properly and things are working smoothly. He said that obviously, we have 43 items with a software package that is a major part of our doing business on a daily basis and that is a problem. He said printing 1099's is a basic task and if we can't get it done in a day and no one is returning our phone call that is a big issue. Mayor Larson agreed with Trustee McCarty's statements and said some Board members would like to review it further in committee. Trustee McCarty agreed and said that he didn't have a problem reviewing it more in committee. Administrator Haley said that he would place it on a future committee meeting agenda in February. Mayor Larson asked Trustees to contact Administrator Haley and Finance Director McCarthy with their questions so they would have time to research their concerns prior to the meeting. Administrator Haley asked the Board to put their questions in writing so that staff may have an opportunity to research and respond each question.

Comment – Trustee Caulfield

Trustee Caulfield asked if the memo was sent to Pentamation and if there was a formal letter writing campaign between the company and the Village. Finance Director McCarthy said that Pentamation is aware of all 43 items. Administrator Haley said there have been a lot more issues than the 43 items listed in the memo that were addressed with resolution, but many are still outstanding.

Comment – Trustee Hanson

Trustee Hanson said that he thought Trustee Caulfield was saying we have 43 questions that could be answered with a simple yes or no and if they all come back no, it would be easier to make a decision based on what Pentamation can't do, because we don't know those answers here tonight. He said that he wants to feel comfortable spending money. Administrator Haley said that from staff's standpoint, we're not going to renew with them at the end of the contract. The item will be placed in committee for further review.

Lauterbach & Amen, LLP Audit Service Agreement - Administrator Haley reviewed the resubmitted proposal for audit fees for April 30, 2007, April 30, 2008 and April 30, 2009 with the cost for 2007 audit being \$27,650 for the annual comprehensive and TIF audit reports and \$1,250 for the single audit report, if needed. Administrator Haley asked for a motion authorizing him to sign the agreement with Lauterbach & Amen for \$27,000 for the annual financial report and \$650 for the TIF audit.

Trustee McCarty moved, seconded by Trustee Hanson to authorize Administrator Haley to sign the agreement with Lauterbach & Amen for \$27,000 for the annual financial report and \$650 for the TIF audit.

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Comment – Trustee Porch

Trustee Porch asked if the contract was for one year or for three years. Administrator Haley said it's a 3-year proposal and because of the prices involved he recommended approving all three years. Trustee Porch said the TIF District would be done in 2008 and we would not need that audit in future years.

Trustee McCarty and Trustee Hanson amended their motion and second to approve the 3 year agreement with Lauterbach & Amen LLP for audit services for the years 2007, 2008 & 2009 and authorized Administrator Haley to sign the agreement.

Comment – Trustee Caulfield

Trustee Caulfield said there was a copy of the last proposal distributed at the committee meeting and the amounts were listed as not to exceed and he commended Administrator Haley for meeting with Lauterbach & Amen and negotiating the cost of the annual audits.

Roll Call Vote – There being no further discussion and upon roll call, the vote was:

YES: 4: Hanson, McCarty, Caulfield and Porch.

NO: 0.

ABSENT: 2: Pierce and Turner.

THE MOTION CARRIED.

COMMUNICATIONS

No report.

CITIZENS WISHING TO ADDRESS THE BOARD

Kathy Kurth, Netherlands Drive resident – Ms. Kathy Kurth, Netherlands Drive resident, discussed the proposed aquatic center and referred to recently published articles regarding Lindenhurst Park District aquatic center proposal and she asked if Antioch would consider partnering with another town. She also asked if anyone from Antioch would be attending Lindenhurst's Park District meeting. Mayor Larson said we haven't closed any doors and the Village intends to enter into discussions with them. She said that we don't know what their proposal is and if they have financing available. Trustee McCarty said that village is looking at all avenues and if there are possibilities where something could be done that would be convenient for our village and Lindenhurst, we would address it. He said that he hasn't had any primary discussions with Lindenhurst at this point. Mayor Larson said that she believed our Parks Director and Village Administrator have been in contact with Lindenhurst's Park District.

LEGISLATIVE AND HUMAN RESOURCES

No report.

PLANNING, ZONING AND BUILDING, SENIOR SERVICES

No report.

FINANCE, ECONOMIC AND REDEVELOPMENT

Invoices over \$10,000 – Trustee Porch reviewed the informational report dated January 16, 2007 prepared by village staff showing invoices over \$10,000 and totaling \$264,074.96. Invoices listed were: ComEd in the amount of \$15,684.13 for Depot Street pumping station; Great West Casualty Company, as subrogee in the amount of \$21,875.00 for JVH Release Agreement; and Payne & Dolan in the amount of \$226,515.83 for street resurface.

Summary of Escrow – Trustee Porch reviewed the informational report dated January 16, 2007 prepared by village staff showing escrow payments in the amount of \$10,705.31.

Accounts Payable – Trustee Porch moved, seconded by Trustee McCarty to approve as presented and authorize payment of accounts payable as prepared by village staff and dated January 16, 2007 in the amount of \$349,719.78. Upon roll call, the vote was:

YES: 4: Hanson, McCarty, Caulfield and Porch.

NO: 0.

ABSENT: 2: Pierce and Turner.

THE MOTION CARRIED.

Trustee Hanson wanted the record to show that he opposed the developer escrow payments to the Law Offices of Rudolph F. Magna, but he approved the rest of the accounts payables as presented.

Authorize payment of SSA accounts payable as prepared by village staff – Trustee Porch moved, seconded by Trustee Pierce to approve the SSA accounts payable report dated January 16, 2007 as presented and prepared by village staff. Upon roll call, the vote was:

YES: 4: Hanson, McCarty, Caulfield and Porch.

NO: 0.

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ABSENT: 2: Pierce and Turner.
THE MOTION CARRIED.

Approve as presented manual checks written to date – Trustee Porch moved, seconded by Trustee McCarty to approve the manual checks written to date report dated January 11, 2007 in the amount of \$63,101.91 as prepared by village staff. Upon roll call, the vote was:

YES: 4: Hanson, McCarty, Caulfield and Porch.

NO: 0.

ABSENT: 2: Pierce and Turner.

THE MOTION CARRIED.

Financial Report for the month ending December 31, 2006 - Trustee Porch reviewed the informational financial and investment report for the month ending December 31, 2006 showing an ending balance of \$11,419,269.27.

Payroll Expense Report dated December 29, 2006 - Trustee Porch moved, seconded by Trustee McCarty to approve as presented the Payroll Expense Report dated December 29, 2006 in the amount of \$237,425.57. Upon roll call, the vote was:

YES: 4: Hanson, McCarty, Caulfield and Porch.

NO: 0.

ABSENT: 2: Pierce and Turner.

THE MOTION CARRIED.

Other Business – Trap Attack Ice Fishing Tournament and Kids Ice Fishing Clinic Cancelled – Trustee Porch said the Trap Attack Ice Fishing Tournament and Kids Ice Fishing Clinic that should have been held on January 27 & 28 has been officially cancelled. She said there is a regulation by tournament officials that we have two weeks of safe ice prior to the tournament and so we did not qualify for that safety reason. She said the tournament has been cancelled however our sponsorship automatically goes toward our hosting the event in 2008.

Other Business – Chamber of Commerce 2007 Community Guide and Brochure – Trustee Porch distributed copies of the recently published 2007 Community Guide and brochure of historic shopping district that also includes a calendar of events.

PUBLIC SAFETY, PARKS AND LICENSE

Dispatch Equipment Upgrade Resolution – Trustee McCarty moved, seconded by Trustee Porch to approve as presented **Resolution 07-01**, entitled, **Dispatch Equipment Upgrade**. Upon roll call, the vote was:

YES: 4: Hanson, McCarty, Caulfield and Porch.

NO: 0.

ABSENT: 2: Pierce and Turner.

THE MOTION CARRIED.

Approve Special Event Liquor Licenses – Trustee McCarty moved, seconded by Trustee Porch to approve and issue a special event liquor license for **Las Vegas Night at St. Peter's** on **January 27, 2007** and the **Antioch Jr. Woman's Club Comedy Night** on **March 3, 2007**, waiving fees. Upon roll call, the vote was:

YES: 4: Hanson, McCarty, Caulfield and Porch.

NO: 0.

ABSENT: 2: Pierce and Turner.

THE MOTION CARRIED.

Raffle License: Antioch Jr. Woman's Club - Trustee McCarty moved, seconded by Trustee Porch to approve and issue a raffle license to the **Antioch Jr. Woman's Club** with their drawing being held on **March 3, 2007**, waiving fees. Upon roll call, the vote was:

YES: 4: Hanson, McCarty, Caulfield and Porch.

NO: 0.

ABSENT: 2: Pierce and Turner.

THE MOTION CARRIED.

DELINQUENT ESCROW ACCOUNTS

No report.

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ATTORNEY

First reading of AN ORDINANCE APPROVING FINAL PLAT OF SUBDIVISION FOR CLUBLANDS OF ANTIOCH PHASE 4 (PZB 06-16) – Attorney Karlovics reviewed the ordinance which will be placed on the next village board agenda for second reading and approval.

Executive Session – Pending and Probable Litigation – Attorney Magna said he does not have a request to go into closed session this evening.

ADJOURNMENT

There being no further discussion, Trustee Porch moved seconded by Trustee McCarty to adjourn the regular meeting of the Board of Trustees at 8:16 p.m.

Respectfully submitted,

Candi L. Rowe RMC/CMC
Village Clerk