

**COUNCIL QUESTIONS/COMMENTS AND STAFF RESPONSES
RECEIVED AS OF 9:30 PM ON SEPTEMBER 26, 2010
REGARDING SEPTEMBER 27, 2010 COUNCIL**

Councilperson: David Sage

Item: 6G- Water Treatment Chemicals

Question/Comment: How many bidders did we have for each chemical and was the lowest cost bidder selected for all chemicals?

Staff Response: The attached spreadsheet is the compilation of all the chemical bids. In every case, the low bidder is recommended by Staff to be awarded the bid.

Councilperson: Bernie Anderson

Item: 6M- Rezoning 917 E. Grove Street

Question/Comment: Though this is truly a small variance; what is the main focus of this area related to zoning long term? It seems like it would be driven towards residential development. This area is a construction dust zone.

Staff Response: The current 2005 City's Comprehensive Plan shows this entire block going east to McClun Street as "heavy industrial" use.

Councilperson: David Sage

Item: 8A-ERP System

Question/Comment: In the staff report there are many subjective ERP benefits including:

Enterprise	Elimination of many current manual processes
Financial	Increased efficiency in Purchasing and A/P; tremendous amount of staff time through automation of processes, including cash receipting; and reduction of staff time performing data entry
Human Resources	Payroll improvement; tremendously greater efficiency and reliability administering retiree benefits
Public Safety	Save Police and Fire Departments hours of staff time

I'm really concerned about the lack of objective benefits. Staff is requesting a total of \$2M over four years, with the only cited measurable benefit being a savings of (1) FTE over ten years. As presented that's a very low ROI (Return on Investments).

Staff Response: Report attached.

Councilperson: Bernie Anderson

Item 8A-ERP

Question/Comment: What is the life expectancy of the ERP? From an overview this appears to have merit.

Staff Response: As noted in the Council Memo, Staff used a conservative life expectancy of ten (10) years. Staff is planning anticipating between ten (10) and fifteen (15) years of life expectancy.

COUNCIL QUESTIONS/COMMENTS AND STAFF RESPONSES
RECEIVED AS OF 9:30 PM ON SEPTEMBER 26, 2010
REGARDING SEPTEMBER 27, 2010 COUNCIL

Councilperson: Jim Fruin

Item: 8B-Mailbox Ordinance

Question/Comment: I support the rewritten Ordinance as written by Staff (with appreciation to the Staff changes to further help the Homeowners).

Staff Response: None

Councilperson: Kevin Huette

Item 8B-Mailbox Ordinance

Question/Comment: Regarding the proposed change in our mailbox policy, I believe we are better off if we take a small step and minimize the changes. I would propose keeping the same policy; only increase the maximum reimbursement to \$150.00. We can evaluate the impact of this change in a year or two and adjust at that time if necessary. Based on feedback from staff, I would also prefer avoiding the administrative task and cost of handling receipts and the record keeping that would go with that. As you know, I would also like to see the City get out of the replacing the damaged boxes. I would like to know how many man-hours we spent replacing mailboxes last year and the total labor cost (including fringe cost). If we are unwilling to take on Local 699 over something this trivial, I suggest they have little to fear when it comes time for contract negotiations.

Staff Response: 109 mailboxes were replaced last year. Public Works and Human Resources Staff will compile the man-hours and the total labor cost (including fringe cost) and distribute the information to the Council.

Councilperson: Bernie Anderson

Item 8B- Mailbox Ordinance

Question/Comment: I would recommend \$150 cap on reimbursable; eliminating the estimation process. Tracking these types of damages should be tied to safety issues related to City Operators.

Staff Response: Staff does track damages to confirm if they are accidents or unavoidable.

Councilperson: Jim Fruin

Item: 8C-Lincoln Festival Park

Question/Comment: I favor "Lincoln Festival Park" as a tie-in to the BCPA and anticipated future "festivals" on the open space. "Festival" helps define the location.

Councilperson: Jim Fruin

Item: 8D-Open Fire Ordinance

Question/Comment: I favor consistency and an identical Ordinance with the Town of Normal. Hopefully, they can be accepting to our "draft" or with minor edits. We are ONE COMMUNITY.

Staff Response: None

COUNCIL QUESTIONS/COMMENTS AND STAFF RESPONSES
RECEIVED AS OF 9:30 PM ON SEPTEMBER 26, 2010
REGARDING SEPTEMBER 27, 2010 COUNCIL

Councilperson: Kevin Huette

Item 8D-Open Fire Ordinance

Question/Comment: I support this ordinance and encourage passage of it tomorrow evening. Please, do not send it back to Staff for further study. It is issues like this that should be voted on (one way or the other) and move on. In the big picture we consume too much staff time on issues that have little impact on the mission of the City.

Staff Response: None.

Councilperson: Jim Fruin

Item: 8E-Change Order for Downtown TIF Project

Question/Comment: While wishing to support the DBA, I understand that is not possible. Finishing the job on Prairie Street seems appropriate to me.

Staff Response: None

Councilperson: Bernie Anderson

Item 8B-Downtown TIF Project

Question/Comment: I will support this because of the remaining TIF, but if there was not this funding, I would be asking what other project could be postponed. Once a budget is set, we should live within it. Adjustments can be made throughout the budget as long as the bottom line remains the same.

Staff Response: None

Prepared by:

Barbara J. Adkins

Deputy City Manager

**City of Bloomington, Illinois
Bid Analysis
Water Purification Chemicals
10-Sep-10**

Units	ton	ton	ton	ton	ton	ton	ton	ton	ton	ton	ton	ton
Bidder	Sodium HexaMeta Phosphate	Single 20,000 lb shipment	Sodium HexaMeta Phosphate 3 year agreement	Liquid Chlorine	Liquid Chlorine 3 year Agreement	Hydro- Fluosilic Acid (25 percent acid)	Hydro- Fluosilic Acid (25 percent acid) 3 year agreement	Anhydrous Ammonia	Percent as Ferric ion	Ferric Sulfate	Carbon Dioxide	Carbon Dioxide 3 year agreement
Air Liquide (4)	No Bid Received											
Airgas Specialty (4)	No Bid Received											
Alexander Chemical	\$2,750.00			\$482.00		\$725.00						
American International Chemical (4)	No Bid											
Ashland Inc. (4)	No Bid Received											
Brenntag Mid South				Bid Invalid(1)		\$707.50						
Carus Phosphates	\$2,320.00	\$2,260.00	\$5,300.00 (2)									
Continental Carbonic											\$65.00	
General Chemical									12.00%	\$179.90		
JCI Jones Chemicals Inc.				\$485.00	\$485.00(2)							
Kemira Water									12.00%	\$141.30		
LCl, Ltd.						\$648.00						
National Ammonia (Tanner Ind.)								\$1,360.00				
Pennco, Inc.						\$694.25						
PraxAir											\$48.90	see note (3)
Shannon Chemical Corp.	\$2,060.00	\$1,940.00										
Simply Aquatics (4)	No Bid Received											
Solvay North America (4)	No Bid											
Sterling Water Technologies	\$2,178.00	\$2,020.00										
Summit Chemical (4)	No Bid Received											
Thatcher Co.	\$2,336.00	\$2,336.00							12.00%	\$279.80		
USAICO (4)	No Bid											
Viking (4)	No Bid Received											
Carbon Activated (4)	No Bid											
Rowell Chemical				\$566.00								
SAL Chemical	\$2,676.80	\$2,594.00										
EPCO Carbon Dioxide Products, Inc.											\$78.00	
Key Chemical						\$780.00	\$720.00 (2)					
Pristine Water Solutions		\$2,365.30										
Linde, LLC											\$55.00	\$56.00 (2)

Note 1: Brenntag Mid South does not use the Ceodeux Series D174 valves specified in the bid.

Note 2: Fixed price each year 1-3.

Note 3: Praxair proposed a maximum 4% increase each year 2 and 3, subject to mutual agreement each year.

Note 4: Invitation to bid sent to firm, no response to that invitation.

Item 8A

These are just some of the manual processes that would be automated by the ERP System:

- Citywide Salary and Benefits Projections for Budget (currently accomplished through multiple spreadsheets and hand entry)
- Citywide budgeting process (hand entry or cut and paste)
- Accurate reporting on out of classification pay, shift differentials, etc.
- Entering of hours worked and overtime
- Reconciliation between time and attendance and payroll. (Time & Attendance and Payroll don't talk to each other, so payroll is not produced from time clock records.)
- Office staff manual entry of clock in/out of employees working out in the field.
- All employee deductions changes. Employees fill out paper forms which then must be manually entered by HR staff.
- Entry of or changes to employee personal information (i.e., change of address).
- Creating, routing, approving and entering Personnel Action forms (salary increase, position change form). Which will eliminate May 1 and longevity increase manual process.
- May 1 and longevity increases specified per union contracts.
- Annual payouts required per union contracts (i.e., clothing allowance)
- Manual creation of garnishment checks on a typewriter.
- Entering, tracking and routing employment applications. (Will also give citizens the ability to apply on-line.)
- Double entry of applicant information when the applicant is hired.
- Calculating and entering retro pay.
- Tracking of staff training and certifications.

The following information was provided by the Finance department, relative to increased efficiencies in Purchasing and Accounts Payable:

- In the area of purchasing, Munis will allow staff to use electronic vendor catalogs to create P.O.'s, orders and payments can be made electronically. P.O.'s can even be created from work orders and P.O. information can carry over to the invoice, eliminating data entry. This is all done after the approval process, where limits can be set and rules created for who is authorized to approve. Munis also notifies managers when a P.O. needs approval (Banner does not, and if the manager does not sign in to Banner, they will not know of an any pending P.O.'s). Currently, except for the approval process, this is all done manually.
- According to Christopher Reddick, Ph.D, Assistant Professor Public Admin at the University of Texas, costs for manually processing a purchase order range from \$125 to \$175. E-procurement can reduce those costs to \$10 or \$15 by eliminating faxes, phone calls, document preparation, and approvals. E-procurement can also significantly reduce the price of materials and supplies. Buyers can more easily identify the best value when they have access to more suppliers.

- The costs and benefits of e-procurement can be summarized (also see Neef, 2001; Wyld, 2001; Moon, 2003). The positive aspects of e-procurement generally cited in the literature include the following: (1) lowered transaction costs; (2) faster ordering; (3) greater vendor choice; (4) more efficient and standardized procurement processes; (5) more control over procurement spending (e.g., less maverick buying) and employee compliance;
- Some of these things are difficult to measure. The Munis system is so much easier to use, Windows based, menu driven. For example, A/P is very repetitive process, so although time savings may be in minutes, it is multiplied hundreds of times a day, such as 1) looking up an invoice or check, 2) entering an invoice, etc.
- Munis will allow us to move towards a paperless system. Invoices, etc. can all be scanned and attached as .PDF files, so information will be at our fingertips electronically. Munis also has drill down capability so information can be found much easier.
- Munis will be able to handle processing P-Card data by vendor and using the Push Pay system of electronic payment.
- The process of creating and printing checks is much easier, but I can't say how much less time it will take. In Banner, just to run the checks, not including invoice entry, there are nine processes you have to go through (and then do it for each of 7 banks). This can take from 2-4 hours and is done for handtypes every Wednesday and then every other week for Council.
- Reporting capabilities are much better and there are many reports that can be run by the user. We will not need to have IS create as many reports in other software, saving their time. Again, I can't quantify the hours that IS has spent on writing Crystal Reports

Staff time would be saved through the automation of cash receipting:

In the current system, cash is collected at each of the following collection points and then manually entered into the Banner system:

Cashier's desk (water bills, parking tickets, ordinance violations)	City Clerk (licenses)
Golf courses	HR (retiree benefits, logo sales)
Pepsi Ice Center	Finance (tax collection)
Parks Office	Pools
PACE (permits and registrations)	Miller Mark Zoo
	BCPA

All cash receipt information is entered first at the original cash receipt location and then again in the Finance department.

The following is an example of the payroll process in the Public Works department. The duplication of efforts shown here and the time that duplication costs would essentially be eliminated by the ERP system.

- employees clock in and out
- supervisors use crew spreadsheets to track how many hours each employee works, in which classification, and on what project; they also use these sheets to track leave
- supervisors give office manager their crew spreadsheets
- office manager enters hours worked, classification, and overtime in a database
- office manager runs a report summarizing each employee's hours worked and wages earned for the given pay period and submits the report to the Finance Dept
- Finance Department keys information into Banner system
- Finance and HR double check accuracy of entered data
- Finance runs a long multi-step process to run payroll and produce paychecks

The current system for administering benefits is inefficient and unreliable. Some of the problems include:

- There is currently no way to mass update deferred compensation annual limits (each employee has to be looked at individually)
- The administration of benefits for the 200 retirees is handled via three separate spreadsheets. The spreadsheets cover benefits enrollment, pension payments, and address information. These multiple spreadsheets are prone to errors as changes are made.
- Changes for retiree benefits have to be manually entered on the provider's website.
- It is extremely difficult to produce GASB Reports for retirees.
- Employees are submitting paper for benefits changes. Information is double entered by HR staff. Physical document then has to be scanned and archived.
- Currently there is no way to report on employees who are not enrolled in a benefit—spreadsheets have to be manually compared in order to identify those without coverage.
- Tracking of dependents enrolled in benefits is problematic and reporting often requires IS personnel.
- An ERP system that automatically corrects enrollment and de-enrollment changes will eliminate potential mistakes.

The ERP system would save hours of staff time spent on scheduling in the Police and Fire Departments.

Currently, 11 supervisors in the Police Department each spend at least an hour a day on filling the roster. They enter duplicate data into an Excel spreadsheet, a Word document, and two calendars and into the current time-keeping system.

FTE Savings

The cited benefit of a savings of (1) FTE over ten years is meant strictly as an example. Staff believes the ERP project will free up time from existing personnel. This time could be spent on more strategically important activities and enable the City to function in a proactive rather than reactive manner.