

Village of Gilberts
87 Galligan Road
Gilberts, IL 60136
Village Board
Meeting Minutes
November 18, 2014

Call to Order/Pledge of Allegiance

President Zirk called the meeting to order at 7:00 p.m. He proceeded to lead those present in the Pledge of Allegiance.

Roll Call/Establish Quorum

Village Clerk Meadows called the roll. Roll call: Members present: Trustees Corbett, Mierisch, Zambetti, Farrell, Hacker and President Zirk: 1-absent: Trustee LeClercq. Others present: Administrator Keller, Assistant Administrator Beith, and Village Clerk Meadows. For members of the audience please see the attached sign-in sheet.

Public Comment

President Zirk asked if anyone in the audience wished to address the Board Members. There were no comments from the audience.

Consent Agenda

- A. A Motion to approve Minutes from the November 4, 2014 Village Board Meeting
- B. A Motion to approve the October 2014 Treasurer's Report
- C. A Motion to approve Bills and Salaries dated November 18, 2014 as follows: General Fund \$80,402.79, Performance Bonds and Escrows \$8,120.62, Water Fund \$10,022.12, and Payroll \$73,122.22

President Zirk noted that the minutes under consideration were the amended minutes sent via email today. President Zirk asked if there were any items the Board Members wished to remove from the consent agenda. The Board Members offered no comments. **A Motion was made by Trustee Farrell and seconded by Trustee Hacker to approve the Consent Agenda items A-C as presented.** Roll call: Vote: 5-ayes: Trustees Corbett, Mierisch, Zambetti, Farrell and Hacker. 0-nays, 0-abstained. Motion carried.

Items for Approval

A Motion to approve Ordinance 24-2014, an Abatement Ordinance for SSA #9 for Fiscal Year beginning May 1, 2015 and ending April 30, 2016

Administrator Keller reported that Ordinance 24-2014 is an annual Ordinance which sets the net levy and abatement to be collected in calendar year 2015 for Special Service Area #9 bonds, which were issued for the Timber Trails development. The total net levy of the tax year 2014 is \$1,533,665.58 which is a 4.9% increase over last year.

Trustee Corbett inquired if the Abatement Ordinances reflected the recent bond refinancing and if the individual property tax bills would be reduced. Administrator Keller replied yes, SSA 15's Abatement Ordinance reflects the recent bond refinancing. He noted that the Bond Ordinances are drafted by the Village's bond consultant Taussig & Associates. President Zirk commented on the fact that the recent action of the Board to refinance the SSA 15's bond lowered the interest rate and accelerated the pay-off terms which reduced the total amount of the obligation. This action lowered the Town Center residents' property tax bills.

President Zirk asked if the Board Members had any questions on the motion. There were no comments from any of the Board Members. **A Motion was made by Trustee Corbett and seconded by Trustee Farrell to approve Ordinance 24-2014, an Abatement Ordinance for SSA #9 for Fiscal Year beginning May 1, 2015 and ending April 30, 2016.** Roll call: Vote: 5-ayes: Trustees Mierisch, Zambetti, Farrell, Hacker and Corbett. 0-nays, 0-abstained. Motion carried.

A Motion to approve Ordinance 25-2014, an Abatement Ordinance for SSA #15 for Fiscal Year beginning May 1, 2015 and ending April 30, 2016

Administrator Keller discussed Ordinance 25-2014. He reported this Ordinance sets a net levy of \$784,292.82 for tax year 2014 to be collected in 2015 for Special Service Area #15 bonds, which were issued for the Gilberts Town Center.

President Zirk asked if the Board Members had any question on the motion. The Board Members provided no comments. **A Motion was made by Trustee Corbett and seconded by Trustee Zambetti to approve Ordinance 25-2014, an Abatement Ordinance for SSA #15 for Fiscal Year beginning May 1, 2015 and ending April 30, 2016.** Roll call: Vote: 5-ayes: Trustee Zambetti, Hacker, Corbett, Mierisch and Farrell. 0-nays, 0-abstained. Motion carried.

A Motion to approve Resolution 46-2014, a Resolution for the estimate of the amount of a tax levy in compliance with the requirements of the Truth in Taxation Act

Administrator Keller explained that the Village is required by the Truth in Taxation Act to set a maximum amount of property taxes to be collected in the next tax year, which is projected to be \$ 1,047,456.00 in the 2015 tax year. The proposed levy reflects an increase of 4.9% over last year's tax levy. Staff recommends the 4.9% increase to include both the inflation adjustment of 1.5% and the increase in the equalized assessed value (EAV) from new construction.

Administrator Keller noted that the Truth in Taxation Act does not require a public hearing if the increase is less than 5% over last year's levy. However, Staff recommends conducting a public hearing anyway to maintain transparency and to provide residents an opportunity to comment on the levy.

Trustee Mierisch asked where the public hearing notice would be posted. Clerk Meadows reported that the public hearing notice would be posted in the Courier Newspaper, Village website and on Facebook. Trustee Corbett asked if Clerk Meadows knew the date that the public hearing notice would be posted in the Courier Newspaper. Clerk Meadows reported that the notice in compliance with the Truth in Taxation Act must be posted in a newspaper of general circulation no more than 14 days prior to the public hearing and not less than seven days prior to the public hearing. Clerk Meadows stated that she has the notice scheduled to be published on December 4th.

President Zirk asked if the Board Members had any questions on the motion. There were no comments offered by the Board Members. **A Motion was made by Trustee Corbett and seconded by Trustee Zambetti to approve Resolution 46-2014, a Resolution for the estimate of the amount of the levy in compliance with the requirements of the Truth in Taxation Act.** Roll call: Vote: 5-ayes: Trustees Farrell, Hacker, Corbett, Mierisch and Zambetti. 0-nays, 0-abstained. Motion carried.

Items for Discussion

Industrial Park water system connection costs

Administrator Keller reported that at the November 4th Village Board Meeting the Board Members had directed Staff to provide them with information with respect to the fees associated with connecting a property in the industrial park to the public water system. He reported that there are three primary costs associated with connecting the Industrial Park properties to the public water supply. The three costs are (1) water connection fees (tap-on fees), (2) the Hill-Newby recapture agreement, and (3) the cost of the water meter.

Administrator Keller discussed the Village Code fee schedule. The fee schedule with respect to the water connection fees range from \$4,200.00 for a two-inch tap on (minimum industrial size) to \$6,825 for a six-inch connection (minimum size for a sprinkler system) or greater. Tap-on fees are theoretically priced to pay for the capacity of the water plant that would be consumed by the connected property.

Administrator Keller explained the previous Hill-Newby LLC recapture agreement which the Village paid off in 2011. The total cost of the recapture repayment including interest was \$148,454.45, which was paid in part with \$100,000 of TIF #1 funds and the remaining balance paid with \$48,454.45 from the water/wastewater enterprise fund.

Administrator Keller went on to discuss the cost associated with the recapture agreement to the benefited properties. He reported that there are 37 properties in the industrial park that would share the global costs associated with crossing Higgins Road, while three properties that could immediately connect to the new main would share the local costs for the pipe itself. Based on this structure, every property in the industrial park would owe recapture fees of \$3,258.36. Three properties on Center Drive would owe an additional \$10,384.48 each to connect to the immediately adjacent water main that was installed for the Mobil station.

Administrator Keller discussed the final cost associated with connecting to the public water system. He reported that the cost of the water meter is passed on to the new customer and paid at the time of the issuance of the building permit. A new two-inch water meter presently costs \$961.48, a two-inch compound meter costs \$2,235.26.

Administrator Keller discussed incentive options to offer to the industrial park property owners to connect to the public water supply. The first option Administrator Keller outlined was to write-off all recapture repayment, which would save each property owner \$3,258.36 and three properties would save \$13,642.84. Two-thirds of the recapture repayment was covered by the TIF fund, which was established in part to pay for water and sewer mains within the industrial park. The added users to the system would repay the enterprise fund over time through their user charges.

Administrator Keller discussed the second incentive option. He reported that the Board would consider writing off a portion of the recapture paid for by the district, reducing the global recapture to \$1,063.50 per property. This approach would also reduce the local Center Drive portion of the recapture to an additional \$3,389.42 per property. This approach would result in the eventual direct repayment of the \$48,454.54 back to the enterprise fund.

Administrator Keller discussed the third incentive option outlined in his overview memo. He stated the Board may want to consider establishing a payment plan for the recapture fee and/or the connection fee if the fee is not waived. He noted that the plumbing costs of connecting a building to the main may run anywhere from \$5,000-\$20,000, depending on the distance between the main and the building. Allowing a property owner to repay a connection and/or recapture fee over 3-5 years would provide some temporary relief without burdening the enterprise fund. The Board Members may also want to consider allowing the cost of the meter to be financed overtime. However this is a direct cost incurred by the Village.

President Zirk noted that there are two revenue sources that funded the recapture pay-off. The TIF fund and the water fund. He asked Administrator Keller what the current balance of the TIF Fund was. Administrator Keller reported that the TIF Fund currently has a balance of \$40,000.00. President Zirk suggested repaying the Water Fund with the \$40,000 on hand in the TIF fund and the balance of the remaining \$8,454.54 be paid with TIF funds as the funds became available.

A lengthy discussion ensued on the various incentive options.

Trustee Mierisch inquired on the impact Senate Bill 3507 if passed would have on the tap-on fee structure. Administrator Keller reported that the current bill amendment removes municipalities from the language limiting the tap-on fee amount that could be charged. Administrator Keller noted that the original bill was a misguided attempt to resolve a local issue globally.

Trustee Hacker was in favor of creating an incentive program to encourage the industrial properties to connect to the public water system.

President Zirk recommended using a graduated incentive program. He provided the Board Members with an example. He suggested the Village may consider waiving 100% of the connection fees for the property owners who connect within the first twelve months. Thereafter the fee waiver percentages would decrease over time.

There was some discussion on enforcement policies if the industrial properties did not connect to the public water supply.

Staff will draft additional incentive options and report back to the Board.

Water/Sewer Rates

Administrator Keller reported that the Village has kept its operating costs within budget. The rates adopted in 2008 do not support the rehabilitation/replacement of capital facilities. Administrator Keller explained that Staff was looking for direction on whether any particular rate scenarios previously provided are preferred or should be eliminated.

Administrator Keller noted that if the Board Members choose a particular rate scenario staff would begin preparing a community outreach program. President Zirk believes that there needs to be a comprehensive conversation prior to discussing any proposed water rate increase with the community at large.

Trustee Hacker noted that there are two issues. The first issue was the cost associated with the environmental updates mandated by the IEPA. The second issue was the cost of the plant expansion to accommodate future users. In his opinion current users should share in the cost burden associated with the IEPA mandates. However, he was not in favor of current users paying for the plant expansion when the current capacity is sufficient to support the current usage.

A lengthy discussion ensued with respect to Engineer Fisher's assumptions noted in the Water Reclamation Facility Plan.

President Zirk suggested the Village consider increasing the tap-on fees to offset the cost of the plant expansion. Trustee Hacker believes that would be in the best interest of the existing residents.

The Board Members asked if Staff could once again provide them with an overview of the various proposed water/sewer rate increases. Administrator Keller stated that Staff will review the proposed increases to the water/sewer rates at an upcoming meeting in December.

Staff Reports

Administrator Keller reported that Staff had resolved the concern with the missing stop sign located within Gilberts Town Center Unit 3. He reported that the stop sign was depicted in the Unit 2B plans. However, it was overlooked on the Unit 3 plans. Cemcon will amend Unit 3's plan to include the stop sign.

Administrator Keller provided the Board Members with an update on the Copenhaver trial. He reported that trial was rescheduled until January 7th. Administrator Keller requested if any of the Board Members have emails dealing with this litigation matter that he was not included in the thread to please forward copies of those emails to him. The documents were requested from Copenhaver's attorney as part of the discovery process.

Administrator Keller reported that Town Center Park improvements will be completed by December 1st per the contract.

Administrator Keller reported that Public Works Staff continues to fill the sandbags for the ice rink.

Administrator Keller provided the Board Members with an update on the reconstruction of Mason Road. He reported that Plote has closed their asphalt plant. However, they will reopen the plant when Mason Road is ready to be paved.

Administrator Keller inquired if the Board Members would be in favor of closing Village Hall at 4:30 p.m. next Tuesday. Due to the fact there is no Board Meeting scheduled and utility payments are not due. The Board Members were in favor of closing the Village Hall at 4:30 p.m. on Tuesday, November 25th.

Administrator Keller reported that he along with Attorney Tappendorf had met with Interstate Partners representatives to discuss the TIF note. This matter will be brought before the Board at the December Committee of the Whole Meeting.

Board of Trustee Reports

Trustee Mierisch commented on the current Electric Aggregation rates. She noted that this year's cost savings is not as substantial as seen in the previous contract. Administrator Keller reported that he had been monitoring ComEd's monthly rates as they compare to the Village's current electric aggregation rates. Administrator Keller reported that Staff along with NIMEC will be closely monitoring next year's bidding process to see if there is still any cost savings benefit to the community by participating in Electric Aggregation.

Trustee Hacker commented on the recently posted employment opportunities for two Village positions. He noted that in his opinion the preferential consideration date did not allow a sufficient amount of time for interested applicants to submit their resumes and applications. He was concerned that the short turnaround time might leave the public with the perception that the Village already has a candidate to fill the open positions. Administrator Keller replied that Staff doesn't have a candidate to fill the open positions. The urgency was due to the fact the Public Works department is in desperate need of a snowplow driver.

A lengthy discussion ensued with respect to allowing adequate time for interested applicants to submit their resumes and applications. Staff will amend the current classified ads to reflect the preferential consideration date for applicants to respond is by December 1st.

Trustee Zambetti commented on Senate Bill 16. The proposed bill amends the way in which state school funding is distributed. There was some discussion on the proposed Senate Bill. Staff will prepare a resolution conveying the board's opposition to SB 16 for the December 2nd meeting.

Trustee Corbett commented on McCornack Road's new pavement. He reported that since the roadway was been paved traffic has increased. He questioned if Staff knew who funded the project. Administrator Keller replied no, staff was not sure what entity funded the road improvements.

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Trustee Hacker reported that he will be out of town during the month of February. He will be donating his February Board Members compensation to Community Days. The Community Days Committee Members in attendance thanked Trustee Hacker for his generous support.

Trustee Farrell apologized that she was unable to attend the 2nd Annual Community Service Award Ceremony due to the fact her daughter was awarded the City of Elgin's Life Saving Award for her efforts in saving a resident's life while on duty as a City of Elgin's Police Officer.

President's Report

President Zirk had nothing further to report.

Adjournment

There being no further public business to discuss, **a Motion was made by Trustee Hacker and seconded by Trustee Zambetti to adjourn from the public meeting at 8:57 p.m.** Roll call: Vote: 5-ayes by unanimous voice vote. 0-nays, 0-abstained. Motion carried.

Respectfully submitted,

Debra Meadows