

**VILLAGE OF JOHNSBURG
DECEMBER 5, 2013 REGULAR MEETING OF THE
PRESIDENT AND BOARD OF TRUSTEES**

President Hettermann called the meeting to order at 7:30 p.m. in the Village Hall.

Attendees

Trustee John Huemann
Trustee Kevin McEvoy
Trustee Mary Lou Hutchinson (absent)
Trustee Janice Sisk
Trustee Greg Klemstein
Trustee Rich Janusz
Village Attorney Michael Smoron
Village Engineer Tim Hartnett
Police Chief Keith VonAllmen
Special Project Coordinator Rick Quinn

AUDIENCE PARTICIPATION – Mrs. Golemba of 1306 Old Bay Road requested an update on the boat launch proposed by the Village of Lakemoor at the end of Old Bay Road. President Hettermann reported that he and Trustee McEvoy will be meeting with representatives of Lakemoor on December 9th to further discuss the matter. Mrs. Golemba questioned if the Army Corp permit has been issued. President Hettermann stated that the Village received an email with notice of the Army Corp’s intent to issue the permit which was passed on to the residents on Old Bay Road.

OMNIBUS AGENDA – Trustee Huemann moved to approve the Omnibus Agenda. Trustee Sisk seconded the motion. Trustee McEvoy requested the removal of the minutes from the agenda. All Trustees present voted aye on the roll on the remaining Omnibus Agenda items. Motion carried.

Move to approve the minutes of the November 21, 2013 Regular Meeting of the President and Board of Trustees

Move to approve Ordinance 13-14-29 granting a variance to Section 7.2-1, Permitted Fences of the Johnsburg Zoning Ordinance to permit the placement of a fence in the front yard for the property known As1915 Sunnyside Beach Drive

Move to approve Ordinance 13-14-30 Authorizing the Use of Part-time Police Officers

Move to approve Ordinance 13-14-31 Establishing a Tax Levy for Special Service Area #6 in the Village of Johnsburg for the 2013 Tax Year

Move to approve Ordinance 13-14-32 Establishing a Tax Levy for Special Service Area #11 in the Village of Johnsburg for the 2013 Tax Year

Move to approve Ordinance 13-14-33 Establishing a Tax Levy for Special Service Area #13 in the Village of Johnsburg for the 2013 Tax Year

Move to approve Ordinance 13-14-34 Establishing a Tax Levy for Special Service Area #18 in the Village of Johnsburg for the 2013 Tax Year.

Move to approve Ordinance 13-14-35 Establishing a Tax Levy for Special Service Area #27 in the Village of Johnsburg for the 2013 Tax Year

Move to approve Ordinance 13-14-36 Establishing a Tax Levy for Special Service Area #28 in the Village of Johnsburg for the 2013 Tax Year

Move to approve Ordinance 13-14-37 Abating a Portion of the Taxes Levied to Pay Principal and Interest on Special Service Area Number 28 Ad Valorem Tax Bonds, Series 2010 in the Village of Johnsburg

Move to approve Ordinance 13-14-38 Abating Taxes to be Levied to Pay Principal and Interest on Certain Waterworks and Sewerage Revenue Bonds and Alternate Revenue Source Bonds (in Lieu of Such Revenue Bonds), Series 2006 in the Village of Johnsburg

Move to approve Ordinance 12-13-39 Abating Taxes to be Levied to Pay Principal and Interest on Certain Waterworks and Sewerage Revenue Bonds and Alternate Revenue Source Bonds (in Lieu of Such Revenue Bonds), Series 2009 in the Village of Johnsburg

DISBURSEMENTS

General Fund	\$139,402.94
Debt Service	\$ 680.00
MFT	\$ 3,836.00
Waterworks/Sewerage Fund	<u>\$ 1,615.37</u>
TOTAL OF ALL FUNDS	\$145,534.31

MINUTES – Trustee Janusz moved to approve the minutes. Trustee Huemann seconded the motion. Trustees Janusz, Huemann, Sisk and Klemstein voted aye. Trustee McEvoy abstained. Motion carried.

PRESIDENT’S REPORT – President Hettermann thanked the Community Affairs Committee for their hard work in organizing and carrying out the Meet and Greet Santa event. He informed the Board of concerns that the snowmobile trail directs people to travel along Fairview Avenue where the new sidewalk was installed. Staff is working to address the matter to insure that snowmobilers do not travel on the sidewalk.

ICE RINK - Community Affairs Committee Member John O’Brien was in attendance to discuss plans to establish an ice rink in Rescue Squad Memorial Park. He reviewed plans for the rink for which most of the materials are being donated. Trustee Sisk stated that \$1,000 in donations had been received to date and the Committee plans to cover any additional costs with extra dollars received from Celebration in the Park. Mr. O’Brien reported that power can be secured temporarily from the Community Club facility so that the rink can be lighted. Volunteers have committed to build the rink and to extend electric. Volunteers will also maintain the rink. Trustee Sisk reported that the only cost expected is for the liner which will need to be replaced annually at a cost of about \$250. Trustee Huemann offered to assist with the donation of water supplied by his trucks and discussed some of the difficulties experienced in the past with the Village’s rink. Trustee McEvoy moved to authorize the pursuit of the rink. Trustee Janusz seconded the motion. All Trustees present voted aye on the roll. Motion carried.

TAX LEVY - Village Administrator Claudett Peters reviewed the proposed tax levy ordinance which reflects a 2.5% overall increase of which 1.7% is the CPI increase and .8% represents new growth. She discussed the estimates received from the county regarding new growth and explained that the County’s estimates are historically low. She further explained that the .8% estimated for new growth is a bit elevated in order to insure that all new growth is being captured. Ms. Peters reported that the CPI increase is the portion that would impact existing properties resulting in an approximate \$8.50 increase on a \$300,000 home. She pointed out that the ordinance directs the entire increase to the Police Pension line item in an effort to cover some of the shortfall identified in the new actuarial report which was discussed during the budget review. Ms. Peters explained that the Village has always levied an amount consistent with that which was directed by the actuarial report but the Department of Insurance recently determined that the investment figures utilized to prepare the report was not realistic resulting in a significant increase in the amount now required to be set aside to support the police pension fund.

Village Accountant Laurie Cwerenz prepared an analysis of the estimated pension impacts and reviewed the document with the board. She explained that the 2010 actuarial report projected a levy of \$100,260 to support the police pension fund. The next report was received in the spring of 2013 for the 2012 tax levy reflecting the need to increase the levy to \$285,864 to support an estimated 2.5 million in unfunded liability. Ms. Cwerenz reported that the Police Pension Board chose to pursue an independent actuarial because of concerns that the Department of Insurance's report was still unreliable, utilizing unrealistic investment rates. The independent report reflects the need to levy \$186,627 annually to support an estimated 1.9 million in unfunded liability. Ms. Cwerenz pointed out that this estimate does not reflect a full year impact of the two new officers hired last year, nor does it reflect any funds for the officers being hired this year therefore a more accurate estimate is around \$205,000 annually. She stated that even with the proposed ordinance directing the increased taxes collected to the Police Pension Fund, there will still be an approximate \$75,000 shortfall. Ms. Cwerenz explained that new laws now in effect will require the minimum contribution annually by 2016 or Pension Boards can obtain the necessary funds by taking other locally collected funds such as income and sales taxes.

Trustee Huemann suggested that the Village look into whether or not a question should be placed on an upcoming ballot to increase the police pension line item in the future to cover the cost. He pointed out that the referendums establishing the fund and originally funding it were well supported by the community. President Hettermann offered that we are living in a different economy today as compared with when the pension fund was originally established. Trustee Huemann agreed and expressed a desire to hold this year's levy flat in an effort to extend a savings to property owners. Ms. Peters explained that a flat levy would also mean that the Village would be foregoing the collection of tax dollars from new growth. Ms. Cwerenz pointed out that the Village experiences an increase in operational costs annually through expenses such as garbage removal and insurance which makes it difficult to ignore the CPI adjustment in the levy. She further explained that should a flat levy be instituted a small savings may be experienced on the Village's line item on the tax bill but overall tax bills will still increase due to the increased levy being pursued by the school district and other taxing bodies. Special Project Coordinator Rick Quinn stated that the Village needs to keep up with cost impacts. He explained that consistently remaining flat will move the Village backwards eventually causing the need for a significant increase which may be more difficult for residents to absorb.

Trustee Huemann stated that he believes it is an appropriate time to provide tax payers a reduction. He added that he wants to see the Village bolster economic development so that we can reduce the tax burden on our residents. Ms. Peters suggested the board consider other ways to save residents dollars. She pointed out that the Finance Committee has been looking into the cost effectiveness of the vehicle sticker program. She stated that during the budget presentation, the board discussed the cost to administer the program versus the funds collected and at best the Village retains approximately \$25,000 in revenues from the program. The Finance Committee has been questioning the effectiveness of the program and is working with staff to perform a cost benefit analysis to determine whether or not the program should continue. Ms. Peters stated that if the Board were to decide to eliminate vehicle stickers, it would save the average household with two vehicles \$20 per year, a greater savings than the \$8.50 that would be experienced should the levy remain flat. Trustee Huemann expressed concern with how the Village would support street lighting if vehicle stickers were eliminated. President Hettermann pointed out that the Village has a new revenue stream through video gaming which is expected to produce approximately \$57,000 in revenues this year. He suggested that the board consider committing those revenues to support street lighting in lieu of vehicle sticker revenues. Trustee Huemann expressed concern with the annual loss of revenue if vehicle sticker were eliminated and how staff could generate dollars to cover the loss. Ms. Peters stated that the actual revenues netted by the Village are limited when considering the cost to administer and enforce the vehicle sticker program. She explained that staff is completing a comprehensive analysis as requested by the Finance Committee. Ms. Cwerenz pointed out that should

the levy remain flat and the Village forego the estimated \$25,000 in revenues, that lost would be experienced annually as well.

Before making a final decision regarding the proposed tax levy ordinance, the board requested additional information regarding the compounding effect of pursuing a flat levy and a cost benefit analysis of the vehicle sticker program. The Board agreed to meet again on December 16, 2013 to review the information and act on the tax levy.

ORDINANCE AMENDMENTS – FIRST READS - Trustee Janusz reviewed the ordinances proposed by the Ordinance Committee, most of which amend the penalties associated with various sections of the Municipal Code. The ordinances will be included on the Omnibus Agenda for action at the December 16, 2013 meeting.

ADJOURNMENT – Trustee McEvoy moved to adjourn the meeting. Trustee Janusz seconded the motion. All Trustees present voted aye. Motion carried at 8:46 p.m.

Respectfully Submitted

Claudett E. Peters
Village Administrator