

**VILLAGE OF JOHNSBURG
JUNE 3, 2014 REGULAR MEETING OF THE
PRESIDENT AND BOARD OF TRUSTEES**

President Hettermann called the meeting to order at 7:04 p.m. in the Village Hall.

Attendees

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

AUDIENCE PARTICIPATION - Eric Plautz of 4106 Jay Street was in attendance on behalf of the residents of Remington Grove Subdivision. He explained that he was in attendance regarding the Second Amendment to the Declaration of Covenants for the subdivision as well as the Cross Easement and Cost Sharing Agreement, both of which are included on the agenda. Mr. Plautz explained that Mr. Brown has been working with the homeowner's in an effort to turnover of the association and insure that everything is properly established to enable the completion of the approved phases of the development. He stated that the association is agreeable to the amendment and the agreement contingent upon a letter of understanding being prepared outlining the considerations Mr. Brown has agreed to. Trustee Huemann attended at this time.

Jim Small of 4213 Jay Street was in attendance to express his support of the HOA as expressed by Mr. Plautz. Mr. Caccavale of 3513 Aubrey Drive was also in attendance to express his support of the HOA.

Tom Boss 4120 Jay Street expressed support for the HOA and added that he realizes it is important for the subdivision to move forward and get built out. He thanked Mr. Brown for all his efforts and patience in working through the process with the homeowners and for answering all of their questions.

OMNIBUS AGENDA – Trustee Sisk moved to approve the Omnibus Agenda. Trustee Huemann seconded the motion and added the approval of Ordinance 14-15-4 An Ordinance amending Certain Sections of Chapter 15 of the Johnsburg Municipal Code. Trustee Sisk approved the amendment to the motion. Trustee Sisk requested the removal of the minutes and explained that she did not receive a copy to review. All Trustees present voted aye on the roll on the remaining Omnibus Agenda items. Motion carried.

- Move to approve the minutes of the May 20, 2014 Regular Meeting of the President and Board of Trustees
- Move to approve Ordinance 14-15-03 Establishing Prevailing Wage Rates for the Village of Johnsburg.
- Move to approve Intergovernmental Mutual Aid Agreement between the Village of Johnsburg and the Village of Wonder Lake

- Move to approve Intergovernmental Agreement between the Village of Johnsburg and McHenry Township for Mosquito Abatement Services
- DISBURSEMENTS
- General Fund \$172,776.54
- Waterworks/Sewer Fund \$ 12,147.14
- TOTAL OF ALL FUNDS \$184,923.68

COMMUNICATIONS AND PETITIONS

REMINGTON GROVE – Jeff Brown was in attendance to request the board’s consideration for both a Second Amendment to the Declaration of Covenants for the Master Association and a Cross Easement and Cost Sharing Agreement. He explained that the current covenants require each new home to receive architectural approval from the Homeowner’s Association prior to the builder being able to proceed with construction. He explained that the Village has already approved what models are permitted to be constructed in the development and any deviation from such must go through the Village’s approval process. Mr. Brown explained that implementing the Cross Easement and Cost Sharing Agreement enables a more equitable division of costs for the common areas which have been reviewed and agreed to by the homeowners. He stated that he agreed to prepare a letter of understanding outlining the considerations being provided the homeowners association. Trustee Hutchinson questioned how the changes impact the backup SSA that is currently in place. Mr. Brown explained that he spoke with Ms. Peters about the need for additional backup SSAs. Attorney Smoron explained the existing SSA will remain in place for the shared maintenance items but three additional backup SSAs will be established for each separate phase to address the maintenance of the common areas within those particular phases.

Mr. Quinn expressed that the Village would like to see the remaining tap on fees paid at some time and questioned how Mr. Brown plans to designate the prepaid taps. Mr. Brown stated that the lots designated with paid fees are defined in the amendment to the annexation agreement. He estimated that there are 40 connection and tap on fees not yet paid on the townhome units. Mr. Quinn questioned the status of the letters of credit for the development. Mr. Brown explained that the existing letters of credit established by Cole Taylor Bank are financially backed by his company and are still in place however he may replace them with their own letters of credit at some point.

Mr. Brown asked if approval could be provided upon receipt of the letter of understanding being provided outlining the considerations to the residents. President Hettermann requested that the matter be tabled until the letter is received. Mr. Brown was agreeable to delay action on the matter until that time.

Trustee Klemstein thanked Mr. Brown for his efforts in working with the residents on this matter. He expressed that many meetings were held over several months to bring this matter forward. Trustee Hutchinson questioned if the board could provide the approval contingent upon the letter being received. Mr. Brown expressed appreciation for the consideration but stated that he would also be agreeable to tabling the matter if the board desires.

Discussion continued regarding the models that could be built in the subdivision. Residents of Remington Grove asked for clarification as to what would occur should another builder come forward with alternate building plans. It was explained that any alternative plans would need to be approved by the Village. Additional clarification was requested by the residents regarding the approval process. In light of the outstanding issues, the Board agreed that it would be best to delay action on the Amendment

and Agreement until the letter of understanding could be provided by Mr. Brown and the Village could provide more details regarding the approval process should alternate models be proposed in the future.

FY 2015 BUDGET REVIEW - Trustee Hutchinson distributed the proposed FY 2015 Budget and asked that the board review the proposal in preparation for a full presentation at the next Board meeting. She explained that the Budget Summary reflects the unfunded road resurfacing and reserves so that the board does not lose sight of goals still needing to be met. She discussed the establishment of the Capital Plan and explained that ideally the Village should establish a 12 year road resurfacing program however we realize that life cycle is not realistic. Trustee Hutchinson reported that the Village has 50 miles of public roads and 5 miles of private roads and in order to pursue a 12 year road resurfacing cycle, the Village would need to invest \$1.25 million annually which is not feasible therefore we have targeted a 20 year resurfacing program which would require an investment of \$480,000 annually. The FY 2015 budget includes only \$50,000 towards additional road resurfacing therefore there is an unfunded amount of \$430,000 of which we need to remain cognizant. Trustee Hutchinson added that the Village Board identified the need to set aside 4-6 months of operating expenses in reserve which we are attempting to do by setting aside \$70,000 annually. This year's proposed budget does not include that contribution therefore the Summary reflects the amount as unfunded this year.

Trustee Hutchinson discussed Police Pension contributions based upon the impact of new actuarial requirements that were done. She explained that the Village had always set aside the amount required by prior actuaries but now the State has determined that they were utilizing unrealistic investment estimates and have now recalculated pension contribution requirements for plans statewide resulting in a significant jump in Village contributions. She iterated that the State has also approved legislature that will enable Police Pension Boards to direct State disbursed revenues to pension funds if communities fail to properly fund them. Trustee Hutchinson explained that that these issues will be discussed further at the Budget presentation.

In reviewing the remaining funds, she pointed out the deficit reflected in the Water and Sewer Fund as a result of the Village's inability to fully support the Water and Sewer Capital Fund with revenues currently derived from the system. She asked the board to review and come back to the next meeting with possible solution to some of the challenges we face.

Trustee Hutchinson explained that the Revenue and Expense Report provided to the Board for the end of FY 2014 reflects a deficit of \$196,000 however the majority of that amount is as a result of a carryover payment to Walmart for Sales Tax Incentive Reimbursements from FY 2013. She explained that because of the timing of reports received from the Department of Revenue, the taxes were received in FY 2013 but did not get disbursed until FY 2014 and were not reflected in the budget. She further explained the budget was impacted by approximately \$50,000 as a result of the significant increase in winter storm events resulting in the need for an unusually high amount of road salt needed this year. Lastly, the Police Salaries were higher than budgeted due to the need for the use of more part time police officers to cover benefit time prior to the two new officers being brought on the schedule

Trustee Hutchinson pointed out that several years ago the Village was experiencing significant financial challenges and have since made great strides in improving our financial stability. President Hettermann commended Trustee Hutchinson and Finance Committee on their efforts which contributed greatly to the Village's current financial position reflected greatly in the recent upgrade in its bond rating to AA+. Trustee Hutchinson remarked on the efforts put forth by the previous administration that helped established a good foundation from which to build.

Trustee Hutchinson reviewed some of the accomplishments from FY 2014 and summarized the challenges we are experiencing related to new police pension requirements, unfunded reserves and road

resurfacing. She spoke of some possible solutions to the challenges such as changing the approach to how residential garbage and recycling are managed. She pointed out that the Sanitation Levy continues to fall significantly short in covering the cost of the program. Some other solutions may include establishing a local sales tax or placing referenda on the ballot to help support increased Police Pension requirements. President Hettermann emphasized that these approaches will enable residents to direct how they want the issues to be addressed by voting on the question(s). Trustee Hutchinson added that the Village has also utilized surveys in the past to gain input before making decisions. Lastly, she discussed some of the new opportunities being pursued such as the patching of private roads which will be further discussed at the next meeting. She asked that the Board consider the information being provided and come to the presentation prepared to raise questions and offer solutions.

MOTION FOR CLOSED SESSION - Trustee Huemann moved to go into closed session for purposes of probable and imminent litigation. Trustee McEvoy seconded the motion. All Trustees present voted aye on the roll. Motion carried at 8:24 p.m.

RETURN TO REGULAR SESSION – Trustee Huemann moved to return to regular session. Trustee Hutchinson seconded the motion. All Trustees present voted aye on the roll. Motion carried at 8:52 p.m.

ADJOURNMENT – Trustee Huemann moved to adjourn the meeting. Trustee Klemstein seconded the motion. All Trustees present voted aye. Motion carried at 8:53 p.m.

Respectfully Submitted

Claudett E. Peters
Village Administrator