

**VILLAGE OF JOHNSBURG
MAY 17, 2012 REGULAR MEETING OF THE
PRESIDENT AND BOARD OF TRUSTEES**

President Hettermann called the meeting to order at 7:37 p.m. in the Village Hall.

Attendees

Trustee John Huemann
Trustee Kevin McEvoy
Trustee Mary Lou Hutchinson
Trustee Janice Sisk
Trustee Ron Zanko
Trustee Rich Janusz
Village Attorney Michael Smoron
Village Engineer Tim Hartnett
Special Projects Coordinator Rick Quinn
Police Chief Keith VonAllmen

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

- Move to approve the minutes of the April 19, 2012 Regular Meeting of the President and Board of Trustees **(removed)**
- Move to approve Ordinance 11-12-37, Amending Chapter 16, Massage Therapy Clinic License of the Johnsburg Municipal Code
- Move to approve Ordinance 11-12-38, Amending Chapter 11, Amusements of the Johnsburg Municipal Code
- **DISBURSEMENTS (removed)**
 - General Fund \$175,847.62
 - Waterworks/Sewerage Fund \$ 10,551.12
 - TOTAL OF ALL FUNDS \$186,398.74

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

DISBURSEMENTS – Trustee Hutchinson moved to approve the disbursements. Trustee Zanko seconded the motion. Trustee Zanko questioned the payment to the State Treasurer, Pitney Bowes and McHenry County Collector. Ms. Peters explained that the payment to the State Treasurer was the Village’s portion of the quarterly maintenance costs for the traffic signals at Route 31 and Running Brook Farms Blvd; the payment to Pitney Bowes is for postage to be added to the postage machines; and Attorney Smoron clarified the payment to the McHenry County Collector was for the taxes on the Schmitt property for which the Village received a credit at the closing. All Trustees voted aye on the roll. Motion carried.

PRESIDENT'S REPORT – President Hettermann recommended the reappointment of Jill Roadman as the Police Commission Chairperson. Trustee McEvoy moved to confirm President Hettermann's appointment. Trustee Janusz seconded the motion. All Trustees voted aye on the roll. Motion carried.

NEW BUSINESS

FY 2013 BUDGET – Trustee Hutchinson reviewed a PowerPoint presentation regarding the proposed FY 2013 Budget. She explained that FY 2012 expenditures closed within 1% of the budget which is consistent with the Village's conservative spending trends over the past several years. The proposed FY 2013 budget successfully incorporates relatively flat operational expenses along with the Capital Plan. It does not, however, provide sufficient dollars to adequately cover road resurfacing costs in keeping with a reasonable resurfacing schedule nor does it provide dollars to be set aside to build sufficient reserves.

Trustee Hutchinson emphasized that based upon our engineer's recommendation, roads should be resurfaced on a 12 year life cycle. Road resurfacing costs continue to rise making it impossible for the Village to perform a 12 year resurfacing program. As an alternative, the Village is attempting to pursue a 20 year road resurfacing cycle but long term projections reflect that the Village cannot generate sufficient revenues to do so at this time. The FY 2013 budget includes \$180,000 in the general fund to augment the MFT Road Resurfacing Program which will only provide for the resurfacing of approximately 2/3 of a mile based upon current resurfacing costs of \$275,000 per mile. A 20 year life cycle would require the resurfacing of 2.5 miles per year. Trustee Hutchinson stressed the importance of increasing dollars available for road resurfacing. Mr. Hartnett concurred explaining that if the Village puts off road resurfacing beyond a 20 year life cycle, the costs will double because resurfacing will no longer be sufficient and roads will need to be rebuilt.

Trustee Hutchinson discussed the Village's Capital Fund explaining that the Village successfully contributed towards 6% of the retro cost of the General Fund's Capital Plan (26% without the paving component) and 11% towards the retro costs of the Sewer and Water Capital Plan in FY 2012. The FY 2013 budget includes dollars to contribute towards 5% of the General Fund's retro costs (33% without the paving component) and fully funds the annual general fund's costs without the paving component but only 51% of the annual costs with paving. The FY 2013 Sewer/Water budget includes sufficient dollars to support 40% of the annual Sewer/Water Capital Plan, but cannot support any of the retro costs. Trustee Hutchinson pointed out in FY 2012 the Village was able to support the Sewer/Water Capital Plan because of revenues collected from Walmart towards their connection costs to our systems however operational revenues derived from water/sewer user fees do not currently generate sufficient dollars to support replacement and long term maintenance costs.

Trustee Hutchinson discussed the need to set aside four to six months of operational costs in a reserve fund. She explained that the Village needs to continue to work towards achieving this goal and reviewed a graph that reflects the goal being met in 2027 if the Village were to set aside \$150,000 per year. The FY 2013 budget does not provide for any additional reserves to be set aside and long term projections currently reflect the ability to set aside only \$55,000 per year. Trustee Hutchinson stressed the importance of building the reserve fund so that the Village can achieve its strategic priorities and also take advantage of potential funding opportunities that require matching funds.

Trustee Hutchinson reviewed a comparison of 2011 tax rates for all communities in McHenry County. She pointed out that the Village continues to have one of the lowest tax rates in the County. Additionally, she reviewed a Community Cost Analysis which compares the cost of real estate and utility taxes, vehicle sticker fees, refuse and recycling costs and water and sewer user fees for similarly sized communities in McHenry County. The analysis reflects that predicated upon these costs, Johnsburg is the lowest cost community in which to reside. She pointed out that even if residents were billed directly the full cost of refuse and recycling services, it would still cost residents less to live in Johnsburg than any of the other community in the comparison.

Trustee Hutchinson reviewed accomplishments and challenges currently being experienced by the Village. She summarized the positive effective of the Capital Fund and emphasized the benefit of increased sales taxes being generated from new business. Trustee Hutchinson iterated two of the Village's greatest challenges are to seek additional funds to pursue additional road resurfacing and build adequate reserves to achieve the Village's strategic priorities. She explained that we need to be mindful of the threats to revenues disbursed through the State of Illinois such as State Income Tax, MFT and Corporate Personal Property Replacement Tax which was recently proposed to be used by the State to balance the Teacher's Retirement Fund.

Lastly, Trustee Hutchinson discussed the need to take a different approach with unsupported services. Both street lighting and refuse/recycling removal have defined revenues streams which currently do not fully support their costs. She explained that the Village needs to consider whether or not it should continue to pay for refuse and recycling services and whether or not vehicle stickers are the most appropriate means to cover the cost of street lighting. She explained that the Village currently pays \$358,000 annually for refuse and recycling service of which \$150,000 is subsidized by the General Fund. If the service was directly billed to residents, they would experience a slight savings on their real estate tax bill and the Village would free up \$150,000 which could be used to help support paving or the shortfall in street lighting costs. She explained that the Finance Committee will be looking into these alternatives this year.

In closing, Trustee Hutchinson emphasized that good fiscal planning is tied to sound fiscal policies. She informed the board that the Village has instituted responsible fiscal practices that the Finance Committee will be working to establish into formal written policies this year. She then asked for feedback and questions from the board regarding the FY 2013 Budget.

Trustee Sisk expressed concern regarding the information reflected in the budget worksheets. She stated that there were inconsistencies with the information reflected from FY 2009 and 2011 when compared with the year end Revenue and Expense Reports. Trustee Sisk stated that figures related to Building Department Gas and Oil and Operating Expense line items are not accurately reflected in the budget worksheets. Ms. Peters explained that those line items are no longer used therefore they do not calculate into the budget worksheet. Trustee Sisk expressed concern with being able to perform a complete comparison with previous year's expenses if all of the data is not reflected in the budget worksheets. Ms. Peters explained that when Trustee Sisk raised concerns regarding previous year end figures, she was provided copies of the year end Revenue and Expense Reports for the past few years which provided more detailed information. Trustee Sisk confirmed that she did receive the reports which did confirm the information however she would expect the budget worksheets to include the information as well so that she would not need to review different documents to perform her analysis. Ms. Peters explained that once a line item is removed from the budget program because it is no longer used, the program will not reflect the data for the line item. Ms. Cwerenz explained that the only way the Village can

include that information in a worksheet would be to create a custom report through the Relativity program. Ms. Peters stated that staff could provide the custom report to the Board in the future if desired. Trustee Sisk asked that they do so. President Hettermann questioned whether or not Trustee Sisk was satisfied with the information provided. Trustee Sisk stated that she was comfortable with the additional information provided but not with the budget worksheets. Ms. Peters questioned whether or not the supplemental information provided to Trustee Sisk addressed her questions and whether or not she had concerns that the trending information was inaccurate. Trustee Sisk confirmed that the supplemental data did address her questions and that she did not have concerns with the trends reflected in the additional reports. Trustee Zanko stated that if Trustee Sisk is satisfied with the budget, he is as well as he relies upon her thoughts on the subject because of her employment. President Hettermann questioned if Trustee Sisk is now satisfied with the information she received and answers provided. Trustee Sisk confirmed that she is.

Trustee Huemann moved to approve the FY 2013 Budget. Trustee McEvoy seconded the motion. Trustee Zanko stated that the Village needs to place efforts on finding funds for road resurfacing. He suggested that lobbying efforts focus on roads and that the Village needs to recognize the long term cost impacts of its endeavors before they are pursued. He also stated that because dollars are being approved as part of a budget does not mean they need to be spent. Trustee Hutchinson emphasized that the Village has been operating within a very limited budget for the past several years and still continues to close out the year under budget. Ms. Peters explained that the Village pursues every opportunity to obtain funds for road resurfacing however most funding programs provide dollars solely for major arterial roadways and funds for general subdivision roads are simply not available. She suggested that municipalities work together to bring more attention to this growing problem. Motion carried with all Trustees voting aye on the roll.

DOWNTOWN PLANNING - Trustee Huemann moved to approve an agreement with HR Green for Downtown Planning Area Development. Trustee Hutchinson seconded the motion. Mr. Hartnett reviewed the proposal and explained the deliverables. He discussed the meetings and anticipated timeline. Mr. Quinn pointed out the importance of having well thought out and approved plans in place so that the Village can direct required improvements when development comes forward. Trustee Zanko cautioned that the Village needs to be sure it can afford what is being planned. President Hettermann pointed out that it was because of all of the planning efforts for the Route 31 corridor that the Village was successful in requiring the improvements we see today. Trustee Zanko questioned whether or not the Route 31 plan is still viable. Mr. Hartnett explained that it is and will continue to be until such time as we see a different trend in development. Trustee Zanko stated that he does not see the benefit of spending a lot of dollars in the downtown area when all of the shopping focus seems to be along Route 31. Trustee Hutchinson stated that today's trend in development emphasizes *walkability* as a controlling factor. Trustee McEvoy stated that there are key properties in the downtown area and pursuing the planning of the area may be key to the development of those properties. Trustee Hutchinson stated that the planning efforts will also assist with other funding mechanisms the Village may chose to pursue such as TIF Districts. Trustee Zanko stated that he would never support a TIF District after seeing what a TIF did to Richmond. Mr. Hartnett stated that Richmond does not have any TIF Districts. He explained that they looked into the prospect of establishing a TIF but did not move forward with it. Mr. Wiltse spoke from the audience stating that the school district in Richmond has since stated that they now realize the potential benefit of a TIF District.

Trustee Zanko stated that a lot of work has already been done by Trustee Huemann's committee and he hopes that much of that information will be utilized in this planning project. Mr. Hartnett stated they will pull together all of the planning documents prepared to date and build from them. He emphasized that much of the cost is related to meetings that will be held to obtain stakeholder and community input in the development of the plan. Trustee Zanko stated that he would support the first phase of the planning effort, but if he does not see the value in it, he will not support future phases. All Trustees voted aye on the roll. Motion carried.

FAIRVIEW AVENUE SEWER PROJECT - Trustee Hutchinson moved to approve an agreement with HR Green for Phase II Fairview Avenue Gravity Sewer Project. Trustee Huemann seconded the motion. Trustee Zanko questioned the amount included in the agreement for expenses previously incurred as he does not recall approving those payments. Ms. Peters explained that the Village has not yet been invoiced for those services. Ms. Peters reported that she has received the grant agreement from the State and will expedite its return to obtain the funding. All Trustees voted aye on the roll. Motion carried.

CHURCH STREET CLASSIFICATION – Trustee Huemann moved to approve an agreement with HR Green for Church Street tube counts for road reclassification. Trustee Sisk seconded the motion. Trustee Zanko asked that some of the acronyms used in the agreement be defined. He further questioned if the Village Attorney has reviewed the agreement and is okay with it. Mr. Hartnett stated that the agreement has been reviewed in the past by the Village Attorney as his firm represents many firms that utilize HR Green for their services. President Hettermann directed that Ms. Peters review the agreement and if she has legal questions, follow up with the Village Attorney. All Trustees present voted aye on the roll. Motion carried.

COMMUNITY SERVICE OFFICER - Trustee Huemann moved to approve the hiring of Randy Schmidt as a part-time Community Service Officer. Trustee Hutchinson seconded the motion. Chief VonAllmen explained that Mr. Schmidt will be responsible for the enforcement of property maintenance and nuisance violations. He will work eight hours per week after hours so that he can meet with homeowners. He will also represent the Village at the Administrative Adjudication hearing each month. Chief VonAllmen explained that the position's pay is established at \$20 per hour and his work will be monitored closely to determine his effectiveness. Chief VonAllmen emphasized that Mr. Schmidt has years of experience in code enforcement which will be beneficial to the Village. All Trustees voted aye on the roll. Motion carried.

OLD BUSINESS – Mr. Hartnett summarized the recent events related to the leak at the water tower resulting from the faulty installation of a plug.

ADJOURNMENT – Trustee Janusz moved to adjourn. Trustee Huemann seconded the motion. All Trustees voted aye. Motion carried at 10:28 p.m.

Respectfully Submitted

Claudett E. Peters
Village Administrator