

**VILLAGE OF HUNTLEY
COMMITTEE OF THE WHOLE MEETING
August 5, 2010
MINUTES**

CALL TO ORDER:

A meeting of the Committee of the Whole of the Village of Huntley was called to order on Thursday, August 5, 2010 at 7:00 p.m. in the Municipal Complex Village Board Room located at 10987 Main Street, Huntley, Illinois 60142.

ATTENDANCE:

PRESENT: Mayor Charles Sass; Trustees: Pam Fender, Jay Kadakia, Harry Leopold and John Piwko.

ABSENT: Trustees: Niko Kanakaris and Paul Mercer

IN ATTENDANCE: Village Manager David Johnson, Senior Assistant to the Village Manager Lisa Armour, Director of Finance and Human Resources Jennifer Chernak, Management Assistant Barbara Read and Village Attorney Mike Coppedge.

SPECIAL PRESENTATION:

Mayor Sass announced that Private Second Class Trevor Pourchot was in attendance and on a brief leave and will most likely be deployed again sometime next year. Mayor Sass read the following:

*The Village of Huntley Board of Trustees
takes great pride in welcoming home
Trevor Pourchot*

The Village Board extends its most solemn prayers, support and honor to Private Second Class Trevor Pourchot for his commitment to serve and protect the freedom of this country. The residents of the Village of Huntley and the entire Country will be forever grateful.

Thank you for your commitment and dedication.

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by Private Second Class Trevor Pourchot.

PUBLIC COMMENTS: None

ITEMS FOR DISCUSSION:

- a) Discussion – July 8, 2010 Liquor Commission, July 8, 2010 Village Board, July 15, 2010 Committee of the Whole, July 22, 2010 Liquor Commission Hearing and July 22, 2010 Village Board Meeting Minutes

Mayor Sass asked if the Committee had changes or questions regarding the Minutes; there were none.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval the July 8, 2010 Liquor Commission Hearing, July 8, 2010 Village Board, July 15, 2010 Committee of the Whole, July 22, 2010 Liquor Commission Hearing and July 22, 2010 Village Board Meeting Minutes.

- b) Discussion – August 12, 2010 Bill List in the Amount of \$540,556.38

Mayor Sass asked if the Committee had any comments or questions regarding the Bill List; there were none.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval the August 12, 2010 Bill List in the Amount of \$540,556.38.

- c) Discussion – Quarterly Financial Reports – Transmittal of the Second Quarter Financial Reports for the Village of Huntley

Village Manager David Johnson reported that transmitted for review and acceptance are the Village's 2010 Financial and Investment Reports as of June 30, 2010.

Staff Analysis

Village Manager Johnson stated that at the half way point for the year revenues have increased due to the receipt of property tax payments. The State of Illinois is now five months behind in the distribution of income tax collections to the Village. Expenditures are within expected thresholds.

Village Manager Johnson reviewed the following highlights from the report:

Revenues

- 01-00-0-4020 Sales Tax: Sales tax receipts are current. December 2009 allocations to the TIF in the amount of \$29,546.00 were paid in 2010 and will be adjusted at the end of the year.
- 01-00-0-4025 Income Tax: The State of Illinois is currently five months behind in distributions to local governments. As of June 30, 2010 the Village has only received payments for October 2009 through January 2010. The February 2010 voucher was received on July 16, 2010. The State currently owes the Village \$892,182.57.
- 01-00-0-4050 Cable Franchise Tax: This line item includes revenue for 4th quarter 2009 of \$77,798.00 which was received in January 2010. An audit adjustment will be made at the end of the year.
- 01-00-2-4210 Building Permits: Revenue is cyclical. As of June 30, 2010 permit revenue is 90% of the budget amount.
- Investment Income (all funds): Investment income is posted on date of maturity and money market interest is posted at end of each month. Available cash funds are invested with varying maturities. Currently over \$16 million dollars will mature July – Sept 2010 and \$2.5 million will mature Oct – Dec 2010.

In summary, as of June 30, 2010, General Fund revenues are 47.23% of the total 2010 budget.

Expenditures

- 01-10-2-6321 Computer Consultants: Board Room AV repairs.
- 01-30-1-6075 Part-Time Salaries: This line item includes salaries paid to the part time custodians. Budget is in the full time line item.
- 01-60-3-6665 Road Salt: Road salt purchases for the year are complete. Storage currently holds approximately 2,000 tons of salt which is projected to carry us through February 2011.
- 01-65-1-6010 Engineering Salaries: Currently this line item is 63.2% of the budget due to the retirement of the Village Engineer. Expenses in this line item will level off at the end of the year and remain within the budgeted amount.

- 01-60-1-6075 Part-Time Salaries
10-80-1-6075 Part-Time Salaries (Water Fund)
11-90-1-6075 Part-Time Salaries (Sewer Fund): These line items include salaries paid to winter seasonal snow plow drivers. Budget is in the full time line item (unfilled position).
- 10-80-3-6635 Meters: Unfunded expense to replace meter reading system units that have failed Village-wide. Units have a lifespan of 8 – 10 years. The majority of these failures have been located in Sun City. These units are being replaced with new models that have a life span of 25 years.

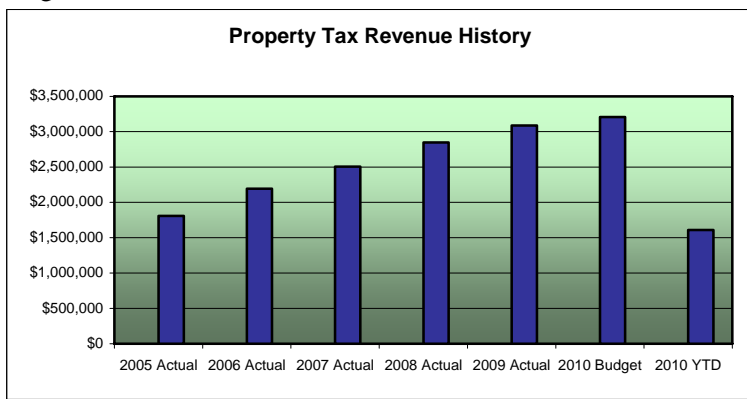
In summary, as of June 30, 2010 General Fund expenditures are at 47.49% of the total 2010 budget.

Director of Finance and Human Resources Jennifer Chernak reviewed a Power Point Presentation and reported on the following:

Analysis of Major Revenue Sources through June 2010

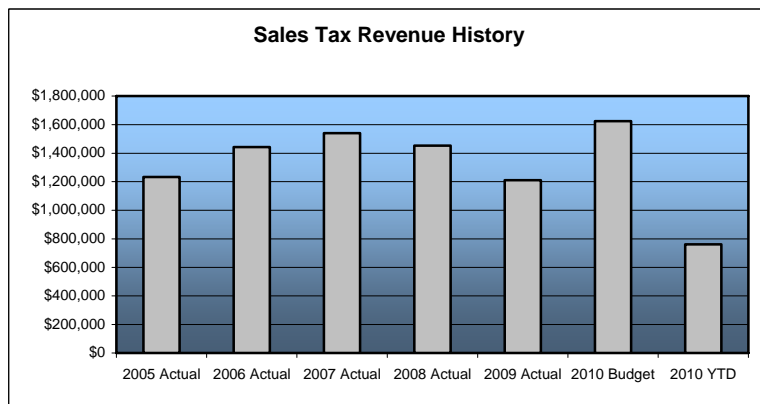
Property Tax

This revenue is derived from a tax levy on real estate valuations within the corporate limits of the Village of Huntley. Property tax revenues are disbursed to the Village beginning in May 2010 through the end of November 2010. Property tax collections as of June 30, 2010 are \$1,609,056 or 50.17% of the total 2010 budget.



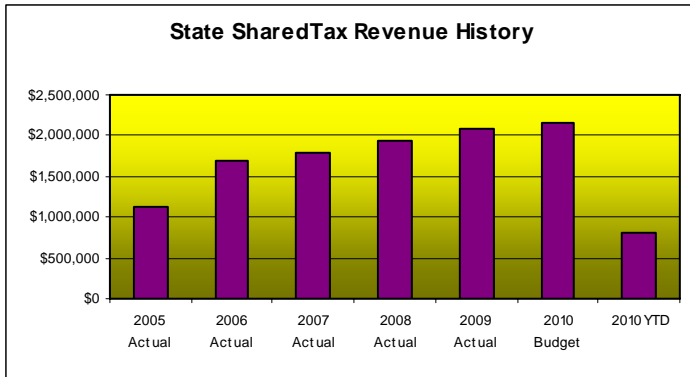
Sales Tax

Sales tax at a rate of 7% is collected on all retail sales within the Village, and the Village's share of tax revenue is 1%. Collections and distributions are in arrears. Collections through June 30, 2010 are \$761,309 or 46.87% of the total 2010 budget. This report does not include amounts due to the TIF district because of a reporting lag from the State of Illinois Department of Revenue.



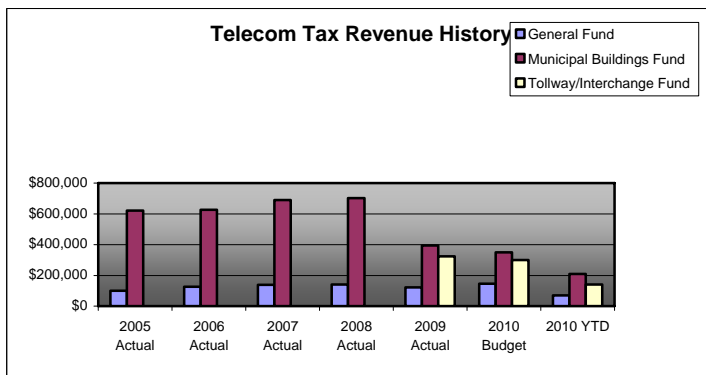
State Shared Tax Revenues

State shared revenues are comprised of Local Use Tax and Income Tax which are based on the Village's State of Illinois certified population of 25,525 (Official Census population is 23,229). Collections as of June 30, 2010 are at \$805,584 or 37.35% of the total 2010 budget of \$2,156,669. The State of Illinois is now five months behind in disbursements of income tax to local governments. Income tax revenues reported here are for October 2009 through January 2010. (The February 2010 disbursement was received July 16, 2010.)



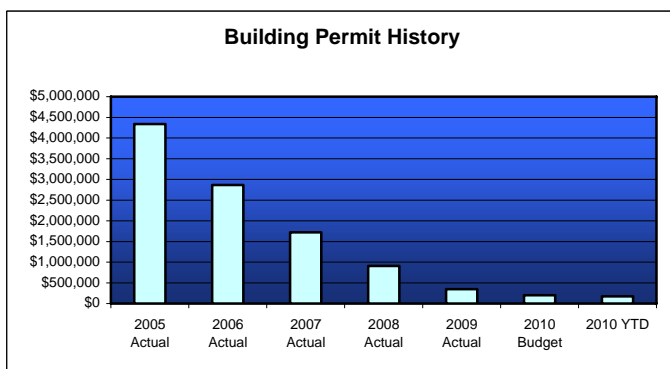
Simplified Telecommunications Tax

This tax is collected for the use of all of the public right-of-ways located within the Village by providers of telecommunications services. The Village of Huntley rate is 6% of gross receipts on local, long-distance, and wireless calls from each service address within the Village, and for services originating from or transmitted into the Village corporate limits. The 2010 budget allocation is as follows, General Fund: \$145,000, Municipal Buildings Fund: \$350,000, and Tollway/Interchange Fund: \$300,000. Revenues as of June 30, 2010 total \$419,547 or 52.77% of total 2010 budgeted amount of \$795,000.



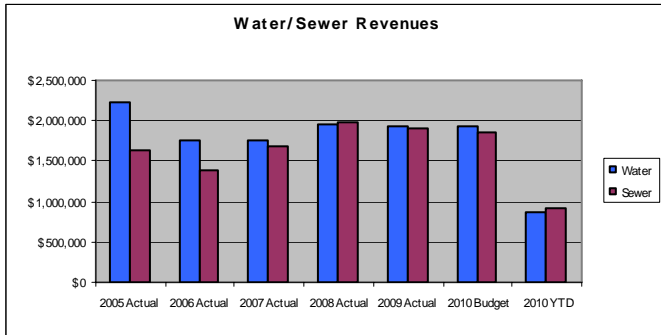
Building Permits

Building permits and administrative fees for the 2010 fiscal year are based on residential and commercial construction. Fees are based on the square footage of the house or unit. Revenues as of June 30, 2010 are \$180,623.97 or 90.31% of a conservative budget amount of \$200,000.



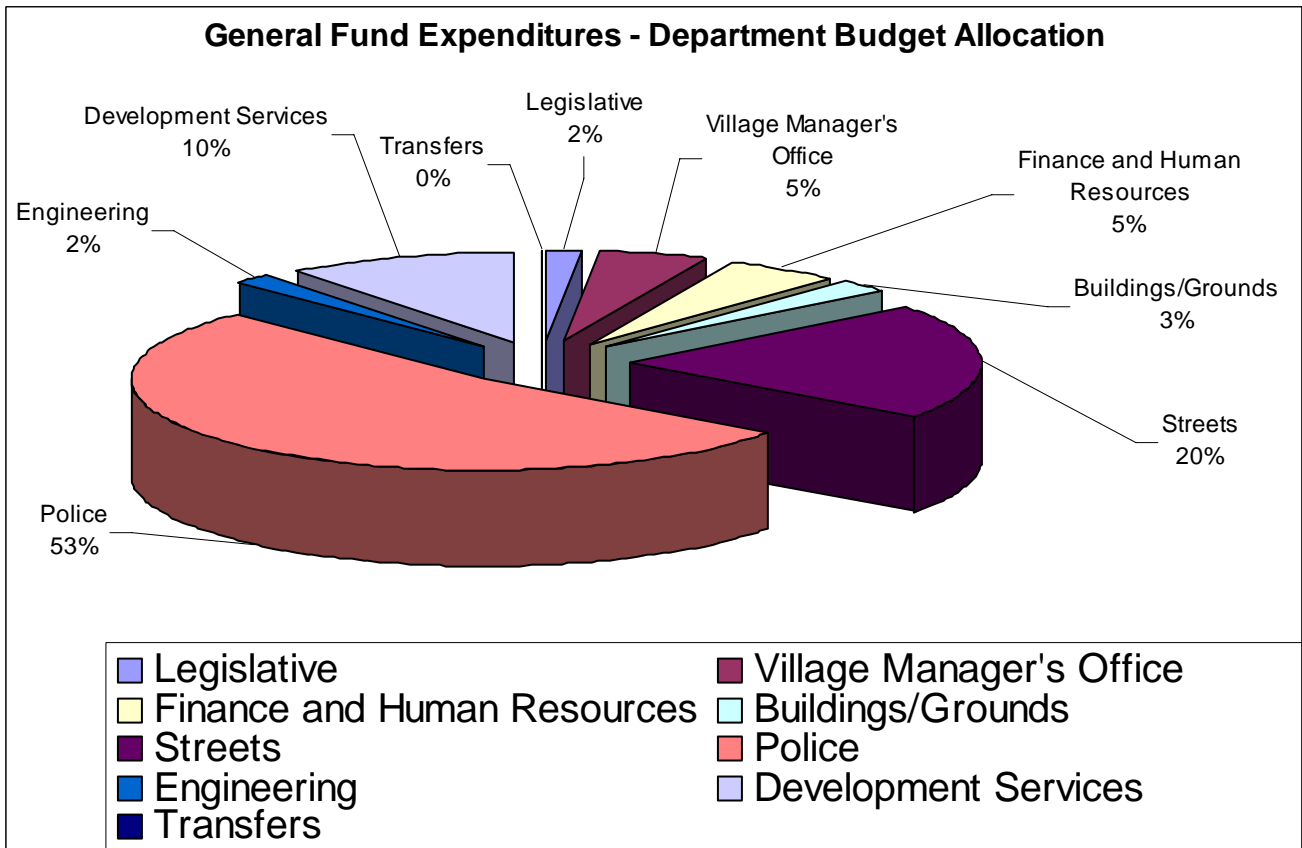
Water/Sewer Sales

Budgeted revenues and expenses are dependent upon customer usage, new home construction, and weather conditions. Water Revenues of \$870,487 and Sewer Revenues of \$910,143 were collected as of June 30, 2010.

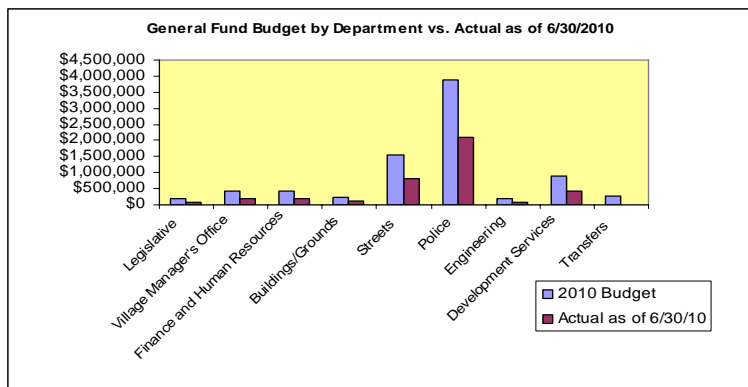


Analysis of Major Expenditures through June 30, 2010

The 2010 General Fund expenditure budget is \$8,350,070. Department expenditures through June 30, 2010 are \$3,965,233 or 47.49% of the budget expended to date.



All departments are within their respective 2010 budget limits. Individual line items may be over budget as long as the total expenditures by category are not exceeded (i.e. Contractual Services, Commodities, etc).



Investment Report

The Village's investment report as of June 30, 2010 provides detail of the Village's cash position by financial institution, maturity and allocation by fund. A liquid cash balance is required for operations at this time due to the cyclical revenues. All funds are fully insured and/or collateralized and placed in interest bearing accounts as allowed by State Statutes.

Mayor Sass asked if the Committee had comments or questions.

Trustee Fender asked about what funds can be legally transferred. Finance Director Chernak stated that the Village would not transfer funds but would draw from the reserve. Finance Director Chernak added that by law, the Village is unable to transfer funds from Enterprise or Operating Capital Funds. Village Manager Johnson added that the Village has approximately one year of reserves in the General Fund.

Trustee Kadakia asked if the accounts would be adjusted in the next quarterly report; Finance Director Chernak replied yes. Trustee Kadakia asked about the liquidity of the Village. Finance Director Chernak stated that the Village is very liquid as it is important not to lock away possibly needed funds, particularly with interest rates being so low.

Mayor Sass asked if there were additional questions or comments; there were none.

It was the consensus of the Committee of the Whole to forward on to the Village Board to Accept and Place on File the Second Quarter 2010 Financial Reports for the Village of Huntley.

- d) Discussion – Ordinance (O)2010-08.40 - Amendment to the Village of Huntley Investment Policy

Director of Finance and Human Resources Jennifer Chernak reported that Public Act 90-0688 required the Village to adopt an investment policy prior to January 1, 2000. On November 19, 1999 the Village Board adopted the Village's first official policy by Ordinance No. 99-11-18-01.

Staff Analysis

There have been no revisions to the investment policy since its original adoption in 1999. Approved financial institutions are required to adhere to a separate collateralization agreement prior to receiving

public funds. Language contained in the collateralization agreements were not consistent with language adopted in the investment policy. Therefore, to be in accordance with State Statutes and in conjunction with the recommended language provided by the Illinois Municipal Treasurers Association, the Village's Investment Policy was amended.

Mayor Sass asked if the Committee had questions or comments.

Trustee Fender asked what had changed. Finance Director Chernak stated that the Village had always followed the language of the State Statute but updating the wording into the Village's Policy just makes it consistent.

Trustee Kadakia asked about the list of Authorized Financial Dealers and Institutions. Finance Director Chernak stated that the list remains the same as when the Village Board approved it. Mayor Sass added that the Staff researches financial institutions and makes recommendations to the Village Board for consideration. Trustee Kadakia asked who the Village's independent third party custodians are as noted under the Safekeeping and Custody section of the Policy. Finance Director Chernak stated that Illinois Funds and U.S. Bank are custodians. Trustee Kadakia asked what were the Village's maximum maturities. Finance Director Chernak stated that the Village has no Certificates of Deposit or Treasury Bonds or Government investments with maturities more than one year.

Mayor Sass asked if the Committee had further comments or questions; there were none.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval Ordinance (O)2010-08.40 - Amendment to the Village of Huntley Investment Policy.

- e) Discussion – Resolution (R)2010-08.34 – Authorization to enter into a Contract with Northern Illinois Municipal Electric Cooperative (NIMEC) to purchase Electric Power for Village Street Lights

Finance Director Jennifer Chernak reported that on January 1, 2007 Commonwealth Edison (ComEd) began operating solely as a transmission and distribution company due to the State of Illinois deregulation plan. Under this plan, ComEd no longer generates electricity for its customers but continues to provide power through its distribution system. Alternatively, power can be purchased through any of the 23 ICC approved power suppliers.

Staff Analysis

The Village has worked with Northern Illinois Governmental Energy Cooperative (NIGEC) since 2006 to purchase power for the Village's water/sewer plants, pumping operations and lift stations. Our current supplier is Constellation New Energy and the Village has realized substantial savings through this cooperative.

Street lighting, however, has remained with ComEd since 2006 due to the pricing advantage except for those accounts over 400 kw. The pricing advantage ended May 2010 which is when the Village's larger street lighting accounts could no longer purchase power from ComEd under a fixed rate. ComEd now offers a floating rate, which is still slightly higher at this time. If no changes are made, the Village's largest street lighting accounts will move to this floating rate. Over the last two years, this floating rate has averaged 15% higher than our current fixed rate.

Another consortium, Northern Illinois Municipal Electric Cooperative (NIMEC) handles the bidding process for street light load with its suppliers. Currently, one-year rates and three-year rates are nearly identical. The Village has the option to lock in rates for multi-year duration if the pricing is favorable.

The same bidding process is in effect for street lighting as is for the larger water/sewer accounts. The Village Manager or designee will need to have the authority to sign a contract with the lowest cost electricity provider within hours of the bids being received by NIMEC.

Financial Impact

NIMEC currently offers a fixed rate that is comparable to our current rate. The fixed rate would be budget neutral but would avoid the 15% increase if we remain with ComEd.

Legal Analysis

The NIGEC group has hired an attorney to review all contracts prior to execution. Legal fees are shared among the group members. Contracts for the NIMEC group will be reviewed by the Village's attorney.

Mayor Sass asked if the Committee had comments or questions; there were none.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval Resolution (R)2010-08.34 – Authorization to enter into a Contract with Northern Illinois Municipal Electric Cooperative (NIMEC) to purchase Electric Power for Village Street Lights.

- f) Discussion – Resolution @2010-08.35 – McHenry County Council of Governments Local Government Vehicle and Equipment Auction Agreement and approval of the Sale and/or Disposal of Village Owned Property

Village Manager David Johnson reported that the McHenry County Council of Governments is hosting its annual vehicle and equipment auction at the McHenry County fairgrounds in Woodstock on Saturday, September 11, 2010.

Staff Analysis

Staff is requesting approval to sell or dispose of the vehicles and equipment outlined below. These items have reached the end of their useful life with the Village. The vehicles will be sold in accordance with our Village Vehicle Replacement Policy at an auction being conducted by the McHenry County Council of Governments (McCOG).

Village Board approval is requested for the sale or disposal of the following items:

Vehicles for Auction:

#27	2006 Ford Crown Vic	2FAFP71W76X143996	93,265 miles
#40	2006 Ford Crown Vic	2FAFP71W66X103005	59,307 miles
#1609	2001 Dodge 2500 w/plow & lift gate	3B7KF26Z21M521177	59,294 miles
#1615	1999 Ford F150	2FTRX17W84CA20813	136,589 miles

Equipment

Miscellaneous office items such as computer parts, old printers, scanners and other old office equipment will be included in the auction.

Financial Impact

Revenue generated from the vehicle sales will go into the Vehicle Replacement Fund.

Village Manager Johnson noted that with the Village Board’s approval, Staff will try to sell the listed items on-line prior to the McCOG Auction on September 11th.

Mayor Sass asked if the Committee had any comments or questions; there were none.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval Resolution (R)2010-08.35 – McHenry County Council of Governments Local Government Vehicle and Equipment Auction Agreement and approval of the Sale and/or Disposal of Village Owned Property.

- g) Discussion - Payout Request No. 2 (Final) in the amount of \$6,203.05 – Plote Construction, Inc. – Brier Hill Resurfacing Project

Mayor Sass reported that on March 11, 2010 the Village Board awarded the contract for resurfacing the 2,300 lineal feet of Brier Hill Road under Village jurisdiction to Plote Construction, Inc. in the amount of \$140,840.00.

Staff Analysis

The project is now complete. The final cost of the project is \$124,060.93, which is 12% under contract amount. Payout Request No. 2 (Final) includes payment of all retained amounts. Waivers of Lien, payroll certifications and the required 3-year maintenance bond have been received.

Financial Impact

This project is funded through the Capital Projects Fund, Account #02-10-4-6925.

<u>Pay Request</u>	<u>Completed Work</u>	<u>Retention</u>	<u>Previous Payments</u>	<u>Amount Requested</u>
#1	\$124,060.93	\$6,203.05	-0-	\$117,857.88
#2 (Final)	\$124,060.93	-0-	\$117,857.88	\$6,203.05

Mayor Sass asked if the Committee had comments or questions; there were none.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval Payout Request No. 2 (Final) in the amount of \$6,203.05 to Plote Construction, Inc. for the Brier Hill Resurfacing Project.

- h) Discussion – Resolution (R)2010-08.36 – Approval of a Bid Award to Chicagoland Paving Contractors, Inc. for the Village of Huntley Marlowe Bike Path Project in the amount of \$48,310.00

Village Manager David Johnson reviewed a Power Point Presentation and reported that on July 12, 2010 the Village received bids from four (4) contractors. The results are summarized in the July 12, 2010 letter from Christopher B. Burke Engineering, Ltd. (CBBEL), on file. Chicagoland Paving Contractors, Inc. was the lowest responsible bidder with a bid of \$48,310.00.

Staff Analysis

Chicagoland Paving Contractors, Inc. has extensive experience in this field and it is recommended that the Village Board award the Marlowe Bike Path Project to Chicagoland Paving Contractors, Inc.

Financial Impact

The FY2010 Budget includes funding for the project in the amount of \$45,000.00. The funding sources are through the Capital Projects Fund 02-10-4-6925 (\$22,500.00) and the Street Improvement Fund 04-00-4-7500 (\$22,500.00). The bid is \$3,310 higher than the budgeted amount; however, the Village’s other major Capital road/pavement projects have come in under budget and there is still opportunity for cost savings on this project that could bring the final project costs under the budgeted amount.

Mayor Sass asked if the Committee had comments or questions; there were none.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval Resolution (R)2010-08.36 – Approval of a Bid Award to Chicagoland Paving Contractors, Inc. for the Village of Huntley Marlowe Bike Path Project in the amount of \$48,310.00.

- h) Discussion – Resolution (R)2010-08.37 – Approval of the Bid Award to Behm Pavement Maintenance, Inc. for the Village of Huntley 2010 Crack Sealing Program

Mayor Sass reported that on June 30, 2010, sealed bids were opened and read aloud for the 2010 Crack Sealing Program. The bids were evaluated based on a material cost price per pound with a not-to-exceed cost of \$50,000.

The following bids were received:

Behm Pavement Maintenance, Inc. of Crystal Lake, IL	\$1.11 per pound of material
SKC Construction, Inc. of West Dundee, IL	\$1.121 per pound of material

Staff Analysis

Village Manager David Johnson reported that the bids have been reviewed by Staff and recommends that the bid for the 2010 Crack Sealing Program is awarded to Behm Pavement Maintenance, Inc.

The following streets are scheduled for crack sealing this season. These streets were selected during the visual evaluation process supported by the Village’s Pavement Management Report. If all of the streets listed are not completed, the remaining streets will be considered as first priority in the 2011 Crack Sealing Program.

The streets to be crack sealed are:

- Countryview Boulevard
- Church Street
- Northbridge Drive
- Hemmer Road

As has been done in previous years, residents in the project area will be notified.

Financial Impact

The Fiscal Year 2010 budget amount for this program is \$50,000. The amount is budgeted for in the Road & Bridge Fund 43-05-4-7501.

Mayor Sass asked if the Committee had comments or questions; there were none.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval Resolution (R)2010-08.37 – Approval of the Bid Award to Behm Pavement Maintenance, Inc. for the Village of Huntley 2010 Crack Sealing Program.

- j) Discussion – Resolution (R)2010-08.38 – Authorization to Submit Applications for Projects for the Illinois Transportation Enhancement Program

Village Manager David Johnson reviewed a Power Point Presentation and reported that on June 21st, the Illinois Secretary of Transportation announced the availability of approximately \$80 million for the Illinois Transportation Enhancement Program (ITEP). ITEP provides funding for community based projects that expand travel choices and enhance the transportation experience by improving the cultural, historic, aesthetic and environmental aspects of transportation infrastructure. Project sponsors may receive up to 80 percent reimbursement for eligible project costs. The remaining 20 percent is the responsibility of the project sponsor. There are 12 eligible project categories. Application deadline is August 31st.

Staff Analysis

Staff has identified a number of projects for which applications will be submitted. These include:

- Main Street West Bike Path – This would extend the bike path from Lois Lane west to Marengo/Harmony Road on the south side of Main Street. It is consistent with the Park District's Park and Pathway Plan that shows the extension of a bike path to District 158's Harmony Road Campus. A small section of the path exists on the south side of Main Street as it was installed as part of the Lions Chase development
- Kreutzer Road East Bike Path – This would extend the bike path from Walmart east to Haligus Road. This extension is identified on the Park District Park and Pathway Plan.
- Downtown Streetscape – This would consist of various improvements on Main Street from Rt. 47 to Church Street, 1st and 2nd Streets, and Woodstock Street. Improvements include pavers, decorative crosswalks, street furniture, and decorative lighting along Main Street and Woodstock Street north to 2nd Street. Improvements farther north on Woodstock and 1st and 2nd Streets would include lighting and landscaping. Gateway signage and entry monuments along Main Street would also be included. The application would build on the recommendations of the Downtown Revitalization Plan.

Financial Impact

Christopher Burke Engineering, Ltd. (CBBEL) has prepared the applications at no cost to the Village. Estimated project costs are being developed. Projects would be budgeted for in the FY2011 budget.

Village Manager Johnson stated that while confirmation has not yet been received, both McHenry County and the Huntley Park District have been asked to participate in a cost share should the Village receive the award.

Mayor Sass asked if the Committee had comments or questions; there were none.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval Resolution (R)2010-08.38 – Authorization to Submit Applications for Projects for the Illinois Transportation Enhancement Program.

VILLAGE ATTORNEY'S REPORT: None

VILLAGE MANAGER'S REPORT: None

VILLAGE PRESIDENT'S REPORT:

Mayor Sass reported that the new Walgreens at Reed Road and Route 47 opened on August 4th.

Mayor Sass also reported that Huntley received CALEA Accreditation on July 31st. Special recognition of the Police Department will take place at the next Board Meeting.

Mayor Sass reported that the next mosquito spraying will take place the week of August 9th.

UNFINISHED BUSINESS: None

NEW BUSINESS:

Trustee Piwko reported that he will be an Intern on-air at Y103.9 on August 11th between 6:00 a.m. – 10:00 a.m.

EXECUTIVE SESSION: None

POSSIBLE ACTION ON ANY CLOSED SESSION ITEM: None

ADJOURNMENT:

There being no further business to discuss, a MOTION was made to adjourn the meeting at 7:46 p.m.

MOTION: Trustee Piwko

SECOND: Trustee Fender

The Voice Vote noted all ayes and the motion carried.

Respectfully submitted,

Barbara Read
Recording Secretary