

**VILLAGE OF HUNTLEY
COMMITTEE OF THE WHOLE MEETING
Thursday, November 3, 2011
MINUTES**

CALL TO ORDER:

A meeting of the Committee of the Whole of the Village of Huntley was called to order on Thursday, November 3, 2011 at 7:00 p.m. in the Municipal Complex, Village Board Room, 10987 Main St., Huntley, Illinois 60142.

ATTENDANCE:

PRESENT: Mayor Charles Sass; Trustees: Pam Fender, Nick Hanson, Niko Kanakaris, Harry Leopold, Paul Mercer and John Piwko.

ABSENT: None

IN ATTENDANCE: Village Manager David Johnson, Senior Assistant to the Village Manager Lisa Armour, Management Assistant Barbara Read and Village Attorney Mike Coppedge.

PLEDGE OF ALLEGIANCE: Mayor Sass led the Pledge of Allegiance.

PUBLIC COMMENTS: None

ITEMS FOR DISCUSSION:

- a) Discussion – October 13, 2011 Liquor Commission Hearing, October 13, 2011 Village Board and October 20, 2011 Committee of the Whole Meeting Minutes

Mayor Sass asked if the Committee had any comments or changes to 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 October 13, 2011 Liquor Commission Hearing, October 13, 2011 Village Board and October 20, 2011 Committee of the Whole Meeting Minutes.

- b) Discussion – November 10, 2011 Bill List in the amount of \$912,636.56

Mayor Sass reported that 78% of the Bill List is the payment of TIF and SSA Property Taxes and the Final Payout for the 2011 MFT Street Program to Arrow Road Construction.

Mayor Sass asked if the Committee had any questions regarding items on the Bill List.

Trustee Piwko asked for a description of services from Ryan Zimmerman. Village Manager Johnson reported that this is for winter weather forecast services which the Public Works Department uses for snow plowing. This service provides a very local approach to weather reporting.

There were no other comments or questions.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval the November 10, 2011 Bill List in the amount of \$912,636.56.

c) Discussion – Ordinance (O)2011-11.47 – Acceptance of Goodwill Store – Offsite Public Improvements in the Kreutzer Road ROW

Mayor Sass reported that the Village Board routinely accepts public improvements for ownership and maintenance once said improvements have been successfully constructed and inspected. The Village has received a request from Plote Homes, LLC for acceptance of the Goodwill Store – Offsite Public Improvements in the Kreutzer Road ROW and release of the performance guarantee for said public improvements.

Staff Analysis

The public improvements punch lists generated by the Village and CBBEL have been successfully completed by Plote Homes, LLC. It is recommended that the Village accept the Goodwill Store – Offsite Public Improvements in the Kreutzer Road ROW as follows:

Project	Current Performance Bond Amount	Proposed Disposition	Maintenance Security Required (10%)
Goodwill Store – Offsite Public Improvements in the Kreutzer Road ROW	\$125,036.10	Release	\$12,503.61

A three-year maintenance security in the amount of \$12,503.61 has been received. The current performance security will, therefore, be released upon acceptance of the offsite public improvements.

Financial Impact

All applicable escrow accounts shall be current prior to release of the performance bond.

Mayor Sass asked if the Committee had any comments or questions.

Trustee Leopold asked if the accepted public improvements included the driveway on the Goodwill property; Village Manager Johnson reported that the improvements only included the roadway and not the private driveway as that is on Goodwill property.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval Ordinance (O)2011-11.47 – Acceptance of the Goodwill Store Offsite Public Improvements in the Kreutzer Road Right-of-Way.

d) Discussion – Ordinance (O)2011-11.48 – Acceptance of Public Improvements for Huntley Corporate Park

Mayor Sass reported that the Village Board routinely accepts subdivision public improvements for ownership and maintenance once the improvements have been successfully constructed and inspected. The Village has received a request from Reiche Construction, Inc. for acceptance of Huntley Corporate Park infrastructure along with the release of the performance guarantee for said public improvements.

Staff Analysis

Reiche Construction, Inc. has successfully completed the public improvements with the exception of some outstanding street lighting work along Dhamer Drive and Hennig Road which is expected to be completed

by the end of the year. The total estimated cost of public infrastructure is \$4,088,983.70. The 10% maintenance security is in the amount of \$409,000.00. It is recommended that the Village accept the public improvements for Huntley Corporate Park infrastructure with modification to the financial security as follows:

Project	Current Performance Bond Amount	Proposed Disposition	Maintenance Security Required (10%)
Huntley Corporate Park	\$1,338,554.00	Reduction	\$409,000.00

The maintenance security shall remain in effect for one (1) year from the date of acceptance by the Village Board of Trustees, at which time the performance security will then be released.

Financial Impact

All applicable escrow accounts shall be current prior to release of the performance bond.

Mayor Sass asked if the Committee had any comments or questions.

Trustee Leopold noted that he saw Nicor working in the area and asked if that was part of the project; Village Manager Johnson stated that he will follow up but Hennig Road south of Jim Dhamer Drive is not part of the project.

There were no other comments or questions.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval Ordinance (O)2011-11.48 – Acceptance of Public Improvements for Huntley Corporate Park.

- e) Discussion – Payout Request #5 (Final) to Arrow Road Construction Co. – 2011 MFT Street Program

Mayor Sass reported that on January 13, 2011 the Village Board accepted and approved the Professional Design Engineering and Construction Observation Services contract with Christopher B. Burke Engineering, Ltd. (CBBEL) for the 2011 MFT Street Program.

On March 24, 2011 the Village Board approved Resolution (R)2011-03.11 - To appropriate \$760,847.00 in Motor Fuel Tax Funds for Contract Construction for the 2011 Street Improvement Program and Resolution (R)2011-03.12 - Execution of the Construction Contract to the lowest responsible bidder, Arrow Road Construction, Co., in the amount of \$1,111,412.35.

CBBEL has submitted the fifth and final payout request under the 2011 MFT Street Program.

Following is a summary of change orders and final pay estimates:

Original Contract Amount	\$	1,111,412.35
Change Order to the Contract (Change Order No. 1 Contract Start / End Date Revision)	\$	0.00
Change Order to the Contract (Change Order No. 2 Addition of Kiley Drive)	\$	105,358.90
Change Order to the Contract (Change Order No. 2A Addition of Kiley Drive Revision)	\$	(459.45)
Change Order to the Contract (Change Order No. 3 Additional Grinding / Surface Course)	\$	13,136.30
Change Order to the Contract (Change Order No. 4 Signage Sheeting Material Change)	\$	(2,240.51)
Revised Contract Amount (Original Contract Amount + Change Orders)	\$	1,227,207.59
Final Contract Amount (Based Directly on Agreed Final Quantities)	\$	1,208,931.71
Final Balancing Change Order Amount (Revised Contract Amount – Final Contract Amount)	\$	18,275.88

Staff Analysis

Mayor Sass reported that the program is now 100% complete. Waivers of Lien and payroll certifications have been received.

As discussed at the June 9th Village Board meeting, the estimated net cost of additional grinding and surface course in Southwind was \$43,000, bringing the total estimated contract cost to \$1,259,771.25. However, the final cost associated with the additional work was \$13,136.30. The final contract amount, as detailed above, is \$1,208,931.71 or \$50,839.54 (4%) less than the estimated cost of \$1,259,771.25.

<u>Pay Request</u>	<u>Completed Work</u>	<u>Retention</u>	<u>Previous Payments</u>	<u>Amount Requested</u>
#1	\$145,006.10	\$14,500.61	-0-	\$130,505.49
#2	\$365,929.00	\$36,592.90	\$130,505.49	\$198,830.61
#3	\$492,818.88	\$49,281.89	\$329,336.10	\$114,200.89
#4	\$1,108,323.12	\$55,416.16	\$443,536.99	\$609,369.97
#5 Final	\$1,208,931.71	-0-	\$1,052,906.96	\$156,024.75

Financial Impact

The FY2011 Budget includes funding for the 2011 MFT Street Program in the amount of \$1,380,847. The funding sources are through the Motor Fuel Tax Fund (\$760,847), the Capital Projects Fund (\$310,000), and the Street Improvement Fund (\$310,000).

The Engineering Department recommends payment to Arrow Road Construction Co. in the amount of \$156,024.75.

The final project cost comes to \$1,347,731.71, which includes the contract amount of \$1,208,931.71 and construction engineering and observation fee of \$138,800.

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 Pay Request No. 5 (Final) to Arrow Road Construction Co. in the amount of \$156,024.75 for work completed under the 2011 MFT Street Program.

- f) Discussion – Resolution (R)2011-11.35 – Providing for the Submission to the Electors of the Village of Huntley, McHenry and Kane Counties, the Question whether the Village should have the Authority under Public Act 096-0176 to Arrange for the Supply of Electricity for its Residential and Small Commercial Retail Customers who have not Opted Out of Such Program

Mayor Sass reported that Illinois Public Act 096-0176 (20 ILCS 3855/1-92) provides municipalities with the authority to aggregate residential and small commercial retail accounts and buy electricity at a negotiated group rate. Municipalities can do so on their own or in conjunction with other municipalities or consortiums.

Staff Analysis

At the October 20th Village Board meeting, the Village Board heard a presentation regarding municipal aggregation and directed staff to place a resolution authorizing placement of the question regarding an opt-out program on the ballot for the March 20, 2012, primary election.

Legal Analysis

The next available election date is the March 20, 2012 primary election. To go to referendum for this election, the Village Board must pass a resolution and notify the County Clerks of McHenry and Kane County no later than January 3rd.

Mayor Sass asked if the Committee had any comments or questions.

Trustee Leopold asked if the Referendum would be advisory or binding; Village Manager David Johnson reported that the referendum would be binding unless the bids come in without adequate savings for the residents at which time the Village would not move forward.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval Resolution (R)2011-11.35 – Providing for the Submission to the Electors of the Village of Huntley, McHenry and Kane Counties, the Question Whether the Village should have the Authority under Public Act 096-0176 to Arrange for Supply of Electricity for its Residential and Small Commercial Retail Customers who have not Opted Out of Such Program.

- g) Discussion – Quarterly Financial Reports – Transmittal of the Third Quarter Financial Reports for the Village of Huntley

Village Manager Johnson reported that transmitted for review and acceptance were the Village's third Quarter 2011 Financial and Investment Reports.

Staff Analysis

As of the third quarter, revenues have increased due to the receipt of the 2nd installment property tax payments. Expenditures are within expected thresholds. Notes to consider when reviewing this report:

Revenues

- 01-00-0-4010, 01-00-0-4012 and 01-00-0-4015 Property Tax: Receipts as of September 30, 2011 are \$3,063,212.20 or 90% of the budgeted revenue. Kane County receipts will be over \$30,000 higher than projected due to the absence of the state multiplier calculation on the 2011 tax bills. Kane County residents will receive an adjustment, as will the Village, on the 2012 tax bills. Staff is currently waiting to receive 2011 estimated valuations as Rutland Township has yet to certify their numbers with Kane County. McHenry County has estimated a 2.43% increase in valuation which *may* result in a lower tax rate; however the McHenry County Assessor has stated another multiplier will be likely in 2012.
- 01-00-0-4020 Sales Tax: Sales tax receipts are current however distributions to the TIF are in arrears by three months due to lag reporting from the Department of Revenue.
- 01-00-0-4025 Income Tax: 2011 income tax receipts in the amount of \$1,796,764.81 as of September 30, 2011 include \$728,513.83 which has been recorded as revenue for 2010. The State has vouchered through October 2011 with a current balance due to the Village in the amount of \$639,028.12.
- 01-00-0-4021 Local Use Tax: Local Use Tax received as of September 30, 2011 is \$289,215.54 of which \$111,024.13 has been recorded as revenue for 2010.
- 01-00-2-4210 Building Permits: Building Permit revenue continues to exceed expectations with \$540,142.83 collected as of September 30, 2011.

Expenditures

- 01-30-1-6075 Part-Time Salaries: Part-time salaries in Buildings and Grounds is higher than budgeted due to the fact that part-time employees were used to complete the renovations at the Old Village Hall which will lead to savings in the Municipal Complex Fund.
- 01-60-1-6020 and 01-60-1-6075: The over-time, part-time salaries, snow plowing and snow maintenance equipment line items in the Streets and Underground Utilities budget are over the budget amount due to the Blizzard of 2011. The Village completed the required FEMA documentation to receive disaster fund reimbursement and received \$46,185.59 on October 4, 2011.
- 01-60-3-6665: The road salt line item shows the Village expenditures at almost 100% of the budgeted amount to have both salt storage facilities fully stocked (1,500 tons) for the 2011-2012 snow and ice removal season.

Continuously high fuel costs remain a concern to the Village. Through the third quarter, the Village's fuel costs are over budget in the General Fund and Water Fund. The Sewer Fund fuel costs are under budget by 20% as of September 30, 2011.

Overall, through the third quarter, the Village's General Fund expenditures are right on target at 74.5% of the total 2011 budget (excludes interfund transfers). All department expenditures are within total budget through the third quarter.

The Village's Water Operating Fund expenditures are at 75.9% of the total 2011 budget and the Sewer Operating Fund expenditures are at 71.9% of the total 2011 budget (excluding capital transfers).

Investment Report

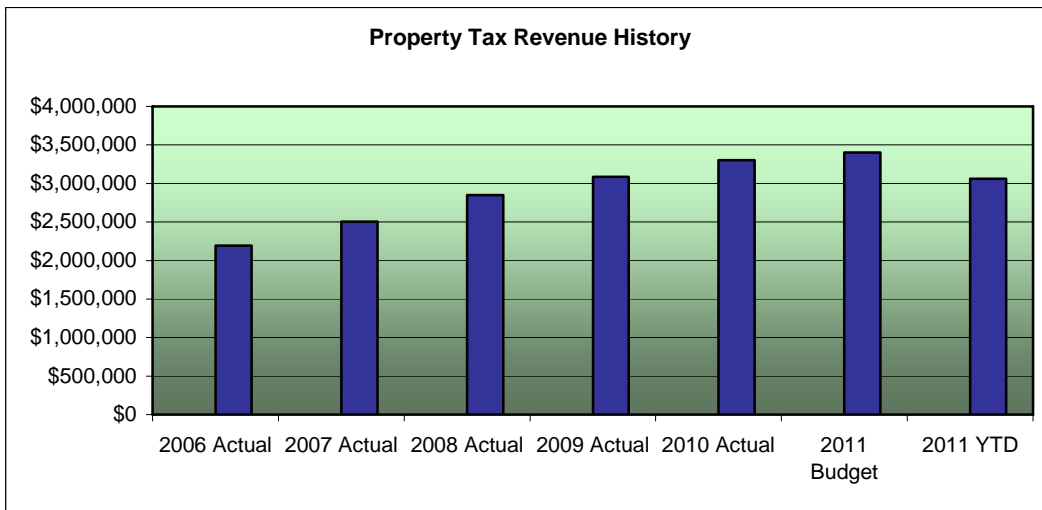
The Village's investment report as of September 30, 2011 provides detail of the Village's cash position by

financial institution, maturity and allocation by fund. In anticipation of the 2012 Tollway project, maturing investments will be transferred to short term securities or money market accounts. All funds are fully insured and/or collateralized and placed in interest bearing accounts as allowed by State Statutes.

Analysis of Major Revenue Sources through September 2011

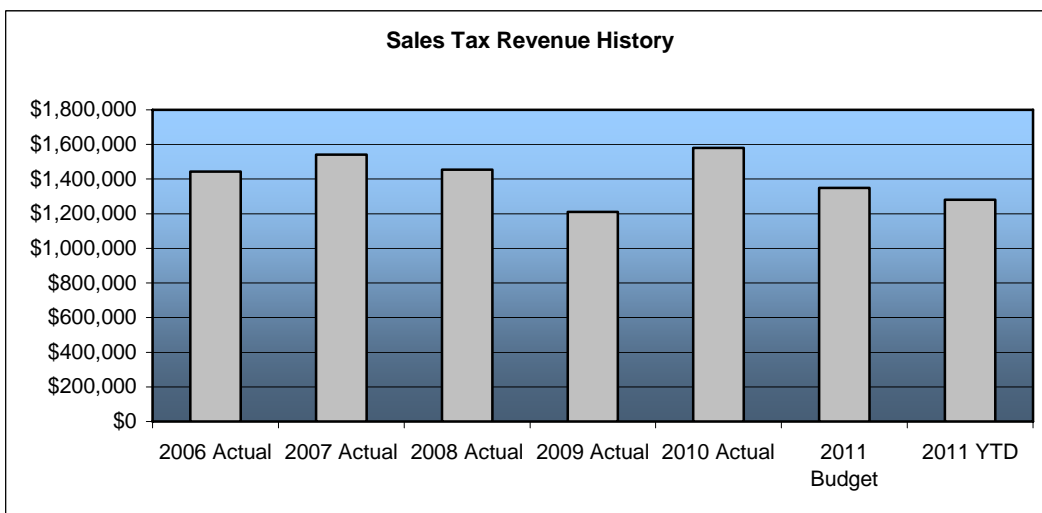
Property Tax

This revenue is derived from a tax levy on real estate valuations within the corporate limits of the Village of Huntley. Property tax revenues were received beginning June 2011 through the end of November 2011. Collections as of September 30, 2011 are \$3,063,212 or 90% of budgeted revenues.



Sales Tax

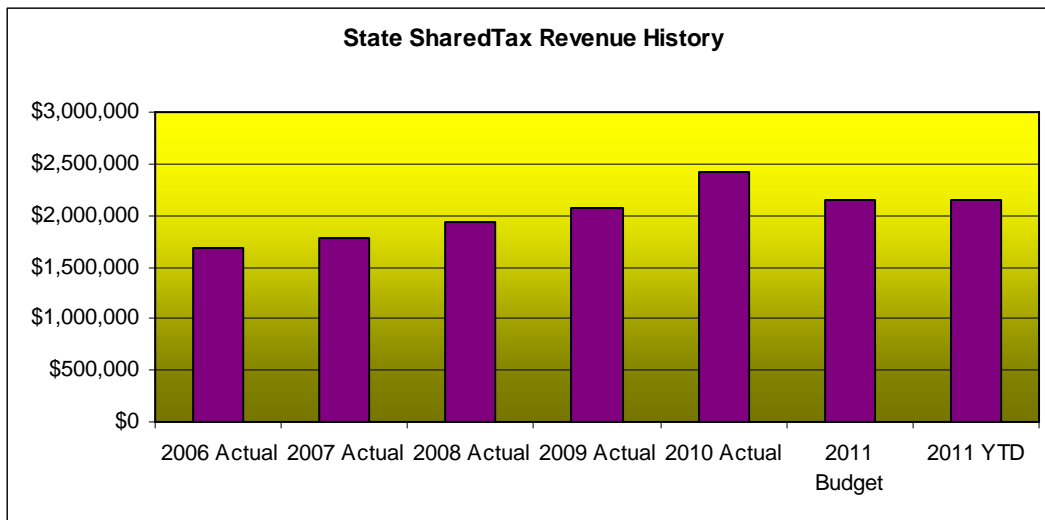
Sales tax at a rate of 7% is collected on all retail sales within the Village, and the Village's share of tax revenue is 1%. Collections and distributions are in arrears. Collections shown through September 30, 2011 in the amount of \$1,281,326 include \$394,260.19 from 2010 sales and will be adjusted at year end.



State Shared Tax Revenues

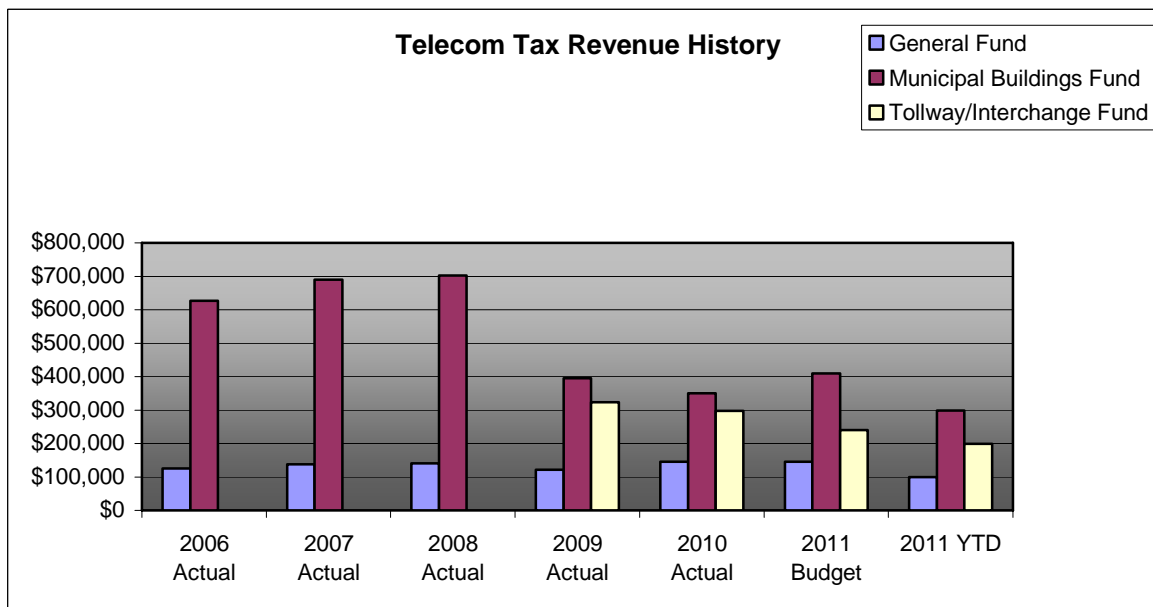
State shared revenues are comprised of Local Use Tax and Income Tax which are based on the Village's State of Illinois certified population of 24,291. State Shared revenues also include Replacement Tax which is collected from corporations, trusts and public utilities. Collections shown as of September 30,

2011 are \$2,144,008 however, \$728,513.83 are for September, October, November and December 2010 sales which have been recorded as 2010 revenue.



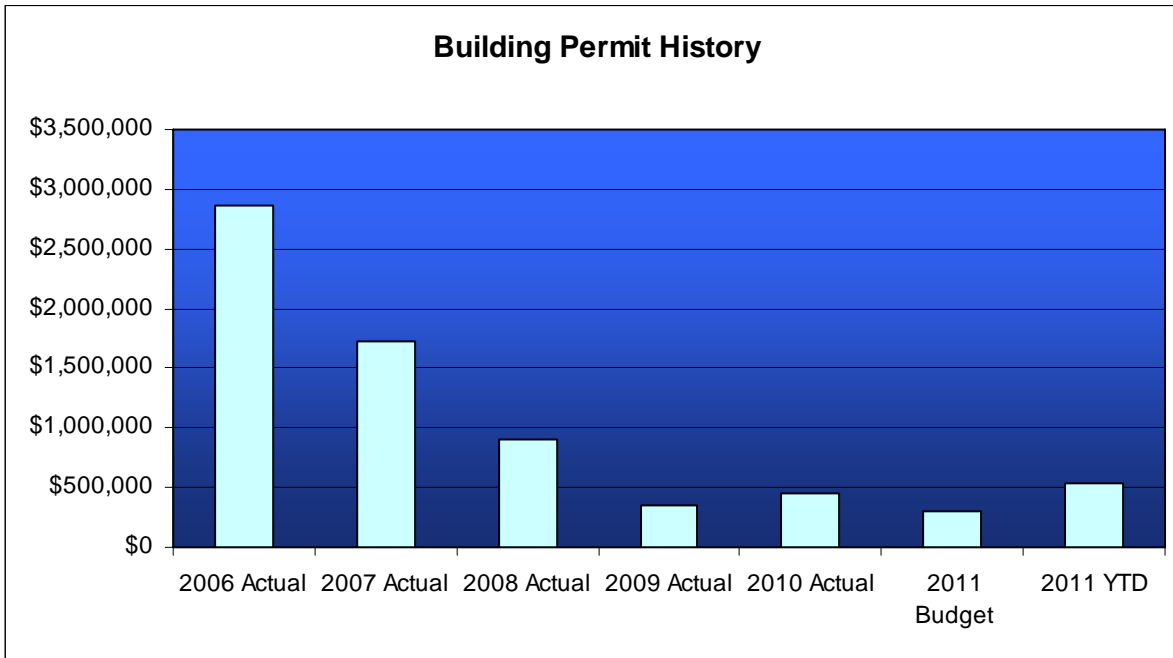
Simplified Telecommunications Tax

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 2011 budget allocation is as follows, General Fund: \$145,000, Municipal Buildings Fund: \$410,000 and Tollway/Interchange Fund: \$240,000 for a total 2011 budget of 795,000 of which \$598,035 has been collected as of September 30, 2011.



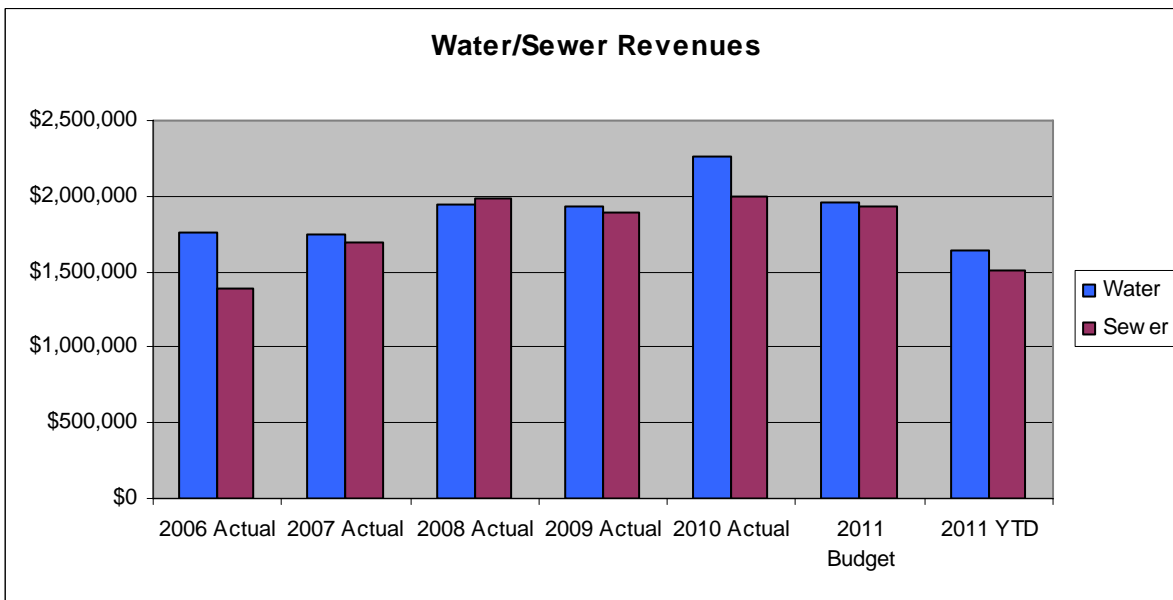
Building Permits

Building permits and administrative fees for the 2011 fiscal year are based on the construction of residential and commercial buildings. Fees are based on the square footage of the house or unit. Revenues as of September 30, 2011 are \$540,143 or 180% over the 2011 budget of \$300,000.



Water/Sewer Sales

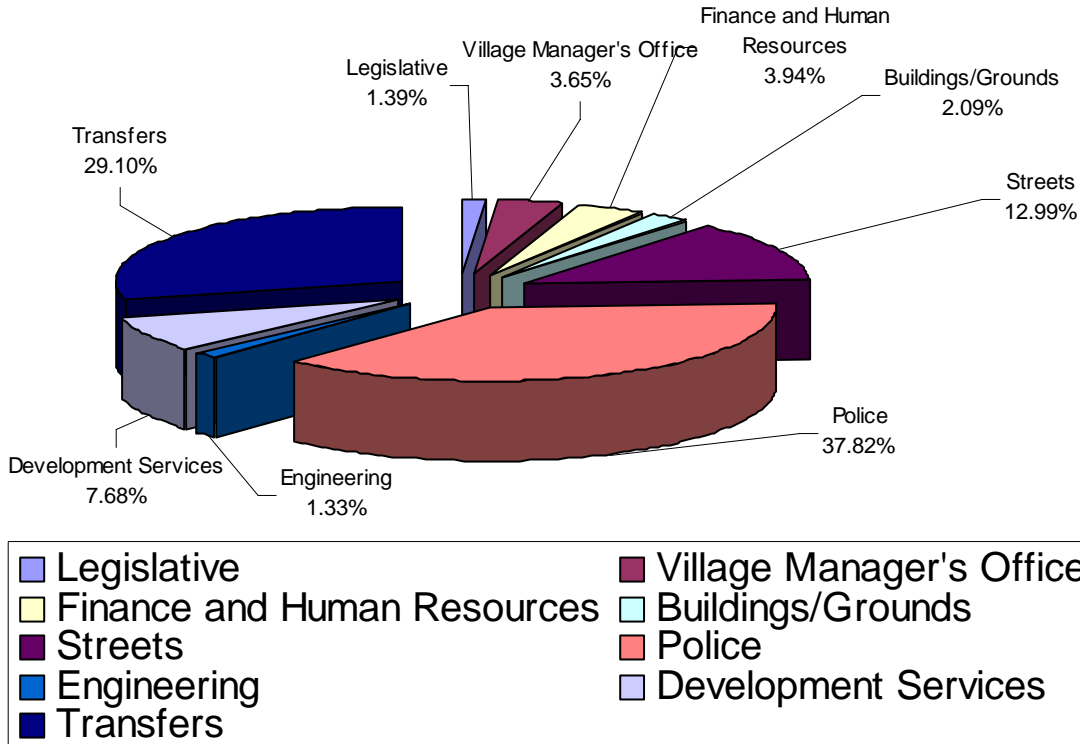
Budgeted revenues and expenses are dependent upon customer usage, new home construction, and weather conditions. As of September 30, 2011 Water Revenues were \$1,642,452 or 84.1% of budget and Sewer Revenues were \$1,503,180 or 78% of budget.



Analysis of Major Expenditures through September 30, 2011

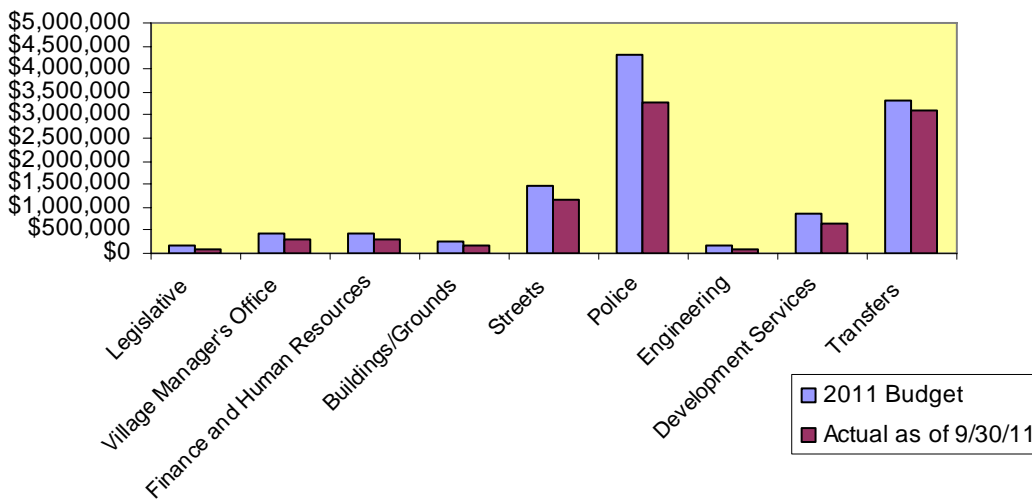
The 2011 General Fund expenditure budget is \$11,345,346 or \$8,245,346 after subtracting transfers of \$3,100,000. Department expenditures through September 30, 2011 are \$6,140,934 or 74.5% of the total budget expended to date.

General Fund Expenditures - Department Budget Allocation



All departments are within their respective 2011 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).

General Fund Budget by Department vs. Actual as of 9/30/2011



Mayor Sass asked if the Committee had any comments or questions.

Trustee Fender asked timing wise how late can the Village pass a budget and know the exact numbers from the Counties and the Townships. Village Manager Johnson reported that there are a number of variables but the budget is kept as simple as possible and staff will continue to analyze the figures and the 11.03.11 COW Minutes

numbers come in from the other agencies. Village Manager Johnson stated that he felt comfortable that all the information will be received before the budget will be approved in December. Trustee Fender asked if the budget can be amended; Village Manager Johnson said yes that the budget could be amended.

There were no other comments or questions.

It was the consensus of the Committee of the Whole to forward on to the Village Board to Accept and Place on File the Third Quarter 2011 Financial and Investment Reports for the Village of Huntley.

VILLAGE ATTORNEY'S REPORT: None

VILLAGE MANAGER'S REPORT: None

VILLAGE PRESIDENT'S REPORT:

Mayor Sass reported that Centegra Hearing is scheduled for December 7th in Bolingbrook.

Mayor Sass reported that southbound Route 47 is open from Main Street to Kreutzer Road and that the rest of the roadway should be open during the week of November 7th.

UNFINISHED BUSINESS: None

NEW BUSINESS:

Trustee Leopold stated that he would like to add a second referendum on the March 2012 ballot asking the voters to use part of the savings they will receive from the Aggregation Program to be put into an Enterprise Account for downtown revitalization. Village Attorney Coppedge stated that this request would need to be on the agenda as a separate question; Village Manager Johnson stated that a resolution regarding the second referendum would be forwarded to the Village Board for consideration by the end of December.

EXECUTIVE SESSION: None

ACTION ON CLOSED SESSION ITEM: None

ADJOURNMENT:

There being no further items to discuss, a MOTION was made to adjourn the meeting at 7:19 p.m.

MOTION: Trustee Piwko

SECOND: Trustee Fender

The Voice Vote noted all ayes and the motion carried.

Respectfully submitted,

Barbara Read
Recording Secretary