

**VILLAGE OF HUNTLEY
VILLAGE BOARD MEETING
November 13, 2014
MINUTES**

CALL TO ORDER:

A meeting of the Village Board of the Village of Huntley was called to order on Thursday, November 13, 2014 at 7:00 p.m. in the Municipal Complex, Village Board Room, 10987 Main St., Huntley, Illinois 60142.

ATTENDANCE:

PRESENT: Mayor Charles Sass; Trustees: Ronda Goldman, Charles Huffman, Niko Kanakaris, Harry Leopold, John Piwko and JR Westberg.

ABSENT: None

IN ATTENDANCE: Village Manager David Johnson, Assistant Village Manager Lisa Armour, Management Assistant Barbara Read, Director of Finance and Human Resources Jennifer Chernak, Director of Development Services Charles Nordman, Village Clerk Rita McMahon and Village Attorney Mike Coppedge.

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

OATH OF OFFICE:

Village Clerk Rita McMahon administered the Oath of Office to Trustee Charles Huffman.

PUBLIC COMMENTS:

Donna McCormack, 12660 Cold Springs Drive, thanked the Village Board and Staff for the pedestrian crossing sign at the intersection of Del Webb Blvd. and Cold Springs Drive.

SPECIAL PRESENTATION:

Mr. Mark Saladin and Ms. Pam Cupata from the McHenry County Economic Development Corporation presented an overview of the current economy and employment in McHenry County.

ITEMS FOR DISCUSSION AND CONSIDERATION:

- a) Consideration – A Resolution Approving a Façade Improvement Assistance Program Grant for Landscaping Improvements at Fast Eddie’s Car Wash and Detail Center, 10881 Route 47

Director of Development Services Charles Nordman reviewed a Power Point Presentation and reported that Mr. Joe Doherty, owner of 10881 Route 47, has submitted an application for the Façade Improvement Assistance Program requesting assistance in the amount of \$10,000 to make landscape improvements to the property (formerly Powell’s Car Wash). Proposed landscaping includes the removal of dead landscaping, installation of new shrubs, installing stone in the planting beds, three (3) new tables with chairs and umbrellas, and planters/urns.

Staff Analysis

The Façade Improvement Assistance Program Guide identifies specific exterior improvements that are eligible for reimbursement. Landscaping is identified as an eligible improvement under the guidelines of the program.

The Village Board shall evaluate the project based on the value of the aesthetic improvement to the Village of Huntley and the following criteria:

- Condition of the building and need for renovation
- Extent to which the improvements conform to the Downtown Revitalization Plan and Commercial Design Guidelines
- Extent to which the proposed improvements restore, maintain, or enhance the character of the building and surrounding area

Staff has reviewed the proposal and the project appears to meet the criteria for the program.

Financial Impact

The FY2014 budget includes \$50,000 for the Façade Improvement Assistance Program in the Downtown Improvement Fund of which \$7,925.00 has been awarded to date. The quotes provided by the petitioner propose to complete the work at a cost of \$21,261.15. The Façade Improvement Assistance Program allows reimbursement of up to fifty percent (50%) of the project cost, up to a maximum of \$10,000.00; therefore, \$10,000.00 is the maximum grant amount that could be awarded for the proposed project. This would be the second project funded through the program.

Upon completion of the work, the owner must submit copies of all invoices, contractor's statements, proof of payment, and notarized final lien waivers to the Village, as evidence that the owner has paid the contractor(s). Payment of the approved grant amount will only be authorized upon completion of all work items as originally approved and receipt of all required documents.

Legal Analysis

If the requested grant is approved by the Village Board, the petitioner must sign and abide by the terms of the Façade Improvement Assistance Program Agreement in order to be reimbursed for the project. The Agreement requires that the owner properly maintain the landscaping for a period of no less than five (5) years; therefore, landscaping must be replaced if it is determined to be dead or in poor condition.

Director Nordman reported that Mr. Doherty was in attendance to answer questions.

Mayor Sass asked if the Village Board had any comments or questions.

Trustee Leopold welcomed Mr. Doherty to Huntley and told him that he believes the program applies to permanent property so he would not want to approve the urns, tables and chairs as part of the request.

Trustee Piwko agreed with Trustee Leopold.

Trustee Kanakaris asked when the car wash would be open. Mr. Doherty reported that it will open the first week of December.

Trustee Goldman complimented the petitioner on the look of the enhancements.

Mr. Doherty reported that they will be completing a full landscape plan in the spring; he noted that they

have removed the old glass block and they will be completing about \$300,000 worth of improvements. Mr. Doherty asked if there are other improvements to be made if they could submit another application.

There were no other comments or questions.

A MOTION was made to approve a Resolution approving a Façade Improvement Assistance Program Grant for landscaping improvements, excluding the urns, tables and chairs at Fast Eddie’s Car Wash and Detail Center, 10881 Route 47.

MOTION: Trustee Leopold
SECOND: Trustee Piwko
AYES: Trustees Goldman, Huffman, Kanakaris, Leopold, Piwko and Westberg
NAYS: None
ABSENT: None
The Motion Carried: 6-0-0

b) Consideration – Approval of Payout Request No. 2 to Geske & Sons Inc. for the 2014 MFT Street Program in the amount of \$322,694.79

Mayor Sass reported that on June 26, 2014, the Village Board approved a resolution appropriating \$900,000.00 in Motor Fuel Tax Funds for Maintenance of Streets and Highways for the 2014 Street Improvement Program and Resolution Authorizing a Bid Award and Construction Contract to Geske & Sons, Inc., in the amount of \$866,897.40 for the rehabilitation of Del Webb Boulevard between Illinois Route 47 and Eakin Creek Ct., and the eastern portion of Wing Pointe Subdivision.

Geske & Sons, Inc. has submitted the second payout request for the 2014 MFT Street Program. The Village’s project engineer, CBBEL, has reviewed the request and recommends approval of the payout.

Staff Analysis

<u>Pay Request</u>	<u>Completed Work</u>	<u>Retention</u>	<u>Previous Payments</u>	<u>Amount Requested</u>
#1	\$523,870.40	\$26,193.52 (5%)	-0-	\$497,676.88
#2	\$339,437.07	\$16,742.28 (2%)	\$497,676.88	\$322,694.79

Financial Impact

The FY2014 Budget includes \$900,000 in the MFT Fund line item 42-05-3-6750 and \$100,000 in the Street Improvement Fund line item 04-10-2-6320 for the 2014 Street Improvement Program.

Mayor Sass asked if the Village Board had any comments or questions.

Trustee Leopold noted that the street work was done quickly and with little disruption.

There were no other comments or questions.

A MOTION was made to approve Payout Request No. 2 to Geske & Sons Inc. in the amount of \$322,694.79 for the work completed under the 2014 MFT Street Program.

MOTION: Trustee Leopold
SECOND: Trustee Westberg
AYES: Trustees Goldman, Huffman, Kanakaris, Leopold, Piwko and Westberg
NAYS: None

ABSENT: None
The Motion Carried: 6-0-0

- c) Consideration – Resolution Approving a Proposal from Christopher B. Burke Engineering, Ltd. for Construction Documents for Downtown Huntley Streetscape Improvements

Village Manager David Johnson reported that Christopher B. Burke Engineering, Ltd. has submitted a proposal for survey and professional engineering services for downtown streetscape improvements based on the Downtown Streetscape Plan approved by the Village Board earlier this year in April. The proposal consists of six tasks, with a total proposed cost of \$151,200.00.

Staff Analysis

The limits of the improvements are along Main Street from east of the railroad tracks to east of Church Street; Dwyer Street/Coral Street from Rt. 47 east to Church Street; Woodstock Street from Main Street north to First Street; and Church Street from Main Street north to First Street (a total distance of approximately 2,150 feet). The project will include development of bid documents consisting of plans, specifications, estimate of time and construction cost to implement the public improvements identified in the Downtown Streetscape Plan. It is anticipated that the project would be let for bids in early 2015, with work starting in the spring.

Financial Impact

The cost would be funded through the Downtown Improvement Fund, 06-10-4-7712.

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

A MOTION was made to approve a Resolution Approving a Proposal from Christopher B. Burke Engineering, Ltd. for Construction Documents for Downtown Huntley Streetscape Improvements.

MOTION: Trustee Kanakaris
SECOND: Trustee Goldman
AYES: Trustees Goldman, Huffman, Kanakaris, Leopold, Piwko and Westberg
NAYS: None
ABSENT: None
The Motion Carried: 6-0-0

- d) Consideration – Resolution Approving the Bid Award to Berger Excavating for the Downtown Watermain Extension and Looping Project

Village Manager David Johnson reported that on October 23, 2014 the Village received three (3) sealed bids for the Downtown Watermain Extension and Looping project. The bids were opened, read aloud and Berger Excavating was the low bidder. The project scope included extending approximately 715 feet of watermain along Woodstock Street from Coral Street to the south across Main Street and through the Village parking lot with a looped connection to the existing watermain near the location of the abandoned Well No. 4. The watermain will provide water service to the new retail building at 11801 Main Street and the property to the south. An exhibit is attached to define the proposed watermain alignment.

The Bid results are summarized as follows:

Berger Excavating, Wauconda	\$180,817.00
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Bolder Contractors, Deerfield	\$205,067.35
Merryman Excavation, Woodstock	\$234,302.70

Staff Analysis

The bids have been reviewed and evaluated by Staff and Christopher Burke Engineering. Staff recommends that the bid for the Downtown Watermain Extension and Looping project be awarded to the lowest responsible bidder, Berger Excavating, in the amount of \$180,817.00.

Financial Impact

The Fiscal Year 2014 budget was amended on May 22, 2014 to appropriate funds for this project in the Water Capital Fund 20-10-4-6900.

Legal Analysis

Staff reviewed the bid results with the Village Attorney.

Village Manager Johnson reported that the work would begin in December.

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

A MOTION was made to approve a Resolution authorizing the Bid award to Berger Excavating of Wauconda for the Downtown Watermain Extension and Looping project in the amount of \$180,817.00

- MOTION: Trustee Piwko**
- SECOND: Trustee Westberg**
- AYES: Trustees Goldman, Huffman, Kanakaris, Leopold, Piwko and Westberg**
- NAYS: None**
- ABSENT: None**
- The Motion Carried: 6-0-0**

e) Policy Direction – Village of Huntley 2014 Tax Levy Policy Direction

Village Manager David Johnson reported that the Village Board must approve the annual property tax levy in sufficient time to file the approved property tax levy ordinance with the County Clerks by the last Tuesday in December, which is December 30, 2014; therefore, approved levies are due by December 19, 2014.

Staff Analysis

The following points are important facts to consider in formulating the property tax levy:

- The tax levy process is an estimation based on assessed valuations, estimated new construction and annexations that have occurred during the year.
- The 2014 tax levy must consider multiple factors when attempting to calculate the potential property tax revenue.
- The Township Assessors calculate the estimated valuations and the County Clerks ensure that the Village’s net levy does not exceed authorized rate limits.
- Final valuations are also affected by rate multipliers imposed by the Counties and the State of Illinois.
- Property tax revenues do not affect any enterprise funds, such as the water/sewer funds. The water/sewer funds operate like a business where user fees are the primary source of revenue.

The collar counties (DuPage, Kane, Lake, McHenry and Will) are subject to the PTELL. Under PTELL (for non-home rule taxing districts), the Village's maximum property tax increase without requiring referendum approval is limited to the lower of 5.0% or the consumer price index (CPI). The County Clerks have notified the Village that the CPI to use for the 2014 property tax levy is 1.5%.

Truth-in-Taxation Disclosure Requirements

The Village of Huntley is required to comply with Public Act 89-102, known as the "Truth in Taxation Act." This Act places requirements on the Village in the adoption of the 2014 property tax levy if the proposed 2014 gross property tax levy is 105% greater than the 2013 net property tax extension.

Property Tax Levy Process

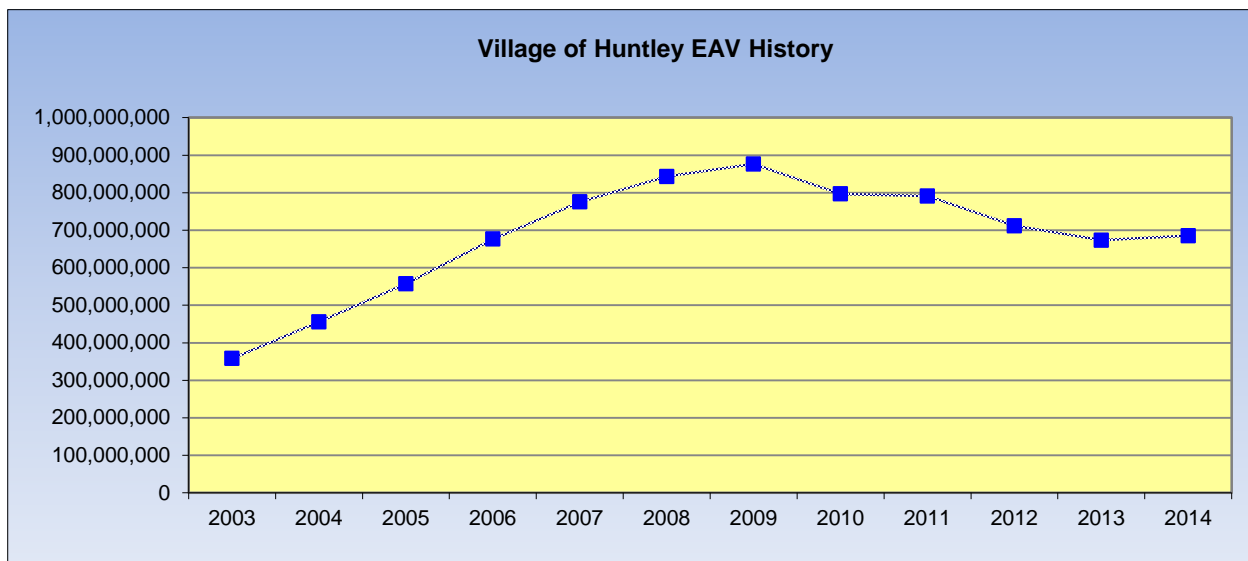
1. The Village does not levy for the tax rate, the Village levies for dollars. The rate is calculated based on the total request. The dollar request has been greater than the anticipated dollar amount to allow for adjustments by the counties in their calculations of the assessed values and added multipliers.
2. As a non-home rule community, the Village cannot recover any lost levy dollars if a levy request is not maximized due to the calculation of the property tax caps.
3. Allows the Village to capture new growth and new construction so that the tax burden is allocated across all available taxpayers.

Financial Impact

For the fifth year in a row, the levy will be impacted with another valuation reduction in Kane County, however new construction in McHenry County increased the Village's overall EAV by 3.36%. The rate setting EAV is estimated to increase by \$11,864,430 which is solely attributable to new growth.

For the first time since 2009, *the Village of Huntley's property tax rate* is expected to decrease while property tax values are expected to increase slightly in McHenry County and stabilize in Kane County. Without new growth, valuations would have declined for the fifth year in a row.

While PTELL limits annual inflation to 5%, additional taxes can be extended to pay for new growth. In 2011, 2012 and 2013 the Village elected to not increase the levy amount.



The Village of Huntley tax levy funds are allocated for General Fund operations, Police Pension Fund obligations, Liability Insurance costs and Cemetery operations. Under the tax caps, the Village is limited in its ability to increase the levy to match the increase in the obligations. As Pension Funding requirements by the State of Illinois increase the cost to the Village, these funds must come from or reduce funds allocated to the General Fund.

Levy	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund	3,179,293.16	3,142,241.25	3,033,503.94	3,015,255.00
Police Pension	318,704.33	354,105.69	462,843.00	482,745.00
Cemetery	2,003.64	2,012.22	2,012.00	2,000.00
Liability Insurance	299,998.87	301,640.84	301,641.06	300,000.00
	\$ 3,800,000.00	\$ 3,800,000.00	\$ 3,800,000.00	3,800,000.00

In addition, the Village also levies for Special Service Area Number 5 (Southwind). This levy is used for maintenance of retention ponds, grass cutting of common areas and entry way maintenance as there is no homeowners association established for this subdivision. Maintenance costs in this subdivision exceed the current levy amount of \$23,000.00 or approximately \$34.13 per single family residence or \$24.64 per multi-family residence annually.

2014 Tax Levy Options

Option 1. Request a levy amount of \$4,000,000 which would maximize available dollars to the Village of Huntley. This request would estimate revenue of \$3,940,505 prior to any potential multiplier adjustments.

Levy/Bill	Estimated 2014 Tax Rate - Payable 2015				
	Market Value	Assessed Value	Rate	VOH	Taxes
2013/2014	\$225,000.00	33.33%	\$74,992.50	0.5642	\$423.11
2014/2015	\$225,000.00	33.33%	\$74,992.50	0.5736	\$430.16

Option 2. Hold the levy amount of \$3,800,000 which would represent a 0% increase from the 2013 levy request which would result in a permanent loss of revenue to the Village of Huntley estimated to be \$140,505 in 2014 or a cumulative total of over \$484,000 since 2011.

Levy/Bill	Estimated 2014 Tax Rate - Payable 2015				
	Market Value	Assessed Value	Rate	VOH	Taxes
2013/2014	\$225,000.00	33.33%	\$74,992.50	0.5642	\$423.11
2014/2015	\$225,000.00	33.33%	\$74,992.50	0.5545	\$415.83

The 2015 draft budget document currently assumes no increase in the levy request (\$3,800,000) at this time. The tax burden shift, adjustments of property valuations and multiplier adjustments all factor into the final rate.

Again, final tax rates are not calculated by the counties until spring 2015.

VILLAGE OF HUNTLEY RATE, EAV AND TAX LEVY HISTORY

Levy	Rate	%Chng	Rate EAV	%Chng	Levy Request	%Chng	Received	%Chng
2000	0.5712		\$ 154,736,202		\$ 1,157,265		\$ 884,324	
2001	0.5416	-5.18%	213,675,280	38.09%	1,500,000	29.62%	1,257,595	42.21%
2002	0.5304	-2.07%	274,778,282	28.60%	1,800,000	20.00%	1,457,428	15.89%
2003	0.4678	-11.80%	358,059,795	30.31%	2,100,000	16.67%	1,674,170	14.87%
2004	0.4520	-3.38%	455,734,372	27.28%	2,500,000	19.05%	2,059,825	23.04%
2005	0.4442	-1.73%	557,318,704	22.29%	3,000,000	20.00%	2,476,135	20.21%
2006	0.4296	-3.29%	676,220,947	21.33%	3,500,000	16.67%	2,904,886	17.32%
2007	0.4155	-3.28%	775,261,883	14.65%	3,750,000	7.14%	3,220,979	10.88%
2008	0.4138	-0.41%	843,255,156	8.77%	3,950,000	5.33%	3,489,390	8.33%
2009	0.4119	-0.46%	876,512,659	3.94%	3,665,000	-7.22%	3,608,084	3.40%
2010	0.4714	14.45%	796,378,817	-9.14%	3,800,000	3.68%	3,783,954	4.87%
2011	0.4805	1.93%	790,820,406	-0.70%	3,800,000	0.00%	3,800,000	0.42%
2012	0.5338	11.09%	711,860,053	-9.98%	3,800,000	0.00%	3,800,000	0.00%
2013	0.5642	5.70%	673,475,479	-5.39%	3,800,000	0.00%	3,816,116	0.42%
2014*	0.5545	-1.72%	685,339,909	1.76%	3,800,000	0.00%	3,770,733	-1.19%

*Estimated rate

The following schedule will be followed for the 2014 Tax Levy process:

November 13, 2014 Present a report estimating total funds to be requested for 2014 tax levy.

December 11, 2014 Village Board to approve:
a.) 2015 Annual Budget
b.) 2014 Property Tax Levy Ordinance
c.) 2014 Special Service Area Levy Ordinances

Mayor Sass asked the Village Board which option they would like to proceed with for the Levy.

It was the consensus of the Village Board to follow Option 2 and continue to hold the levy amount of \$3,800,000 which would represent a 0% increase from the 2013 levy request.

VILLAGE ATTORNEY'S REPORT: None

VILLAGE MANAGER'S REPORT: None

VILLAGE PRESIDENT'S REPORT: None

UNFINISHED BUSINESS: None

NEW BUSINESS: None

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 7:35 p.m.

MOTION: Trustee Piwko

SECOND: Trustee Westberg

The Voice Vote noted all ayes and the motion carried.

Respectfully submitted,

Barbara Read
Recording Secretary