

**VILLAGE OF HUNTLEY  
VILLAGE BOARD MEETING  
June 14, 2018  
MINUTES**

**CALL TO ORDER:**

A meeting of the Village Board of the Village of Huntley was called to order on Thursday, June 14, 2018 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, Timothy Hoeft, 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, Assistant Director of Finance Julie Langos, Director of Public Works and Engineering Timothy Farrell and Village Attorney John Cowlin.

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

**PUBLIC COMMENTS:** None

**ITEMS FOR DISCUSSION AND CONSIDERATION:**

- a) Consideration – Approval of the June 14, 2018 Bill List in the amount of \$1,287,563.79

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

**A MOTION was made to approve the June 14, 2018 Bill List in the amount of \$1,287,563.79.**

**MOTION:** Trustee Leopold

**SECOND:** Trustee Goldman

**AYES:** Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko and Westberg

**NAYES:** None

**ABSENT:** None

**The motion carried: 6-0-0**

- b) Transmittal – Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended December 31, 2017

Mr. Fred Lantz, Partner in Charge, Government Services, Sikich LLP reviewed a Power Point presentation of the Auditor's Communication to the Board of Trustees and reported that the following narrative identifies the components included in the audit summary presentation by Fred Lantz, Partner in Charge, Government Services, Sikich LLP.

Staff Analysis

Pages 1 - 3 Independent Auditor's Report: Less than 3/10 of 1% of all government agencies

nationwide and only 1 out of 20 in the State of Illinois receive a “clean” unqualified opinion. The Village of Huntley is one of these agencies. The auditor’s opinion: Village’s financial records are presented fairly in all material respects. The financial position as of December 31, 2017, in governmental and business type activities, each major and aggregate fund, conform to accounting principles generally accepted in the United States of America.

MD&A4: Table 1; The Statement of Net Position mirrors the basic accounting equation, assets = liabilities + equity. Deferred outflows and inflows are noncurrent assets and liabilities and must be presented separately in accordance with GASB 68, *Accounting and Financial Reporting for Pensions*.

MD&A5: Table 2; The Change in Net Position compares the revenue and expenses for the current and prior in Governmental and Business Activities. Governmental Activities reports a \$292,559 increase in net position. Business Activities reports a \$1,111,803 increase in net position.

Pages 4 - 5: The Village’s cash position remains strong; cash and investments total \$25.7 million dollars; the Village Board governs an operation with assets in excess of \$238 million dollars.

Pages 6 - 7: The Statement of Activities displays the cost of providing services to Village residents. During 2017 the cost totaled \$24.6 million dollars.

Page 8: Governmental Funds Liabilities plus Fund balances total \$20.2 million dollars. General Fund reserve policy requirements equal 25% of operating expenditures during the prior twelve month period. The General Fund balance assignments are listed below:

Non-spendable – prepaid items	\$ 79,541
Assigned for future capital projects	\$ 1,619,365
Previously Assigned for capital projects	\$ 1,030,652
Assigned for future operations, 25% fund reserve	\$ 2,558,887
Total General Fund balance	\$ 5,288,445

Page 10: Statement of Revenues, Expenditures and Changes in Fund Balances summarizes the resources used during the year. The General Fund reports a Net Change in Fund Balance totaling \$1,551,596. Removing Transfers included in Other Financing Sources reports the Excess of Revenues over Expenditures as follows:

General Fund Net Change in Fund Balance	\$ 1,551,596
Transfers in:	\$ (25,000)
General Fund Excess of Revenues over Expenditures:	\$ 1,526,596

Page 13: The Proprietary Funds Statement of Revenues, Expenditures and Changes in Fund Net Position report an operating loss before capital grants and contributions. Removing depreciation, a non-cash transaction updates net income (loss) in both funds.

	<b>Business-Type Activities</b>		
	Water	Sewer	Total
Operating Revenues	\$2,580,890	\$2,478,759	\$5,059,649
Operating Expenses - Less Depreciation	\$2,258,940	\$2,379,973	\$4,638,913
Operating Income/(Loss)	321,950	98,786	420,736

The Benefits Fund is an internal service fund reporting employer and employee contributions for health insurance and life benefits. The fund reports a decreased in Net Position totaling \$(892,185), and includes a 2017 budgeted transfer totaling \$993,156 to the General Capital Development Fund.

Page 16: The Village of Huntley Police Pension Fund reports a net increase of \$1,371,980, and includes assets totaling \$8.7 million as of December 31, 2017.

Pages 29 - 33: Long term debt instruments reported as of December 31, 2017, are Downtown TIF bond, Sweeper Capital Lease, Insurance payable, Net Pension Liability for IMRF and Police, and Other postemployment benefits, 2008A Sewer Interceptor bonds, and 2017 Debt certificates issued to fund mandated Wastewater Treatment Plant improvements.

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

***It was the consensus of the Village Board to accept and place the December 31, 2017, Comprehensive Annual Financial Report (CAFR) on file.***

c) Discussion – Policy Direction Regarding Business District Program Implementation

Village Manager David Johnson reported that the Village Board adopted the I-90/IL 47 Gateway Plan as an amendment to the Comprehensive Plan on December 21, 2017. The plan for the area encompasses a mix of commercial uses to ensure long-term vitality surrounding not just the interchange, but also the entire Village. The recommendations of the Subarea Plan serve as a guide for new development and reinvestment, both public and private, in this critical gateway area of the Village.

As the southern gateway to the Village, this area is key to implementing the Village's overall Strategic Plan as well as the more specific Economic Development Strategic Plan. These plans emphasize the importance of new business attraction and expansion, redevelopment of the former Outlet Center, and re-use of vacant properties near the I-90/IL 47 interchange. One of the tools available to provide financial resources to assist with the redevelopment of the Outlet Center as well as nearby undeveloped or vacant properties is a Business District.

Staff Analysis

Illinois State Statute authorizes the establishment of a Business District, which authorizes a municipality to impose up to a 1% sales tax within a qualifying area to fund the development or redevelopment of property within the designated area. A list of eligible costs as per State Statute is attached. The municipality may impose this tax if it has a development or redevelopment plan for an area of the municipality that:

- is currently within the corporate limits of the Village,
- is contiguous (i.e., the properties within the area border each other),
- includes only parcels of real property that will directly and substantially benefit from the proposed plan, and
- is blighted, as defined in the Illinois Municipal Code (see 65 ILCS 5/11-74.3-5) (an area that is, by reason of the predominance of defective, non-existent, or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire or other causes, or any combination of those factors, retards the provision of housing accommodations

or constitutes an economic or social liability, an economic underutilization of the area, or a menace to the public health, safety, morals, or welfare)

General merchandise items subject to state sales tax are also subject to the Business District sales tax. Business District sales tax must be collected on general merchandise sold within the Business District regardless of whether the merchandise is sold at retail or transferred as a part of a sale of service. Business District sales tax does not apply to:

- sales of qualifying food, drugs, and medical appliances
- items that must be titled or registered by an agency of Illinois state government (vehicles)

Business District sales tax may be imposed in 0.25% increments and cannot exceed 1%. The tax can be imposed up to 23 years. A hotel tax of 1% in addition to the current rate of 5% can also be implemented. Unlike a TIF, the Business District does not affect the property tax base and has no impact on the other taxing bodies.

Staff has contacted Kane, McKenna and Associates (KMA) to provide a proposal for preparing a Business District Analysis and Program. KMA is familiar with the Village as they have previously worked with the Village to establish the Downtown TIF District and have consulted on other projects. The proposal by KMA, which is attached, is proposed to range between \$8,500 and \$12,500.

#### Strategic Plan Priority

One of the main strategic priorities of the Village's Strategic Plan is to "Promote New Business Development, Retention, and Expansion." A major goal under this priority is to "Attract and Retain Businesses to Enhance the Tax Base and Create New Jobs", and one of the objectives for this goal is to "work with the property owner to revitalize or redevelop the Huntley Outlet Center." Another objective is to "secure a commitment for the construction of hotel." The Economic Development Strategic Plan further identifies the following objectives: "work with the owner of the Huntley Outlet Center to revitalize or redevelop the property strategically located at the interchange of I-90 and Route 47"; "work with the owner of the former Chevrolet dealership at the Auto Mall to redevelop or fill the vacant building"; and "work with the owner of the vacant restaurant building on Freeman Road to locate another sit-down restaurant."

#### Financial Impact

The creation of a Business District would ultimately increase available funding to support both public and private improvements within the identified area on the east side of Rt. 47 adjacent to Freeman Road. The project would be funded through the Economic Development Line Item of 01-10-70-2-6487.

#### Legal Analysis

KMA will consult with the Village Attorney through the Business District establishment process.

Village Manager Johnson reported that Mr. Robert Rychlicki, President of Kane, McKenna and Associates, Inc. was in attendance to answer questions.

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

***It was the consensus of the Village Board to move forward with the Business District Program Implementation.***

- d) Consideration – A Resolution Authorizing Acceptance of a Proposal from Arrow Road Construction Co. to Complete Edge Mill & HMA Overlay in the Amount Not to Exceed \$54,000.00 and Waiving Competitive Bidding

Director of Public Works and Engineering Timothy Farrell reported that the Pavement Patching Program allows the Village to concentrate on specific areas within the Village not targeted for repair through the annual MFT Program with the goal of prolonging the useful life of the pavement and delaying the resurfacing of the entire roadway section. In 2017, pavement patching on Michigan Avenue and Pennsylvania Avenue in Sun City Neighborhood 8 was completed by a shared services venture between the Village of Huntley and the Village of Algonquin Public Works Departments. This area was experiencing pavement failure along the curb line because rainwater was not adequately draining to the curb thereby creating pooling water and icy conditions in freezing temperatures. The pavement patching project consisted of milling 7 feet wide along the curb line and placing 1.5” of HMA Surface Coarse. Before and after photos are attached for reference. In 2018, this area will receive a coating of Liquid Road asphalt sealer across the entire roadway through another joint venture with Behm Pavement Maintenance where the Village will purchase the Liquid Road material (\$6,400) and supply traffic control and Behm will supply the labor and equipment, free of charge. Behm is waving their costs in an effort to promote this product for use on roadways in the future.

The Village is targeting more areas in Sun City including Maplewood Avenue, Nelson Drive, and Greenway Drive (Neighborhood 16) that are experiencing similar curb line pavement failures. Given the favorable milling and asphalt unit pricing with the 2018 MFT Program, staff determined it would be more advantageous and cost effective to edge mill (1.5” at curb line and 0” at the centerline) and overlay the entire the roadway with 1.5” HMA Surface Coarse rather than to use the MPI Pavement Patching unit pricing followed by sealer in this area.

The different options for addressing the pavement failure in Sun City Neighborhood 16 are summarized as follows:

Arrow Road (Edge Mill & HMA Overlay 1.5”)	\$53,391.10
MPI (Edge Mill & HMA Overlay 1.5”)	\$57,001.50
MPI Pavement Patching (7’ wide)	\$68,160.90

Staff Analysis

Historical pavement management solutions have consisted of the annual MFT street improvement program, pavement patching using both Public Works staff and contracting, and crack sealing. Recently, the Village completed a Full Depth Recycle (FDR) project on Vine Street and Asphalt Rejuvenator projects in the Wing Pointe subdivision.

The edge mill and overlay and the Liquid Road sealer projects are additional examples of a progressive approach by the Village that demonstrates a commitment to finding alternative and cost effective point specific pavement management solutions.

The project costs have been reviewed by the Public Works and Engineering Department staff. All is in order to accept the proposal for Edge Mill & HMA Overlay from Arrow Road Construction Company and to waive competitive bidding.

Strategic Plan Priority

The 2016-2020 Strategic Plan identifies *Promote Sound Financial Management and Fiscal Sustainability* as a Strategic Priority, and “enhance asset management program to sustain level of service

at economical life cycle cost” as an objective.

Financial Impact

The FY18 Budget includes \$145,000 in the Street Improvement Fund, 04-10-4-7500. Other projects included in this line item include crack sealing, pavement marking, and pavement patching.

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

Trustee Leopold asked if there were other companies that did this work. Director Farrell reported that they first planned to do just patching but Arrow Road Construction pricing would allow the Village to do an overlay at a better price. Village Manager Johnson reported that the Village received pricing as part of the MFT and Arrow Road Construction was the lowest price.

There were no other comments or questions.

**A MOTION was made to approve a Resolution Authorizing Acceptance of a Proposal from Arrow Road Construction Company in the amount not to exceed \$54,000.00 for Edge Mill & HMA Overlay and Waiving Competitive Bidding.**

**MOTION: Trustee Leopold**

**SECOND: Trustee Hoeft**

**AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko and Westberg**

**NAYES: None**

**ABSENT: None**

**The motion carried: 6-0-0**

- e) Consideration – A Resolution Approving the Purchase of Lighting Materials for the Village of Huntley 2018 LED Lighting Incentive Program and Waiving Competitive Bidding

Director of Public Works and Engineering Timothy Farrell reported that the LED Lighting Incentive Program allowed the Village to replace 159 High Pressure Sodium (HPS) fixtures in 2017. The Village was able to participate in the Program offered by the Illinois Department of Commerce and Economic Opportunity in early 2017 and the ComEd Energy Efficiency Program in late 2017 with incentives received totaling \$43,838.67. These incentives lowered the total project cost from \$67,796.13 to \$23,957.46.

The Village is looking to participate in the ComEd Energy Efficiency Program again in 2018 and continue the LED Lighting Incentive Program along Sun City Blvd, Countryview Blvd, Industrial Ct, Clanyard Rd, Powers Rd, Regency Pkwy, and Haligus Rd with a total of 152 fixtures to be replaced. The material cost for 2018 is \$45,466.16 and Public Works Staff will be performing the installation of the new LED fixtures to further increase the cost savings as compared to contractor installation. The Village has received a Reservation Letter from ComEd which serves as a Notice to Proceed and also reserving the incentive funds of \$20,083.00. Ordering of the materials will take place immediately with fixture replacement beginning in early July.

Staff obtained three quotes for the required materials:

Steiner Electric	\$45,466.16
City Electric Supply	\$46,003.97

| Crescent Electric Supply | \$47,794.00 |

Staff Analysis

Material pricing and ComEd Reservation Letter of funds have been reviewed by Public Works and Engineering Department staff. All is in order to award the proposal for the 2018 LED Lighting Incentive Program to Steiner Electric in the amount of \$45,466.16 for lighting materials.

Strategic Plan Priority

The 2016-2020 Strategic Plan identifies Promote Sound Financial Management and Fiscal Sustainability as a Strategic Priority, and “enhance asset management program to sustain level of service at economical life cycle cost” as an objective.

Financial Impact

The FY18 Budget includes \$50,000 for the LED Lighting Incentive Program. The funding of this project is coming from the Street Improvement Fund, 04-10-4-7500. The after incentive cost is \$25,383.16.

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 Purchase of Lighting Materials from Steiner Electric for the Village of Huntley 2018 LED Lighting Incentive Program in the amount of \$45,466.16.**

**MOTION: Trustee Hoeft**

**SECOND: Trustee Goldman**

**AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko and Westberg**

**NAYES: None**

**ABSENT: None**

**The motion carried: 6-0-0**

- f) Consideration – An Ordinance Approving an Amendment to Chapter 155: Subdivision Regulations to Modify the Allowed Width of Driveway Approaches

Village Manager David Johnson reported that the proposed text amendment will modify the allowable width of driveway approaches based on the maximum allowed driveway width. The driveway approach is the portion of the driveway within the public right-of-way between the roadway itself and the roadway side of the sidewalk. Currently, Section 155.179(A)(2) of the Subdivision Regulations limit the width of a driveway approach to 20 feet despite a maximum allowed driveway width of 30 feet for a three car garage. This results in a tapered driveway as shown in Exhibit 1. The proposed amendment would allow a wider driveway approach for a home with a three car garage thus eliminating the need to taper the driveway. Exhibit 2 provides an example of a driveway without a taper.

Staff Analysis

The current restriction limiting the width of a driveway approach to a maximum of 20 feet was approved in February 2006. Due to the timing of the amendment a mix of driveway approach widths exists within the Northbridge and Lions Chase subdivisions. This has resulted in frustration with some homeowners that would prefer to have the wider driveway approach similar to their neighbors, but cannot due to the current regulations. The proposed amendment would provide consistency in these subdivisions and also allow homeowners in other subdivisions to widen their driveway approach if they have a three car garage.

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

Trustee Westberg asked who would be responsible for the widening of the approach as it is Village property. Village Manager Johnson stated that it would be done by the homeowner and not the Village but that a bond would be required to do work on Village property.

There were no other comments or questions.

**A MOTION was made to approve an Ordinance Amending Section 155.179(A)(2) of Chapter 155: Subdivision Regulations and Design Criteria to Modify the Allowed Width of Driveway Approaches.**

**MOTION: Trustee Leopold**

**SECOND: Trustee Piwko**

**AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko and Westberg**

**NAYES: None**

**ABSENT: None**

**The motion carried: 6-0-0**

- g) Consideration – A Resolution Adopting a New Purchasing Manual for the Village of Huntley

Village Manager David Johnson reported that the Purchasing Manual is meant to provide guidelines and directions for the procurement of goods and services. It is a stand-alone document and is not intended to be included with other financial policies reviewed and approved during the annual budget adoption process.

#### Staff Analysis

The Purchasing Manual is designed to be a fluid document and may be amended from time to time to conform to changes in legislation, technology and actual practice. The objective of this new manual is to guide Village staff in the purchasing of goods and services while abiding by both state laws and local ordinances that govern the Village. The new manual replaces the previous version. The goal is to obtain quality goods and services at the lowest possible price. The procedures contained in the manual will assist the Village Manager and Department Heads in procuring necessary goods and materials in a manner that is consistent with the highest standards of public service.

#### Strategic Plan Priority

The 2016-2020 Strategic Plan identifies *Promote Sound Financial Management and Fiscal Sustainability* as a strategic priority.

#### Financial Impact

The Purchasing Manual assists in the process of continuing to maintain a financially stable, sustainable and professional Village Government.

#### Legal Analysis

The Village Attorney has reviewed the manual. Adopting this new Purchasing Manual will have a positive impact on the Village's ability to maintain financial responsibility while complying with applicable laws and regulations.

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

**A MOTION was made to approve a Resolution Adopting a New Purchasing Manual for the Village of Huntley.**

**MOTION: Trustee Goldman**

**SECOND: Trustee Westberg**

**AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko and Westberg**

**NAYES: None**

**ABSENT: None**

**The motion carried: 6-0-0**

**VILLAGE ATTORNEY'S REPORT:** None

**VILLAGE MANAGER'S REPORT:** None

**VILLAGE PRESIDENT'S REPORT:**

Mayor Sass reported that the first Concert in the Square for this season will be American English on Tuesday, June 19<sup>th</sup>.

Mayor Sass reported that the June McCOG meeting will be at Pinecrest.

**UNFINISHED BUSINESS:** None

**NEW BUSINESS:** None

**EXECUTIVE SESSION:** None

**POSSIBLE ACTION ON ANY CLOSED SESSION ITEM:** None

**ADJOURNMENT:**

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

**MOTION: Trustee Piwko**

**SECOND: Trustee Westberg**

**The Voice Vote noted all ayes and the motion carried.**

Respectfully submitted,

Barbara Read  
Recording Secretary