

**VILLAGE OF HUNTLEY  
SPECIAL VILLAGE BOARD  
December 5, 2019  
MEETING MINUTES**

**CALL TO ORDER:**

A meeting of the Village Board of the Village of Huntley was called to order on Thursday, December 5, 2019 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, Tim Hoeft, Harry Leopold, John Piwko, and JR Westberg.

**ABSENT:** Trustee Niko Kanakaris

**IN ATTENDANCE:** Village Manager David Johnson, Assistant Village Manager Lisa Armour, Management Assistant Barbara Read, Director of Finance Cathy Haley, Chief Robert Porter, and Village Attorney John Cowlin.

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

**PUBLIC COMMENTS:**

Eric Krush, 11107 S. Church Street signed up for Public Comment but chose not to make a comment when called upon.

**ITEMS FOR DISCUSSION AND CONSIDERATION:**

- a) Consideration – Approval of the December 5, 2019 Bill List in the amount of \$1,001,392.66

Mayor Sass reported that \$687,355.81 (or 68.7%) of the total bill list is attributable to the payment of development impact fees to other taxing bodies (\$62,813.00), payment of Quarterly Dispatch Services to SEECOM (\$88,805.00), Payout#1(Final) to Drydon Equipment for the Polymer Blending System for the East Wastewater Treatment Plant (\$24,600.00), Payout#4(Final) to Geske & Sons for the 2019 MFT Street Program (\$321,900.21) and Payout #1 to Mauro Sewer Construction for the 2019 Water Main Replacement Project (\$189,237.60).

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

**A MOTION was made to approve the December 5, 2019 Bill List in the amount of \$1,001,392.66.**

**MOTION:** Trustee Piwko

**SECOND:** Trustee Leopold

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

**NAYS:** None

**ABSENT:** Trustee Kanakaris

**The motion carried: 5-0-1**

- b) Consideration – A Resolution Approving a Temporary Use Permit to hold an Outside Event on Village Property; Christmas Caroling in the Square - December 24, 2019

Management Assistant Barbara Read reported that several of Huntley’s churches have met to work together on some upcoming events.

On December 24, 2019 the local churches would like to sing Christmas Carols in the Square from about 8:00 p.m. to 8:20 p.m.

Staff Analysis

While this is not a long event, they would like to close off Coral Street prior to the start of the caroling and asked to borrow barricades to do so.

In addition, they have also asked that the Village post “No Parking from 8:00 – 9:00 pm on Dec 24” on Coral Street. These churches will only be inviting their own members and feel that the turnout may be quite large and that people will be standing on Coral Street.

No signs will be installed.

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 Temporary Use Permit to hold an Outside Event on Village Property; Christmas Caroling in the Square / December 24, 2019.**

**MOTION: Trustee Leopold**

**SECOND: Trustee Goldman**

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

**NAYS: None**

**ABSENT: Trustee Kanakaris**

**The motion carried: 5-0-1**

- c) Consideration – A Resolution Authorizing Negotiations to Begin to Enter into a Redevelopment Agreement with Landmark 11117, LLC for the Redevelopment of the Catty Property at 11117 S. Church Street

Village Manager David Johnson reported that the Village Board approved the Downtown Revitalization Plan in September, 2010 and has worked diligently to implement the plan. A fundamental component of the Downtown Plan is the redevelopment of properties. The date, the Village has purchased three properties and has successfully partnered with other parties to either revitalize the structures or completely redeveloped these parcels. The three properties are the McHenry County Visitors Center (11879 Main Street), the SKM Building (11801 Main Street) and the BBQ King (11706 Coral Street). In 2017 the Village purchased the Catty property at 11117 South Church Street with the intent of revitalizing and redeveloping the property.

Per Village Board direction on August 22<sup>nd</sup> regarding the Catty property, the Village requested Letters of Interest (LOI) by September 30<sup>th</sup> from parties that had recently expressed interest in acquiring the property. The LOI was requested to identify the proposed uses and the development experience of the interested parties. The process required a less formal submittal than the previous Request for Proposals  
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but was intended to serve as a starting point to begin discussions and potentially enter into formal negotiations for the sale and redevelopment of the property.

#### Staff Analysis

The Village received four responses to the LOI. One respondent subsequently withdrew from the process, while the other three all identified options for the rehabilitation and re-use of the building. The Village Board has selected Landmark 11117, LLC as the party to continue discussions with for the redevelopment of the Catty property. The proposed uses of the building are:

- Industrial Event Space (12,200 s.f.)
- Boutique Lodging (4,898 s.f.)
- Craft Cocktail/Bar (3,232 s.f.)
- Food & Beverage Tenant (1,630 s.f.)
- Business Incubation (3,3000 s.f.)
- Civic Flex Space (2,600 s.f.)
- Corporate Office Headquarters (5,000 s.f.)

This project will tie directly to the passenger rail project to bring AMTRAK service to the Village. This \$275 million project included in the State of Illinois Rebuild Illinois Capital Plan approved earlier this year includes Huntley as a stop on this new line establishing rail service between Chicago and Rockford.

#### Strategic Plan Priority

The 2016-2020 Strategic Plan identifies Promote New Business Development, Retention, and Expansion as a priority, “continue downtown revitalization efforts” as a goal, and “redevelop Catty property” as an objective.

#### Financial Impact

The property is located in the Downtown TIF. A redevelopment agreement would be required to establish the terms and conditions of the sale and redevelopment of the property.

#### Legal Analysis

Not required at this time.

Village Manager Johnson introduced the representatives from Landmark 11117 who reviewed a Power Point presentation outlining their background and the plans and key benefits for the redevelopment.

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

**A MOTION was made to approve a Resolution to Begin Negotiations to Enter Into a Redevelopment Agreement with Landmark 11117, LLC for the Redevelopment of the Catty Property at 11117 S. Church Street.**

**MOTION: Trustee Leopold**

**SECOND: Trustee Goldman**

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

**NAYS: None**

**ABSENT: Trustee Kanakaris**

**The motion carried: 5-0-1**

- d) Consideration – An Ordinance Approving a Special Use Permit for the Outside Storage of Vehicles for Country Delight Inc., 11713 Mill Street

**A MOTION was made to TABLE this agenda item.**

**MOTION: Trustee Hoeft**

**SECOND: Trustee Piwko**

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

**NAYS: None**

**ABSENT: Trustee Kanakaris**

**The motion carried: 5-0-1**

## **PUBLIC HEARING: VILLAGE OF HUNTLEY FISCAL YEAR 2020 ANNUAL OPERATING AND CAPITAL BUDGET**

**A MOTION was made to Open the Public Hearing.**

**MOTION: Trustee Westberg**

**SECOND: Trustee Piwko**

**The Voice Vote noted 5 Ayes and 1 Absent and the motion carried.**

Village Manager David Johnson reviewed the following FY20 Budget Transmittal Letter:

### **Introduction**

On behalf of the Huntley budget team, we are pleased to present to you the 2020 Fiscal Year (FY20) Operating and Capital Budget totaling \$26,161,812 in expenditures for all funds, excluding interfund transfers of \$1,927,036. Compared to the FY19 Budget, the FY20 Budget proposes \$2,320,255 (9.7%) more in total expenditures. Ninety-five percent (95%) of the increase is attributable to the following factors:

*Downtown TIF Fund* (45% of increase) - \$1,050,000 in planning and engineering design expenditures for downtown revitalization that include the passenger rail project, Catty redevelopment, and South Church Street Streetscape enhancements

*General Fund* (32% of increase) - \$753,439 in expenditures dedicated to Public Safety (Police personnel, pensions, technology upgrades, CALEA re-accreditation, and overtime to staff expanded schedule of special events) and Public Works (snow and ice removal service level enhancements)

*Capital Projects and Equipment Replacement* (18% of increase) - \$422,982 in expenditures for participation in the multi-jurisdictional law enforcement training center/gun range and the purchase of a replacement 5-yard dump truck and two Police Department squad cars

The Village's fiscal year coincides with the calendar year, and this budget is the financial plan which establishes the Village's goals, programs and capital expenditures for the time period extending from January 1, 2020 through December 31, 2020. Pursuant to State law, the draft budget document will be made conveniently available for public inspection no later than Monday, November 18, 2019. In addition, the required public notice will be published in the *Northwest Herald* no later than November 27, 2019, informing the general public of the budget public hearing scheduled for Thursday, December 5, 2019, at 7:00 p.m. at the scheduled Village Board meeting.

## Budget Format

The annual budget document represents the single most important policy document adopted annually by the Village President and Board of Trustees. The Village makes it a goal to prepare a budget document that clearly communicates Village priorities in providing services, programs and public improvements for the benefit of Village residents. The budget document includes:

- \*Village Strategic Plan 2016-2020
- \*Departmental goals linked directly to the Village's Strategic Plan
- \*Performance measurement goals tied directly to citizen input
- \*Personnel and staffing summary
- \*Five-year General Fund Financial Forecast
- \*Detailed project description and justification pages for all capital purchases and programs
- \*Estimates of the impact of these capital projects on the annual operating budget
- \*Five-year Capital Improvement Program (CIP) which includes a capital improvement plan ranking system to assist with prioritizing projects
- \*Comprehensive Economic Profile

Once again, the Village is preparing to submit this year's budget to the Government Finance Officers Association (GFOA) for consideration as a part of the GFOA's Distinguished Budget Presentation Award Program. The Village has received the Distinguished Budget Presentation Award for sixteen consecutive years. The program was established in 1984 and recognizes exemplary budget documents by municipalities and other governmental entities. The Village continues to adjust and augment the document, as necessary, in an effort to not only receive the award but to improve the document as a communication tool.

## Budget Authority and Formulation

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The adoption of the annual budget by the Village Board of Trustees does not constitute a mandate to spend but rather only the authority to do so. If revenues do not meet estimated levels, spending will be curtailed and if necessary, suspended for nothing but essential Village services. As always, this year's budget is formulated cautiously and conservatively, but also recognizes the importance of providing the levels of service and capital improvements that our residents deserve and expect.

## FY19 Budget Review

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The 2019 fiscal year (FY19) began January 1, 2019 and will end on December 31, 2019. When adopted on December 6, 2018, the FY19 budget for all 17 funds included \$26,162,545 in revenue and \$23,894,842 in expenditures. It is now projected that the revenues will exceed the budgeted amount by \$772,610, and expenditures will be below the budgeted amount by \$503,653.

## FY19 General Operating Fund Review

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In accordance with Village financial policies, the FY19 General Operating Budget was balanced when presented to the Village Board for consideration. Staff continuously monitors the Village's financial performance throughout the year, and at the end of the year, it is expected that the Village will realize a surplus that will be finalized as a part of the annual audit process. The audited surplus realized from the FY18 budget was \$1,055,519. It is anticipated that the surplus from the FY19 budget will be \$1,000,806, with this primarily occurring as a result of increases in state shared revenues combined with expenditures being held in check and coming in less than the budgeted amounts. In accordance with the Village's financial policies, the surplus from the previous two fiscal years will be allocated for future

capital projects.

FY19 General Fund Revenues/Expenditures

FY19	FY19 Budget	FY19 Estimated	Difference	% Over/Under
Revenue	\$11,918,954	\$12,638,968	\$720,014	+6.0%
Expenditures	\$11,925,339	\$11,638,162	(\$287,177)	-2.4%

Water and Wastewater Funds Review

The Water and Wastewater Funds are separate enterprise accounts that do not receive any property tax or other tax-related income. Revenue is derived from the usage of Village utility services and connection fees to the system and is the reason the funds are classified as enterprise funds. Revenues and expenditures in the fund are directly related to the demand for water and wastewater services.

FY19 Water Operating Revenue/Expenditures

	FY19 Budget	FY19 Estimated	Difference	% Over/Under
Operating Revenue	\$2,670,250	\$2,545,260	(\$124,990)	-4.7%
Water Sales	\$2,515,000	\$2,335,000	(\$180,000)	-7.2%
Expenditures (less transfers)	\$2,369,308	\$2,253,331	(\$115,977)	-3.2%

The estimated water operating revenue exceeded expenditures by \$291,929.

FY19 Wastewater Operating Revenue/Expenditures

	FY19 Budget	FY19 Estimated	Difference	% Over/Under
Operating Revenue	\$2,446,750	\$2,246,520	(\$200,230)	-8.2%
Expenditures (less transfers)	\$2,411,132	\$2,433,463	\$22,331	+0.7%

The estimated wastewater operating expenditures exceeded revenues by \$186,943.

The Village adopted a new utility rate structure that took effect on May 1, 2018. FY19 was the first full year the new rate structure was in place. Water and wastewater revenue is less than budgeted which may be due to the following reasons:

- Dean Foods Closure – Operations at the production facility stopped in early FY19, and it is estimated that annual water sales were approximately \$155,000.
- Weather – Over the last three years, precipitation in the form of rain and snow continues to be on the rise leading to saturated soil conditions and less use of water for irrigation purposes.
- Environmental Consciousness – A goal of the irrigation meter rate increase was to raise customer/citizen awareness of water usage and to encourage conservation. Usage will continue

to be monitored, but it appears that the rate increase may have had this desired outcome on water usage.

The revised rate structure also included, for the first time, a bi-monthly infrastructure maintenance fee of \$4.50 for water and \$4.50 for wastewater. The fee was implemented to provide a dedicated revenue stream for long-term maintenance and capital improvements. The first full year of collections on the infrastructure maintenance fee generated \$305,000 in water capital revenue and \$285,000 in wastewater capital revenue.

### 2019 Strategic Plan Progress

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The Village continued to focus on the implementation of the 2016-2020 Strategic Plan in order to achieve the vision for the community as expressed in the plan. Each year the budget process allows Village officials an opportunity to review progress in implementing the Strategic Plan. Noteworthy progress and achievements in 2019 include:

#### *Strategic Priority - Preserve and Enhance the Quality of Life for Village Residents*

- The 2019 Resident Survey results reflect the Village's efforts to "improve the appearance of public and private properties," as residents gave the overall appearance of the Village their highest rating since the survey began in 2010, with 90% rating it as "Excellent" or "Good."
- "Protect the safety and well-being of all people residing in, working in, or visiting the Village." The 2019 Resident Survey reflects the confidence our residents have in the Police Department. Resident perceptions of those responding that public safety was either "Excellent" or "Good" was 92%, while those expressing a "feeling of safety," indicated a 93% rating in the "Very Safe" or "Safe" categories.
- "Protect natural resources." The annual Green and Clean Huntley Day was held in conjunction with Earth Day and Arbor Day. The event allowed residents to recycle 34,000 pounds of electronics; destroy 9,500 pounds of documents; fill three (3) 20-yard dumpsters with unwanted household items; and dispose of 95 pounds of medication for proper destruction.
- The LED Street Lighting Rebate Program included the replacement of 162 (476 to date) fixtures with a reimbursement of approximately \$21,500 (\$90,191 to date) from ComEd.

#### *Strategic Priority - Promote Sound Financial Management and Fiscal Sustainability*

- The Village maintained its AA+ S & P credit rating with a stable outlook.
- The Village was recognized by the Government Finance Officers Association (GFOA) with the GFOA's Distinguished Budget Presentation Award for the sixteenth consecutive year for the FY19 Budget document.
- The Village received the GFOA Certificate of Achievement Award for Excellence in Financial Reporting for the sixteenth consecutive year for its Comprehensive Annual Financial Report (CAFR) for FY17.

- The Village received the GFOA’s Popular Annual Financial Report (PAFR) Award for the first time in 2018 for the report based on the 2017 audit. This was the first time the Village submitted a PAFR for recognition and anticipates the same recognition in 2019 for the report based on the 2018 audit. This user-friendly report provides important information about the Village’s financial position, financial operations and practices, details of how revenues were generated, and how funds were spent.
- In a benchmark comparison of neighboring communities, the Village’s property tax rate was the lowest out of eight communities.
- In a benchmark comparison of neighboring communities, the Village’s water and sewer rates ranked the 7<sup>th</sup> lowest of 8 communities.

*Strategic Priority - Promote Innovation through Technology*

- “Update and Monitor Internal Management Systems.” Phase II of the New World financial management software was deployed for Payroll, Human Resources Management, Permitting and Code Enforcement, Utility Billing, and all financials (General Ledger, Project Tracking, Contract Tracking, Accounts Payable, Payroll, Receivables, Purchasing and Cashiering). An Employee Self-Service Portal was also developed which allows employees to access, view, and manage information such as paystubs and annual W-2 forms, personal information such as emergency contacts, address and tax withholding, and enter life events for insurance benefits that previously required contacting Human Resources or Payroll.
- “Increase Options for Utilizing On-Line Services and Applications to Conduct Business.” Implemented use of mobile tablet devices for scheduling and conducting building inspections, enabling completed inspection reports to be provided via e-mail to the permit holder, eliminating the need to print out daily inspection schedules and use of paper copies of inspection reports for filing. Results of building inspections are automatically uploaded to the New World permitting system, eliminating the need to manually enter results.
- “Continue to Build Geographic Information System (GIS).” Enhancements to the web-based GIS were made including survey and database updates of horizontal structure locations and utility line work for current Village-owned water, sanitary and storm systems as well as street lights.
- VUEWorks asset management solution with six modules consisting of Service Requests, Work Orders, Resource Manager, Condition, Request Portal, and MobileVue implemented by Public Works and Engineering to enhance documentation and tracking of infrastructure improvements and service request responses. Mobile smart tablet devices are utilized by staff to receive and track status of work orders, improving efficiency of response times.

*Strategic Priority - Promote New Business Development, Retention, and Expansion*

- “Work with commercial property owners to attract additional restaurants and shopping opportunities.” MORE Brewing craft brewery and brew pub restaurant in the former auto dealership on Automall Drive, Sew Hop’d Brewery at IL Route 47 and Borden Street in the Union Special building, and Jewel-Osco’s new store construction at the northeast corner of IL Route 47 and Reed Road are just a few examples of new dining and shopping additions in the Village.



- Expand community events held downtown to attract residents and visitors, making the downtown a destination location.” In 2019, estimated attendance at five Concerts in the Square ranged from 780 to 2,400, with total estimated attendance of 6,960; The Huntley Hootenanny/Glow 5K estimated attendance was over 2,500.

*Strategic Priority - Promote and Improve Organizational Development Efforts*

- Ethics training session for all employees was presented by a representative from the International City Management Association
- Active Shooter Civilian Response training session for all employees was conducted by the Police Department
- Diversity and Cultural Awareness Training
- Creating a Positive Culture and Conflict Resolution Training
- Customer Service Training

2019 Major Capital Projects

Notable capital engineering and improvement projects completed in FY19 include:

- Pavement Management Program including: Motor Fuel Tax (MFT) resurfacing project in the Georgian Place subdivision for a total of 3.6 miles of paved road; Coordinated pavement patching and pavement marking on various streets throughout the Village as part of the overall Pavement Management Program; Coordinated the edge mill and overlay of 1.4 miles of roadways in Sun City Neighborhood 15, Automall Drive and Borden Street.
- Concrete sidewalk, curb ramps and curb and gutter replacement on Church Street and in Sun City Neighborhood 15 through the MPI Sidewalk program, as well as sidewalk cutting throughout Sun City to address trip hazards.
- Giordano Court Flood Study to analyze the existing conditions, identify deficiencies, and determine potential solutions for reducing or eliminating flooding in the area.
- Kreutzer Road Safety Study and installation of traffic warning signage and pavement marking in accordance with the study recommendations for the Kreutzer Road railroad crossing.
- Participated in the McHenry County Water Resource Action Plan (WRAP) Task Force to update the plan and identify Best Management Practices to help protect or restore available water resources.
- Completed the annual water main replacement program in the Bernat Industrial Park.

These are just some of the achievements for FY19; many additional important accomplishments are found in the respective department sections of this document.

## Current Economic Outlook

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The local economy is strong and Huntley continues to be a desirable place to live and conduct business. Through September 2019, the Village has issued new building permits with an estimated value of new construction in the amount of \$42,892,496, more than double the value of \$20,641,206 for the same period in 2018, which has led to an increase of \$367,092 or 204% in building permit revenue.

Tracking of building permit activity in the Village is more than just a financial exercise. An objective of the Village's Strategic Plan is to "pursue new residential development." This pursuit is important in ensuring that Huntley remains a vibrant and extraordinary place to live from birth through retirement. Areas throughout the state are losing population; this is not the case in Huntley. Earlier this year, the Chicago Tribune recognized the Village's success in becoming a residential destination.

From the north side of the Village to the south side, construction activity is strong and includes the following recently completed, on-going, or soon to start projects:

- Residential home construction activity in Talamore
- Jewel-Osco new store construction at the northeast corner of IL Route 47 and Reed Road
- Starbucks in a new multi-tenant retail building in front of new Jewel-Osco
- Blessed Little Kitchen specialty bakery in the Huntley Shopping Center
- Sew Hop'd Brewery at IL Route 47 and Borden Street in the Union Special building
- TEQ manufacturing facility expansion of 46,800 square feet
- Panera and Thorntons at the intersection of IL Route 47 and Kreutzer Road
- Huntley Springs Retirement Resort Luxury Apartments
- Regency Square multi-tenant retail building south of Heartland Bank
- General RV's fourth expansion since opening in 2010
- MORE Brewing craft brewery and brew pub restaurant in the former auto dealership on Automall Drive

The strong local economy in Huntley offsets the external economic headwinds that the Village has successfully endured over the last decade. Village leadership continuously monitors federal, state, and local economic factors and governmental actions that may impact the Village's local economy and financial position. The "new normal" global world we live in can change instantly and leadership is keenly aware of potential impacts on the Village. Political unrest in the U.S. and abroad, wild swings in the stock market, a state business climate that is less than attractive to new or expanding businesses, and continued attempts to erode local authority to address local issues are just a few of the external factors that may affect the financial stability of the Village.

## FY20 Budget

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The proposed FY20 budget for all 17 funds includes \$25,736,779 in revenues and \$26,161,812 in expenditures excluding transfers. The difference in revenues to expenditures of \$425,033 is offset by the use of accumulated balances in capital funds. There are no budgeted operating fund deficits.

Expenses are allocated as follows:

- Personnel - \$12,847,238 (49%)
- Contractual Services - \$6,012,066 (23%)
- Capital - \$5,274,526 (20%)
- Commodities - \$1,228,345 (5%)

## FY20 General Operating Fund

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In accordance with Village financial and budget policies the proposed budget for the General Operating

Fund is balanced with \$12,672,393 in revenues and expenditures. As previously noted, expenditures for police and public safety have increased in this year's budget. The Police Department budget of \$6,979,501 is the single largest department budget representing 55% of the expenditures in the General Fund (not including transfers). Police Pension Fund obligations continue to increase and have an impact on the property tax dollars available to fund daily operations. Statutory funding requirements by the State of Illinois continue to increase this cost, affecting the dollars available in the General Fund. The amount levied in FY18 and collected in FY19 was \$855,198. The amount to be levied for FY19 and collected in FY20 is proposed at \$978,039, an increase of 14.36%. Additional financial resources are allocated to the Public Works budget to improve the snow and ice removal operations.

For the first time, in FY20 the Village's combined pension obligations (IMRF and Police) will surpass the health insurance costs as the second highest cost after salaries in the Village's overall personnel expenditures. To continue to control health insurance costs, the Village will add a Tier 2 benefit level for health insurance effective January 1, 2020, that will increase the employee's contribution for insurance coverage.

The number of proposed authorized/budgeted positions for FY20 is 99. This is .5 a position more than FY19 and equates to 3.7 employees per 1,000 residents. Historically, the Village's ratio of employees per 1,000 residents has been below comparable communities in the region.

The Village has been a leader for many years in utilizing a shared services model for the delivery of services through intergovernmental agreements with other agencies and will continue to do so in FY20. Most notably the Village's partnership with the Village of Algonquin for building and code enforcement services has provided quality services in a cost-effective manner. In addition, the Village contracts with SEECOM to provide emergency 911 dispatch services and supplements landscaping and snow removal operations by utilizing private contractors.

Given current state and national external economic factors and their direct impact on Village revenue sources, revenue projections for 2020 are once again conservative. State per capita revenues overall increased in 2019, with State shared revenues (local use tax, income tax, and replacement tax) projected to increase \$203,180 from the estimated amount received in 2019 to that proposed for 2020.

#### State Shared Revenues

	FY19 Estimated	FY20 Budget	Difference	% Over/Under
Local Use Tax	\$800,000	\$872,198	\$72,198	+ 9.0%
Income Tax	\$2,700,000	\$2,830,982	\$130,982	+ 4.9%
Replacement Tax	\$85,000	\$85,000	0	-

The Telecommunications Tax continues to decrease as the use of traditional landlines declines. Revenue has dropped from \$628,288 received in FY16 to a projected \$390,000 in FY20, a 38% decrease. For FY20, \$65,000 (16.6%) of the projected revenue will be allocated to the General Fund. The remaining \$325,000 will be allocated to capital funds.

Building permit revenue for FY19 bounced back as new residential building activity commenced again in the Talamore subdivision. As previously stated, this revenue is expected to be almost double of what was budgeted for in the FY19 budget (\$550,000 vs. budgeted amount of \$300,000). While commercial and residential permit activity is expected to remain strong in 2020, the FY20 budget maintains the

projected revenue at \$300,000.

The Village's property tax base has continued to grow. The 2019 EAV is estimated to be \$965,811,403, the highest in the Village's history. This represents a 6.85% increase in valuation from 2018, indicating the strength of the local economy as it continues to grow.

Village Board policy direction for the 2019 levy was to increase the levy to \$4,798,956 to allow the Village to address the costs associated with funding the Police Pension obligation. Increasing the levy line for the Police Pension Fund obligation will result in a total increase to the Village's levy of 2.63%. Even with this increase, the tax rate is projected to drop from .5173 to .4969 cents per \$100 of assessed valuation.

Sales tax revenue has increased 25% since 2016, going from \$2,098,889 to a projected \$2,800,000 in 2019. This is another indicator of the strong local economy and the expanding retail sector within the Village. The estimated revenue in FY19 meets the budgeted amount of \$2,800,000. Sales tax revenue is projected to remain steady in FY20 and is once again budgeted at \$2,800,000.

#### FY20 Water and Wastewater Fund

The FY20 Water Operating Fund budget estimated revenues are \$2,555,250 and expenses are \$2,312,655. Expenditures cover personnel expenses, and equipment and materials needed for the operations and maintenance of the water system. The Water Capital infrastructure maintenance fee implemented in FY18 is projected to generate \$305,000 in FY19 and is budgeted at the same amount in FY20. This revenue is included in the Water Capital Improvement and Equipment Fund for future capital improvements associated with the Village's water supply system.

The FY20 Wastewater Operating Fund budget estimated revenues are \$2,687,299 and expenses are \$2,512,553. Expenditures cover personnel expenses, and equipment and materials needed for the operations and maintenance of the wastewater conveyance and treatment system. The expenses also include the debt service payment for the regulatory upgrades to the wastewater treatment facilities and a small transfer to the Downtown TIF Fund. The Wastewater Capital Infrastructure Fee implemented in 2018 is projected to generate \$285,000 in FY19 and is budgeted at the same amount in FY20. This revenue is included in the Wastewater Capital Improvement and Equipment Fund for future capital improvements associated with the Village's wastewater system.

#### Downtown Revitalization and Redevelopment - Downtown Tax Increment Financing (TIF) District Fund

Public-private partnerships take many forms and FY20 is set to be the year the Village takes an important next step in revitalizing and expanding the downtown. A public-private partnership to redevelop the former Catty Corporation Building, a project currently valued in excess of \$10 million, will be vetted in early FY20. This project will tie directly to the long-awaited passenger rail project to bring AMTRAK service to the Village. This \$275 million project included in the State of Illinois Rebuild Illinois Capital Plan approved earlier this year includes Huntley as a stop on this new line establishing rail service between Chicago and Rockford. The South Church Street Streetscape Improvement Project will be the final step in expanding the improved areas within the downtown, increasing by 66% the overall downtown area footprint from just over six acres to more than ten acres. These projects are the biggest and boldest yet in recreating the downtown and will include millions of dollars in investment by the Village, State, and private partners in 2020 and beyond.

In considering these projects, it is important to note that preliminary assessment valuations received from McHenry County indicate that the equalized assessed value of property in the TIF has increased from \$1,537,091 to \$4,099,943. Since 2015, the Village has partnered with property owners and businesses to turn the downtown into a desirable place to be. Based on the Resident Survey results and property values the Downtown TIF is trending in the right direction. Resident impressions of the appearance of Downtown Huntley were rated as either “Excellent” or “Good” by 90% of respondents in 2019.

## 2020 Major Capital Projects and Strategic Plan Initiatives

Major proposed capital expenditures and strategic initiatives are as follows:

- \$1,985,000 Annual Street Improvement Program that will provide for roadway resurfacing in the Northbridge Subdivision (\$1,675,000) and pavement patching, crack sealing, seal coating, and pavement marking at various locations throughout the Village, most notably in Sun City Neighborhoods 12 and Coventry Lane in Neighborhood 15.
- \$1,050,000 in the Downtown TIF Fund including funds for engineering and design for South Church Street streetscape improvements, parking lot reconfiguration and improvements to improve parking for the Post Office and Fire District Station 1 building to be vacated in 2020, improvements to the Catty building and site, and engineering and design for the passenger rail project that will bring an AMTRAK stop and station to the downtown.
- \$300,000 for Phase I Engineering for realignment and widening of Kreutzer Road, with a three-lane cross section, from Walmart east to Haligus Road (6,500 feet), including realignment at the railroad crossing, box culvert improvements and a multi-use path would improve traffic flow and provide an off-road pathway for pedestrian traffic.
- \$175,000 for participation in a Multi-Jurisdictional Law Enforcement Training Center/Gun Range for required weapons training.
- Reed Road Multi-Use Path (\$60,000) for the extension of a multi-use path on the north side of Reed Road from Vine Street east to IL Route 47, funded by a grant from the Illinois Department of Transportation in the amount of \$192,000, representing 80% of the costs for Phase II and Phase III engineering and construction, with the remaining 20% of the project costs to be matched by the Village.
- Review of alternatives and establishment of the process to be utilized for developing a new Strategic Plan for 2021-2025.
- Continued cooperation with other taxing bodies and holding joint meetings to facilitate communication.
- Maintaining the highest level of commitment to customer service and reinforcing the importance of exceptional customer service with all employees.
- Expansion of marketing and promotion efforts to increase participation in community events and increase in the number of special events in the downtown to include “First Friday” concerts and events in the summer and early fall.

- Preparation and implementation of the Economic Development workplan for 2020 outlining business attraction and retention activities.
- Transitioning the Village to a new Liability and Workers' Compensation Insurance carrier.
- Achieving full CALEA re-accreditation status in July, with successful completion of the April 2020 on-site review and 6th Edition compliance.
- Finalizing the Emergency Operations Center renovation project.

#### Dedicated Revenue Source for Capital Improvement Plan (CIP)

To address the capital needs of the Village and to identify priorities for the general public, the Village reviews and approves a five-year Capital Improvement Plan (CIP) each fiscal year. The current 5-Year CIP included in the FY20 budget is \$37.8 million.

The existing dedicated revenue sources to fund the CIP are the annual General Fund surplus, if any, and a portion of the Telecommunications Tax Revenue. As noted in the budget document, the Village's Five-Year General Fund Financial Forecast predicts that General Fund surpluses will end in FY21 and the Telecommunications Tax revenue continues to decrease rapidly.

The Village has used these two funding sources wisely over the last two decades and has funded over \$33 million in vital capital projects, which include:

- \$12 million Municipal Complex
- \$6 million for the Village's share of the \$60 million full interchange project
- \$6 million extension of Kreutzer Road west of Route 47
- \$5 million in downtown improvements

Now, the time has come to consider adoption of a new dedicated revenue source to ensure the Village is meeting the future capital improvement needs of the community.

Based on the staff presentation and Village Board consensus from the October 2, 2019 Budget Workshop meeting, a 1% local home rule sales tax will be presented to the Village Board for consideration. It is estimated that the projected annual revenue from a 1% rate would be approximately \$1,560,000. This new tax rate would apply to all retail purchases **except** sales of food for human consumption that is to be consumed off premises, prescription and non-prescription medication and titled personal property.

If adopted by the Village Board before April 1, 2020, the new tax rate would take effect July 1, 2020. The FY20 Budget does not include any revenue from this source.

#### Alignment with Strategic Plan

Maintaining and improving the quality of life for Huntley residents will always be a key priority for the Village. In 2010, the first year of the annual Resident Survey, the perception of quality of life within the Village rated as "Excellent" or "Good" by 66% of respondents. In 2019, that number increased to 95%, the highest level to date.

The 2016-2020 Strategic Plan has served to guide the establishment of budget priorities for FY20. This budget is consistent with the strategic priorities of preserving and enhancing the quality of life for Village residents, promoting sound financial management and fiscal sustainability, promoting innovation through technology, promoting new business development, retention, and expansion, and promoting and improving organizational development efforts.

Staff believes that the proposed budget is consistent with the Mission Statement of the Village as expressed in the Strategic Plan: The mission of the Village of Huntley, its elected officials and staff, is to achieve excellence in the management and delivery of municipal services in a reliable, efficient, fiscally, and socially responsible manner.

### Conclusion

Lastly, I would like to recognize and thank the Department Heads for their work in presenting realistic budget requests. Special recognition and thanks is deserved for Cathy Haley, Director of Finance; Lisa Armour, Assistant Village Manager; and Rita McMahon, Executive Assistant, for making this an award-winning document. Together the Village Board and Staff can continue to make a positive difference in the quality of life for our residents.

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

### **A MOTION was made to close the Public Hearing.**

**MOTION: Trustee Leopold**

**SECOND: Trustee Westberg**

**The Voice Vote noted all 5 Ayes and 1 Absent and the motion carried.**

### **ITEMS FOR DISCUSSION AND CONSIDERATION (CONTINUED):**

- a) Consideration – An Ordinance Adopting the Village of Huntley Fiscal Year 2020 Annual Operating and Capital Budget

Village Manager David Johnson also reported the following during the Public Hearing: In accordance with Illinois State Statute and direction received from the Village Board of Trustees, the Fiscal Year 2020 Annual Operating and Capital Budget is presented for final consideration. Upon final Village Board approval, staff will file the required budget documentation with all appropriate County offices in both McHenry and Kane Counties.

### Staff Analysis

Through the budget preparation and review process, operational and capital project goals have been identified for completion in 2020. Goals have been proposed which are in support of the mission, vision, and values statement of the 2016-2020 Strategic Plan. The operating and capital budgets have been reviewed with the Village Board in the following meetings:

- October 2, 2019 – Budget Workshop – Review of Revenue Options to Fund Capital Improvement Plan (non-Water/Wastewater)
- October 10, 2019 – Village Board Meeting – Review of Financial and Debt Management Policies (one-time transfer history, outstanding debt balances, TIF information and debt per capita data), and Review of Personnel Staffing, Pension and Insurance Summary
- October 24, 2019 – Village Board Meeting – Review of Major Capital Revenue Sources and

Preliminary Capital Requests from Departments. Review of 5-Year Capital Improvement Plan and review of Fleet Inventory and Maintenance Evaluation Process.

- November 14, 2019 – Village Board Meeting – Policy Direction Regarding 2019 Tax Levy

The FY20 Operating and Capital Budget totals \$26,161,812 in expenditures for all funds, excluding interfund transfers of \$1,927,036. Compared to the FY19 Budget, the FY20 Budget proposes \$2,320,255 (9.7%) more in total expenditures. Ninety-five percent (95%) of the increase is attributable to the following factors:

- *Downtown TIF Fund* (45% of increase) - \$1,050,000 in planning and engineering design expenditures for downtown revitalization that include the passenger rail project, Catty redevelopment, and South Church Street Streetscape enhancements
- *General Fund* (32% of increase) - \$753,439 in expenditures dedicated to Public Safety (Police personnel, pensions, technology upgrades, CALEA re-accreditation, and overtime to staff expanded schedule of special events) and Public Works (snow and ice removal service level enhancements)
- *Capital Projects and Equipment Replacement* (18% of increase) - \$422,982 in expenditures for participation in the multi-jurisdictional law enforcement training center/gun range and the purchase of a replacement 5-yard dump truck and two Police Department squad cars

In accordance with Village Financial and Budget Policies, the proposed budget for the General Operating Fund is balanced with \$12,672,393 in revenues and expenditures. A five-year financial forecast is included for the General Fund in the budget document.

The FY20 budget includes the 5-Year Capital Improvement Program for inclusion of the FY20–FY24 projects.

#### Legal Analysis

Pursuant to State law, the draft budget document was made available for public inspection on the Village’s website and at the front counter of the Municipal Complex beginning Monday, November 18, 2019. In addition, the required public notice was published in the Northwest Herald on November 26, 2019, informing the general public of the budget public hearing scheduled for Thursday, December 5, 2019, at 7:00 p.m. at the regularly scheduled Village Board meeting.

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

**A MOTION was made to approve an Ordinance Adopting the Village of Huntley Fiscal Year 2020 Annual Operating and Capital Budget and to direct the Village Treasurer to file the document accordingly.**

**MOTION: Trustee Leopold**

**SECOND: Trustee Hoeft**

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

**NAYS: None**

**ABSENT: Trustee Kanakaris**

**The motion carried: 5-0-1**

- b) Consideration – An Ordinance Adopting the Levy and Collection of Taxes for the Village of Huntley 2019 Annual Property Tax Levy in the Amount of \$4,798,956 and to direct the Village Treasurer to Record the Document According



Director of Finance Cathy Haley reported that the Village's 2019 Tax Levy request is for \$4,798,956. Once approved by the Village Board, staff will file the property tax levy ordinance with all appropriate offices at both McHenry and Kane Counties.

Staff Analysis

State law requires that the levy cannot be adopted sooner than twenty (20) days after the initial discussion on the levy, which took place at the November 14, 2019 Village Board meeting.

The Village's 2019 levy request is \$4,798,956. The 2019 property tax levy request follows the Village's financial policies in that the increase will be allocated to cover the cost of the actuarial calculated increase in the Village's police pension obligation. For 2019, this amount equals \$122,841.

The benefits and benefit levels for the Police Pension Fund are governed by State Statute and can only be amended by the General Assembly. The current statutory requirement is that the Village's Police Pension Fund be at least 90% funded by 2040. The Village is committed to meeting its pension obligations.

<i>2019 REQUESTED TAX LEVY - Police Pension Increase Only</i>	2018 Tax Levy Extensions	2019 Tax Levy Request	\$ Increase/ Decrease over prior year	% Increase/ Decrease over prior year
Corporate	\$3,070,917	\$3,070,917	\$0	0.00%
IMRF	\$250,000	\$250,000	\$0	0.00%
Social Security	\$250,000	\$250,000	\$0	0.00%
Liability Insurance	\$250,000	\$250,000	\$0	0.00%
Cemetery	\$0	\$0	\$0	0.00%
Police Pension	\$855,198	\$978,039	\$122,841	14.36%
<b>TOTAL</b>	<b>\$4,676,115</b>	<b>\$4,798,956</b>	<b>\$122,841</b>	<b>2.63%</b>

Financial Impact

While residents live within the Village limits, their property tax bill is comprised of no less than nine (Kane County) or ten (McHenry County) separate taxing districts. Each taxing district determines the total dollar amount to levy on property within the boundary of each tax district. A tax rate is calculated based on this total dollar request and the total assessed value of property within the taxing district boundaries. The tax rate is what a resident sees on their tax bill for each entity having authority to place a levy on their property. The EAV of an individual resident's property is multiplied by each tax rate to determine the amount of tax owed for the respective calendar year. The Village of Huntley is a home rule community and levies for dollars. The tax rate becomes a calculation based on the EAV (EAV/100 x Rate = Total Levy Dollars).

The EAV is determined by the township assessor's office, while the dollars are requested by the Village for the Village's portion of the tax bill. Therefore, the rate is a factor of these two amounts. The preliminary estimated EAV from the Counties shows a potential increase from 2018 of 6.85%. Increasing the dollars to meet the Village's pension obligation, combined with the increase in the EAV may slightly reduce the Village's tax rate.

Levy Year	Limited Rate	EAV	Dollars	Increase
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2018	0.5173	\$903,893,405	\$4,676,115	
2019	0.4969	\$965,811,403	\$4,798,956	\$122,841

Legal Analysis

Per Illinois Revised Statutes (40 ICS 5) section 3-143 “Report by Pension Board,” the Police Pension Board shall report annually to the Village Board on the condition of the pension fund at the end of its most recently completed fiscal year (see Exhibit A).

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

**A MOTION was made to approve an Ordinance Adopting the Levy and Collection of Taxes for the Village of Huntley 2019 Annual Property Tax Levy in the Amount of \$4,798,956 and to Direct the Village Treasurer to Record the Document Accordingly.**

- MOTION: Trustee Leopold**
- SECOND: Trustee Goldman**
- AYES: Trustees: Goldman, Hoeft, Leopold, Piwko, and Westberg**
- NAYS: None**
- ABSENT: Trustee Kanakaris**
- The motion carried: 5-0-1**

- c) Consideration - Approval of the Special Tax Rolls for the Village of Huntley Special Service Areas:
  - i. An Ordinance Amending the Special Tax Roll for Special Service Area Number 5 (Southwind Subdivision) in the amount of \$26,250.00.
  - ii. An Ordinance Amending the Special Tax Roll and Abating Special Service Area Taxes for Special Service Area Number 6 (Southwind Subdivision) in the amount of \$511,215.48 of which \$114,214.32 is hereby abated, *resulting in a Special Tax Requirement of \$397,001.16.*
  - iii. An Ordinance Amending the Special Tax Roll and Abating Special Service Area Taxes for Special Service Area Number 7 (Southwind Subdivision) in the amount of \$459,353.04 of which \$130,352.52 is hereby abated, *resulting in a Special Tax Requirement of \$329,000.52.*
  - iv. An Ordinance Amending the Special Tax Roll and Abating Special Service Area Taxes for Special Service Area Number 8 (Southwind Subdivision) in the amount of \$558,357.81 of which \$180,355.23 is hereby abated, *resulting in a Special Tax Requirement of \$378,002.58.*
  - v. An Ordinance Amending the Special Tax Roll and Abating Special Service Area Taxes for Special Service Area Number 9 (Wing Pointe Subdivision) in the amount of \$1,386,125.74 of which \$431,125.20 is hereby abated *resulting in a Special Tax Requirement of \$955,000.54.*
  - vi. An Ordinance Amending the Special Tax Roll and Abating Special Service Area Taxes for Special Service Area Number 10 (Heritage of Huntley Subdivision) in the amount of \$765,300.99 of which \$230,302.83 is hereby abated, *resulting in a Special Tax Requirement of \$534,998.16.*
  - vii. An Ordinance Abating the Special Service Area Taxes for Special Service Area Number 11 (Georgian Place Subdivision).

- viii. An Ordinance Abating the Special Service Area Taxes for Special Service Area Number 12 (Northbridge Subdivision).
- ix. An Ordinance Abating the Special Service Area Taxes for Special Service Area Number 13 (Covington Lakes Subdivision).
- x. An Ordinance Abating the Special Service Area Taxes for Special Service Area Number 14 (Lions Chase Subdivision).
- xi. An Ordinance Abating the Special Service Area Taxes for Special Service Area Number 15 (Cider Grove Subdivision).
- xii. An Ordinance Abating the Special Service Area Taxes for Special Service Area Number 16 (Talamore Subdivision).

Village Manager David Johnson reported that the Village Board is being requested to amend the tax rolls and abate taxes for each Special Service Area (SSA) in the Village. The need to amend the Special Tax Rolls and abatement of SSA taxes is the result of the actual Special Tax Requirement in each Special Service Area for the 2019 levy year.

Staff Analysis

The Village is not requesting to actually levy taxes for Special Service Areas 6, 7, 8, 9, and 10, but is required to file Special Service Area Ordinances to ensure that adequate funds are available to pay for the annual bond and interest payment of each Special Service Area. The actual levy was requested at the time of bond issuance for each Special Service Area.

MuniCap, Inc., the Village’s financial consultant for administering the service areas, calculates the Special Tax Requirements for Special Service Areas #6 - 10 and prepares a report pursuant to the corresponding “Rate and Method of Apportionment of the Special Tax” as stated in the bond documents. As shown in the chart below all taxes are well below the maximum tax for each Special Service Area and some are below last year’s levied amounts.

2019 Tax Levy/2020 Tax Bills

		Maximum	Abated	2019 Tax	2018 Tax	Increase/ (Decrease)
SSA #6	Southwind	\$2,469.64	\$551.76	\$1,917.88	\$1,932.38	(\$14.50)
SSA #7	Southwind	\$2,469.64	\$700.82	\$1,768.82	\$1,774.20	(\$5.38)
SSA #8	Southwind	\$2,530.57	\$817.41	\$1,713.16	\$1,708.64	\$4.52
SSA #8	SW/Townhome	\$1,267.51	\$409.41	\$858.10	\$855.82	\$2.28
SSA #9	Wing Pointe	\$2,517.52	\$783.02	\$1,734.50	\$1,774.26	(\$39.76)
SSA #9	WP/Townhome	\$1,572.90	\$489.22	\$1,083.68	\$1,108.52	(\$24.84)
SSA #10	Heritage	\$2,340.37	\$704.29	\$1,636.08	\$1,651.38	(\$15.30)

Financial Impact

Special Service Areas 5, 11, 12, 13, 14, 15 and 16 are for maintenance of open space and common area in the residential subdivisions. SSA #5 (Southwind) is the only active maintenance SSA levy at this time. No increase over last year’s levy amount is being requested for the 2019 SSA #5 levy. The common area and open space in the other six Special Service Areas are the responsibility of the homeowner’s associations in each of the respective neighborhoods, and the SSA’s are considered “dormant.” The Village would only enact the SSA’s if the common area and open space was not being

maintained properly.

Legal Analysis

The Village's third party tax advisors have reviewed the proposed ordinances.

**A MOTION was made to approve the following Ordinances and to direct the Treasurer to file the documents accordingly in the McHenry County Clerk's office:**

- i. **A motion is requested of the Village Board to approve an Ordinance Amending the Special Tax Roll for Special Service Area Number 5 (Southwind Subdivision) in the amount of \$26,250.00.**
- ii. **A motion is requested of the Village Board to approve an Ordinance Amending the Special Tax Roll and Abating Special Service Area Taxes for Special Service Area Number 6 (Southwind Subdivision) in the amount of \$511,215.48 of which \$114,214.32 is hereby abated, *resulting in a Special Tax Requirement of \$397,001.16.***
- iii. **A motion is requested of the Village Board to approve an Ordinance Amending the Special Tax Roll and Abating Special Service Area Taxes for Special Service Area Number 7 (Southwind Subdivision) in the amount of \$459,353.04 of which \$130,352.52 is hereby abated, *resulting in a Special Tax Requirement of \$329,000.52.***
- iv. **A motion is requested of the Village Board to approve an Ordinance Amending the Special Tax Roll and Abating Special Service Area Taxes for Special Service Area Number 8 (Southwind Subdivision) in the amount of \$558,357.81 of which \$180,355.23 is hereby abated, *resulting in a Special Tax Requirement of \$378,002.58.***
- v. **A motion is requested of the Village Board to approve an Ordinance Amending the Special Tax Roll and Abating Special Service Area Taxes for Special Service Area Number 9 (Wing Pointe Subdivision) in the amount of \$1,386,125.74 of which \$431,125.20 is hereby abated *resulting in a Special Tax Requirement of \$955,000.54.***
- vi. **A motion is requested of the Village Board to approve an Ordinance Amending the Special Tax Roll and Abating Special Service Area Taxes for Special Service Area Number 10 (Heritage of Huntley Subdivision) in the amount of \$765,300.99 of which \$230,302.83 is hereby abated, *resulting in a Special Tax Requirement of \$534,998.16.***
- vii. **A motion is requested of the Village Board to approve an Ordinance Abating the Special Service Area Taxes for Special Service Area Number 11 (Georgian Place Subdivision).**
- viii. **A motion is requested of the Village Board to approve an Ordinance Abating the Special Service Area Taxes for Special Service Area Number 12 (Northbridge Subdivision).**
- ix. **A motion is requested of the Village Board to approve an Ordinance Abating the Special Service Area Taxes for Special Service Area Number 13 (Covington Lakes Subdivision).**
- x. **A motion is requested of the Village Board to approve an Ordinance Abating the Special Service Area Taxes for Special Service Area Number 14 (Lions Chase Subdivision).**
- xi. **A motion is requested of the Village Board to approve an Ordinance Abating the Special Service Area Taxes for Special Service Area Number 15 (Cider Grove Subdivision).**
- xii. **A motion is requested of the Village Board to approve an Ordinance Abating the Special Service Area Taxes for Special Service Area Number 16 (Talamore Subdivision).**

**MOTION:** Trustee Westberg

**SECOND:** Trustee Hoeft

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

**NAYS:** None

**ABSENT:** Trustee Kanakaris

**The motion carried: 5-0-1**

- d) Consideration - An Ordinance Approving A Partial Abatement of the Village Portion of Real Estate Taxes Levied for the Year 2019 (Collectable in 2020) on Certain Property (Hiwin Corporation, 12455 Jim Dhamer Dr.) Located Within the Village of Huntley

Assistant Village Manager Lisa Armour reported that Hiwin Corporation (Hiwin), a manufacturer of precision machinery components, completed construction of its 117,500 square foot U.S. Corporate headquarters building in the Huntley Corporate Park at 12455 Jim Dhamer Dr. in 2017. Hiwin purchased 15 acres to complete the project and to provide room for future expansion of the business. The Village Board approved Ordinance (O)2015-10.41 on October 8, 2015, approving a Business Development Agreement with Hiwin that provides for a 50%, three-year property tax abatement. The abatement is tied to job creation criteria that must be met by Hiwin during the course of the abatement period. This is the second year of the three-year period.

Staff Analysis

The Business Development Agreement provides that Hiwin shall be deemed to have met the employment requirement on December 31, 2017 by employing at least 40 individuals (employment was 57) and each December 31 through the term of the tax abatement period if actual employment is at least 50 jobs in 2018, 60 total jobs in 2019, and 70 total jobs in 2020. Hiwin (or any affiliate or successor by merger, acquisition or assignment of some or all of the business operations of Hiwin) shall provide no less than 90% of the Promised Jobs as defined above by December 31, 2017. Hiwin met the required employment level for 2018 at 68 jobs and shall receive the full 50% abatement for the 2019 tax year payable in 2020.

Tax Year	Percent Abated	Abatement Amount	Village Received
2018, payable in 2019	50%	\$8,932.52	8,932.52
2019, payable in 2020	50%	\$9,000.00 (estimated)	\$9,000.00 (estimated)

In order for the Kane County Clerk to process the abatement, the Village is required to adopt a tax abatement ordinance directing the County Clerk to abate a portion of real estate taxes levied for 2019 and collectable in 2020.

Financial Impact

The estimated value of the amount to be abated is \$9,000, with the Village receiving the remaining \$9,000.

Legal Analysis

The Village Attorney has reviewed the ordinance and all is in order for Village Board action.

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

**A MOTION was made to approve an Ordinance Approving A Partial Abatement of the Village Portion of Real Estate Taxes Levied for the Year 2019 (Payable in 2020) on Certain Property (Hiwin Corporation, 12455 Jim Dhamer Dr.) Located Within the Village of Huntley.**

- MOTION:** Trustee Leopold
- SECOND:** Trustee Piwko
- AYES:** Trustees: Goldman, Hoeft, Leopold, Piwko, and Westberg
- NAYS:** None
- ABSENT:** Trustee Kanakaris

**The motion carried: 5-0-1**

- e) Consideration – An Ordinance Approving A Partial Abatement of the Village Portion of Real Estate Taxes Levied for the Year 2019 (Collectable in 2020) on Certain Property (Weber-Stephen, 14100 Weber Drive) Located Within the Village of Huntley

Assistant Village Manager Lisa Armour reported that Duke Realty Limited Partnership (Duke) completed construction of a 757,120 square foot light industrial building to serve as the global distribution center for Weber-Stephen Products (Weber) located at 14100 Weber Drive in June, 2015. Since 1996, Weber has occupied approximately 625,000 square feet of space on Oak Creek Parkway behind Jewel/Osco. About 400,000 square feet has been used for distribution operations and the remaining 225,000 square feet was used for manufacturing operations. With the new distribution facility, Weber has converted distribution space on Oak Creek Parkway to manufacturing space.

Staff Analysis

Concurrent with annexation of the property, the Village entered into a Business Development Agreement (BDA) with Duke and Weber-Stephen that included a 50%, 5-year property tax abatement. Duke leases the facility to Weber-Stephen Products under a triple net lease, under the terms of which Weber is obligated to pay the real estate taxes levied against the Property (PIN: 02-16-201-002). The 2016 tax bill, which was payable in 2017, was the first full year of tax assessment for the property.

Tax Year	Percent Abated	Abatement Amount	Village Received
2016, payable in 2017	50%	\$31,745.31	\$31,745.31
2017, payable in 2018	38.5%	\$26,364.66	\$42,114.99
2018, payable in 2019	43%	\$16,139.41	\$21,394.09
2019, payable in 2020	47%	\$23,985.00	\$27,045 (estimated)

As reported by Weber, the total number of employees working in Huntley is 805 (189 warehouse and 616 manufacturing). The abatement for the 2019 tax bill payable in 2020 is reduced, as Weber met 94% of the aggregate job creation goal for the distribution and manufacturing facilities. Therefore, per the terms of the BDA, the abatement amount is reduced from 50% to 47% (94% of 50%=47%).

In order for the Kane County Clerk to process the Year Four abatement, the Village is required to adopt a tax abatement ordinance directing the County Clerk to abate a portion of real estate taxes levied for 2019 and collectable in 2020.

Financial Impact

The estimated value of the amount abated for Year Four is \$23,985, with the Village receiving the remaining \$27,045.

Legal Analysis

The Village Attorney has reviewed the ordinance and all is in order for Village Board action. Mayor Sass asked if the Village Board had any comments or questions; there were none.

**A MOTION was made to approve an Ordinance Approving A Partial Abatement of the Village Portion of Real Estate Taxes Levied for the Year 2019 (Collectable in 2020) on Certain Property (Weber-Stephen, 14100 Weber Drive) Located Within the Village of Huntley.**

**MOTION:** Trustee Westberg  
**SECOND:** Trustee Goldman  
**AYES:** Trustees: Goldman, Hoeft, Leopold, Piwko, and Westberg  
**NAYS:** None  
**ABSENT:** Trustee Kanakaris  
**The motion carried: 5-0-1**

- f) Consideration - A Resolution Approving an Intergovernmental Agreement for the Provision of MCRide Dial-A-Ride Transit Service in 2020

Assistant Village Manager Lisa Armour reported that the current intergovernmental agreement (IGA) with the County of McHenry, the Cities of Crystal Lake, Harvard, Marengo, McHenry, and Woodstock, and the Villages of Huntley, Fox River Grove, Hebron, Johnsburg, Richmond, Ringwood, and Union, and the Townships of Dorr, Grafton, Greenwood, Marengo, McHenry, Nunda, Richmond, and Riley for Dial-A-Ride Transit Service expires on December 31, 2019. The service, also known as MCRide, provides bus service for seniors, disabled, and the general public from the Village to other participating communities that are a party to the IGA. In order to continue providing the service to Village residents a new IGA must be entered into with the County and other participating agencies.

#### Staff Analysis

The Agreement will be in effect starting on January 1, 2020 and shall end on December 31, 2020. The Partner Agencies agree that the IGA for MCRide service for 2021 shall be subject to approval before December 31, 2020. There are no fare increases to riders in 2020.

Below are some of the highlights of the program:

- a. Service hours are Monday – Friday 6 a.m. – 7 p.m.; Saturday and Sunday 9 a.m. – 5 p.m.
- b. If a rider has a disability and requires a personal travel assistant, one assistant rides free
- c. Up to two children 7 years or younger can ride free per fare paying adult
- d. Service would be provided to all residents within the Village of Huntley, including Kane County
- e. Fees are as follows:
  - General Public \$3.00
  - Senior (+60) \$1.50
  - Person with a Disability \$1.50(Plus \$.25 / mile for each additional mile after the first five miles)
- f. Riders may travel to any location that is included in the MCRide Program
- g. The Partner Agencies agree to allow trip reservations for general public riders no more than two (2) days before the requested trip, and no less than two (2) hours before the requested trip, and trip reservations for seniors and individuals with disabilities no more than seven (7) days before the requested trip, and no less than two (2) hours before the requested trip. (Previously, general public riders were only allowed to make reservations up to one day in advance. Some job seekers, particularly those trying to re-enter the workforce, were having difficulty with reservations and so the adjustment was made to better serve those riders)

The average number of distinct riders for the period of January – September 2019 was 49. A total of 3,256 passenger trips originating in Huntley were provided during the same period.

#### Financial Impact

The cost for the Village to participate in 2020 remains at \$30,364 (\$1.25 per capita). The proposed  
12.05.19 VB Meeting

FY20 budget includes funds to continue participation in the program.

Legal Analysis

Village Attorney has reviewed and all is in order for Village Board consideration.

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

**A MOTION was made to approve a Resolution Approving an Intergovernmental Agreement for the Provision of McRide Dial-A-Ride Transit Service in 2019.**

**MOTION: Trustee Piwko**  
**SECOND: Trustee Goldman**  
**AYES: Trustees: Goldman, Hoeft, Leopold, Piwko, and Westberg**  
**NAYS: None**  
**ABSENT: Trustee Kanakaris**  
**The motion carried: 5-0-1**

Trustee Leopold asked Staff to see if there could be a change in the method of payment for this service from per capita basis to ride base.

- g) Consideration – A Resolution Approving the Purchase of Replacement Panasonic Toughbook Laptops for Police Department Squad Cars

Chief Robert Porter reported that the current squad car laptops with external air cards were purchased in 2014 and operate on Windows 7, which will no longer be supported by Microsoft as of January 2020. New laptops operating on Windows 10 will have internal aircards to help with connectivity and reduce problems encountered with the external devices which are more susceptible to being broken.

Staff Analysis

The laptops include a docking station within the vehicle. A total of 13 laptops will be purchased. The laptops will be purchased through the Illinois Department of Central Management Services (CMS) Procurement Program at a cost not to exceed \$84,699.

Financial Impact

The FY20 budget includes \$84,699 in the Equipment Replacement Fund for this purchase.

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

**A MOTION was made to approve a Resolution Approving the Purchase of Replacement Panasonic Toughbook Laptops for Police Department Squad Cars.**

**MOTION: Trustee Hoeft**  
**SECOND: Trustee Piwko**  
**AYES: Trustees: Goldman, Hoeft, Leopold, Piwko, and Westberg**  
**NAYS: None**  
**ABSENT: Trustee Kanakaris**  
**The motion carried: 5-0-1**

- h) Consideration – A Resolution Approving the Village of Huntley Village Board and Advisory Board Meeting Date and Holiday Schedule for 2020



Mayor Sass reported that found in the Village Board’s packet were the proposed 2020 meeting dates and holiday schedule.

The 2020 meeting schedule continues the second and fourth Thursday of the month for the Village Board with no Committee of the Whole meetings unless needed, a 4:00 pm meeting start time for the Historic Preservation Commission as approved in 2019; and changing the Zoning Board of Appeals to be on an as needed basis.

Once the meeting schedule has been approved by the Village Board the schedule will be published and distributed. If necessary, meetings may be added or cancelled throughout the year, after approving the schedule, with appropriate legal notice.

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

**A MOTION was made to approve a Resolution Approving the Village of Huntley Village Board and Advisory Board Meeting Date and Holiday Schedule for 2020, as presented.**

**MOTION: Trustee Leopold**

**SECOND: Trustee Goldman**

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

**NAYS: None**

**ABSENT: Trustee Kanakaris**

**The motion carried: 5-0-1**

**VILLAGE ATTORNEY’S REPORT:** None

**VILLAGE MANAGER’S REPORT:** None

**VILLAGE PRESIDENT’S REPORT:**

Mayor Sass reported that A Very Merry Huntley will be taking place on December 6<sup>th</sup> and 7<sup>th</sup>.

Mayor Sass reported that the December 12<sup>th</sup> Village Board Meeting has been cancelled.

Mayor Sass reported that Ladies Night Out will be taking place on Thursday, December 12<sup>th</sup>, from 5-8pm around the Town Square.

Mayor Sass reported that the Employee Recognition Luncheon will be taking place on Friday, December 13<sup>th</sup>.

**UNFINISHED BUSINESS:** None

**NEW BUSINESS:** None

**EXECUTIVE SESSION:** None

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

**ADJOURNMENT:**

12.05.19 VB Meeting

**There being no further items to discuss, a MOTION was made to adjourn the meeting at 8:03 p.m.**

**MOTION: Trustee Piwko**

**SECOND: Trustee Westberg**

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

Respectfully submitted,

Barbara Read  
Recording Secretary