

**VILLAGE OF HUNTLEY
COMMITTEE OF THE WHOLE MEETING
June 21, 2012
MINUTES**

CALL TO ORDER:

A meeting of the Committee of the Whole of the Village of Huntley was called to order on Thursday, June 21, 2012 at 7:00 p.m. in the Municipal Complex, Village Board Room, 10987 Main St., Huntley, Illinois 60142.

ATTENDANCE:

PRESENT: Mayor Charles Sass; Trustees: Pam Fender, Ron Hahn, Nick Hanson, Niko Kanakaris, Harry Leopold (arrived at 7:05 p.m.) and John Piwko.

ABSENT: None

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

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

PUBLIC COMMENTS:

Ms. Donna Britton, 10802 Woodstock Street, Huntley, noted the acquisition of the building on Main Street and reported that this building was a prime example of Huntley's past, circa 1890. Ms. Britton stated that she read in the newspaper that there is a possibility that the building would be removed to expand the parking lot and it would be sad to demolish the building which was once the Sawyer – Kelly Mill and would like if it was an adaptive re-use.

Ms. Lonni Oldham, 11618 Second Street, Huntley, stated that she is concerned with the loss of downtown history and noted that the 2010 Downtown Revitalization Plan survey reported that the majority of the people wanted to keep downtown historic. Ms. Oldham also suggested an adaptive re-use for the building.

Ms. Debra Waters, 11802 North Street, Huntley, stated that the Village Board has to protect fiscal and physical needs of the Village and as a Historic Preservation Commissioner she asked the Village Board to please consider the voices of the past and not remove the building.

Mayor Sass acknowledged Mr. Tom Bartel from Union Special and asked that Tom wait to make a comment until his Agenda Item was being discussed.

ITEMS FOR DISCUSSION:

- a) Discussion – Approval of the June 7, 2012 Committee of the Whole Meeting Minutes

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

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval the June 7, 2012 Committee of the Whole Meeting Minutes.

b) Discussion – Approval of the June 28, 2012 Bill List in the amount of \$717,366.68

Mayor Sass reported that \$221,593.98 (or 30.9%) of the total bill list is payment to Graef for Engineering Services for the Route 47/I-90 Phase II Project and payment of TIF Sales Tax and Sales Tax Rebate to Tucker Development.

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

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval the June 28, 2012 Bill List in the amount of \$717,366.68.

c) Discussion – Ordinance (O)2012-06.26 – An Ordinance Approving a Preliminary and Final Plat of Subdivision for Unincorporated Land within the Village of Huntley’s 1½ Mile Jurisdictional Boundary – 9311 Coyne Station Road

Village Manager David Johnson reported that the petitioner is requesting approval for a one lot subdivision of land within one and one-half mile (1½) of the incorporated boundary of the Village of Huntley. The proposed subdivision is not located within the Village of Huntley; however, the Subdivision Ordinance and provisions of the “Revised Cities and Villages Act” of the State of Illinois require any entity proposing the subdivision of land within 1½ mile of the incorporated boundary of the Village to submit both a preliminary and final subdivision plat to the Village for approval.

The proposed subdivision will subdivide approximately one (1) acre off of a larger parcel located along Coyne Station Road in unincorporated McHenry County. Typically, such a subdivision would qualify for a Plat Act exemption and not require formal approval from the Village; however, a Plat Act exemption is not allowed in this case because the land was previously subdivided utilizing the exemption in the 1980’s and an exemption can only be used once. No development is proposed as a result of the subdivision. The subdivision will allow the sale of the property to Ms. Tamera Lueth and her husband, who currently reside in the house. The existing house and accessory buildings will remain on the property and no new public rights-of-way or other public improvements are proposed in conjunction with the subdivision.

The proposed subdivision received tentative plat approval from the McHenry County Staff Plat Review Committee on May 16, 2012 and requires the Village’s approval before it can proceed further in the County’s approval process.

Staff Analysis

The proposed subdivision is located within the Village of Huntley’s one and one-half (1½) mile planning jurisdiction; however, the property is not contiguous to the Village’s corporate limits so it cannot be annexed at this time. The subdivision is also located outside of the Village of Huntley’s Facilities Planning Area (FPA).

Plan Commission Recommendation

The Plan Commission reviewed the petition at their meeting on June 11, 2012, at which time they

unanimously recommended approval by a vote of 6-0, subject to the following condition:

1. The Village of Huntley Certificate shall be changed to read: “Approved and Accepted by the Village of Huntley Village Board on this ____ day of ____, A.D. 20__.”

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

Trustee Fender asked that this item be pulled from the June 28, 2012 Consent Agenda and voted on separately.

There were no other comments or questions.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval Ordinance (O)2012-06.26 – An Ordinance Approving a Preliminary and Final Plat of Subdivision for Unincorporated Land within the Village of Huntley’s 1½ Mile Jurisdictional Boundary – 9311 Coyne Station Road.

- d) Discussion – Ordinance (O)2012-06.27 – An Ordinance Approving a Site Plan Review for a 2,820 Square Foot Mobile Office Building and Related Site Improvements for GFS – Fence, Guardrail and Signage, Inc., 11921 Smith Drive

Village Manager David Johnson reported that the petitioner is requesting Site Plan Review approval to install a 2,820 square foot mobile office building to serve as temporary administrative offices. The installation of the mobile building will allow the company to move their administrative offices from 11996 Oak Creek Parkway (Gateway Commons) to their Smith Drive facility.

The mobile building would consist of four office trailers that will be adjoined to each other. The petitioner is requesting approval to allow the trailers onsite for a period not to exceed six (6) years. The mobile building would be located immediately south of their existing building and would be painted to match the building.

The site improvements surrounding the mobile office building are limited to the reconfiguration of the parking spaces. The proposed parking lot layout will result in a net increase of 9 parking spaces. In accordance with the parking requirements found in Section 156.106 of the Zoning Ordinance, eight (8) parking spaces would be required for the 2,820 square foot building.

Staff Analysis

GFS – Fence, Guardrail and Signage, Inc. previously received approval of Special Use Permits for a bulk material storage yard and a contractor’s equipment storage yard and Site Plan Review for two proposed additions on May 24, 2007. The proposed addition included an 8,900 square foot expansion to their fabrication facility and a 12,000 square foot office addition. To date, only the 8,900 square foot fabrication addition has been constructed. The petitioner has stated that current economic conditions have prevented them from constructing the 12,000 square foot office addition.

Plan Commission Recommendation

The Plan Commission reviewed the petition at their meeting on June 11, 2012, at which time they unanimously recommended approval by a vote of 6-0, subject to the following conditions:

1. The mobile office building shall be permitted for a time period not to exceed six (6) years from the date of approval by the Village Board.
2. The mobile office building shall be painted to match the existing building located on the site.
3. The petitioner is required to meet all development requirements of the Huntley Fire Protection District.
4. No building plans or permits are approved as part of this submittal.
5. All plans submitted for Building Permit must conform to all applicable Village Building Codes, Engineering Design Standards, Huntley Fire Protection District Requirements and Illinois Accessibility Code Regulations including, but not limited to, the following:
 - a. Means of egress
 - b. The structure shall be located in accordance with Table 602 of the International Building Code based on the fire-resistance rating of the exterior walls of the building.
 - c. Handicapped accessibility requirements (access to and throughout the building)
 - d. Plumbing requirements
 - e. Interior environment requirements

Village Manager Johnson reported that Mr. Ted Ewing was in attendance to answer questions.

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

Trustee Fender asked if the petitioner was looking to do this because they cannot get financing for a new building at this time. Mr. Ewing agreed and said that the plan is to build an addition onto the building in the future.

Trustee Hahn asked that this agenda item be pulled from the June 28, 2012 Consent Agenda and voted on separately.

There were no other comments or questions.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval Ordinance (O)2012-06.27 – An Ordinance approving a Site Plan Review for a 2,820 square foot mobile office building and related site improvements for GFS, 11921 Smith Drive.

- e) Discussion – Ordinance (O)2012-06.28 – An Ordinance Approving a Map Amendment to Rezone 12005 Fourth Street from “M” Manufacturing District to “R-2” Single Family Residence District and approving such other relief as may be necessary to allow for the requested rezoning in accordance with the application submitted to, and which is on file with, the Village of Huntley, all pursuant to the requirements of the Huntley Zoning Ordinance, including specifically Section 156.204 et seq.

Village Manager David Johnson reported that Juki Huntley Property LLC and Union Special LLC, property owner and local private company affiliate, respectively, have applied to the Village of Huntley for a zoning change for the single family residential structure located at 12005 Fourth Street adjacent to the Union Special industrial/manufacturing facility at the west end of the dead-end street. The residential structure was previously used to house students attending training at the Union Special facility and is no longer needed for this purpose by the property owners.

Staff Analysis

The residence, built in 1945, on the 8,448 square foot lot exceeds the “R-2” Single Family Residence zone 8,400 square foot minimum lot area. The subject lot is sixty-six (66’) feet wide, less than the seventy (70’) foot minimum lot width in the “R-2” zoning district, however, the lot is configured similarly to the majority of other lots within the Weltzien 2nd Addition which are also sixty-six (66’) feet wide.

Plan Commission Recommendation

The Plan Commission reviewed the petition at a public hearing on June 11, 2012. No one offered testimony in opposition to the request. The Plan Commission unanimously recommended approval by a vote of 6-0, subject to the following conditions:

1. Any proposed public improvements and site development must occur in full compliance with all applicable Village Municipal Services (Engineering, Public Works, Planning and Building) site design standards, practices and permit requirements.
2. The petitioner is required to meet all development requirements of the Huntley Fire Protection District.

Village Manager Johnson reported that Mr. Tom Bartel was in attendance to answer questions.

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

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval Ordinance (O)2012-06.28 – An Ordinance approving a Map Amendment to rezone 12005 Fourth Street from “M” Manufacturing District to “R-2” Single Family Residence District and approving such other relief as may be necessary to allow for the requested rezoning in accordance with the application submitted to, and which is on file with, the Village of Huntley, all pursuant to the requirements of the Huntley Zoning Ordinance, including specifically Section 156.204 et seq.

- f) Discussion – Resolution (R)2012-06.26 - Authorization to proceed with the preparation of a Redevelopment Plan and Project for the proposed Tax Increment Financing District (TIF) in accordance with the agreement between the Village of Huntley and Kane, McKenna and Associates, Inc., dated October 25, 2011

Senior Assistant to the Village Manager Lisa Armour reported that on December 15, 2011, the Village Board authorized the Village Manager to enter into a Professional Services Agreement with Kane, McKenna and Associates (KMA) for the preparation of the required documents to establish a TIF District for the Downtown and surrounding area. The Agreement with KMA includes three phases, each of which only moves with Village Board authorization. Phase I, which was presented on April 26, 2012, determined that the downtown area would qualify for consideration as either a “conservation area” or “blighted” pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et. seq. as amended. Phase I also reviewed the economic feasibility of the TIF.

Based on the findings of Phase I, the Mayor and Staff have met with officials from the affected taxing bodies (School District 158, Huntley Park District, Huntley Library District and the Huntley Fire Protection District) to discuss the results of the TIF feasibility study and the Village’s interest in potentially establishing a TIF district in the downtown and adjacent Route 47 corridor.

Phase II of the project requires the creation of a Redevelopment Plan and Project. Specifically, the Redevelopment Plan will include the following:

1. A statement of redevelopment goals and objectives.
2. Examination of TIF or other program qualification factors and presentation of rationale for basis under which the TIF District or other program is to be justified under State law.
3. A statement of eligible redevelopment activities may be implemented under the Plan.
4. Presentation of estimated costs for proposed redevelopment projects contemplated for implementation under the Plan.
5. A detailed discussion of impediments to the successful redevelopment of the area, and the measures the Village could undertake to eliminate such barriers so to promote economic revitalization to the said area.
6. Assist the Village by participating in required public hearings and Joint Review Board meetings, including: a) helping to insure preparation and execution of proper notification as required for all meetings; and b) providing any and all necessary support.
7. Assist the Village in participating in meetings with all interested and affected parties, including property owners, and overlapping tax jurisdictions. KMA will help the Village to follow the procedures for such gatherings as required by State law. Assist the Village to identify residential addresses within 750 feet of the proposed TIF boundaries.
8. Work with the Village's counsel to meet all the requirements of Illinois law so to insure proper establishment of the TIF District.
9. Assist Village's counsel in preparation of the appropriate Ordinances required for adoption of the redevelopment plans and Proposed Projects by the Village to legally establish the TIF District.
10. Assist the Village to establish and maintain complete documentation files to assure proper support of eligibility findings in order to support legal standing for establishment of the TIF District.

Financial Impact

In accordance with the agreement with KMA, the cost for preparing the Redevelopment Plan and Project is expected to range between \$22,000 - \$27,000. The cost for Phase I was \$17,687 and \$50,000 was budgeted for Phases I and II of the project.

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

Trustee Piwko asked if there was any negative feedback from the other taxing bodies. Mayor Sass reported that the other taxing bodies had already heard of the proposed TIF and the Library District might have concerns as they are outgrowing their building. Mayor Sass reported that the Huntley Fire Protection District and School District 158 had already spoken with their Boards and received favorable feedback to continue discussions.

There were no other comments or questions.

It was the consensus of the Committee of the Whole to forward on to the Village Board for approval Resolution (R)2012-06.26 - Authorization to proceed with the preparation of a Redevelopment Plan and Project for the proposed Tax Increment Financing District (TIF) in accordance with the agreement between the Village of Huntley and Kane, McKenna and Associates, Inc., dated October 25, 2011.

g) Discussion - Accept and Place on File the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended December 31, 2011

Mr. Fred Lantz from the Village's auditing firm of Sikich Gardner & Co. LLP presented the preliminary Fiscal Year 2011 Comprehensive Annual Financial Report to the Village Board.

Mr. Lantz reported that included in the Board's packet are pages extracted from the fiscal year 2011 Village of Huntley Comprehensive Annual Financial Report. The entire report has also been distributed to the Board of Trustees.

Staff Analysis

A brief narrative below describes information to be focused upon when reviewing the audit summary document:

Page 1 - 2 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 auditor's review of the Village's financial records confirms the information contained in the report is fairly and accurately presented without any misrepresentations or areas of concern.

MD&A4: Table 1; the statement of net assets on this page includes the outstanding TIF debt. There are no assets associated with the TIF debt; therefore, the total net assets shown in this table are not "balanced" nor is it indicative of the Village's financial position.

MD&A5: Table 1a displays the same information *excluding the TIF activity*. The statement of net assets is an indicator of the Village's financial position. Removal of the TIF debt from the net assets truly presents the Village's overall positive financial position.

Page 3: The Village is in a strong financial position with cash and investments totaling over \$30 million dollars at the end of 2011. The Village Board is governing an operation that has assets in excess of \$244 million dollars.

Page 4: The Statement of Activities displays the cost of providing services to our constituents. During 2011, the cost to provide Huntley residents services at current levels was over \$23 million dollars. The change in net assets increased over \$ 2,251,752 million dollars and is attributable to contributions of capital assets or infrastructure from new development.

Page 5: Total Governmental Funds Liabilities and Fund balance is \$25 million dollars. The fund reserve policy requirement is \$3.4 million. Funds assigned for future operations, capital projects, and the capital transfer are \$1,078,545.

Page 7: Excess of revenues over expenditures displays the resources or cash available to the Village during the year to pay expenses. The General Fund had \$1,188,865 excess revenues over expenditures at the end of 2011. The increase can be primarily attributed to unexpected higher revenues in building permits and related fees.

Page 10: The change in net assets for proprietary funds, water/sewer, are operating at a loss net accumulated depreciation during 2011. Subsequently removal of depreciation from the equation, a non-cash transaction, the water funds realize a gain in operating income totaling \$178,687, and the sewer funds realize a gain in operating income totaling \$300,177. Decreased demand for services during 2011, and the low volume of current users coupled with the treatment plant expansion continues to remain a

factor in the plants operational costs. The Benefits Fund, an internal service fund, has been established to account for the Village's employee health and life benefits funded by charges to user departments and employee contributions. During 2011 the fund realized operating income totaling \$395,169.

Page 13: The Village of Huntley Police Pension Fund recognized a net increase of \$447,769. The Police Pension Fund contains \$3.5 million in assets as of 12/31/11, and the Pension Board continues to work with the independent investment advisory firm hired in December 2010.

Page 22: The Village has a strong position in cash and investments. There is little interest risk or exposure to credit risk due to the Village's investment policy requiring collateralization of Village deposits in excess of federal depository insurance. Cash and investment balances are designated and restricted as defined in each fund operation.

Page 27 - 30: Long term debt schedules display principal payments of the TIF, PW Installment Contract, Municipal Complex debt certificates (2008B) and Water/Sewer Fund certificates (2008A) used to pay for the Sewer Interceptor Project during 2011. The Public Works Installment Contract was refinanced in January 2011 with a net interest rate of 1.5%.

Page 43: The Illinois Municipal Retirement Fund was 81.84% funded at the end of 2011. The 2011 employer contribution rate was 9.95% and the 2012 rate is 10.58%.

Page 44: The Police Pension Fund was 45.34% funded at the end of 2011, a commendable ratio for a young fund (established in June, 2001).

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

Trustee Fender thanked the staff for their work.

There were no other comments or questions.

It was the consensus of the Committee of the Whole to forward on to the Village Board to Accept and Place on File the Comprehensive Annual Financial Report for Fiscal Year Ended December 31, 2011.

VILLAGE ATTORNEY'S REPORT: None

VILLAGE MANAGER'S REPORT: None

VILLAGE PRESIDENT'S REPORT:

Mayor Sass reported that Mosquito spraying will take place from June 25th – 29th.

Mayor Sass reported that the July 5th Committee of the Whole meeting is cancelled for the holiday. Mayor Sass reported that the Route 47 ribbon cutting is being planned for Tuesday, July 17th.

UNFINISHED BUSINESS:

Trustee Piwko reported that the new "HuntleyFirst" Billboard looks good.

NEW BUSINESS: None

EXECUTIVE SESSION:

A MOTION was made at 7:56 p.m. to enter into Executive Session for c) Property Acquisition, Purchase, Sale or Lease of Real Estate.

MOTION: Trustee Piwko

SECOND: Trustee Leopold

The Voice Vote noted all ayes and the motion carried.

A MOTION was made at 8:07 p.m. to exit Executive Session.

MOTION: Trustee Kanakaris

SECOND: Trustee Hanson

The Voice Vote noted all ayes and the motion carried.

ACTION ON CLOSED SESSION ITEM: None

ADJOURNMENT:

There being no further items to discuss, a MOTION was made to adjourn the meeting at 8:08 p.m.

MOTION: Trustee Piwko

SECOND: Trustee Leopold

The Voice Vote noted all ayes and the motion carried.

Respectfully submitted,

Barbara Read
Recording Secretary