

**VILLAGE OF HUNTLEY
VILLAGE BOARD MEETING
October 13, 2016
MINUTES**

CALL TO ORDER:

A meeting of the Village Board of the Village of Huntley was called to order on Thursday, October 13, 2016 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, Niko Kanakaris, Harry Leopold, John Piwko and JR Westberg.

ABSENT: None

IN ATTENDANCE: Village Manager David Johnson, Assistant Village Manager Lisa Armour, Management Assistant Barbara Read, Chief Robert Porter, Director of Finance and Human Resources Jennifer Chernak, Director of Public Works and Engineering Timothy Farrell and Village Attorney John Cowlin.

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

PUBLIC COMMENTS: None

CONSENT AGENDA:

- a) Approval of the September 1, 2016 Committee of the Whole, September 15, 2016 Committee of the Whole and September 22, 2016 Village Board Meeting Minutes
- b) Approval of the October 13, 2016 Bill List in the amount of \$1,805,895.86
- c) Approval of a Resolution Approving an Off-Premise Sign Request for American Legion Post 673
- d) Approval of a Resolution Approving the Bid Award to Tovar Snow Professionals to Provide Downtown Area Snow and Ice Control Services
- e) Approval of a Resolution Approving the Renewal of a Professional Services Agreement – Public Relations / MPAG

Mayor Sass asked if the Village Board had any comments or changes to the Consent Agenda; there were none.

A MOTION was made to approve the Consent Agenda.

MOTION: Trustee Leopold

SECOND: Trustee Westberg

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

NAYS: None
ABSENT: None
The motion carried: 6-0-0

ITEMS REMOVED FROM THE CONSENT AGENDA:

- a) Approval of the September 8, 2016 Liquor Commission and September 8, 2016 Village Board Meeting Minutes

Mayor Sass reported that Trustee Leopold was absent from these meetings. Mayor Sass asked if there were any comments or changes to the Minutes; there were none.

A MOTION was made to approve the September 8, 2016 Liquor Commission and September 8, 2016 Village Board Meeting Minutes.

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

- b) Approval of an Ordinance Approving an Extension for a Temporary Sign for Centegra Health System – 10450 Algonquin Road

Mayor Sass reported that this agenda item was discussed at the Committee of the Whole meeting and asked if the Village Board had any additional comments or questions; there were none.

A MOTION was made to approve an Ordinance Approving an Extension for a Temporary Sign for Centegra Health System – 10450 Algonquin Road.

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

ITEMS FOR DISCUSSION AND CONSIDERATION:

- a) Consideration of an Ordinance Approving A Partial Abatement of the Village Portion of Real Estate Taxes Levied for the Year 2016 (Collectable In 2017) 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 completed construction of a 757,120 square foot industrial building to serve as the global distribution center for Weber-Stephen Products (Weber), the maker of Weber® grills, 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. Upon completion of the new

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distribution facility, Weber has begun converting most of the distribution space on Oak Creek Parkway to expand manufacturing operations.

Staff Analysis

As part of the annexation process for the property, which consists of the 57.58 acre Weber site and an additional 73.42 acres (131 acres total), the Village entered into a Business Development Agreement with Duke and Weber-Stephen that included a 50%, 5-year property tax abatement to facilitate the expansion of Weber-Stephen’s commercial and industrial operations in the Village. Duke Realty Limited Partnership 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 will be collectable in 2017, will be the first full year of tax assessment for the property. In order for the Kane County Clerk to process the tax abatement, the Village is required to adopt a tax abatement ordinance directing the County Clerk to abate 50% of the Village’s portion of real estate taxes levied for 2016 and collectable in 2017.

Financial Impact

The estimated value of the amount abated is \$35,000 per year, with the Village receiving the remaining \$35,000.

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.

Trustee Leopold asked if the land was incorporated into the Village before the project; Assistant Village Manager Armour reported that the land was unincorporated. Trustee Leopold noted that as such, the Village did not receive any revenue from the site at that time.

Trustee Westberg asked if they had met required job numbers; Assistant Village Manager Armour reported yes.

There were no other questions.

A MOTION was made to Adopt an Ordinance Approving A Partial Abatement of the Village Portion of Real Estate Taxes Levied for the Year 2016 (Collectable in 2017) on Certain Property (Weber-Stephen, 14100 Weber Drive) Located Within the Village of Huntley.

- MOTION:** Trustee Leopold
- SECOND:** Trustee Westberg
- AYES:** Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko and Westberg
- NAYS:** None
- ABSENT:** None
- The motion carried: 6-0-0**

FISCAL YEAR 2017 BUDGET WORKSHOP NO. 1:

- a) Review of Personnel Data, Master Organizational Charts and Financial Policies

Village Manager David Johnson reviewed a Power Point presentation and reported the following:

FINAL STAFFING ANALYSIS - 2016

The Village will end 2016 with the equivalent of 91 full-time positions actually filled. The number of funded authorized positions in the FY16 budget was 92.5 which is 1.5 less than the FY15 budget. Based on the Village's population of 26,632, the 92.5 employees equates to the Village employing 3.4 employees per 1,000 population which is a decrease from 3.6 calculated in previous years.

PRELIMINARY STAFFING ANALYSIS – 2017

Preliminarily, the number of proposed authorized/budgeted positions for FY17 is 94.5 subject to adequate funding being available. This is 2 full-time equivalent positions more than FY16 which equates to 3.5 employees per 1,000 population. The FY17 budget proposes that one of the two authorized Combination Inspector position duties be performed via a contractual arrangement, therefore, eliminating this position as a full-time staff position in the Development Services Department. Three full-time equivalent positions are being proposed as part of the FY17 budget including a part-time office assistant in the Finance Department, a full-time maintenance worker in the Streets and Underground Utilities Division in Public Works and Engineering Department, a full-time Police Officer and a part-time Community Service Officer (CSO) in the Police Department.

Trustee Goldman asked Chief Porter if the part-time CSO was in addition to the current CSO; Chief Porter stated that CSO Greene leaves at 3:00 p.m. and the part-time position would assist in the late afternoons and early evenings.

COLLECTIVE BARGAINING GROUPS

The total number of employees in these two groups is 41 representing approximately 43% of the Village's total workforce.

Bargaining Group	Number of Employees	Contract Expiration
IUOE Local 150	15	December 31, 2017
MAP Chapter #207	26	December 31, 2016

WAGES

Non-union employee wages are adjusted annually and as a part of the Village's merit pay plan and are adopted as part of the overall budget. Each existing Union group has an established wage and step schedule. Employees in a collective bargaining unit will receive raises in accordance with the binding contract. Non-union employees are on a wage plan based on a comprehensive compensation and classification study done several years ago.

PENSION

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; and the Police Pension Plan (Plan) which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for both plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund (IMRF)

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard of 1,000 hours must be enrolled in IMRF as

participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit.

Police Pension Plan

Police sworn personnel are covered by the Plan which was established May 10, 2001.

The plan is governed by a five-member Board of Trustees. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Division	Percent Funded as of December 31, 2015	Employee Contribution	2016 Village Budgeted Contribution
IMRF	81.97%	4.5%	10.18%
Police Pension	55.89%	9.91%	19.74%

The Village’s FY16 Pension obligations totaled \$974,996.

HEALTH & DENTAL INSURANCE

Health insurance remains the second largest employee expense after wages. Over the past several years, the Village’s premiums have exceeded the general rate of inflation, prompting the Village to explore and join a health insurance pool.

On March 24, 2016, the Village Board approved a Resolution accepting membership in the Intergovernmental Personnel Benefit Cooperative (IPBC). The entity was created under Illinois state law allowing municipal groups to band together for the purposes of offering members insurance in a financially stable and fully transparent environment.

Since 2010, the Village’s annual average premium increases total 11%. Typical renewals for IPBC members during the same time period averaged 3%. In addition, IPBC members participate in a dividend program in which claim experience savings are awarded in the form of dividends. To date the program has paid an average of 5% back to its members.

RETIREMENTS AND ATTRITION

There are a number of employees that are either eligible or nearly eligible to retire. It is possible that upon retirement, some of these positions may not be filled; services provided by the retiree will be contracted out, or a lower cost employee will be hired to replace the retiring employee in order to save money. Management is constantly monitoring this situation.

FINANCIAL AND DEBT MANAGEMENT POLICIES

The Village’s financial policies and goals, compiled below, set forth the basic framework for the overall fiscal management of the Village.

BUDGET POLICIES

The GFOA recommends, at a minimum, to maintain an unrestricted budgetary fund balance in the General Fund of no less than two months of regular general fund operating revenues or regular general

fund operating expenditures. Reserves have also been established for the Water and Sewer Operating Funds. These reserves shall consist of 25% of the operating expenditures during the prior twelve-month period.

The Village shall prepare capital improvement plans and review staffing plans in order to maintain the Village's capital equipment and infrastructure, and maintain or enhance the current levels of service. The update to the Village's Five-Year Capital Improvement Plan (CIP) is included in the budget document. The Staffing Plan is also included with the budget document in the Personnel/Staffing section.

The Village will attempt to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source.

The Village will review all fees and charges on an annual basis. Water/Sewer fees will increase annually by the Consumer Price Index as defined by the Counties during the tax levy process or by a minimum of 2% annually; whichever is greater.

The Village has adopted a one-time revenue policy. This policy prohibits the use of one-time General Fund revenues to fund operations. Sound financial management dictates the need for adequate fund balances to enable the Village to respond to adverse circumstances without jeopardizing essential Village services. One-time revenues in excess of budgeted revenues will be transferred for the use of one-time expenditures.

DEBT MANAGEMENT POLICY

The Village employs the following objectives in managing its debt:

Long-term debt will be confined to capital improvements that cannot be financed from current revenues.

The payback period of the debt will not exceed the expected useful life of the project.

Wherever possible, the Village will use current revenue instead of general obligation bonds.

Long-term debt will not be used for operations.

The Village will maintain good communications with bond rating agencies about its financial condition and will follow a policy of full disclosure on every financial report and bond prospectus.

Village Manager Johnson reported that the Village currently has an AA+ rating which is very good.

OUTSTANDING DEBT

A. Limited Tax Debt Certificates for the Sewer Interceptor and Water Main Project

B. Tax Increment Financing District No. 2 (Downtown TIF)

The first full debt service payment of \$323,175.96 was made in 2016. The revenue source for the payment is the telecommunications tax (\$275,845.96) and the new property tax increment (\$47,330).

Trustee Westberg asked if there were any State or Governmental assistance programs for IEPA type requirements; Director Farrell stated that using these type of assistance programs are challenging as the

loan rates compared to the requirements to obtain them are difficult and expensive. Village Manager Johnson stated that other loan rates are still between 2.5-3.0% and would require less consultant assistance. Trustee Leopold noted that it may be easier to get a non-state or federal loan as the cost of consultants, documentation filing deadlines, audits and other requirements would be expensive. Director Farrell stated that the compliance deadline is November, 2018.

Trustee Westberg asked if the Village had been receiving the MFT funds due from the State; Director Chernak reported that the Village was getting the MFT allotments from the State.

Trustee Goldman asked about the money that was invested with other communities which went to court; Director Chernak reported that no distribution payments have been received yet but the Village wrote that debt down to get it off the books as there is no timeline as to when the distributions will be made.

There were no other comments or questions.

VILLAGE ATTORNEY'S REPORT: None

VILLAGE MANAGER'S REPORT: None

VILLAGE PRESIDENT'S REPORT: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

Trustee Westberg announced that Huntley High School will be on Channel 7 News in the morning.

EXECUTIVE SESSION: None

ACTION ON CLOSED SESSION ITEM: None

ADJOURNMENT:

There being no further items to discuss, a MOTION was made to adjourn the meeting at 7:33 p.m.

MOTION: Trustee Piwko

SECOND: Trustee Westberg

The Voice Vote noted all ayes and the motion carried.

Respectfully submitted,

Barbara Read
Recording Secretary