

**VILLAGE OF HUNTLEY  
VILLAGE BOARD MEETING  
November 14, 2013  
MINUTES**

**CALL TO ORDER:**

A meeting of the Village Board of the Village of Huntley was called to order on Thursday, November 14, 2013 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, Nick Hanson, Niko Kanakaris, Harry Leopold, John Piwko (via telephone) and JR Westberg.

**ABSENT:** None

**IN ATTENDANCE:** Village Manager David Johnson, Assistant Village Manager Lisa Armour, Management Assistant Barbara Read, Director of Finance and Human Resources Jennifer Chernak, Pension Board Commissioner David Richardson and Village Attorney Mike Coppedge.

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

**PUBLIC COMMENTS:** None

**CONSENT AGENDA:**

(All items listed under Consent Agenda have been discussed at the Committee of the Whole and may be approved/accepted by one motion. The Village Clerk will number all Ordinances and Resolutions in order, following approval)

- a) Approval of the November 14, 2103 Bill List in the Amount of \$637,521.75
- b) Approval of Payout Request No. 1 to F.H. Paschen, S.N. Nielsen & Assoc. for East Plant Digester Blower Replacement in the amount of \$52,000.32
- c) Approval of Payout Request No. 1 in the amount of \$81,000.00 and Payout Request No. 2 in the amount of \$52,200.00 to Era Valdivia Contractors, Inc. for Repainting Water Tower No. 5 (Wing Pointe Subdivision)
- d) Approval of Snow Plow Agreements for Lion's Chase, Talamore and Regency Square Subdivisions:
  - i. Approval of a Resolution authorizing a Snow Plow Agreement with Richmond American Homes for the Lion's Chase Subdivision
  - ii. Approval of a Resolution authorizing a Snow Plow Agreement with Huntley Venture for the Talamore Subdivision
  - iii. Approval of a Resolution authorizing a Snow Plow Agreement with Pistakee Partners, L.L.C. for the Regency Square Subdivision

- e) Accept and Place on File Quarterly Financial Reports – Third Quarter 2013 Financial Reports for the Village of Huntley

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, Hanson, Kanakaris, Leopold, Piwko and Westberg  
**NAYS:** None  
**ABSENT:** None  
**The motion carried: 6-0-0**

**CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT AGENDA:**

- a) Approval of the October 24, 2013 Village Board Meeting Minutes

Mayor Sass reported that these Minutes were removed from the Consent Agenda as Trustee Hanson was absent. Mayor Sass asked if the Village Board had any comments or changes to the Minutes; there were none.

**A MOTION was made to approve the October 24, 2013 Village Board Meeting Minutes.**

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

**ITEMS FOR DISCUSSION AND CONSIDERATION:**

- a) Village of Huntley 2013 Tax Levy Policy Direction

Director of Finance and Human Resources Jennifer Chernak reviewed a Power Point Presentation and reported that the Village Board must approve the annual property tax levy in sufficient time to file the approved property tax levy ordinance with the County Clerks by the last Tuesday in December, which is December 31, 2013 therefore levies are due no later than December 20, 2013.

Staff Analysis

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

- The tax levy process is an estimation based on assessed valuations, estimated new construction and annexations that have occurred during the year.

- The 2013 tax levy must consider multiple factors when attempting to calculate the potential property tax revenue.
- The Township Assessors calculate the estimated valuations and the County Clerks ensure that the Village's net levy does not exceed authorized rate limits.
- Final valuations are also affected by rate multipliers imposed by the Counties and the State of Illinois.
- Property tax revenues do not affect any enterprise funds, such as the water/sewer funds. The water/sewer funds operate like a business where user fees are the primary source of revenue.

#### Property Tax Extension Limitation Law (PTELL)

The collar counties (DuPage, Kane, Lake, McHenry and Will) became subject to the PTELL for the 1991 levy year for taxes paid in 1992. Cook County was added in 1994. Under this property tax cap legislation (for non-home rule taxing districts), the Village's maximum property tax increase without requiring referendum approval is limited to the lower of 5.0% or the consumer price index (CPI). The County Clerks have notified the Village that the CPI to use for the 2013 property tax levy is 1.7%.

#### Truth-in-Taxation Disclosure Requirements

The Village of Huntley is required to comply with Public Act 89-102, known as the "Truth in Taxation Act." This Act places requirements on the Village in the adoption of the 2013 property tax levy if the proposed 2013 gross property tax levy is 105% greater than the 2012 net property tax extension. The Village will be required to publish the Truth in Taxation Notice for 2013 if the levy request exceeds \$4,020,000.

#### Property Tax Levy Process

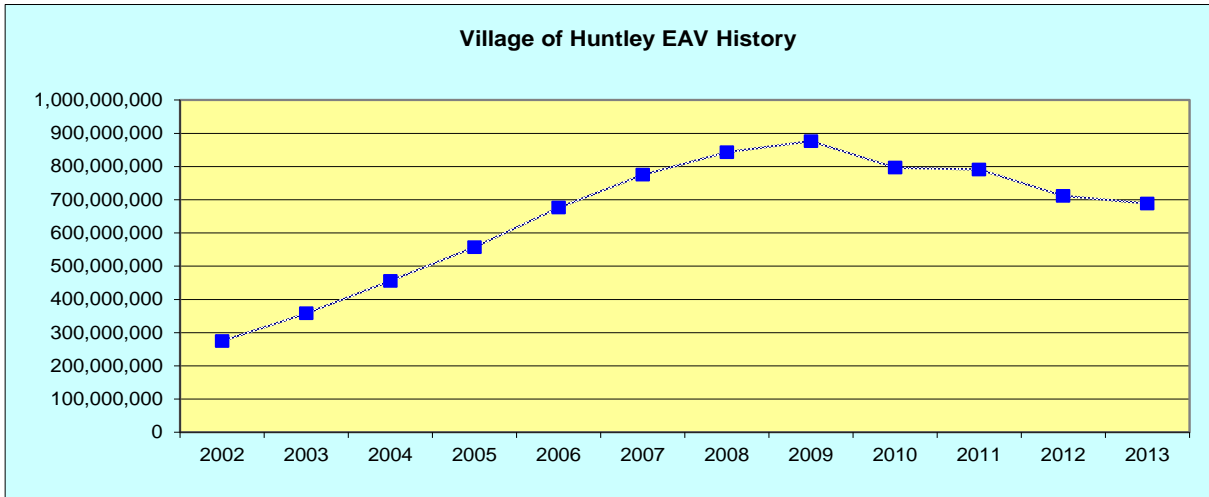
1. The Village does not levy for the tax rate, the Village levies for dollars. The rate is calculated based on the total request.
2. As a non-home rule community, the Village cannot recover any lost levy dollars if a levy request is not maximized due to the calculation of the property tax caps.
3. Allows the Village to capture new growth and new construction so that the tax burden is allocated across all available taxpayers.

#### Financial Impact

For the fourth year in a row, the levy will be impacted by another reduction in valuations. The rate setting EAV is estimated to decrease by \$23,349,384 even though new construction added \$8,878, 910.

The proportional share of property tax levies are based upon "billable equalized assessed value". Billable EAV is the equalized assessed value minus any exemptions. Properties with exemptions have a lower billable EAV and will pay a lower percentage of the tax burden than they would if they did not have those exemptions. Properties without exemptions are then responsible for a higher percentage of the tax burden.

While PTELL limits annual inflation to 5%, additional taxes can be extended to pay for new growth. In 2011 and 2012 the Village did not capture all available tax dollars resulting in a permanent loss to date of \$217,446.41. By levying the same dollar amount of \$3,800,000 as the previous three (3) years, the Village will lose an additional \$145,855 in 2013 levy/2014 property tax revenue.



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

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

In addition, the Village also levies for Special Service Area Number 5 (Southwind maintenance) which is now at the maximum levy amount of \$21,000 per year or approximately \$28.00 per Southwind property. This levy is used for maintenance of stormwater management facilities, grass cutting of common areas and entry way maintenance as there is no homeowners association established for this subdivision.

Police Pension Board Trustee David Richardson introduced himself and explained the factors regarding the Police Pension funding requirements and noted the Pension Board tax levy report and request that was included in the packet.

At the conclusion of Mr. Richardson’s presentation, Director Chernak explained the two (2) options.

### 2013 Tax Levy Options

1. Request a levy amount of \$4,000,000 which would maximize available dollars to the Village of Huntley. This request would estimate revenue of \$3,945,855 prior to any potential multiplier adjustments.
2. Freeze the levy amount of \$3,800,000 which would represent a 0% increase from the 2012 levy request which would result in a permanent loss of revenue to the Village of Huntley estimated to be \$145,855 at this time.

The 2014 draft budget document currently assumes no increase in the levy request (\$3,800,000);

Either option may result in a higher tax “rate” as set by the County Clerks

The shift of tax burden, the devaluation of property and multiplier adjustments all factor into the final rate. Again, rates are not calculated by the counties until spring 2014.

**Estimated 2013 Tax Rate - Payable 2014**

Levy/Bill	Market Value	%Chng	Assessed Value	Rate	VOH Taxes
2012/2013	\$ 225,000.00	33.33%	\$ 74,992.50	0.5338	\$ 400.31
<b>2013/2014</b>	<b>\$ 225,000.00</b>	<b>33.33%</b>	<b>\$ 74,992.50</b>	<b>0.5519</b>	<b>\$ 413.88</b>

**VILLAGE OF HUNTLEY RATE, EAV AND TAX LEVY HISTORY**

Levy	Rate	%Chng	EAV	%Chng	Levy Request	%Chng	Received	%Chng
<b>2000</b>	0.5712		\$ 154,736,202		\$ 1,157,265		\$ 884,324	
<b>2001</b>	0.5416	-5.18%	213,675,280	38.09%	1,500,000	29.62%	1,257,595	42.21%
<b>2002</b>	0.5304	-2.07%	274,778,282	28.60%	1,800,000	20.00%	1,457,428	15.89%
<b>2003</b>	0.4678	-11.80%	358,059,795	30.31%	2,100,000	16.67%	1,674,170	14.87%
<b>2004</b>	0.4520	-3.38%	455,734,372	27.28%	2,500,000	19.05%	2,059,825	23.04%
<b>2005</b>	0.4442	-1.73%	557,318,704	22.29%	3,000,000	20.00%	2,476,135	20.21%
<b>2006</b>	0.4296	-3.29%	676,220,947	21.33%	3,500,000	16.67%	2,904,886	17.32%
<b>2007</b>	0.4155	-3.28%	775,261,883	14.65%	3,750,000	7.14%	3,220,979	10.88%
<b>2008</b>	0.4138	-0.41%	843,255,156	8.77%	3,950,000	5.33%	3,489,390	8.33%
<b>2009</b>	0.4119	-0.46%	876,512,659	3.94%	3,665,000	-7.22%	3,608,084	3.40%
<b>2010</b>	0.4714	14.45%	796,378,817	-9.14%	3,800,000	3.68%	3,783,954	4.87%
<b>2011</b>	0.4799	1.80%	790,820,406	-0.70%	3,800,000	0.00%	3,800,000	0.42%
<b>2012</b>	0.5338	11.23%	711,860,053	-9.98%	3,800,000	0.00%	3,800,000	0.00%
<b>2013*</b>	0.5519	3.39%	688,510,669	-3.28%	3,800,000	0.00%	3,800,000	0.00%*

*Estimated rate/levy*

Director Chernak reported that a public hearing will not be required for the tax levy.

Mayor Sass asked the Village Board to each state their choice of option.

Trustee Piwko reported that he chooses Option #2 and supports the freezing of the tax levy for at least one more year as Staff generally budgets for the worst case scenario. All the items we requested as well as the daily operations of the Village have been included in their calculations. Holding the levy flat will at least give everyone one more year from a Village standpoint of saving. He stated that he was confident that keeping the levy flat will allow us to continue through the next year.

Trustee Hanson stated that the tax levy should be increased so he chooses Option #1.

Trustee Leopold asked if the County multiplier has gone up and Director Chernak reported that it had. Trustee Leopold stated that either way there would be an increase so he chooses Option #1.

Trustee Westberg agreed with Trustee Leopold and stated that there would still be an increase so he chooses Option #1.

Trustee Goldman reported that she chooses Option #2 as the Village's budget is lean and the Board needs to protect the finances of the citizens.

Trustee Kanakaris stated that he supports Option #2 so the taxpayers will not be required to pay as much as with Option #1.

There being a tie, Mayor Sass reported that he chooses Option #2 as times are still tough for many residents.

*It was the direction of the Village Board for Staff to freeze the levy amount (Option #2).*

**VILLAGE ATTORNEY'S REPORT:** None

**VILLAGE MANAGER'S REPORT:** None

**VILLAGE PRESIDENT'S REPORT:** None

**UNFINISHED BUSINESS:** None

**NEW BUSINESS:** None

**EXECUTIVE SESSION:** None

**ACTION ON CLOSED SESSION ITEM:** None

**ADJOURNMENT:**

**There being no further items to discuss, a MOTION was made to adjourn the meeting at 7:21 p.m.**

**MOTION: Trustee Hanson**

**SECOND: Trustee Goldman**

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

Respectfully submitted,

Barbara Read  
Recording Secretary