

February 28th, 2012 Regular Board Meeting Minutes

Meeting called to order at the Village of Hainesville Council Chambers by Mayor Linda Soto at 7:02 p.m.

Mayor Linda Soto led the pledge of allegiance to the flag.

Clerk Kathy Metzler took roll call. The following Officials were present: Mayor Linda Soto, Trustees Derenoski, Kriese, Duberstein, Barrett, Daley and Walkington

Also present were: Village Clerk Kathy Metzler

Absent: Village Attorney Jim Rock, Village Engineer Greg Gruen, Building Official Russ Kraly, Treasurer Kelly Hensley and Public Works Superintendent Jeff Gately,

Establishment of quorum

Agenda Approval:

Trustee Derenoski motioned to approve the agenda as presented; seconded by Trustee Walkington.

Roll Call:

Ayes: Trustees Derenoski, Kriese, Duberstein, Barrett, Daley and Walkington
Motion carried.

Public comments:

David Criz, 567 N. Triumph Court, Hainesville, IL 60073 – asked about the reduction of the budget in the amount of \$146,000. He asked Trustee Daley if he meant the difference between the expenses and revenue for the coming budget year? Trustee Daley stated that it is the revenue and requested expenses because not everything has been approved. Mr. Criz asked where the differences are coming from which Trustee Daley stated that the biggest difference is in the Public Works fund. There are many projects requested that we don't have enough revenue for, however, we do have money in the bank that can be tapped into to complete the projects. The budget is being reviewed and we are looking for places to trim or cut. This will be placed on the agenda for approval at the first meeting in March. The Village will need to decide if we will tap into the reserved funds.

Mr. Criz asked how close to the previous year's budget are the requests and are the revenues dropping or stable. Trustee Daley answered that in a ball park figure the revenue is expected to be \$2.5 million which is down about \$75,000 to \$100,000 from last year. Some of the reduction in revenue is from the State and some is from property taxes. The property tax is only an estimate and the Village won't know the exact amount until March when the County tells us. The expenditures are mostly in public works and some in general fund. Trustee Daley stated they are looking at all requests from everyone and that more than likely a deficit budget will be presented. The approved expenses will exceed the revenues; however, we do have money in the bank to use for these projects. We have close to \$2 million which is close to a years expenditures.

Mr. Criz asked if that is the same amount in capital reserves. Trustee Daley stated that we don't have a capital reserve. Mayor Soto stated that she touched on this at the last meeting and we are currently collecting information on a capital needs study and capital budgeting system, which is what we need to start doing, and this is item #3 on tonight's agenda. For example one of the biggest projects that needs to be done in this upcoming year is repainting the water tower. It is a big expensive project but it is something that needs to be done every so many years. If the Village knows that this project will need to be done in 10 or 14 years then money will be set aside each year in the capital improvement fund to repaint the water tower. There is money in the bank in savings for these things but there is no written hard line formula. The Village needs to move to this system but it will not be accomplished in a few months. The Village will deficit spend and only a small portion of the savings will be taken; but the savings is there to do the capital projects. Revenue should not be used to cover the capital improvements or replacements.

Mr. Criz asked if the fund's balance has been dropping in the last few years or is it stable. Trustee Daley stated that the fund was at \$2.5 or \$2.6 million when he came into office so it has been stable. A fair amount of money was taken out last year for the purchase of the Public Works Building. It has remained stable because the Board has presented balanced budgets.

Mayor Soto stated that while you want to have money in reserves you don't want to exceed a certain amount. You have to be cautious not to have too much money in reserves especially if it's not earmarked for anything specific. Trustee Walkington stated that the negative consequences would be Grants and Government Loans. If a Village has money then why are you asking for money when you have money in the bank and you aren't using it. Mayor Soto stated that a resident could ask why there is an increase in something if you have money in the bank; that money needs to be earmarked for something.

Omnibus Vote Agenda

Trustee Barrett asked for the Bills Payable to be removed.

1. A Motion to Approve the February 14th, 2012 Regular Board Meeting Minutes
2. A Motion to Approve the February 2012 Bills Payable for \$88,704.22

Trustee Walkington motioned to approve the Omnibus Vote Agenda removing item 2, Bills Payable; seconded Trustee Daley.

Roll Call:

Ayes: Trustees Derenoski, Kriese, Duberstein, Barrett, Daley and Walkington
Motion carried.

Trustee Barrett asked how long the Rubloff sales tax rebate refund agreement dated 5/13/03 runs. Mayor Soto stated it is for ten years until 2013. Trustee Walkington questioned the 2013. Mayor Soto will have Treasurer Hensley look at the original paperwork.

Trustee Daley motioned to approve the February 2012 Bills Payable for \$88,704.22; seconded Trustee Derenoski.

Roll Call:

Ayes: Trustees Derenoski, Kriese, Duberstein, Barrett, Daley and Walkington
Motion carried

Mayors Announcements

Mayor Linda Soto stated that she and Treasurer Kelly Hensley along with Trustee Daley have been researching and encourages all the Trustees to research or give input for getting this capital needs and capital budgeting system project underway. The 5 year street resurfacing study with Manhard has already been done. She has also been in contact with neighboring communities for their methods and systems.

The Mayor added that there are new benches in the front of the Village Hall and they are of good quality and will not blow away.

Standing Committee Announcements

Wetlands and Open Spaces

Trustee Duberstein stated that Grayslake Trustees will be meeting Saturday, March 10th and at the beginning of the meeting they will be discussing monies in their various capital improvement funds. The Trustees have been invited for that part so she will send out the time for the meeting to everyone. Trustee Daley has a copy of their eight year plan which anyone can look at, it will take some explaining to do it how they have it but they have it down to a spreadsheet.

Emergency Management

Trustee Barrett stated that Mike Benko asked him to look for renewable and solar back up options for communications. He will look into it and give to Mike to present to Board.

Finance

Trustee Daley stated that the Finance Committee is waiting for one more budget report from a particular committee then he and Treasurer Hensley will do a final go through and do a budget presentation at the March 13th Board Meeting. A Public Hearing will also be on that date.

Approval of Public Utility Easements for the Route 120 Watermain Extension Project for the following properties: 44 W. Belvidere Road, 45 W. Belvidere Road, 231 E. Belvidere Road, 236 E. Belvidere Road, 249 E. Belvidere Road and 266 & 294 E. Belvidere Road

Mayor Soto reported that Village Attorney Jim Rock has all the utility easements needed for the Route 120 watermain extension project and Mayor Soto read the addresses.

Trustee Barrett motioned to approve the Public Utility Easements for the Route 120 Watermain Extension Project for the following properties: 44 W. Belvidere Road, 45 W. Belvidere Road, 231 E. Belvidere Road, 236 E. Belvidere Road, 249 E. Belvidere Road and 266 & 294 E. Belvidere Road; seconded by Trustee Walkington.

Roll Call:

Ayes: Trustees Derenoski, Kriese, Duberstein, Barrett, Daley and Walkington
Motion carried.

Nordic Energy Services Electric Sales Agreement

Trustee Daley stated that Trustee Duberstein researched how the Village can reduce its electricity bill within the Village which is part of energy aggregation. They did a survey of the Village's energy use not including street lights and put it out to seven companies. Nordic Energy can save the Village \$6,294 a year for a two year contract in electric supply costs. Trustee Duberstein checked with different municipalities given as references and all of them stated that they did save money and were pleased. Nordic supplies electricity but the bills come through ComEd and they have the infrastructure. Trustee Barrett asked what if there was an infrastructure delivery issue which Trustee Duberstein explained that it is sold through ComEd. Mayor Soto spoke with our Rep. Diane Emerson with ComEd who explained that ComEd is the infrastructure that delivers the electricity and they don't care who the electricity is bought from. Trustee Walkington added that electricity comes from the same place but the Village would be buying it from someone else who in turn will pay ComEd. Trustee Duberstein added that ComEd cannot raise the rates.

Trustee Kriese asked if the three accounts are all the lift stations; Mayor Soto stated that this contract is just for the three lift stations not for the entire electric that we have. Trustee Daley stated that it does not include the street lights; the Village Hall does not get charged for electricity nor does the Public Works Building. Trustee Barrett asked who supplies the well house electricity. Mayor Soto stated that the well house is included. The only item not included is the street lighting because the Village is pursuing a street lighting grant with DCO which works with ComEd. Trustee Daley added that none of the bidding companies could outbid the rate that the Village currently has on the street lights with ComEd which is the lowest rate available.

Trustee Daley motioned to approve the Nordic Energy Services Electric Sales Agreement; seconded by Trustee Walkington

Roll Call:

Ayes: Trustees Derenoski, Kriese, Duberstein, Barrett, Daley and Walkington

Motion carried

Trustee Walkington noted that this is a 2 year contract with a one year opt out. Trustee Duberstein stated that the Village cannot opt out until the end of the 2 years or there is a penalty to get out sooner. Trustee Daley stated that there is a guaranteed savings of \$6,300 per year. Trustee Duberstein pointed out where in the contract the language has the terms of the contract.

Capital Needs Study and Capital Budgeting System

Mayor Soto reported that Public Works Superintendent Jeff Gately is working on a timeline and that Public Works is a big part of this system. This year the Village will not only repaint the water tower but will look at the condition of the inside of the water tower tank. It has not been done because the infrastructure was new. Computers are another area to be addressed. Treasurer Hensley spoke with our village auditors, Wolf & Co., to see what tools, software and suggestions they had for undertaking these projects. The Mayor has also talked to other municipalities slightly larger than us and they have funds broken into different pockets. Another

village manager uses the term thimbles and buckets. There are a lot of thimbles and buckets which pour into the bigger bucket because you are putting away for all these different items. The Village of Hainesville is starting with the basics to keep the Village operating and replacing equipment and services. Once that is underway then the Village can look at economic development projects to get more businesses in town and revitalize the older buildings. The Mayor stated that there will need to be a lot of research but it is exciting. We will be spending Committee of the Whole meetings this budget year on concentrating on this effort.

Trustee Daley hopes to have it for the next budget year. He also stated that whatever is decided to be set aside for the long term projects will be money out of the budget so funds will not be available for other things. For example if revenue is \$2 million and then we go through our regular budget process we would spend \$2 million, however, if we set aside \$500,000 a year for projects then the Village would have to live with a \$1.5 million budget. The Village does not want to chip away at the money in the bank every year and continue deficit spending; we will still have to tighten our belts. Mayor Soto stated that they will have to decide the amount in savings. Trustee Daley reiterated that the amounts were for conversation only.

Trustee Derenoski asked if the money in savings can be seed money. Trustee Daley stated that this is what we are doing this year by deficit spending but we could do that but it would be a decision made by the Board. Mayor Soto stated that this is one of the things we will be discussing, taking some money out of the savings and use it for some of the capital projects that are being done. Trustee Daley stated that Grayslake has a formula indicating what percentage of each fund they want to have set aside or available for carry over year to year, they don't ever zero out a fund. Currently, our Village has one year operating expenses in savings. Grayslake tries to keep 3 to 6 months.

Trustee Derenoski motioned to adjourn the February 28, 2012 Regular Board Meeting; seconded by Trustee Walkington.
All in favor say aye, motion carried.

The February 28, 2012 Regular Board Meeting adjourned at 7:35 p.m.

Respectfully submitted,

Kathy Metzler, RMC, CMC
Village Clerk