

December 15, 2015

Village of Sugar Grove

6:00 PM

President Michels opened the meeting at 6:00 PM and asked that Boy Scouts in attendance lead the Pledge. The roll was then called.

**Present:** President Michels, Trustee Herron, Trustee Paluch, Trustee Montalto, Trustee Geary, Trustee Koch, and Trustee Johnson.

**Absent:**

Quorum Established.

**Also Present:**

Administrator Eichelberger, Clerk Galbreath, Finance Director Chamberlin, Community Development Director Magdziarz, Public Works Director Speciale

**APPOINTMENTS AND PRESENTATIONS**

At this time President Michels explained the meeting procedures and protocol to the Boy Scouts and allowed them to asked questions about items on the agenda. The scouts were in attendance working on their Citizenship and Community Badge.

**PUBLIC HEARINGS**

None.

**PUBLIC COMMENTS ON ITEMS SCHEDULED FOR ACTION**

President Michels called for any public comments and as no member of the public stepped forward this portion of the agenda was closed.

**CONSENT AGENDA**

- a. Approval: Minutes of the December 1, 2015 Village Board Meeting
- b. Approval: Vouchers
- c. Approval: Treasurer’s Report
- d. Resolution: Authorizing MFT Funds #
- e. Resolution: Approving a Professional Services Agreement for Engineering – 2016 Road Maintenance Program
- f. Resolution: Approving Denny Road LAFO Funding

Trustee Geary **moved to Approve the Consent Agenda.** Trustee Herron seconded the motion. President Michels then called for a roll call vote.

AYE:	Montalto	NAY:	None	ABSENT:	None
	Paluch				
	Johnson				
	Geary				
	Herron				
	Koch				

Motion Carried.

## **GENERAL BUSINESS**

### **Discussion Land Swap**

Community Development Director Magdziarz and Administrator Eichelberger presented information regarding the proposed land swap. The Village owns 18.57 acres of land, more or less, at the NWC of Municipal Drive and US 30. Title to the property came about from an exchange of land with the then owner of the property, Airport Grove, LLC, and property the Village owned immediately south of Windsor West which was the result of a developer donation. The current Village-owned parcel was envisioned to be the site of a future Village police station.

Airport Grove, LLC is attempting to develop their property on Municipal Drive between Galena Boulevard and US 30 and is actively marketing their proposed business park development. Airport Grove has determined that developing the NWC of Municipal Drive & US 30 would provide a more expedient site to develop for prospective users and could serve to kick-start development in the future business park on the opposite side of Municipal Drive. As a result, they have approached the Village with a proposal to exchange similar acreage on the NEC of Municipal Drive and Galena Boulevard for the Village's property at Municipal Drive and US 30.

Assuming the use of the Village property remains a police station, the Galena Boulevard site continues to satisfy locational criteria, remaining centrally located and accessible to all areas of the Village, present and future. This was affirmed by Chief Rollins.

If there is an exchange, development of the current Village property should be subject to certain conditions, namely the use of the property, outdoor storage, signs, architectural (building materials, outdoor illumination) and landscaping requirements.

Since the transaction involves public land, there is a process and requirements to follow along with many details to address before culminating with a formal transaction. An appraisal for each parcel is necessary and it is suggested the Village obtain the appraisals for both parcels. It is also advisable that Airport Grove LLC provide a soil report to verify the proposed site is capable of supporting a police station facility and parking field. Eventually, the Village Board would be required to conduct a public hearing on the proposed swap, including publication in a local newspaper—including the terms for the exchange. Following the close of the public hearing, the Board may approve the exchange only by 3/4s of the corporate authorities. Assuming the exchange is approved all that remains following the Board's decision is the formal closing of the deal.

At this time the attorney for the Airport Grove LLC, Mr. James White, stated that the the owners is a land holder and not a developer. The original swap was odne for the good of the Village and with good will. This piece added to what he already owns will help the marketability and give a push start to the TIF.

The Board discussed the proposed swap and understanding the goodwill intended felt that the swap at this point was a little lop sided wit the landowner receiving higher benefits. The piece in question is on a corner with a light, has had site work done, and water/sewer is available to it. Additionally there is no guarantee of development on the parcel. President Michels asked the Board to give any further concerns or questions to the Village Administrator so they could be forwarded to Mr. White. Discussions will continue at a later date.

## **Discussion 6 Month Budget Review**

Finance Director Chamberlin reported that as of October 31, 2015, the Village was through the first half of the fiscal year. Staff has projected revenues and expenditures for the General Fund, the Capital Projects Fund, Infrastructure Capital Projects Fund, the two TIFs, Debt Service, Sugar Grove Center, and the Waterworks and Sewerage Fund through the end of fiscal year 2015 – 2016. The budget was passed at a deficit in order to make improvements to Calkins and Grove.

The General Fund revenues are expected to be lower than budget by approximately \$800 and expenditures are expected to be lower than budget by approximately \$12,700. This is projected to result in a reduction of the budgeted deficit by \$11,800, with a projected deficit of \$88,800. The FY 15 budget deficit of \$100,674 was approved during the budget process so that the Calkins and Grove project could be completed. The following are explanations of major revenue and expenditure differences:

- Utility Tax - Electricity (\$14,800) – lower usage because of a cooler summer.
- Utility tax – Telecommunications (\$13,500) – lower because of residents continuing to drop their land line in favor of cell phones.
- Towing fees (\$20,000) – lower than anticipated. Currently have 17 tows and anticipate an additional 23 tows for the remainder of the fiscal year.
- State income tax \$41,400 – higher receipts than anticipated.
- Sales tax (\$15,900) – lower because the category of automotive and filling station is coming in lower than anticipated.
- State use tax \$15,500 – higher than anticipated as a result of an increase in the use or consumption in Illinois of purchases from other states.
- Court Fines \$26,000 – higher than budget because of the increase in revenue from overweight truck campaign.
- Other fines (\$16,000) – ordinance violations lower than budget.
- Review and development fees (\$46,500) – decrease in the number of permit review fees for new homes.
- Reimbursement \$49,400 – reimbursed for damage to vehicles and workers compensation claims higher than anticipated.
- Police Department overtime \$13,800 – higher than anticipated because of two officers out on medical leave resulting in overtime to cover their shifts (4,176 hours).
- Police Department part-time salaries \$56,200 – higher than anticipated because of the golf events, road construction detail, and to cover shifts for the two officers out on medical leave.
- All departments, medical/dental insurance (\$59,900) – anticipated Village total of medical/dental costs will be less than budgeted.
- Police Department fuels & lubricants \$10,600 – higher usage than anticipated with additional miles being driven.
- Streets, unemployment compensation \$19,500 – higher than anticipated since a laborer was laid off and is collecting unemployment.
- Streets, engineering services \$13,100 – higher than anticipated because of ROW permits.
- Streets, repair & maintenance services ROW \$12,400 – increase because of emergency street light replacements.

- Streets, snow and ice control supplies (\$50,000) – lower than anticipated price on actual tonnage for salt.
- Building Maintenance, repair & maintenance services – buildings \$19,200 – increase because of hail damage to buildings. Offset by revenue in the reimbursement account.
- Community Development, legal services \$37,500 – increased as a result of the Settler’s Ridge bond litigation.
- Community Development, engineering services (\$10,100) – decreased because of a reduction in engineering permit review fees for new homes and other development related engineering needs.

Staff projected and included 50 residential, 3 commercial, and 375 miscellaneous building permits in the fiscal year 2015-2016 budget approved by the Village Board, which we continue to track throughout the fiscal year and report on. As of November 30, 2015, 20 of the residential, 1 of the commercial, and 363 of miscellaneous building permits have been issued.

The General Capital Projects Fund is under budget by \$368,700 as a result of the following:

- Improvement donations \$123,800 – higher than anticipated because of the Senior Housing complex.
- Administration, architectural services and other professional services (\$35,200) – lower than anticipated since the project at 140 S. Municipal Drive has been placed on hold.
- Administration, village buildings (\$490,000) – lower than budget since we are not moving into the 140 S. Municipal Drive building at this time.
- Streets, automotive equipment \$287,400 – higher than anticipated because the dump trucks were budgeted in FY 15 but will not be delivered and paid for until this fiscal year.

In the Tax Increment Financing District #1, engineering services \$16,500 and \$28,900 expenses are higher than budget because of carryover of expenses from the prior fiscal year.

In the Tax Increment Financing District #2, building improvements (\$11,600) are lower than budget because the bid came in lower than anticipated for the demolition of the airport house.

The Infrastructure Capital Projects Fund shows a deficit of \$687,100. Revenues are anticipated to come in \$564,000 lower than anticipated while expenditures are expected to be over budget by \$123,200.

- Motor Fuel Tax revenue (\$10,600) - lower than anticipated.
- Grant revenues (\$630,700) – lower than anticipated. It is anticipated that we will not receive all of the Phase I Engineering grant funds for IL 47 and I 88 in this fiscal year.
- Local sales tax (\$31,000) – lower than anticipated because of lower sales tax revenue in the automotive and filling station category.
- Reimbursement \$53,000 – higher than anticipated because of funds received for the Wheeler and IL 47 intersection signalization project that was not budgeted.
- Streets/ROW improvements \$76,200 – higher than anticipated because of a transfer from the general fund for additional road projects.
- Other professional services \$(16,000) – lower than anticipated because of not completing all of the engineering for IL 47 and I 88.

The Sugar Grove Center Fund budgeted \$23,000 for weed control. However, that will not be completed until FY 17.

The Waterworks and Sewerage Fund operating water and sewer sales revenue are expected to be \$34,700 higher than budget because of an IRMA reimbursement of \$59,400. Expenditures are anticipated to be lower than budget by \$42,500, resulting in a surplus of \$77,200.

- Water sales revenue (\$27,100) – came in lower than budget as a result of conserving water.
- Reimbursement \$71,900 – higher than anticipated because of a reimbursement for hail damage from our insurance carrier IRMA.
- Water tap-on fees (\$19,400) – came in lower than budget fewer new homes being built than anticipated.
- Water Operations, chemicals and lab supplies (\$14,500) – lower expenditure than anticipated.
- Sewer Operations, other professional services of (\$33,000) - the Strafford Woods sanitary sewer lining expense came in lower than anticipated.
- In Sewer Capital, sanitary sewer system improvement \$13,800 - the Queens Gate Circle sanitary repair came in \$13,800 higher than anticipated.

Trustee Koch stated that a great job was done estimating for the budget. It is obvious that staff works diligently on it. Presdint Michels asked why fees are down in the PD if there is more overtime and staffing. It was answered that more drivers are compliant, which is great as that is what the PD wants to see. Overweight enforcing, the state has been partnering with us as the goal is to keep them off the locals roads and as fixing them is more that any funds gained by stopping overweight trucks. Trustee Koch asked why there is scuh a big saving in insurance. It was aanswered there aare a few factors, lower than anticipated rates, employees coveraged changed and many switched from a PPO to the HMO.

Village Administrator Eichelberger stated that the Board may want to consider new fees sorces such as utility tax on waster/sewer and charging for Police Services in for special events.

President Michels asked staff to watch expenses please so that the budget does not end in a deficit.

### **NEW BUSINESS**

None.

### **REPORTS**

Director Speciale stated that the lights in Strafford Woods should be hooked up by ComEd soon. Trustee Montalto stated he was grateful to see that trees were trimmed in Mallar Point. Director Speciale stated that due to the lack of snow and warmer weather, crews now finally have the time to concentrate on tree trimming

Trustees gave updates on the Chamber, EDC, Veterans Park, Holiday in the Grove, and Cornboil activities.

### **AIRPORT REPORT**

None.

**PUBLIC COMMENTS**

None

**CLOSED SESSION**

Trustee Geary **moved Adjourn to Closed Session to discuss Personnel over the exceptions to the Open Meetings Act and to adjourn therefrom taking no action.** Trustee Johnson seconded the motion. President Michels then called for a roll call vote.

AYE:	Montalto	NAY:	None	ABSENT:	None
	Paluch				
	Johnson				
	Geary				
	Herron				
	Koch				

Motion Carried.

**ADJOURNMENT**

Respectfully submitted, Cynthia L Galbreath, Clerk