

VILLAGE OF JOHNSBURG

AUGUST 5, 2025 REGULAR MEETING

OF THE PRESIDENT AND BOARD OF TRUSTEES

President Hettermann called the meeting to order at 7:00 p.m. in the Village Hall.

Attendees

Trustee Mike Fouke

Trustee Josh Hagen

Trustee Scott Letzter

Trustee Jamie Morris (absent)

Trustee James Sylvanus

Trustee Keith Von Allmen

Village Administrator Claudett Sofiakis

Assistant Village Administrator Vinny Lamontagna (absent)

Chief of Police Jason Greenwald

Attorney Michael Smoron

Village Engineer Tim Hartnett (absent)

Special Projects Coordinator Rick Quinn (absent)

PUBLIC COMMENTS – Cheryl Markunas of 1310 Hayden Drive attended to express concern with ongoing parking challenges at the boat launch. She stated there are signs in place however more are needed. She also expressed that she is pleased with her road which was newly resurfaced.

OMNIBUS AGENDA – Trustee Von Allmen moved to approve the Omnibus Agenda. Trustee Fouke seconded the motion. Trustee Sylvanus requested the removal of Ordinance 25-26-10 Amending Chapter 3 and 4 of the Johnsborg Municipal Code. Trustee Letzter requested the removal of the Acquatic Ecosystem Agreement with the Army Corp of Engineers. Trustee Hagen questioned the charges related to the golf course. President Hettermann explained that the payment is for the purchase of T-markers for which he was successful in soliciting advertizers to support the cost. All Trustees present voted aye on the roll. Motion carried.

- Move to approve the minutes of July 15, 2025 meeting of the President and Board of Trustees
- Move to approve Ordinance 25-26-10 Amending Chapter 3.02F Police Chief; Striking 3.02G Deputy Police Chief and Revising the Lettering of the Provisions Thereafter; Amending 4.01 Creation of Department and 4.03 Officers of the Department; Adding 4.03A Police Commander; and Revising the Lettering of the Provisions thereafter of the Johnsborg Municipal Code (removed)
- Move to approve increase in rate structure for HR Green engineering services
- Move to approve Agreement Between the Department of the Army and Village of Johnsborg for the Dutch Creek Cap Section 206 Aquatic Ecosystem Restoration Study (removed)
- **Disbursements**
- General Fund \$301,265.52
- Waterworks & Sewage Fund \$ 16,531.25
- Golf Course Fund \$ 11,195.00
- Total All Funds \$328,991.77

ORDINANCE 25-26-10 – Trustee Von Allmen moved to approve Ordinance 25-26-10 Amending Chapter 3.02 F Police Chief; Striking 3.02 G Deputy Police Chief and Revising the Lettering of the Provisions Thereafter; Amending 4.01 Creation of Department and 4.03 Officers of the Department; adding 4.03 A. Police Commander; and Revising the Lettering of the Provisions thereafter of the Johnsburg Municipal Code. Trustee Fouke seconded the motion. Trustee Sylvanus questioned the amendments to the Police Chief's job description. Chief Greenwald explained that it is to bring the description more current with today's policing practices. Trustee Sylvanus discussed the language related to the assignment of other duties as directed by President and Administrator and questioned if the Village Board should be added. Village Administrator Claudett Sofiakis stated that the language is consistent with the current ordinance and other positions in the Village. President Hettermann added that the Village Board is not typically involved in directing the daily operations of the departments. Trustee Von Allmen concurred. Trustee Hagen questioned if the Chief is seeking one or two commanders. Chief Greenwald stated that he is seeking one immediately and likely another in the future. Trustee Hagen questioned if the department has someone that can step into the position. Chief Greenwald stated that the Village will need to go outside the department to find a qualified candidate and confirmed that it is the intent that the commander will step into the Chief's position in the future. All Trustees present voted aye on the roll. Motion carried.

DUTCH CREEK AQUATIC RESTORATION ACOE AGREEMENT - Trustee Letzter questioned language in the agreement with the Army Corp of Engineerings indicating that the costs included in the agreement are not guaranteed. Administrator Sofiakis stated that they are not guaranteed however the work is primarily done by Army Corp personnel and they expressed confidence that the cost will not exceed those proposed in the agreement. She added that the agreement provides for the Village's ability to halt the work if necessary. Trustee Letzter moved to approve the Agreement Between the Department of the Army and the Village of Johnsburg for the Dutch Creek Cap Section 206 Aquatic Ecosystem Restoration Study. Trustee Hagen seconded the motion. All Trustees present voted aye on the roll. Motion carried.

PRESIDENT'S REPORT – President Hettermann further reported on the successful sale of the advertising opportunities on the new T-markers at the gold course. He expressed thanks to Assistant Administrator Lamontagne and Administrator Sofiakis for their efforts over the past couple weeks to get the website up and running. He also recognized them both for the successful completion of the Mayors Caucus EV Readiness Program resulting in a Bronze designation for the Village. Chief Greenwald reported on successful acquisition of a grant through Com Ed for the cost to purchase and install radar units by the schools on Church Street and Ringwood Road. He explained that the new equipment is more interactive and includes messaging capabilities.

President Hettermann recommended the appointment of Kelly Ducak to the Finance Committee at the request of Trustee Sylvanus. The Board concurred with the appointment. President Hettermann introduced the new owners of the Backyard Bar and Grill who were in attendance at the meeting.

HIDDEN HARBOR TIF TERM SHEET – Mike Oliver attended to provide an update on the status of his proposed project. He stated that he has raised 65-70% of the capital needed for the project and expects Army Corp approval within a couple of weeks. He stated that he is halfway done with McDot's review and continues to work with them weekly. Mr. Oliver stated that he has a third submittal into the IDNR and the draft bylaws have been uploaded into the shared portal.

Mr. Oliver summarized the steps pursued to date regarding the establishment of the TIF. He stated that he is seeking \$16.4 million in TIF for his project and has agreed to set aside \$5 million to accommodate the relocation of Salem Avenue.

Discussion occurred regarding the updated draft of the term sheet which incorporates language related to the future relocation of Salem Avenue. Mr. Oliver stated that he is removing \$5 million from the available TIF funds for the relocation but he expects to recoup 100% of his funds plus interest up front before the Village receives any of the increment. President Hettermann emphasized that if Salem Avenue in its current location is limited to right in/right out, Mr. Oliver will have to relocate Salem Avenue. Mr. Oliver concurred and pointed out language in the proposed term sheet that requires him to return to the board and planning and zoning if the plan changes. President Hettermann stated that the plan has already changed therefore he will need to return to the planning and zoning commission.

Trustee Hagen questioned if discussions have occurred with the school district regarding the proposed TIF. Mr. Oliver stated that he has not spoken to the school district as his attorney advised him that the school becomes involved later in the process during the joint review board hearing and it would be out of the ordinary for him to approach them prior to that. Trustee Hagen pointed out that Mr. Oliver is still asking the Village to approve something with many unanswered questions. He questioned if the term sheet is binding. Attorney Smoron stated that it is not legally binding but pointed out that Mr. Oliver is relying on the Village incorporating the terms from the term sheet into the RDA and there will likely be much angst if that does not occur after more details about the development become available. Trustee Hagen questioned if the distribution of the increment can be split between the Village and Mr. Oliver rather than Mr. Oliver receiving all of the money up front. Mr. Smoron stated that it can be distributed between both parties.

Mr. Oliver expressed that he feels it is unfair to burden Hidden Harbor with the realignment if it is not necessary to the development. He pointed out that if the current access is limited, the language in the term sheet requires him to return to the Village and the term sheet is non-binding. Mr. Smoron stated that the language only requires him to return to the planning and zoning commission, it does not obligate him to relocate Salem Avenue and to pay for it to be relocated.

Mr. Oliver stated that the splash pad he envisioned is similar to the one at the McHenry Riverwalk. He added that he has not received approval from the IDNR for the splash pad. Trustee Hagen expressed concern that the outstanding agency approvals will ultimately affect what public improvements will be part of the development and there are still too many unanswered questions. He added that it is problematic for the Village to act on the term sheet without having received input from other taxing bodies. Mr. Oliver stated that he does not have any experience with the process and he was instructed by his attorney to get the term sheet in place and then approach the other taxing bodies. Trustee Hagen expressed concern with the payment plan being proposed by Mr. Oliver as the Village will be ineligible for any of the funds until Mr. Oliver has completely recouped his investment. Mr. Oliver stated that is what he needs in order to remove the eye sore from the property. Trustee Hagen pointed out that it would cost the Village far less money to pay to remove the Jugger Dune building than the \$16 million being sought by Mr. Oliver through the TIF.

President Hettermann questioned the Village's risk in approving term sheet. Attorney Smoron expressed that Mr. Oliver is making an unusual request as typically the plan is finalized before a term sheet is requested and the RDA is simply a finalization of the term sheet details. He added that the concern is political and could create issue with other taxing agencies and even expose the Village to possible litigation.

Trustee Fouke expressed concern that the school district had not been approached. He questioned if communications could take place with the school and then Mr. Oliver could return to the Village Board. Attorney Smoron explained that a general discussion could take place to get feedback from the school and other agencies to determine if they have concerns with terms before the Village acts on the term sheet.

Trustee Von Allmen stated that he feels other taxing bodies should have input before Village agrees to the term sheet adding that it is insulting to approve the term sheet without at least talking to them as there is a stigma attached with TIFs. Mr. Oliver stated that people have seen the benefits of the TIF in McHenry. Trustees Hagen, Von Allmen and Fouke expressed a desire to have the term sheet presented to the school before the board acts on it.. Trustee Von Allmen stated that he is concerned with taking action on the version of the term sheet provided to the Board in preparation for the meeting as it is different than the version Mr. Oliver handed out at the meeting. Trustee Hagen concurred and pointed out that the term sheet before the board for consideration is not the term sheet that Mike is agreeable to.

Mr. Oliver stated that his version of the term sheet is the most recent version reflecting changes made by his attorney. Administrator Sofiakis clarified that the Village responded to those changes with additional language Friday afternoon and his attorney was provided the updated draft that was provided to the board for the meeting. She added that the most recent draft includes the costs for the Village to relocate Salem Avenue in the future. She added that if the Village ever expects to use tax increment to recoup the cost of the relocation of Salem Avenue, it must be included in the term sheet and RDA. Attorney Smoron concurred and explained that it has to be part of the TIF study. Trustee Von Allmen stated that if he is asked to vote on the term sheet he would have to vote no because there are multiple versions of the term sheet being circulated and he has not had opportunity to look at the version Mr. Oliver is asking the Board to consider. Attorney Smoron questioned if the board would consider acting on the version provided to the board on Friday and making the approval contingent upon the approval of the school, fire and library districts and McHenry County. Mr. Oliver stated that he does not want the board to act on that version. He stated that he will pursue conversations with school and other districts in the mean time. It was the consensus of the board to carry over the matter to a future meeting. Mr. Oliver stated that his wife is a teacher at the school and he has spoken with employees from the fire district so he will follow up with them. President Hettermann emphasized that he can do so, however, he needs to take the matter to the board members of the taxing bodies. Administrator Sofiakis stated that a meeting is scheduled the following week with McHenry County DOT regarding Salem Avenue which will likely result in more information.

President Hettermann asked that an updated draft of the term sheet be provided to the board so that they can understand the changes. He explained that Mr. Oliver's draft enables him to receive 100% of the first 16 million and after that the Village would have access to any remaining money available. Trustee Hagen expressed that he not comfortable with the Village having to wait 18 years to receive TIF funds. Trustee Von Allmen stated that he needs more information to get a better understanding of the impacts before agreeing to the terms. Trustee Fouke again expressed that he feels the school district needs to be aware of Mr. Oliver's plans to establish a TIF. Trustee Hagen asked for confirmation that if the Village does not have access to the TIF funds for 18 years, bonds would need to be pursued to cover the cost of the realignment and pledge general funds to cover the payment. Administrator Sofiakis confirmed that to be the case as Salem Avenue will likely need to be realigned before the 18 year time period Mr. Oliver would have to recoup his investment. She added that it assumes that the realignment is included in the term sheet and RDA otherwise the Village cannot use TIF funds for the realignment without pursuing a major amendment to the TIF.

Mr. Oliver was instructed to meet with the school, fire, and library districts before returning to the board.

RECESS FOR CLOSED SESSION Trustee Sylavus moved to go into Executive Session to discuss pending litigation related to the Pistakee Yacht Club versus the Village of Johnsburg. Trustee Fouke seconded the motion. Trustees Letzte,r Fouke, Von Allmen, and Sylvanus voted aye. Trustee Hagen abstained. Motion carried at 9:02 p.m.

RETURN TO REGULAR SESSION Trustee Von Allmen moved to return to regular session. Trustee Sylvanus seconded the motion. Trustees Letzter, Fouke, Von Allmen, and Sylvanus voted aye. Trustee Hagen abstained. Motion carried at 9:42 p.m

ADJOURNMENT – Trustee Fouke moved to adjourn the meeting. Trustee Sylvanus seconded the motion. All Trustees voted aye on the roll. Motion carried 9:42 p.m.

Respectfully Submitted,

Claudett Sofiakis
Village Administrator

