

**VILLAGE OF JOHNSBURG
FEBRUARY 18, 2020 REGULAR MEETING
OF THE PRESIDENT AND BOARD OF TRUSTEES**

President Edwin Hettermann called the meeting to order at 7:01 p.m. in the Village Hall.

Attendees

Trustee Greg Klemstein
Trustee McEvoy (absent)
Trustee Josh Hagen
Trustee Tom Curry
Trustee Frost
Trustee Beth Foreman
Village Attorney Michael Smoron
Village Engineer Tim Hartnett
Assistant Administrator Vinny LaMontagna
Chief Keith VonAllmen

AUDIENCE PARTICPATION

Len Keil attended to question the increase in cost of the proposed building improvement and if all expenses are considered in the \$3.8 Million represented in the proposed ordinance. President Hettermann stated that original estimate was done a few years ago. He clarified that the actual expense is anticipated to be \$3.5 Million. Mr. Keil expressed concern with the debt that would be associated with both the proposed sewer project and building improvement. President Hettermann stated a presentation will be done later in the meeting to review the proposed sewer project and identify how the debt will be supported.

OMNIBUS AGENDA – Trustee Curry moved to approve Omnibus Agenda. Trustee Frost seconded the motion. All Trustees present voted aye on the roll. Motion carried.

- Move to approve the minutes of the February 4, 2020 Regular Meeting of the President and Board of Trustees
- Move to approve Resolution of the Village of Johnsburg to Adopt a Revised Anti-Harassment Policy.
- Move to approve Ordinance 19-20-46 Amending Ordinance 13-14-01 Granting a Conditional Use Permit and 17-18-34 Amending said Conditional Use Permit for the property commonly known as the Discount Tire property 2911 N. Richmond Road.

Disbursements

• General Fund	\$158,343.29
• MFT	\$ 20,478.88
• Waterworks & Sewage Fund	\$ 6,164.13
• Golf Course	\$
• Debt Service/SSA Fund	\$
• Total All Funds	\$185,256.30

PRESIDENT'S REPORT – President Hettermann reminded all that the Strategic Plan meeting is scheduled for February 22, 2020 and stressed the importance that everyone attends. He also reminded the board regarding the upcoming JABA Expo and asked for persons to inform Ms. Sofiakis when they plan to assist. He reported that Ms. Glosson is compiling the feedback from the SWOT analysis performed by the Board and will soon provide a report.

19-20-44 Building Bond – Trustee Frost moved to approve Ordinance 19-20-44 an Ordinance authorizing the issuance of General Obligation Bonds (Alternate Revenue Source), in one or more series, of the Village of Johnsburg, McHenry County, Illinois, in an aggregate principal amount not to exceed \$3,800,000 for the purpose of financing the costs of certain capital projects within the Village, and paying for costs related thereto. Trustee Hagen seconded the motion. Robert Vail attended from Bernardi Securities to review information regarding the current bond market. He discussed historical bond rates and remarked that interest rates are lower than they have been since the 1950s. Mr. Vail reviewed the Village's outstanding debt and the statutory debt limit of the Village. The Village's debt limit is \$18,733,976 million and has only \$66,342 in debit pledged against the limit leaving the Village an available debit limit of \$18,667,634.

Mr. Vail pointed out that the Village has a strong AA rating, which provides for very attractive rates. He discussed a debt schedule of \$3.5 Million amortized over a 25 year term. He remarked that the term is appropriate given that the funds support a building improvement project and current interest rates remain low even during longer terms. He explained that the ordinance is structured not to exceed \$3.8 million in the event something unforeseen occurs, however the Village does not anticipate borrowing more than \$3.5. Mr. Vail reviewed a proposed timeline for bond issuance, pointing out that the public hearing could be held on March 4th and the final ordinance acted upon at April 7th meeting. Following that timeline, final pricing could be done by April 14th and the project funded by the end of April.

Mr. Quinn questioned if selling bonds right before tax day is advisable. Mr. Vail stated that it has not been a problem in the past, but he will check with the underwriters. He clarified that the bonds would be callable in 10 years. Trustee Frost questioned if the Village's debt is high or low compared with other communities. Mr. Vail stated that the Village's debt ratio is very low. He remarked he does not anticipate significant spikes in rates but they will go up eventually. Trustees Foreman, Hagen, Frost and Klemstein voted aye and Trustee Curry voting no. Motion carried

KLUBER CONTRACT – Trustee Foreman moved to approve proposal from Kluber for Design Development, Construction Document Phase, Bidding/Negotiation and Construction Administration Phase services related to the construction of the David G. Dominguez Municipal Center. Trustee Hagen seconded the motion. Chris Hansen from Kluber attended and confirmed that the proposal is consistent with the projected costs. He stated that historically Kluber's projects have been completed within budget and he will keep everyone well informed of costs along the way to stay within the Village's budget. Holly Arnold attended and questioned why the Village is building a municipal center. President Hettermann stated that the Village is building an addition on to the Village Hall to house the police department. He explained that the department outgrew the facility on Chapel Hill Road and some improvements were done at the Public Works facility to provide temporary accommodations. The current police facility was sold and the Village is now moving forward with the addition to house the department at the Village Hall. Trustees Foreman, Hagen, Frost and Klemstein voted aye. Trustee Curry voted no. Motion carried.

19-20-47 – Sewer Bonds Trustee Frost moved to approve Ordinance 19-20-47 an Ordinance authorizing the Village of Johnsburg, McHenry County, Illinois, to issue Water and Sewer Revenue Bonds or, in lieu thereof, General Obligation Bonds (Alternate Revenue Source) (said bonds being general obligation bonds to be issued in one or more series, on a taxable or tax-exempt basis, for which property taxes, unlimited as to rate or amount, may be levied, but which are expected to be paid from the net revenues of the waterworks and sewerage system of said Village) in an aggregate principal amount not to exceed \$2,750,000, for the purpose of paying the costs of financing various capital improvements to the waterworks and sewerage system of the Village. Trustee Foreman seconded the motion. Village Engineer Tim Hartnett reviewed the proposed sewer improvement project and explained the need by existing businesses and homes. He also pointed out future areas that would be served by the proposed sewer extension.

Mr. Vail reviewed existing debt expiration and bonding options at level financing or interest only the first five years for both 20 and 25 year terms. He remarked that the Village could customize the structure of the debt so payments would remain lower until 2027 at which time the Village's existing bonds fall off. He explained that the ordinance proposes the issuance of up to \$2.75 Million in bonds but the Village expects to pursue \$2.5 Million. Mr. Vail stated that the Village would experience a savings in legal and rating fees of approximately \$35,000 if both the building and sewer bonds are issued together.

Village Administrator Claudett Sofiakis discussed the financing options and supportive revenues. She emphasized that the Village could take on the debt while maintaining its commitment to other obligations such as building reserves and subsidizing the police pension fund. She reiterated the anticipated completion of the Walmart Economic Incentive obligation in FY 2022 and elimination of the current debt service in FY 2027, which will free up additional funds.

Special Projects Coordinator Rick Quinn stated that he would typically be against pursuing both bond issuance at one time but he believes the sewer extension project will help pay for the building addition because of the advantages sewer will bring to help enable development in the area. He pointed out that if the Village wants to grow and get quality development, it needs to extend the sewer system. President Hettermann stated that had the Village not taken on the construction of the sewer plant, we would not have a retail corridor and revenues coming in from Walmart and the Shops at Fox River.

Trustee Curry questioned who would pay for an extension of the sewer system to Oakcreek Townhomes. Mr. Hartnett stated that the developer would be responsible to extend the infrastructure. He explained that the development was approved for an onsite wastewater treatment system, which would cost nearly \$1 Million. Mr. Hartnett added that in the past, the developers discussed extending the line from Angelo's, which would have cost approximately \$1.2 Million at that time and if Village is able to get the infrastructure to Channel Beach, the cost to further extend it would be approximately \$500,000-600,000.

Mr. Hartnett stated that the plant currently takes in approximately 70,000 gallons per day and once the flow increases to 150,000 - 200,000 gallons per day, the septic receiving station can be activated, generating additional revenue. He added that by connecting to the sewer system once extended, the Village can also expect to save approximately \$25,000 on the septic system associated with the building addition.

Trustee Hagen remarked that when speaking with business owners, the lack of infrastructure is what prevents them from proceeding. He added that he agrees with the project but is concerned with taking on the additional debt. President Hettermann explained that the ordinance before the board merely gets the process started and there is time to provide more information and address questions before bonding the debt. All Trustees present voted aye on the roll. Motion carried.

INTERGOVERNMENTAL AGREEMENT - The Board discussed the proposed intergovernmental agreement between the Village of Johnsburg and Johnsburg School District #12 related to field improvements at Hiller Park. President Hettermann asked the Board to provide feedback by the end of the week so that it can be incorporated into the proposed agreement and forwarded to the School for consideration.

UNFINISHED BUSINESS

TIF DEVELOPMENT AGREEMENT – Trustee Frost moved to approve the Tax Increment Financing Redevelopment Agreement between the Village of Johnsburg and GenCap Johnsburg 73, LLC contingent upon the TIF amount not exceeding \$1.5 Million and final approval by the Village Attorney, Village Administrator and Village Engineer. Trustee Hagen seconded the motion. Mr. Hartnett stated that all site civil onsite and offsite improvements along with the building construction reviews and the EOPC are complete but a final review of the numbers and exhibits need to be performed. All Trustees present voted aye on the roll.

COMMITTEE REPORTS – Trustee Foreman reported that the family skating event might have to be postponed due to weather.

ADJOURNMENT – Trustee Klemstein moved to adjourn the meeting. Trustee Frost seconded the motion. All Trustees present voted aye on the roll. Motion carried at 8:40 p.m.

Respectfully Submitted

*Claudett Sofiakis
Village Administrator*