

**CHANNAHON VILLAGE BOARD
COMMITTEE OF THE WHOLE MEETING
MAY 04, 2009**

Village President Joe Cook called the meeting to order at 6:00 p.m. with Trustees Davidson, Nash, McMillin, Slocum, Militello, and Greco present.

Also present were Village Administrator Jamie Bowden, Village Attorney Shari Freeman, Finance Director Robert Guess, Police Chief Joe Pena, Director of Public Works Ed Dolezal, Director of Community Development Mike McMahan, and Village Clerk Missey Schumacher.

ADMINISTRATION DEPARTMENT

Economic Stimulus Package for Residential Home Builders

Bowden invited Mr. N. Gene Briscoe to make a presentation regarding his business proposal to the Board.

Briscoe stated that his proposal is aimed at creating jobs in the community. He stated that there are no home sales currently and he would like to work together to find a solution that would work for everyone. He proposed that the Village fund a \$5,000 rebate to home buyers. Builders would be asked to match that amount. He suggested a possible end date for this program of December 31, 2010 and limiting it to 300 homes, including only new homes, model homes and lot purchases on which homes are built. He also thinks the program should be advertised to attract buyers, the cost of which would be shared between builders and the village. He would also approach other taxing bodies to ask them to help and participate in the program.

Bowden summarized the efforts other communities are taking to stimulate new home sales. Shorewood cut 25% of fees from top. Impact fees are paid at occupancy. Plainfield cut 50% of fees. Manhattan rebates to owner \$5,000 on single family, \$3,500 on duplex at closing. New Lenox defers payment of impact fees until closing.

Trustee Greco asked if the other taxing bodies will be asked for similar reductions.

Briscoe agreed that they would and it would also require a commitment from builders. He suggested that schools have an interest in participating because if homes aren't built, they don't get money. They all have debt to pay off.

Trustee Nash stated that impact fees only serve as a buffer for schools until the house is reassessed. It only covers the one year lag before school gets revenue from property taxes.

Trustee McMillin asked where the Village portion would come from, and whether we could guarantee that the money stays in town.

Bowden stated that it could come from capital fees and building permit fees. He reminded the Board that this is only a proposal. We need to look at how this affects our finances. He also stated that it would not be easy to guarantee that the money stays in town. Applying this type of program to 300 homes may be beyond what we should consider.

Trustee Militello asked how many houses we budgeted for next year. Do these homeowners use this as a down payment and can we require that?

Briscoe stated that the financial rules have changed in the past 6-9 months. Realtors are limited as to what money you can give to homebuyer. They are limiting closing costs to 3%.

McMahon stated that we have 10 homes budgeted. During the fiscal year that ended Friday, we did 11, not counting Mallard Pointe Apts.

Trustee Davidson stated that he is not opposed to some sort of stimulus concept. The problem is that homes on the resale market are going to undercut building new home. Is competition such that it could create a zero net effect?

Briscoe admitted that that could happen as new home sales are competing against short sale homes. .

Trustee McMillin asked if it would it be worthwhile to put a committee together including builders, taxing bodies, and loan writers. He again asked that if we give someone money from taxpayers, why can't it stay in town?

Trustee Nash stated that she'd rather give a tax rebate.

President Cook suggested that if there is a consensus, staff will continue to take a look at this. He just wants to know if board is willing to take a look at doing something.

Trustee Slocum suggested that even when the market comes back a little, people bought too big before. He thinks people will be more cautious. He asked Briscoe is he could come to the village, change plans, and build more affordable homes?

Briscoe answered that due to size of lots and homes and building requirements builders have pushed themselves into upper end of market. It is difficult to build a home under \$300,000.

Trustee Davidson explained the idea of Real Estate Owned properties. A company takes back land after foreclosure. If you could do something that might clear the REOs that are clogging sales in communities, it might help.

President Cook stated that we need to take a look at some way to encourage new housing in a responsible manner without putting village funds at risk. He suggested that the builders reach out to other taxing bodies for input. He asked any trustee interested in sitting on a committee to contact him.

COMMUNITY DEVELOPMENT DEPARTMENT

No formal items for discussion

FINANCE DEPARTMENT

An Ordinance Authorizing the Sale by Public Auction of Personal Property – 1st

Read

Guess stated that when this ordinance was put together Will County Governmental League was overlooked. He asked that this ordinance be tabled at this time.

POLICE DEPARTMENT

No formal items for discussion

PUBLIC WORKS DEPARTMENT

Approval for a Contract with Synagro for Sludge Hauling

Dolezal presented a contract with Synagro for sludge hauling. We have used them for a number of years. This is a 3 year contract with slightly lower price than we've been paying and escalators have been removed.

Flood Study Update

President Cook asked Dolezal for an update on the flood study.

Dolezal stated that questionnaires have been done and returned to Burke. Burke compiled them and put them on a map. Dolezal stated that he is not sure we wouldn't get the same response from other areas. Burke will now go into the area for survey starting on May 7th. They will compile some results after that. The Village hasn't gotten any phone calls during this last rain event.

Bell Rd. Stoplight Project Update

Dolezal stated that the Bell Rd. project was advertised in the Herald. Bid opening will be on May 21st. After opening, we have 45 days to award a contract. Paperwork could be done within a week or two of that award. At this point, we are ahead of schedule.

McKinley Woods Rd. Stoplight Update

Dolezal stated that we have received proposals from engineers for this project.

Rt. 6 East of I-55 Update

Dolezal stated that we are moving forward in looking for an engineer for the relocation of the SE frontage road. This project would relocate the frontage road around Pilot. He expects a proposal from engineers soon.

Submitted by
Janet Schumacher
Village Clerk