

**CHANNAHON VILLAGE BOARD
SPECIAL WORKSHOP MEETING
FEBRUARY 24, 2014**

Village President Joe Cook called the meeting to order at 6:30 p.m.

Roll call was taken with Trustees Slocum, Militello, Schumacher and Greco present. Trustee Scaggs was not present. Trustee McMillin arrived at 6:45 p.m.

Also present were Village Administrator Joe Pena, Director of Finance Robert Guess, Police Chief Jeff Wold, Director of Public Works Ed Dolezal, Director of Community Development Mike McMahan and Village Clerk Patricia Perinar.

SALES TAX REBATE PROGRAM

Pena provided the members with a memo in regards to the Rebate Fund. Previously, four different scenarios were given to the Board and after closer examination, it would be best to choose the option with no rebate income. An example was provided to the Board as to how that option would work with the budget. Pena stated that JCAR is taking a look at the emergency rules that have been presented. Our projection, at this point, is to say that we are not going to have any rebate income for the year and see how the program reshapes after those rules are accepted or something else is put into place.

VP Cook stated it would be in the Village's best interest to plan for the worst and hope for the best. Pena reminded the Board that when we did the Rebate Program, the two things we wanted to ensure was that the money would be used for capital equipment and that we had a balance that was equal to the amount that was owed on the building. As we are moving forward in that direction, we would be in that position to do both of those things this year.

Trustee Slocum questioned about how it effects next year. Pena stated that we will have to key in to road programs and equipment purchases in the future. We'll be fine for the next two years. The issue to address tonight to move forward is how to identify other revenue sources for capital equipment.

VP Cook stated that he is going to Springfield to meet with Senator Rezin and Senator Hutchinson to strategize about the Rebate Fund.

Pena went back to Trustee Slocum's question regarding the future. You always wanted to make sure there was enough money to pay off the bonds for the building. One of the options available would be to pay the bonds down next year if we can identify another source for capital as we go forward. Trustee Slocum asked Guess how practical that would be. Guess stated the money would be placed in a specific fund and that money stays in there. As the bonds come due that the only use the money may be used for. Guess thinks it would be a good idea and helps to protect us.

VILLAGE ROAD PROGRAM

Guess stated that there are two bond issues that are outstanding in the Village Road Program. The proposed road program will leave both the State and Village MFT funds with a zero balance. The primary funding source will be the Capital Infrastructure Fund which will be transferring \$731,089.00 for FY 14-15 funding.

UTILTIY SEWER RATE

Guess stated the sewer rate has been a drain on the utility fund for the past few years. Due to depreciation, we are eating away at reserves. The sewer budget is working in the red which could be contributed to the loss of revenue from the housing slow down and the lower amount of users. The utility fund by state statute has to make a profit. We have a 3% increase in rates to keep up with the regulation. The Village is proposing a 5% rate increase for 3 years in the sewer rate only. With that percent increase the average increase per user would be approximately \$4.00, depending on water usage. There are approximately 1000 users. The sewer rate increase would be a new ordinance.

CAPITAL FUNDING

A hand out was given with an outline of all the Revenues and the Expenses of Capital. The Telecommunications Tax was originally adopted with 100% going into the General Fund for operations. This is the second year which we have had it at 60/40. 60% is going to the General Fund and 40% is going to the Capital Fund. This is one area that the Board may want to reconsider reallocating to 50/50, 70/30, 75/25 or whatever would be in the Village's best interest. An option may be to go to 50/50 and see where it goes. This may be the only source of revenue if the Rebate Program is to go away.

IDI BLUFF ROAD PROJECT

McMahon gave the Board a memo summary of the IDI Project. The proposed improvements to the I-55/Bluff Road interchange incorporate safety, capacity and modernization elements. A 16" water line would be installed from the Bluff Road water tower to site.

It is proposed that the Village of Channahon issue 15 year general obligation bonds to fund the proposed off-site improvements. To cover the annual debt service, the following sources of revenue are proposed: Tax Abatement/Rebate, Recapture and Village Revenue.

The major Benefits of the project are improved highway access for trucks and vehicular traffic to the eastside of I-55. IDI would install the first leg of a N-S Road that is indentified in the Village's 2008 Comprehensive Land Use Plan, Transportation Element. IDI would also bring sewer to the site from the Joliet Wastewater Plant to the north and would make improvements to the Bluff Road fronting the development. The project would include a 16" water line to the east side of I-55 providing a new source of water customers and providing the needed water for fire suppression that is critical to new industrial development.

From a property tax revenue basis, once the Channahon Corporate Center is built-out and fully assessed it will generate approximately \$2.3m of property tax revenue to all the taxing jurisdictions annually (based on today's tax rate). The Village of Channahon portion would be approximately \$200k. The question is whether we go forward with this and work with the school districts and negotiate.

We are getting close on an agreement with the school districts with the TIF Surplus Agreement as well. Once we wrap that up we will begin negotiating with this.

BUILDING INSPECTOR POSITION

The retirement of the Village's current building inspector is pretty eminent. The Board needs to decide whether the position should be filled or farmed out. Different scenarios were given to the Board. After hearing the various options and the cost involved, it would be in the Village's best interest to replace the building inspector by filling the position when it becomes open.

TREE REPLACEMENT PROGRAM

Last year the Public Works Department removed 130 trees with half of those trees being Ash trees. Last year when the Tree Board adopted the EAB Plan, it was known they would be asking money for replacement of the trees removed. There is \$10,000.00 in capital for replacement and some of that money can be used for removal of large trees that are a public health threat. The Tree Board agreed on a Share Program ó Splitting the cost of the tree. We would go 50/50 on the cost of the tree. Public works would go out in the spring, tag trees that are dead or dying or are being removed. The resident can call to be put on a list. If called, they can then have the tree replaced by paying 50% of the cost of the new tree. The Tree Board is leaning towards this. Once the program does begin it would be a continuing program and difficult to take away.

Pena stated that this workshop is in addition to the budget presentation by Guess.

ADJOURNMENT

Trustee Schumacher made a motion to adjourn the meeting at 7:04 p.m. Seconded by Trustee Greco.

VERBAL ROLL CALL: ALL AYES

MOTION CARRIED

**Submitted by
Village Clerk
Patricia Perinar**