

**CHANNAHON VILLAGE BOARD  
COMMITTEE OF THE WHOLE MEETING  
NOVEMBER 3, 2014**

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

Also present were Village Administrator Thomas Durkin, Village Attorney Jim Murphy, Police Chief Jeff Wold, Director of Public Works Ed Dolezal, Director of Community Development & Information Systems Mike Petrick, Finance Director Heather Morandi and Village Clerk Patricia Perinar.

**ADMINISTRATION DEPARTMENT**

**Application for an Enterprise Zone**

Nancy Ammer, Grundy County Economic Development, spoke to the Board. The State of Illinois is requiring everyone to reapply for enterprise zones when their terms expire. Within the Intergovernmental Agreement and the Ordinance, in which the Village's legal department will review, Grundy County, if it's under our 3 square miles, the Enterprise Zone Board agrees to approve it. Conversely we would participate in anything on their side within the 12 miles. This is a very powerful tool that has been requested by our industries, especially with what is happening along the Route 6 industrial corridor. It is a 15 year zone. We will be just applying and hoping we are approved but won't know until the mid-part of next year. We are required to ask for an ordinance in an Intergovernmental Agreement from each municipality. Nancy was willing to answer any questions the Board had and requested that it be considered at the next Board meeting. The application deadline is December 31<sup>st</sup>.

**VILLAGE PRESIDENT**

**Recognition – Thumbalina Boutique**

The Thumbalina Boutique was presented with a certificate for thirty years of outstanding contribution, hard work, dedicated service and commitment to the Channahon community. Trustee Debbie Militello stated that she is a regular visitor at Thumbalina and suggested everyone stop in the boutique.

**ADMINISTRATION DEPARTMENT (Cont.)**

**Approval of 2015 Health Insurance Benefit Plan and Employee Premium Contribution Amount**

At the October 20, 2014 Village Board meeting, the Village Board 5-1 in the affirmative to join the IPBC (Intergovernmental Personnel Benefit Cooperative) as a member of the EWBC (Eastern Will Benefit Council). The 2015 Health Insurance Benefit Plan as proposed establishes a more traditional health insurance plan for the employees (lower deductible, prescription drug card, office visit copays) than what has been provided to the participating employees in the recent past (high deductible plan with a health reimbursement account). The proposed plan also utilizes United HealthCare as the claims administrator rather than Blue Cross/Blue Shield. The shift to United HealthCare is due to internal requirements of BC/BS. A comparison of the current and 2015 Health Insurance Benefit Plan is included along with a comparison of plan costs and comparison of employee contribution to the plan(s). The insurance committee recommends that (1) Village portion of monthly premium contribution per employee be

increased from 87% to 90%; (2) The Village establish, at the Village's expense, a Flexible Spending Account (FSA) per employee to allow employee to utilize a pre-tax contribution for eligible medical expenses as approved by the IRS; and (3) the Village Board restrict an amount equal to the employee premium contribution level (currently 10%) of any future premium surpluses to fund future payment of health insurance related benefits.

Village President Cook stated he does not agree with the restriction of funds in the plan. Trustee Schumacher stated that she agreed. She is fine with the 10% and thinks the flex spending is a great idea. In terms of the 10%, Schumacher does not think that hamstringing ourselves is a good idea with restricting funds. By joining this pool, we have already committed to leave that money in there for 3 years to stabilize the insurance rates. We have made that commitment to leave that money and beyond that, Schumacher does not believe it a prudent idea for the Village. Trustee McMillin wanted to know whether there were any restrictions on what the money is spent on. Administrator Durkin explained how the funds could be used and/or saved, including the possibility of buying the rate down, but not something he would suggest.

### **VILLAGE PRESIDENT (Cont.)**

#### **Lone Star Restaurant Sewer Connection Agreement**

Administrator Durkin gave an overview of the situation and of the proposed agreement. The owners of the Lone Star Restaurant have approached the Village to request financial assistance from the Village to connect the Lone Star to the Village's public sanitary system. The owners have secured three bids from licensed contractors which have been reviewed by the Village for compliance to the codes and requirements of the Village. Public utility easements are in place to allow such connection.

The attached agreement includes the costs provided by the contractor favored by the owners of Lone Star and the one that they would like to hire to complete the work. They are also the lowest of the three estimates received. In addition, the agreement lists the tap on fees required by the Village and the recapture agreement to be paid by the owners of the Lone Star to the original installer of the public sanitary sewer to which they will connect. The agreement outlines the dollar amount being requested and the terms of the repayment of the loan to the Village.

To substantiate the fact that the recommended interest rate of 1.8% is a fair interest rate, the following guidelines were used:

- 1) This week the Wall Street Journal reported the prime rate, federal funds rate = 3.25.  
Assuming the Village offered a percentage  $\frac{1}{2}$  of the current prime rate it would = 1.63%
- 2) Using a 90 day LIBOR rate, adding 150 basis points and then discounting the total rate by 79% to effect a tax exempt rate, the current rate would be 1.37%.
- 3) Borrowing from a local bank (rates received from First Community Bank in Channahon), the interest rate for borrowing for a 1-5 years term would = 4.00%.

The key to the information above is that the rates noted in items 1-2 above are based on a short term repayment schedule (approximately 90 days). Given the fact that the Village is offering the loan to the business owner to accelerate the timing in which this project can be completed, the 1.8% interest rate appears to be reasonable. It is lower than what the business owner could get from a banking institution for a long term loan and it allows the business owner to complete the

project quickly which in turn assists the business owner to reduce a potential health hazard with the current septic system.

Gus Sparagis, Lone Star's attorney, spoke to the Board and gave an overview of the proposed agreement. He stated that if they get the necessary approvals they may be able to get the project started immediately. Finance Director, Heather Morandi, went over the interest rates proposed and the term of the loan.

The Lone Star stated that this is not a cosmetic issue but a necessity and believes that they have met all that the Village previously requested. Trustee Scaggs confirmed with PWD Dolezal that regular inspections would be taking place on the work being completed.

Trustee Schumacher expressed her support for the project and hopes the Village may be able to use this as a "stepping off point" for the Village. She would like to see the Village develop some sort of program if we are going to help businesses. We need to have money allocated in our budget for this. We need to set some sort of parameters for what we are going to do, what sort of construction projects we want to get involved in, along with some sort of application process that one needs to go through.

Trustee Slocum was in agreement stating it has been something they have discussed previously with businesses in regard to façade improvement. This could be something the Village could do to beautify the businesses, to help them invest in improvements in their current business.

Trustee McMillin had questions about the contractor listed for the work on the Lone Star project. He would like to see a program in place for residents, as well, who may need assistance with well replacements or septic issues. He would also want to know how many would be allowed in a year.

## **COMMUNITY DEVELOPMENT & INFORMATION SYSTEMS**

### **Springfield Update**

DCD&IS Mike Petrick gave the Board an update on the latest trip down to Springfield. Petrick, Trustee McMillin, Trustee Schumacher and Durkin met with IDOT to discuss with them the previously failed grant application for the Bridge Street bike path. Positive feedback was received. A necessary program will be to increase connectivity which may require some Phase I engineering and potentially know how much right-of-way will need to be acquired to pull the project off. It would require staff to look at potential costs and the Board to decide if it is possible.

Mike Rittorf, Government Liaison Chairman for the CEDC, spoke to the Board with an update on the CEDC. He thanked Durkin, Norris and Petrick for their support during the transition time after McMahon's departure.

On August 26<sup>th</sup> the Way Finding Sign's ribbon cutting ceremony took place. There have been many positive comments from people in the community. There have been a few more identified, the post office and library, which need to be put up.

The CEDC is still working on getting the message board at Navajo and Rt. 6. This looks to be a spring project. Because it is a significant cost, they are making sure it is done right and want it to be a first class amenity for the community.

On September 9<sup>th</sup> a shopping center summit was held. There were approximately 10 to 12 people, who own shopping centers within the community, who attended. There was a great dialog that took place and VA Durkin spent a lot of time building relations with the business owners present.

The CEDC has a business retention committee which is scheduled to kick off at the first of the year. It is not only to draw in new business but retain existing businesses, as well.

Big Event coming up is the CHANNAHOLIDAYS. It will run from 11/29/14 to 1/2/15. It will encourage people to shop locally. Several businesses have already committed.

Rittof stated he will be back after the first quarter of 2015 with another update.

## **FINANCE DEPARTMENT**

### **Audit Update**

Director of Finance Heather Morandi reported that the 2014 audit is complete. Morandi stated that a presentation from the audit firm is tentatively scheduled for the November 17<sup>th</sup> Board meeting.

## **POLICE DEPARTMENT**

### **Police Eligibility Testing**

Police Chief Jeff Wold informed the Board that the police department is at 100% staffing level but the hiring list has expired. The police department will be running some ads and completing eligibility testing for new hire police officers in the event an opening does occur within the department in the future.

## **PUBLIC WORKS DEPARTMENT**

### **Super Pantry – Release of Maintenance Guarantee for Steps 1, 2 and 4**

Dolezal stated that this guarantee is held with a Maintenance Bond with an expiration date of November 6, 2014. In accordance with Subdivision and Development Regulations, the developer has requested the Village release the maintenance guarantee in the amount of \$23,058.00. Public Works Staff has inspected constructed improvements and finds they are complete and in good condition.

### **2014 Road Maintenance Project Change Order Number 1**

Dolezal stated that this change order represents final as built quantities for certain contract items. These changes generate a net decrease of \$2,384.85 to the original contract costs for these items.

### **Purchase of Replacement Pickup Truck for Public Works – REVISED**

At the last Board meeting the purchase of a Ford F350 was approved with a cost of \$36,805.00. The actual cost as shown on the quote that was attached was \$36,864.00. The requested action on the previous Board Memo was incorrect.

## **POLICE PENSION**

- Police Pension Actuarial
- Tax Levy Demand Letter
- Annual Report to the Municipality

Morandi stated that it was completed with a revised date of October 21<sup>st</sup> and subsequently passed by the Police Pension Board. The Police Pension Board submitted the Tax Levy Demand Letter which was available for the Board to review. It does note the total amount for the levy being requested, \$476,620.00, which is a 10% increase over the prior years but does keep the pension funded at 59.9%.

The Committee of the Whole meeting was adjourned at 6:38 p.m.

**Submitted by  
Patricia Perinar  
Village Clerk**