

**CHANNAHON VILLAGE BOARD
COMMITTEE OF THE WHOLE MEETING
November 16, 2015**

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

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

VP Moorman-Schumacher informed everyone present that anyone who speaks at the meeting shall be deemed to have given his/her consent to the recording of their likeness and speech. This meeting is being recorded.

ADMINISTRATION DEPARTMENT

John Grueling from the Will County Center for Economic Development

Village President Moorman-Schumacher introduced Mr. John Grueling from the Will County Center for Economic Development. Mr. Grueling introduced the newest CED employee, Renee Stagno. She is the Business Relations Manager whose prime function is to interface with our investors and business communities to provide better communication and reach into the communities. Mr. Grueling gave a brief presentation with visuals to the Board regarding what the Will County Center for Economic Development does to benefit the Village.

Trustee Scaggs asked if he was aware of the plans of the widening of I-55 and I-80 with a possible timeline and how it is to be financed. Mr. Grueling stated there is a Phase 1 Engineering study going on right now for I-80. Funding is in question and should come out of the state motor fuel tax fund and is on their 5 year transportation improvement plan. We need to keep reminding the state of the importance of this project. He has not been able to get anyone to talk to him about I-55.

Trustee Slocum asked who their lobbyist in Springfield is. He stated Julie Currie in Springfield and Smith, Dawson, and Andrews is who is used in Washington along with the County.

Trustee Greco asked if there has been anymore talk about the airport. The state continues to acquire land for condemnation. They are at about 80% land inquisition for the inaugural footprint. It's hard to market until we know the cost it will take to land a plane there.

Trustee Host asked whether all municipalities are up for pledges. Not all are at this time.

Trustee Militello asked about the unemployment accuracy. Does it include the underemployed or those that fell off the radar because benefits ended? The statistic show that unemployment is going down and employment is up but it does not show whether individuals are underemployed.

Trustee Scaggs wanted to know if there is anything the Village can do to help the increase in lanes to move faster. Mr. Grueling stated showing support and collaboration is very helpful.

COMMUNITY DEVELOPMENT & INFORMATION SYSTEMS

Concept Plan for St. Ann's Senior Residence

DCD&IS Mike Petrick stated that Catholic Charities is progressing with their plan to construct affordable senior housing in the Channahon Town Center. The development will be presented for comments from the Planning & Zoning Commission. The proposal will construct four, three-story buildings with 12 units each, for a total of 48 units in Phase 1. A clubhouse will also be constructed on-site for use by the residents of the development. Land is being acquired for a potential Phase 2, which could house 24-48 additional senior housing units. This land is Proposed Lot 4.

Financing and Funding has been approved for the project through a combination of sources, including IHDA tax credits. At the time of this memo Catholic Charities was working on finalizing a purchase contract for the property from the Catholic Diocese of Joliet.

Along with the construction of the structures, St. Elizabeth Dr. will be completed from the traffic-circle at Navajo Dr. to the current dead-end of St. Elizabeth Dr. St. Ann's Way will stub to the north, allowing secondary access to the site as well as access to St. Ann's Church. A walking path will be constructed through the development and circling the detention area. The decorative stone wall that currently exists on the north side of St. Elizabeth Dr. will be continued through to the traffic circle.

Senior Housing (or "Elderly Living" as it was called in the Master Plan) has always been a component of the Town Center. However, the location of this development is slightly different than the original master plan and causes the following changes to the overall Town Center Master Plan and PUD:

- Removal of 23 single family home sites
- Alteration of the internal road network
 - Elimination of St. John's St.
 - Elimination of St. Luke's Ave
 - Elimination of Alley 2 and Alley 3
 - Redesign of St. Paul Ave. to follow new detention area
 - Marquette Ln. will end at St. Paul Avenue.
 - A non-geometric bend in St. Elizabeth Dr. has been removed
- Change in shape of detention area

Although there has been some minor alteration to the shape of the undeveloped Current Lot 2 residential area, the number of lots remains the same on that parcel for future homebuilding.

Additionally, approvals will be sought in the coming months for the following changes:

- Resubdivision of Current Town Center Lots 2, 3, and 4.
- Amendment of the Town Center Annexation Agreement, last amended 2006
- New preliminary plat & Amended P.U.D. for the Town Center Development
- Final Plat for what is currently Town Center Lot 3

Stormwater has been an issue with the design of this development, as the original master stormwater plan put the detention area for this development offsite, on what is today Lot 2. Additionally Lot 3 contains the stormwater areas for Lot 4, which will need to be granted proper easement for the future development of current Lot 4. Proper alteration of the stormwater areas to comply with the overall stormwater plan for Town Center is the main driver for reshaping the current Lots 2, 3, and 4.

Mr. Jim Roberts, along with David Dicks representing the architect and Chris Papesh representing the civil engineers, were available to answer questions from the Board. Mr. Smith stated they do have funding commitment for the development of the project for approximately 12 million dollars which requires construction to start by April 2016. He would like to be submitting formal plans for review and approval by the Village by the end of this year or the early quarter of next year. The land has been approved to sell to the charities.

They are currently working with the charities to build up their social services program for our property management team. It is very important to them that they provide housing to the most vulnerable in our communities which are our seniors on modest or fixed incomes. We want to make sure we support them in their home with respect to social service plan that is enriching to their lifestyles. Rental assistance will be offered to at least 25% of their population, have on-site management and maintenance services, provide connections back to a variety of additional social services in areas in regards to healthcare, finances, banking, and transportation so the community is designed for independent lifestyles for their families. They are also working with St. Anne's Church with respect to developing programs with them with respect to the social services they would like to provide through construction as well as management.

Rent will be between \$350 and \$850 and rental assistance where needed.

The marketing is designed to impact the residents of Channahon. Tenant selection is designed to address and introduce them to the project throughout the construction process. They have a number of informal inquiries to date which is encouraging. He believes this may be the first of a 2 phase development.

Trustee Slocum asked him to explain "tenant section." Mr. Roberts stated that they will be setting criteria by which they will consider or qualify households for occupancy of their units. It has to be consistent with their financing. In order to provide the type of financing they organize in terms of their tax credit sales and bank financing our tenants have to have incomes that range between 30% and 60% of area median income. They have to qualify those households relative to those income certifications in order to enter into a lease with those families. They also have to certify that the head of the households are 55 years of age or older since it is designed as a senior living community and not a family community. There will be a series of steps prior to leasing in order to qualify each and every individual family for residence before they can execute the lease. Trustee Slocum asked if a 55 year old male with a 35 year old wife with 5 children would qualify. Mr. Smith said that if the head of household is 55 he would qualify but it is a 2 bedroom with occupancy restrictions. The tenant selection plan restricts it to 2 persons total for the 2 bedroom apartments.

Village Administrator Tom Durkin wanted to know how this will be enforced. Mr. Smith stated that the tenant selection plan requires them to assert the size of their household. They have to qualify that through their representations in terms to the documents that are provided. Anyone who violates the housing requirements is subject to immediate eviction.

Trustee Host asked where the on-sight management services will be housed. Mr. Roberts said they have a management building proposed in the center of the property in the club house. VP Moorman-Schumacher asked what the source of the rental assistance will be for at least 25% of the residence. They were able to secure a Section 8 rental assistance contract for seniors from the Joliet Housing Authority. VP Moorman-Schumacher wanted to know if Channahon residents will have priority of other applicants. Mr. Roberts said the marketing will be asserted in Channahon first in hopes of developing a wait list for the property. There will be a wait list 1 to 48 and Channahon residents will have an opportunity to be placed on that list by first come first serve. Several units are designed for the physically disabled and sensory impaired. Those units are given priority for those units.

Trustee Militello wanted to know if they had other units that the Village could go and view that were built elsewhere. Mr. Roberts stated that they built this product in Frankfort that is designed as senior condominiums. They are currently constructing 3 other buildings under the same financing programs as here in Channahon. Are there other ones built with a similar concept. Mr. Roberts stated he believed there is one in Shorewood, Alden. Trustee Slocum asked whether it was the same 25% assistance but Mr. Roberts was not sure of that.

Trustee Scaggs asked what the time table was in getting them constructed and occupied. Mr. Roberts gave the construction company a 14 month window. It is there intent that they would begin leasing as buildings are completed.

VA Durkin asked the architect how they plan to have the building meet the design guidelines previously established for the town center in regards to architectural style from different periods.

He stated he would need to go in depth to what the guidelines are. The Village is the architectural review board. The Village is exploring different concepts for the site plan just to see if there are some different things to better meet the guidelines established and approved so we do not lose the desires of what was approved.

Trustee McMillin asked whether the Village gets documentation showing the funding and tax credits. Mr. Roberts stated that he keeps Mr. Petrick and the Village informed of how the execution is being approached. Mr. Durkin stated that they have spoken to Mr. Roberts regarding the tenant selection plan. The Village would like to see it in its entirety and want to be of its approval in this particular project.

Trustee Slocum stated to Mr. Roberts that the Village has been working with him on this project for quite some time and this was the first time that he has mentioned either Section 8 or the Joliet Housing Authority. Slocum wanted to know what role they will play and what percentage will be Section 8. Mr. Roberts said their only role is to provide him with the project based voucher

contract for the 25% units. That is their only role with the project. It was his intent to make sure he provided assistance.

Trustee Host asked whether there was a senior section of Section 8 specific. Mr. Roberts said they have the ability to be specific through their tenant selection plan. This allows them to be specific with the use to the application of voucher contract. By virtue of the fact that they are entering into an agreement with the Village and their financial partners to do a senior dedicated development that is represented through our financing agreements, the tenant selection plan and land use agreement they are pinning to that position from the conception of the project. VP Moorman-Schumacher wanted to know how big of a role they will play in the tenant selection process. Mr. Roberts said they will not play a role at all.

Trustee Slocum wanted to know if they have to be seniors in the development. Mr. Roberts stated that this is a 30 year agreement.

Trustee McMillin stated the agreement stays with the property.

Village Clerk Patrica Perinar asked whether eviction policies are different for those with Section 8 assistance. Mr. Roberts said it is not because the contract runs with the property and not the individual.

Trustee Host asked whether management services as a separate division monitored by Catholic Charities. Mr. Roberts said it is.

VP Moorman-Schumacher wanted to what guarantee the Village has in maintaining the private roadways. Attorney Silverman stated this is something that can be built into the amending of the annexation agreement.

FINANCE DEPARTMENT

Preliminary 2015 Tax Levy

Director of Finance Heather Wagonblott informed the Board that per state statute, the Village may levy and collect taxes for corporate purposes. On or before the last Tuesday in December each year, the Village shall ascertain the total amount of appropriations legally made or budgeted for and any amount deemed necessary to defray the additional expenses and liabilities for all corporate purposes to be provided for by the tax levy of that year. In other words, the Village is authorized to levy the appropriate amount of property taxes that cover the expenses of the Village in the upcoming year so that the Village will not face any financial challenges.

There are seven categories for which the Village levies taxes each year: Corporate, Police Protection, Illinois Municipal Retirement Fund (IMRF), Social Security, Police Pension, Municipal Auditing and Insurance & Tort Judgement. The Village may levy, for the two categories Corporate and Police Protection, a tax not to exceed 0.25% and 0.0075%, respectively, of the value as equalized or assessed. The Police Pension levy amount is determined by the pension actuary who provides the annual levy amount for this category from the annual report. The remaining four categories levy amounts are determined by the total

amount budgeted by the Village which represents the anticipated expenses for the respective categories.

After many years of declining EAV values, the 2015 projected values show an increase. The "Summary of Proposed 2015 EAV" spreadsheet uses several documents gathered from Will and Grundy Counties to project the 2015 EAV amount. The final EAV for 2014 was 272,685,405. The projected EAV for 2015 is 287,715,530 or a difference of approximately 15,000,000 or 4.45%.

The attached spreadsheet, "Tax Levy Calculation", demonstrates various property tax levy scenarios. The scenarios range from keeping the tax rate the same as the previous year to an increase in levy dollars to cover almost the maximum amounts allowed. Each scenario will be reviewed and discussed in detail.

Discussion points for the levy proposal include the following:

- Sales tax revenue (state and local tax revenue) has **decreased by over \$9 million** when comparing fiscal year 2015 to fiscal year 2012. Previous year's sales tax revenues were **\$20,690,241, \$17,381,707, \$15,816,895 and \$11,359,387** in fiscal years **2012, 2013, 2014 and 2015**, respectively. In past years, the Village was able to rely on a significant amount of sales tax revenue to offset the General Fund expenditures. Since the Illinois Department of Revenue has changed the rules related to the rebate clients, **the Village no longer receives these excess funds**;
- Other tax revenues such as excise or telecommunications tax **have also shown a decrease** over the past few years. Previous year's excise tax revenues were **\$324,105, \$309,827 and \$285,237** in fiscal years **2013, 2014 and 2015**, respectively. Motor Fuel Taxes have also decreased from **\$312,637 to \$301,752** in fiscal years **2014 and 2015**, respectively;
- The uncertainty of the State of Illinois continues to loom and cause unrest for the upcoming budget season. The Village has not received the past 4 months of Motor Fuel Tax allotments from the State which is approximately \$90,000. The legislators have threatened a property tax freeze which would limit the Village in future years and would further cripple the ability to utilize these revenues to cover General Fund expenses;
- Levying an appropriate dollar amount each year will assist to defray the costs associated with the unfunded mandates that the State continues to impose on local municipalities in addition to the uncertainties noted above.
- **The Village has not and continues to not levy for any of the current outstanding debt.** The Village has several debt obligations that can be levied each year and passed on to the taxpayers. The Village opts to pay the current debt obligations from other revenue resources.

The levy dollar amount was \$2,106,371 and \$2,003,765 in 2013 and 2014, respectively. The 2014 levy was approved such that the tax rate stayed the same which resulted in the decrease in the levy dollars. This caused the Village to sacrifice approximately \$103,000 for fiscal year 2015. "Scenario B" brings the Village back to where the levy dollar amount was in 2013. An

analysis is also included to show the effect of each levy scenario on a \$250,000 and a \$200,000 home.

Please consider that each year, the Village is faced with rising costs, greater demands from the residents and changes in technology, all of which have a financial impact to the Village. Establishing an appropriate levy each year assists the Village to be financially prepared for fluctuations in other tax revenues or any other volatile revenue sources.

The notice for the public hearing of the levy will be posted this week to be in compliance with the Truth in Taxation law. Even though the Village is not required to hold a public hearing, it has been the Village's practice over the years to hold a public hearing. The public hearing will be held prior to the Board Meeting on Monday, December 7th. The final levy document will be presented to the Board for approval on the 21st of December. The final levies are due to both Will and Grundy counties by Tuesday, December 29th.

The Board will be having a Public Hearing for the Tax Levy at the next Board meeting, December 7th.

In order to be in compliance, the Village is required to post the levy in the newspaper.

The levy will need to be approved by the 7th or 21st to have it in to the county by the 28th.

Trustee Host asked why there is such a substantial difference between prior levy dollars and maximum proposed for the Insurance and Tort Judgment fund. Last year when we kept the levy rate the same, we tried to max out the corporate and police protection because we were capped for those categories. We had to keep within the 2 million dollar amounts so we took the hit with the insurance.

Village Attorney Silverman stated that the Board needs to record the maximum amount that will be an option for the levy.

VP Moorman-Schumacher asked Mrs. Wagonblott what her thoughts were to keep the Village in a fairly healthy situation given the uncertainty of the state.

A visual was provided showing 17% of General Fund Revenue is from Property taxes. Due to uncertainty, Finance Director Wagonblott suggests to levy as much as possible with the least impact to the community which would be proposals D or E.

Trustee Slocum asked if the Village will see an increase from Blue Stone? Mr. Petrick stated that it will be tied up for awhile.

Mrs. Wagonblott stated that this is something that can always be reevaluated in future years. The Village needs to have the fiscal responsibility in which they are charged with to make sure the Village has the funds to continue services without interruption.

Category breakdown can be amended with keeping the total funds the same.

Village Administrator Durkin reminded the Board that currently the Village is negotiating four union contracts which will be three year contracts retroactive to May 1st, 2015. .

Trustee Militello stated that she will vote to keep the rates the same as last year. Trustee Scaggs was in agreement with Militello.

The Village Board was in agreement to publish the Max as \$2,357,726.00 for the Levy.

POLICE DEPARTMENT

No Formal Items for Discussion.

PUBLIC WORKS DEPARTMENT

Ozinga Materials Berm Release of Improvement Completion Guarantee

Director of Public Works Ed Dolezal informed the Board that this development included construction of a landscaped berm for screening and drainage (grading) improvements between commercial aggregate mining operations and Village residents. A lump sum cash escrow guarantee was held to insure correct completion of the berm, drainage and landscaping.

There are no public improvements associated with this site and therefore no requirement for a maintenance guarantee. Asbuilt Record Drawings review by Village Staff as well as onsite inspections confirm the berm has been constructed in conformance with approved design.

PUBLIC COMMENT (Limit to 5 Minutes)

The Committee of the Whole was adjourned at 7:17 p.m.

**Submitted by
Patricia Perinar
Village Clerk**