

COMMITTEE OF THE WHOLE MEETING
Village Hall, 102 South Second Street

November 12, 2012 - 7:30 pm
Village of West Dundee

I. CALL TO ORDER:

President Keller called the Committee of the Whole Meeting to order at 7:32 pm.

II. ROLL CALL:

Present were President Larry Keller, Trustees Becky Gillam, Tom Price, Norm Osth, Pat Hanley and Andy Yuscka. Trustee Julie Voss attended via teleconference.

Also present were Village Manager Joseph Cavallaro, Community Development Director Cathleen Tymoszenko, Finance Director David Danielson, Fire Chief Randy Freise, Police Chief Andrew Wieteska, Public Works Director Rich Babica, Village Attorney John Brechin and three (3) persons in the audience.

III. PLEDGE OF ALLEGIANCE:

Trustee Osth led the Board and those in attendance in the Pledge of Allegiance in honor of America's service veterans.

IV. APPROVAL OF AGENDA:

MOTION: Moved by Trustee Hanley and seconded by Trustee Gillam to approve the agenda as presented. Upon roll call, motion was approved.

AYES: Trustees Hanley, Yuscka, Voss, Gillam, Price and Osth

NAYS: None

ABSENT: None

V. VILLAGE PRESIDENTS REPORT: There was none.

VI. REPORTS AND QUESTIONS FROM TRUSTEES: There were none.

VII. VILLAGE STAFF REPORTS:

Manager Cavallaro advised that Republic Services delivered the new refuse toters throughout the Village this week, and the Lions Club is seeking volunteers to assist with unloading Christmas trees on Saturday at 9:00 am at Grafelman Park.

Director Babica advised that leaf collection is reaching its final stretch, concluding at the end of the month. The parkway tree planting program has been completed in areas west of Sleepy Hollow Road, and the focus will shift to the Tartans neighborhood next. He advised that the street sweeper will make a final pass after leaf collection has concluded, weather permitting.

Chief Freise invited the Board to attend the Firefighters Association Turkey Raffle this weekend.

VIII. ITEMS FOR DISCUSSION:

A. Hillcrest MF Concept Plan Review

Director Tymoszenko invited forward the property owners' representative, Mr. John Regan. The parcel under discussion is located along the north side of Route 72 east of Sleepy Hollow Road.

Mr. Regan provided background on the parcel and the concept, which was brought before the Board for discussion in conjunction with Avis Development in April of this year. He advised that Avis chose not to pursue the concept, and the property owners commissioned a market study by Appraisal Research to analyze the viability of the proposed multi-family rental community development. He discussed the results of this study, which support current market demands for high-end rental units, and a lack thereof in the Kane/Kendall market area.

Director Tymoszenko referred to her November 8 review letter, indicating that the proposal as submitted has been revised to address the concerns raised by staff and the Board in conjunction with the previous presentation, including reduced density, increased parking and interconnection with the existing Tartans subdivision.

Mr. Regan stated his intent is to confirm that the proposal meets all of the requirements and for the Board to pass a motion at the next Regular Board Meeting directing him to pursue a formal review and recommendation by the Planning and Zoning Commission, prior to undergoing the expense of preliminary engineering.

Upon inquiry from Manager Cavallaro, Mr. Regan advised that if an affirmative motion is achieved, he would seek a major developer for the project and would either sell to or partner with the developer. He added that he would only be able to sell the property contingent on all approvals and entitlements being in place for the development.

Trustee Gillam inquired about the height of the proposed structures. Trustee Price inquired about the elevation of the property in contrast to the neighboring homes, adding that the proposed layout minimized the visual obtrusion of the proposed development.

Mr. Regan noted that the density of the rental development proposal is approximately 8.8 units per acre, and that the existing parcel is proposed to be subdivided with the smaller area to be held for future development, potentially as a senior facility.

Director Tymoszenko discussed the next steps in the concept plan review process as it relates to the subdivision code, adding that in her opinion an affirmative motion would set the stage for the development to proceed into the engineering phase, and that if the formal development proposal was substantially different, the Board could take a step back.

Trustee Osth stated concern for the proposed change to the ratio of owner-occupied versus rental properties within the Village, and the mix of single- and multi-family in close proximity, adding that the market may shift again and the Board must consider the best interests of its existing residents.

President Keller noted that prior to the construction of the Grand Pointe, Carrington and Tartans subdivision, the housing stock ratio was weighed more toward rental units. He added that any development will be met with controversy, but he feels that the concept has merit and could be a positive for the community and the economic health of the retail community.

B. Six-Month Financial Report

Director Danielson advised that the six-month financial report is being provided without the benefit of the audit report, but that no major changes are expected based on the audit. He advised that the Village is on target with the fiscal year budget for both expenditures and revenues.

An overview comparison of the previous and current fiscal year was provided. Of note, Water and Sewer Fund revenues are up \$100,000 over the projected number due to the extremely dry summer, the Capital Projects Fund is \$400,000 in the red due to loan repayment, Sales Tax is slightly ahead of the projection, but still far behind last year with the loss of Best Buy, and Operations Revenue is up \$100,000. Director Danielson thanked Chief Wieteska for a notable decrease in Police overtime costs due to the switch to 12-hour shifts.

Director Danielson advised that CD reinvestment rates have fallen further below the 2% return the Village is currently receiving. He noted that the Police and Fire Pension Funds are seeing good returns on their investments, which will provide an opportunity for a flat or potentially lower property tax levy recommendation for these pension obligations.

Director Danielson reminded the Board that GFOA recommends a fund balance equal to 90-day operating expenditures, which equates to \$2,000,000 for the Village of West Dundee. He noted that the General Fund budget of approximately \$8,000,000 has not changed since 2005, despite increasing costs, due in part to a workforce reduction from 65 to 53 employees.

Trustee Osth inquired about the line item consolidation on the last property tax bill. Director Danielson advised that this decision was made by Kane County for brevity purposes. He advised that of the \$3,000,000 levy, approximately one-third are pension and retirement obligations.

C. 2013 IRMA Deductible

Director Danielson advised that an annual analysis of the deductible for general operating insurance is warranted. He advised that the current \$50,000 per claim deductible has been in place since 2004 and that while the typical deductible is \$2,500, premium credits increase for higher deductibles. Over the past 8 years, the Village has received approximately \$350,000 in savings in premiums versus deductibles paid.

Director Danielson's recommendation is to continue the \$50,000 per claim deductible. Trustee Hanley requested an analysis of a higher, \$100,000 deductible. Manager Cavallaro noted that the current and typical budget provides for a single \$50,000 cushion.

D. Capital Equipment and Infrastructure Maintenance Replacement Program

Manager Cavallaro recapped previous conversations regarding funding and prioritization of capital equipment purchase/replacement and streets/infrastructure programs. These programs have been deferred for the past several budget cycles due to budget constraints, and the Board has agreed that deferral cannot continue. A target amount of \$1,000,000 annually (\$470,000 for capital equipment and \$600,000 for streets/infrastructure) has been discussed as a good target.

Four potential funding sources were discussed:

(1) Use an existing resource, by drawing down the fund balance in Fund 4, which currently includes approximately \$2,380,000. It was suggested that an amount such as \$250,000 from this fund on an annual basis will provide for an 8-10 year life span for this non-recurring revenue source. It was noted that these funds were collected specifically for capital projects.

Trustee Hanley suggested that this fund draw down should be capped at 4 years as to not fully deplete this fund balance.

(2) Reallocate approximately \$300,000 from the existing tax levy amount of \$3,000,000 toward these programs, and suspend the practice of fund rebuilding to maintain a \$2,000,000 cushion (3 months operating expenditures) as recommended by the Government Accounting Standards Board.

(3) Levy a specific dollar amount annually on a newly created line item on the property tax levy for these programs. An amount of \$250,000 was suggested, which would equate to approximately \$0.10 increase in the property tax rate, or approximately \$65 per year for the average home valued at \$200,000.

Manager Cavallaro outlined the benefits of this approach, including that it is a renewal resource (annual), is fully tax deductible by property owners, equally affects residents and businesses alike, and is succinct, transparent and efficient to implement.

(4) Identify new revenue sources, such as a food and beverage tax, vehicle sticker or fee for refuse collection. These three options combined may garner approximately \$440,000 annually, if successfully administered.

Manager Cavallaro noted that these types of user fees are labor intensive to administer and must be administered by the existing Village staff. This would require additional staff, which, if part-time, would come with a cost of about \$30,000-50,000 annually. In the example of the food and beverage tax, it would also increase the workload for the affected businesses.

The first three funding options outlined add up to an estimated \$800,000 that would be available annually for these programs.

Manager Cavallaro walked through a sample capital expenditures proposal for 2013 and 2014, outlining some of the previously discussed capital equipment and infrastructure needs, totaling an estimated \$800,000 annually. He stressed that individual requests would need to be reviewed on an annual and ongoing basis for prioritization.

XI. EXECUTIVE SESSION: There was none.

XII. MISCELLANEOUS: There was none.

XIII. ADJOURNMENT:

MOTION: Moved by Trustee Osth and seconded by Trustee Gillam to adjourn the Committee of the Whole Meeting. Motion passed unanimously by voice vote.

The Committee of the Whole Meeting adjourned at 10:15 pm.

ATTEST:

Kim Tibbetts
Deputy Village Clerk

Larry Keller
Village President