

Village of Gilberts
87 Galligan Road
Gilberts, IL 60136
Special Village Board Meeting Minutes
December 8, 2015

Call to Order/Pledge of Allegiance

President Zirk called the meeting to order at 7:00 p.m. He proceeded to lead those present in the Pledge of Allegiance.

Roll Call / Establish Quorum

Village Clerk Meadows called the roll. Roll call: Members present: Trustees Kojzarek, Corbett, LeClercq, Zambetti, Farrell, Hacker and President Zirk. Others present: Administrator Keller, Assistant Administrator Beith, Finance Director Blocker and Village Clerk Meadows. For members of the audience please see the attached copy of the sign-in sheet.

Public Comment

President Zirk asked if anyone in the audience had any questions or comments they would like to direct to the Village Board Members. There were no comments offered from the audience.

Consent Agenda

- A. A Motion to approve the Minutes from the November 17, 2015 Village Board Meeting
- B. A Motion to approve the November 2015 Treasurer's Report
- C. A Motion to approve Bills and Salaries dated December 8, 2015 as follows: General Fund \$95,316.37, Developer Donations \$11,579.00, Permit Pass Thrus \$1,115.00, Performance Bonds and Escrows \$27,448.42, Water Fund \$32,148.50 and Payroll \$61,439.21
- D. A Motion to approve Village of Gilberts 2016 Annual Meeting Calendar
- E. A Motion to approve Ordinance 28-2015, an Ordinance amending the Village of Gilberts' Code Title 6 "Motor Vehicles & Traffic"

President Zirk asked the Board Members if there was any consent agenda items they wished to have removed from the consent agenda for separate consideration. The Board Members offered no recommendations to remove any items from the consent agenda. A Motion was made by Trustee Zambetti and seconded by Trustee LeClercq to approve the consent agenda items A-E as presented. Roll call: Vote: 6-ayes: Trustee Kojzarek, Corbett, LeClercq, Zambetti, Farrell and Hacker. 0-nays, 0-abstained. Motion carried.

Items for Approval

There were no items listed under the title "Items for Approval".

Items for Discussion

Ordinance 29-2015, an Ordinance Levying Taxes for Fiscal Year beginning May 1, 2015 and ending April 30, 2017

Administrator Keller discussed the draft Ordinance levying taxes for the Fiscal Year beginning May 1, 2016 and ending April 30, 2017. He noted that Staff had provided the Board Members with a copy of the Police Pension Fund Municipal Compliance Report. Administrator Keller discussed the impact the new Police Pension Fund actuarial assumptions will have on the General Fund.

Trustee Hacker questioned why there was a 133% increase in the Police Pension Fund contribution obligation. Administrator Keller explained that the previous Actuary, Timothy Sharpe (since retired) used an assumption of 7% for the return on investments. However, the actual return on the investments was at a much lower rate. The new Actuary, Lauterbach & Amen's assumption used a more conservative methodology and suggest a rate of 4.75% for the return on investments.

Trustee Hacker questioned if the Board was to fully fund the Pension Fund could they anticipate seeing another large increase in the Village contribution amount. Administrator Keller replied that it was possible; it all depends on the Actuary's assumptions and methodology they apply.

A lengthy discussion ensued with respect to the past assumptions used by the previous Actuary. President Zirk strongly expressed his frustration with the assumptions used in the past. He questioned why the previously high assumption on the rate of the return on investments never was examined or questioned by the Police Pension Board. Administrator Keller stated the Board Members always have an option of hiring an independent Actuary.

The Board Members along with Staff discussed various ways in which to draft the Corporate Levy line items. Finance Director Blocker commented on some of the new GASB requirements.

The Board Members and Staff discussed the possibility of a property tax freeze and the impact it would have on the Village.

Administrator Keller commented on the fact that as of January 1, 2016 Municipalities are required to fully fund their Police Pension obligations or the pension boards have the authority to divert state-collected local government revenue (LGDF) to make up for the employer contributions that fall short of the full actuarially-required contribution. In addition, if the Village chooses not to fully fund the pension this could reflect poorly on the Village's audit and bond ratings.

President Zirk suggested lowering the levy amount for the Police Pension Fund and raising the Corporate Levy amount. This would provide the Board Members with more flexibility to move dollars as needed. Staff will draft separate tax levy ordinances to provide the Board Members with options. This matter will be placed on the next agenda for approval.

Ordinance 30-2015, an Ordinance abating Taxes heretofore Levied to pay interest and principal \$27,250,000 Village of Gilberts, Kane County, Illinois Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project)

Administrator Keller reported that this is the annual Ordinance that sets a net levy of \$1,350,000.08 for tax year 2015 (to be collected in calendar year 2016/fiscal year 2017) for Special Service Area #9 bonds, which were issued for the Timber Trails Development.

President Zirk asked if any Board Members had any questions regarding Ordinance 30-2015. The Board Members offered no comments. President Zirk directed Staff to place this Ordinance on the next consent agenda for Board consideration.

Ordinance 31-2015, an Ordinance abating Taxes heretofore Levied to pay interest and principal \$11,720,000 Village of Gilberts, Kane County, Illinois Special Service Area Number Fifteen Special Tax Refunding Bonds, Series 2014 (Town Center Project)

Administrator Keller reported that this ordinance sets a net levy of \$804,574.26 for tax year 2015 (to be collected in calendar year 2016/fiscal year 2017) for Special Service Area #15 bonds, which were issued for the Gilberts Town Center development.

President Zirk asked if any of the Board Members had any questions with respect to Ordinance 31-2015. The Board Members offered no comments. President Zirk directed Staff to place this Ordinance on the next consent agenda for Board consideration.

Ordinance 32-2015, an Ordinance abating Taxes heretofore Levied to pay interest and principal \$9,750,000 Village of Gilberts, Kane County, Illinois Special Service Area Number Twenty-Four Special Tax Bonds, Series 2014 (The Conservancy Project)

Administrator Keller reported that this ordinance sets a net levy of \$555,722.28 for tax year 2015 (to be collected in calendar year 2016/fiscal year 2017) for Special Service Area #24, which were issued in 2014 to restructure the debt from the former SSAs #19 and 20 for the Conservancy Project.

President Zirk asked if any of the Board Members had any questions or comments with respect to Ordinance 32-2015. The Board Members offered no comments. President Zirk directed Staff to place this Ordinance on the next consent agenda for Board consideration.

Ordinance 33-2015, an Ordinance abating the Tax heretofore Levied for the Year 2015 to pay debt service on certain Bonds of the Village of Gilberts, Kane County, Illinois

Administrator Keller reported that this ordinance abates the property tax levy collectible in 2016 that was built into the authorizing ordinance for the \$1.975 million in bonds issued in 2011 for the Village's road resurfacing project.

President Zirk asked if any of the Board Members had any questions on Ordinance 33-2015. The Board Members offered no questions or comments. President Zirk directed Staff to place this Ordinance on the next consent agenda for Board consideration.

Resolution 47-2015, a Resolution approving a renewal proposal by Arthur J. Gallagher Risk Management Services Inc. for property, liability, Workers Compensation and Risk Management Insurance Coverage

Administrator Keller reported that the Village has received the risk management insurance proposal for 2015-2016 from Arthur J. Gallagher Risk Management Services, Inc. The Village's premiums for the continuing insurance coverage's increased modestly at a rate of only 2.1% over the 2015 premiums. This increase is primarily due to the increase in the value of the Village's fleet.

Administrator Keller reported that Staff had requested a proposal for cyber security, which would cover security and privacy breaches, cyber extortion and restoration of the Village's computer systems in the event of a damaging attack. The policy would cover each qualifying event up to \$1,000,000 with a \$2,500 deductible. In addition, Gallagher also offered an add-on "external fraud" crime policy for an additional \$49.00. This policy would cover third-party use of Village emails, identities or accounts to make unauthorized bank transfers and other actions that would result in the loss of Village funds, up to \$10,000 per incident.

Administrator Keller noted that 40% of the urban and suburban communities are now seeking this type of coverage. If the Board Members expressed no objections Staff will have these two policies added to the current insurance coverage. The Board Members expressed no concern with adding the additional coverage. Staff will place Resolution 47-2015 on the next consent agenda.

Resolution 48-2015, a Resolution for Maintenance of Streets and Highways by Municipality under the Illinois Highway Code

Administrator Keller reported that this is the annual authorization needed to use Motor Fuel Tax (MFT) funds for the Village's road maintenance expenses. In anticipation of an annual allocation of \$163,720 in FY 2017, the resolution authorizes the use of \$81,860.00 (50%) for debt payment on the road program bond and \$72,013.50 for operations including snow and ice removal, crack sealing and catch basin cleaning. As in past years, Staff intends to only use \$61,860 MFT funds for operational expenses, equivalent to 50% of the allocation less \$20,000 to be saved for future MFT projects such as the 2022 major road program anticipated to take place in Timber Trails Subdivision.

Staff Reports

Administrator Keller commented on Senate Bill 2039. He noted that the bill has passed the Senate and Governor Rauner has signed the Bill into law. The State is in the process of releasing critical revenues that the state owes to the local governments.

Finance Director Blocker had provided the Board Members with a list of residents that have not scheduled their water meter change-outs. Per the Ordinance if they don't schedule the meter change-out by Friday Staff will be turning off their water service on Monday.

Administrator Keller reported that Assistant Administrator Beith had updated the Economic Development section of the Village website.

Board of Trustee Reports

Trustee Hacker inquired if WOW was still in the process of collecting information with respect to offering residential fiber services. Assistant Administrator Beith replied yes, they are still surveying the residential areas.

President's Report

President Zirk had nothing to report at this time.

Executive Session

President Zirk asked if any of the Board Members or Staff had any reason to enter into an executive session. There were no comments offered.

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Adjournment

There being no further public business to discuss, a Motion was made by Trustee Zambetti and seconded by Trustee LeClercq to adjourn from the public meeting at 8:04 p.m. Roll call: Vote: 6-ayes by unanimous voice vote. 0-nays, 0-abstained. Motion carried.

Respectfully submitted,

Debra Meadows