


Village of Gilberts

Village Hall
87 Galligan Road, Gilberts, IL 60136
Ph. 847-428-2861 Fax: 847-428-2955
www.villageofgilberts.com

Village Administrator Memorandum 06-15

TO: President Rick Zirk
Board of Trustees

FROM: Ray Keller, Village Administrator 

DATE: January 16, 2015

RE: Village Board Meeting – January 20, 2015

The following summary discusses the agenda items for the Village Board meeting scheduled for January 20, 2015:

1. **CALL TO ORDER**
2. **ROLL CALL / ESTABLISH QUORUM**
3. **PUBLIC COMMENT**
4. **CONSENT AGENDA**

Any item may be removed from the consent agenda by request.

A. Motion to approve Minutes from the January 6, 2015 Village Board Meeting

Staff recommend approval of the minutes, which were reviewed at the January 13 Committee of the Whole meeting. Please contact Village Clerk Debra Meadows prior to the meeting if you have any questions or corrections.

B. Motion to approve Minutes from the January 13, 2015 Committee of the Whole Meeting

Please review the enclosed minutes from the January 13 Committee of the Whole meeting. Please contact Village Clerk Debra Meadows prior to the meeting with any corrections or questions. Staff recommend approval.

C. Motion to approve the December 2014 Treasurer's Report

Staff recommend approval of the December 2014 Treasurer's Report, which was reviewed at the January 13 Committee of the Whole meeting. Please contact Finance Director Marlene Blocker prior to the meeting if you have any questions or need another copy of the report.

Public Works Facility
Finance & Building Departments
73 Industrial Drive, Gilberts, IL 60136
Ph. 847-428-4167 Fax: 847-551-3382

Police Department
86 Railroad St., Gilberts, IL 60136
Ph. 847-428-2954 Fax 847-428-4232

D. Motion to approve Bills & Salaries dated January 20, 2015

Please refer to the enclosed spreadsheet, which lists the bills to be approved. Staff recommend approval. If you need additional information about any of these bills, please contact me or Finance Director Marlene Blocker prior to the meeting.

E. Motion to approve Conservancy Pod 4 entry signage

Staff recommend approval of two permanent entrance signs at the entrance into Conservancy Pod 4 at Freeman Road and Blue Aster Parkway. The Conservancy annexation agreement requires the Village Board's approval of the entry signage, which requires compliance with the sign regulations in effect when approval is requested.

The Village's current sign regulations for residential developments (UDO Section 10-9-2, Paragraph K-2) allow up to two entrance signs, each of which must be less than 50 square feet in area and less than 100 square feet combined, for each street entrance into a development. The proposed signage includes two stone entrance signs that measure 47.25 square feet each, not exceeding seven feet in height, to be located on the east and west sides of Blue Aster Parkway facing Freeman Road outside of the sight-distance triangles.

This approval does not include an additional monument sign that was proposed for the southeast corner of Pod 4. If the developer wishes to build the extra sign, he will need to apply for a sign variance and request the Board's approval.

This request was reviewed at the January 13 Committee of the Whole meeting and added to the consent agenda. Please contact me or Chief Building Inspector John Swedberg with any questions or requests for supplemental information.

5. ITEMS FOR APPROVAL

A. Motion to approve Resolution 03-2015, a Resolution providing for and requiring the submission of a proposition for issuing an amount not to exceed \$5,000,000.00 general obligation bonds to the voters of the Village of Gilberts at the general election to be held on April 7, 2015

Approval of this resolution would add a referendum question to the April 7 ballot asking whether Gilberts voters would support public financing of a fiber-based network throughout the Village, providing new infrastructure to expand the community's options for broadband services. Approval of the referendum question would allow the Village to issue up to \$5,000,000 in general obligation (GO) bonds to finance the development of the fiber network. The Board will need to take action on the resolution at the January 20 meeting, which is the deadline for a referendum question to be added to the April 7 ballot.

With consultant assistance, Staff have estimated that \$5,000,000 will be needed to extend the network to every address within the Village, capitalizing on the initial investment made by iFiber LLC to extend a fiber line from Randall Road into Gilberts. The Village would lease capacity on the fiber network to providers, expanding the service options available to Village businesses and residents. With this model, the Village would own the fiber but would not be a content provider. Management of the network, maintenance and billing would be responsibility of the content providers

contracting with the Village to use the fiber network. Over the next few weeks, Staff will continue to work with the Village's consultants to refine the details for installation and management of the network.

Due to favorable market conditions, a \$5,000,000 GO bond financed over 20 years would correspond to an average annual property tax increase of \$150-\$170 (just under 2% of current residential tax bills). Revenue from service providers would eventually be used to pay down the GO bonds faster and fund future network costs (e.g. software and hardware upgrades, ongoing maintenance, etc.).

If you have any advance questions or need supplemental information prior to the meeting, please contact me or Assistant Administrator Bill Beith.

B. Motion to approve Resolution 04-2015, a Resolution authorizing an agreement with Bernardi Securities Inc. for bond underwriting services

Staff recommend approval of the proposed engagement agreement with Bernardi Securities to provide underwriting services for refunding the bonds for SSA #9. Low interest rates provide an opportunity for restructuring the SSA #9 bonds, resulting in lower tax payments owed by Timber Trails, Timber Glen and Woodland Park homeowners. The cost of Bernardi's services would be limited to 1.8% of the bond amount and would be covered by proceeds from the refunded bond. Please contact me or Finance Director Marlene Blocker with any questions.

C. Motion to approve Resolution 05-2015, a Resolution authorizing application for Kane County Community Development Funds and execution of all necessary documents

Staff recommend approval of this resolution authorizing an application to Kane County's Community Development Funds grant program for funding for the Old Town Stormwater and Road Improvements Project. As discussed previously, this project would result in the reconstruction of the side streets in Old Town and significant stormwater management improvements benefitting the area, including improvements to the drainage outfall for both Old Town and Windmill Meadows. As the project budget is \$583,000, Staff will request \$200,000 (35% of the budget) from the Community Development program, which prioritizes affordable housing projects, emergency shelters and neighborhood-level infrastructure projects that go beyond regular maintenance.

Unless directed otherwise, Staff will submit the application with the approved resolution after the Board meeting in time to comply with the January 20 application deadline. Please contact me with any questions or requests for supplemental information that may be needed at the meeting.

6. ITEMS FOR DISCUSSION

Please contact me or Village President Rick Zirk to add any discussion topics.

7. STAFF REPORTS

Staff will provide any updates at the meeting.

8. BOARD OF TRUSTEES REPORTS

9. PRESIDENT'S REPORT

10. EXECUTIVE SESSION

Please contact me with any questions about other current closed session topics.

11. ADJOURNMENT

**Village Board of Trustees
Meeting Agenda
Village of Gilberts
87 GALLIGAN ROAD,
GILBERTS, ILLINOIS 60136
January 20, 2015
7:00 P.M.
A G E N D A**

ORDER OF BUSINESS

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE

2. ROLL CALL / ESTABLISH QUORUM

3. PUBLIC COMMENT

4. CONSENT AGENDA

- A. A Motion to approve Minutes from the January 6, 2015 Village Board Meeting
- B. A Motion to approve Minutes from the January 13, 2015 Committee of the Whole Meeting
- C. A Motion to approve the December 2014 Treasurer's Report
- D. A Motion to approve Bills & Salaries dated January 20, 2015
- E. A Motion to approve Conservancy Pod 4 entry signage

5. ITEMS FOR APPROVAL

- A. A Motion to approve Resolution 03-2015, a Resolution providing for and requiring the submission of a proposition for issuing an amount not to exceed \$5,000,000.00 general obligation bonds to the voters of the Village of Gilberts at the general election to be held on April 7, 2015
- B. A Motion to approve Resolution 04-2015, a Resolution authorizing an agreement with Bernardi Securities Inc. for bond underwriting services
- C. A Motion to approve Resolution 05-2015, a Resolution authorizing application for Kane County Community Development Funds and execution of all necessary documents

6. ITEMS FOR DISCUSSION

7. STAFF REPORTS

8. BOARD OF TRUSTEES REPORTS

9. PRESIDENT'S REPORT

10. EXECUTIVE SESSION

A portion of the meeting will be closed to the Public, effective immediately as Permitted by 5 ILCS 120/2 (c) (1) to discuss the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the Village, and as permitted by 5 ILCS 102/2 (c) (11) to discuss litigation against, affecting, or on behalf of the Village which has been filed and is pending in a court or administrative tribunal of which is imminent and as permitted by 5 ILCS 120/2 (c) (21) to review and approve closed session minutes and as permitted by 5 ILCS 120/2 (c) 2 Collective negotiating matters.

11. ADJOURNMENT

**Village of Gilberts
87 Galligan Road
Gilberts, Illinois 60136
Village Board
Meeting Minutes
January 6, 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: Trustee Corbett, Mierisch, Farrell, Hacker and President Zirk. 2-absent: Trustees LeClerc and Zambetti. Others present: Administrator Keller, Assistant Administrator Beith, and Village Clerk Meadows. For members of the audience please see the attached copy of the sign-in sheet.

Public Comment

President Zirk inquired if anyone in the audience had any questions or concerns they would like to discuss with the Village Board Members. There was no response from any member of the audience.

Consent Agenda

- A. A Motion to approve Minutes from the December 16, 2014 Village Board Meeting**
- B. A Motion to approve Bills and Salaries in the amounts as follows: General Fund \$541,273.98, Permit Pass Thrus \$3,017.21, Performance Bonds and Escrows \$58.00, Water fund \$61,057.68 and Payroll \$78,255.18.**

President Zirk asked the Board Members if there were any items they wished to remove from the consent agenda. There was no response from any of the Board Members. President Zirk stated that he would entertain a motion to approve the consent agenda items A-B as presented. **A Motion was made by Trustee Farrell and seconded by Trustee Corbett to approve the Consent Agenda items A-B as presented.** Roll call: Vote: 4-ayes: Trustees Corbett, Mierisch, Farrell and Hacker. 0-nays, 0-abstained. Motion carried.

Items for Approval

A Motion to approve Ordinance 01-2015, an Ordinance abating special service area taxes and approving the levy year 2014 special tax roll for special service area number twenty-four.

Administrator Keller reported that this Ordinance is a basic housekeeping motion. The Ordinance abates the taxes paid by Ryan Homes on the two lots in which their model homes are being constructed. In addition, the Ordinance sets the levy to be collected in 2015.

President Zirk stated at this time he would entertain a motion to approve Ordinance 01-2015. **A Motion was made by Trustee Farrell and seconded by Trustee Corbett to approve Ordinance 01-2015, an Ordinance abating special service area taxes and approving the levy year 2014 special tax roll for special service area number twenty-four.** Roll call: Vote: 4-ayes: Trustees Mierisch, Farrell, Hacker and Corbett. 0-nays, 0-abstained. Motion carried.

A Motion to approve Ordinance 02-2015, an Ordinance amending the plumbing regulations of the Village of Gilberts Village Code.

Administrator Keller reported that the Illinois Department of Health (IDPH) adopted the 2014 Plumbing Code, which replaces the 2004 Plumbing Code on which the Village had based its plumbing regulations. The village was advised that since the 2004 Code is no longer valid, the Village's local code amendments are also no longer valid. Administrator Keller noted that pursuant to the IDPH's procedures, local plumbing ordinances need to be submitted for IDPH approval before they can be implemented.

Administrator Keller commented on the fact that the Village's local amendments include prohibiting the use of CPVC and similar pipes for water service. However, the 2014 Plumbing Code allows the use of CPVC pipe. Administrator Keller reported Ryan Homes is familiar with the 2014 Plumbing Code and would prefer to construct their single family houses' water services with CPVC pipe. President Zirk expressed his concern with Ryan Homes' desire to use CPVC pipe when they had full knowledge of the Village's local plumbing code ordinances which require copper water service piping. He noted that the Board had recently accommodated their request for several deviations from the sign code and he would hope both parties could continue to work well together. President Zirk recommends placing a moratorium on building permits if Ryan Homes submit plans which include the use of CPVC pipe.

Trustee Hacker inquired on how the Village handles older homes that have galvanized steel pipes. Administrator Keller noted that those homes are grandfathered in, until the homeowner applies for a permit to remodel or renovate their homes. At that time depending on the extent of remodeling or renovations the homeowner may be required to comply with the current code.

Trustee Corbett inquired on the date that the IDPH adopted the 2014 code. Administrator Keller reported the IML and staff were made aware of the adoption of the 2014 code in November.

A lengthy discussion ensued with respect to Ryan Homes taking advantage of the gap in the process. The Board Members concurred with President Zirk's recommendation to place a moratorium on building permits until the local ordinances are implemented. Administrator Keller will contact Ryan Homes and inform them of the Board's decision.

There being no further discussion on the motion, **a Motion was made by Trustee Farrell and seconded by Trustee Corbett to approve Ordinance 02-2015, an Ordinance amending the plumbing regulations of the Village of Gilberts Village Code.** Roll call: Vote: 4-ayes: Trustees Farrell, Hacker, Corbett, and Mierisch. 0-nays, 0-abstained. Motion carried.

A Motion to approve Ordinance 03-2015, an Ordinance authorizing the disposal of personal property owned by the Village of Gilberts.

Administrator Keller reported that this Ordinance authorizes the disposal of squad car G-4 a 2009 Chevy Impala with 117,312 miles. This vehicle was replaced by the squad car purchased this year. Chief Rossi would like to auction off the vehicle. Trustee Hacker inquired if the water or public works departments need an additional vehicle. Administrator Keller replied no, currently both departments have a sufficient fleet. Trustee Corbett inquired on the use of the proceeds from the sale of the vehicle. Administrator Keller replied that the proceeds will assist in funding the cost of equipping the new squad car.

President Zirk stated that he would entertain a motion to approve Ordinance 03-2015. **A Motion was made by Trustee Farrell and seconded by Trustee Corbett to approve Ordinance 03-2015, an Ordinance authorizing the disposal of personal property owned by the Village of Gilberts.** Roll call: Vote: 4-ayes: Trustees Hacker, Corbett, Mierisch, and Farrell. 0-nays, 0-abstained. Motion carried.

A Motion to approve Resolution 01-2015, a Resolution awarding a contract for the Raymond Street tank painting project to L&T Painting Inc.

Administrator Keller reported that Dixon Engineering was previously retained to conduct the RFP process and evaluate proposals to repaint the 750,000 gallon water tank on Raymond Street. Dixon recommends awarding the contract to L&T Painting Inc. of Shelby, MI at the lowest bid of \$134,000.00. L&T Painting Inc. has scheduled the work to begin sometime in March 2015. Trustee Hacker questioned if there was a certain temperature requirement when this type of work should be completed. Administrator Keller replied he was uncertain of the scope of work requirements. He will check with staff and report back.

There being no further discussion on Resolution 01-2015, a Motion was made by Trustee Farrell and seconded by Trustee Corbett to approve Resolution 01-2015, a Resolution awarding a contract for the Raymond Street tank painting project to L&T Painting Inc. Roll call: Vote: 4-ayes: Trustees Corbett, Mierisch, Farrell and Hacker. 0-nays,0-abstained. Motion carried.

Items for Discussion

There were no items listed under "Items for Discussion".

Staff Reports

Administrator Keller reported that due to the prediction of extreme arctic temperatures tomorrow District 300 had closed all the district schools.

Administrator Keller reported that staff had contacted Kane County Department of Transportation to inform them of the poor condition of Tyrrell Road Bridge. Public Works will continue to monitor the bridge conditions and apply additional salt as necessary.

Board of Trustees Reports

There were no reports provided by any of the Board of Trustee members.

President's Report

President Zirk commented on the ballot for the 2015 Consolidated Election. He noted that the race is uncontested. He asked the Board Members if they would be in favor of sharing the Board Packet information with soon to be newly elected Trustee Elissa Kojzarek. The Board Members concurred with President Zirk's recommendation. Staff will begin emailing Ms. Kojzarek the Board packet.

Adjournment

There being no further public business to discuss, a Motion was made by Trustee Farrell and seconded by Trustee Corbett to adjourn from the public meeting at 7:36 p.m. Roll call: Vote: 4-ayes by unanimous voice vote. 0-nays, 0-abstained. Motion carried.

Respectfully submitted,

Debra Meadows

NOT APPROVED MINUTES

**Village of Gilberts
87 Galligan Road
Gilberts, IL 60136
Committee of the Whole
Meeting Minutes
January 13, 2015**

Call to Order/Pledge of Allegiance

Trustee Zambetti 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 Corbett, Mierisch, Zambetti, Farrell and Hacker. 2-absent: President Zirk and Trustee LeClercq. Others present: Administrator Keller, Attorney Tappendorf, Assistant Administrator Beith, Finance Director Blocker, Chief Building Inspector Swedberg, Chief of Police Rossi, Water/Wastewater Superintendent Castillo. For members of the audience please see the attached copy of the sign-in sheet.

President Pro Tem

In acknowledgment of President Zirk's absence, a **Motion was made by Trustee Corbett and seconded by Trustee Farrell to appoint Trustee Zambetti to serve as President Pro Tem.** Roll call: Vote: 5-ayes: Trustees Corbett, Mierisch, Zambetti, Farrell, and Hacker. 0-nays, 0-abstained. Motion carried.

Employee Introductions

Full Time Officer

Chief Rossi introduced Officer Jason Hernandez. He noted that Officer Hernandez joined the Gilberts Police Department as a part-time officer in 2008. Officer Hernandez has continued to serve the department in an exemplary manner.

In December 2014, Officer Hernandez was chosen as one of three candidates to interview before the Gilberts Police Commission to fill a recently vacated full-time police officer position. The commissioners unanimously selected and offered Officer Hernandez the position. Officer Hernandez accepted the offer and began full-time employment with the police department on January 2, 2015.

Chief Rossi proceeded to provide the Board Members with an overview of Officer Hernandez's training and background. He noted that Officer Hernandez grew up in the northwest suburbs of Chicago and in

1998 he graduated from Cary Grove High School. After graduation Officer Hernandez joined the United States Air Force and served during the "Operation Enduring Freedom" initiative which resulted from the terrorist attack on September 11, 2001. In 2002 Officer Hernandez was honorably discharged and returned home to work and attend college. During this time he achieved his designation as a certified police officer and a certified aircraft mechanic. In addition, Officer Hernandez is a huge boxing fan and actively trains in mixed martial arts. Chief Rossi concluded his introduction and proceeded to welcome Officer Hernandez to the department.

Officer Hernandez thanked Chief Rossi for the warm introduction and the Board Members for providing him the opportunity to serve the Village. Officer Hernandez stated that he hopes to spend the remainder of his career serving the Village of Gilberts.

Public Works Crew Leader

Chief Building Inspector Swedberg introduced the newly hired Public Works Crew Leader Gerry Baresel. He noted that Crew Leader Baresel resides in Marengo and has 26 years experience installing and repairing water main and sanitary piping. He gained his experience while working for a family business.

In addition, Crew Leader Baresel has 13 years experience as a mechanic and operator of heavy equipment.

Public Works Crew Leader Baresel also has worked many years in the construction trades. During his time as a tradesman Crew Leader Baresel was responsible for overseeing the purchase of new and used equipment, scheduling staff for weekly work and building and repairing roadways.

Public Works Crew Leader Baresel has 15 year experience with snow plow operations with Dundee Township, Fermilab and several other commercial accounts.

Public Works Crew Leader Baresel served 9 years on the Tri-Cities Little League Baseball Board. During that time he along with the other Tri-Cities Board oversaw the construction of a new baseball complex which included four new ball diamonds. Crew Leader Baresel also has volunteered in several other community organizations.

Chief Building Swedberg concluded his introduction of Crew Leader Baresel by welcoming him to the Village. The Board Members also warmly welcomed Crew Leader Baresel to the staff.

Water/Wastewater Intern

Water/Wastewater Superintendent Castillo introduced newly hired Part-Time Water/Wastewater Intern Collin Clark. He noted that Intern Clark is a resident of Gilberts and currently is working on obtaining his Associates Degree. Superintendent Castillo along with the Board Members and Staff welcomed Intern Clark.

Presentations

YMCA-Program Updates

YMCA's Community Outreach Executive Director, Jennifer Alberts and Executive Director Dave Burisek provided the Board Members with updates on the Y's programs. Executive Director Burisek reported that the merge with the Schaumburg YMCA has been completed and they are excited to have additional resources to share with the communities they serve.

Executive Director Alberts reported that participation in Gilberts YMCA programs has greatly increased over the previous years. She went on to report that the family memberships have increased from 231 families in 2014 to 270 families so far in 2015. In addition there were 1,277 children who participated in the 2014 Summer Day Camp program and they provided after school child care in 2014 to 1,301 children. Executive Director Alberts commented on the fact that the after school program is at capacity and they are in the process of looking for an affordable space to accommodate the expansion of the after school program.

Executive Director Alberts discussed the growth of the sports programs. She noted that the Basketball program has grown and also is at capacity. In addition, the fall and summer soccer programs have also experienced an increase in participation. However, they have seen a decline in the baseball programs. She noted that the decline in the baseball programs is due to children moving up to more competitive programs as they age. Executive Director Alberts reported that the total amount of Gilberts residents that participated in YMCA programs in 2014 was 3,767. The amount of participation last year exceeded their expectations.

Trustee Corbett inquired if the YMCA had any plans to offer adult softball or other adult programs. Executive Director Alberts replied that staff is in the process of reaching future programming opportunities for youth, teens and adults. The concern with offering these types of programs is finding affordable space.

Executive Director Alberts provided the Board Members with an overview of the monetary support they provide to the community's special events and the scholarships they award to residents in need of financial assistance. Executive Director Alberts thanked the Board Members for their time.

Bernardi Securities-Refunding SSA #9 bond issue

Administrator Keller introduced Vice President of Bernardi Securities, Mr. Bob Vail. Vice President Vail provided the Board Members with an overview on current conditions of the municipal general obligation bond market. He commented on the potential benefits of reissuing the bonds for Special Service Area #9

Vice President Vail discussed the handout he had provided to the Board Members. He commented on the graphs on pages 8 and 9 which depict the general obligation bond interest rate trends over the last 10-40 years. He reported that the interest rate for general obligation bonds is the lowest rate since 1975 other than in December 2012.

Vice President Vail discussed page 16 of the handout, which noted the cost savings to each property owner located in the SSA 9 territory. He reported that an average homeowner within SSA 9 would save an estimated \$900.00 over the course the bond term.

Administrator Keller reported that there will be no out of pocket cost to the Village with respect to refinancing SSA 9 the cost is absorbed in the refinancing process.

President Pro Tem Zambetti asked how long would the process take. Vice President Vail stated about 60 days after they have the engagement letter.

The Board Members were in favor of moving forward with refinancing SSA 9. Administrator Keller stated that staff will draft a resolution authorizing an agreement with Bernardi Securities Inc. for bond underwriting services. This resolution will be placed on the next agenda for Board consideration.

Items for Discussion

Minutes from the January 6, 2015 Village Board Meeting

President Pro Tem Zambetti asked if the Board Members had any questions or comments on the minutes. There were no comments from the Board Members: This matter will be placed on the next consent agenda.

December 2014 Treasurer's Report

President Pro Tem Zambetti asked if the Board Members had any questions or comments on the December Treasurer's Report. There were no questions or comments provided by any of the Board Members. This matter will be placed on the next consent agenda.

Resolution 02-2015, a Resolution approving a Master Engineering Service Agreement with Baxter & Woodman

Administrator Keller reported that President Zirk had raised several questions with respect to the draft engineering agreement. He noted that there had been no change in the engineers' status the concern is only with the language in the agreement. Administrator Keller and President Zirk will be meeting with Steve Larson to discuss amending sections of the agreement. Trustee Mierisch questioned the signature line referencing the month of June. Administrator Keller believed that was just a typo on Baxter & Woodman's part.

Administrator Keller reported that after the meeting with Engineer Larson staff will amend the draft agreement and include the amended agreement in the next Village Board packet for consideration. This matter will be placed on the agenda under "Items for Approval".

Resolution 03-2015, a Resolution providing for and requiring the submission of a proposition for issuing an amount not to exceed \$5,000,000.00 general obligation bonds to the voters of the Village of Gilberts at the general election to be held on April 7, 2015

Administrator Keller reported that Staff has continued to explore options for developing a fiber-based network through-out the Village. He discussed what staff believed to be the three viable options. The first option Administrator Keller discussed was the Village could decide to do nothing and allow for the market to decide when fiber would eventually be installed within the village limits. However, the timeline is very uncertain due to the fact the Village is plagued by fragmented phone, data and video delivery service.

The second option would be to partner with iFiber LLC, led by Mr. Troy Mertz. Mr. Mertz. Mr. Troy Mertz has made an initial major investment in a backbone fiber network to serve the Conservancy development. Staff has had ongoing conversations about how to capitalize on the installation of the backbone and potential to extend fiber-backed services to the entire Village.

The third option to extend fiber network to the entire Village is to bond for its deployment, which would require the approval of a referendum question to issue General Obligation bonds. If the Board is interested in this option, the Board would need to approve a resolution articulating the referendum question to be added to the April 7 ballot at the January 20th Village Board Meeting.

Administrator Keller noted that even if the referendum question passed and the Board collectively decided against proceeding with the fiber project the ballot action does not obligate the Village to proceed with the issuance of the general obligation bonds. Attorney Tappendorf reported the Board

Members would also not be obligated to issue the entire bond amount. The Board Members could choose to issue half the amount of the bonds now and the remaining amount at a later date.

A lengthy discussion ensued with respect to the pros and cons of placing the referendum question on the April ballot. Assistant Administrator Beith commented on Mr. Mertz's investment. He reported that Mr. Mertz had financed the installation of fiber along Randall Road, Route 72, and North and South of the Village's water tower. Fiber now passes by each of the Village's subdivisions. Assistant Administrator Beith reported that it would be cost effective to install fiber to all the Village subdivisions rather than installing the fiber in phases.

Mr. Mertz passionately discussed the fiber project. He commented on the benefits fiber access provided to the Conservancy. He noted that being able to offer home buyers fiber increases the value of his housing product and set his development apart from others.

Mr. Mertz discussed way in which the fiber infrastructure improvements are similar to any other public infrastructure improvements (water, sanitary, and roadways). He continued to comment on ways in which he could structure recapture agreements with various property owners interested in acquiring fiber services.

Trustee Corbett inquired if a portion of the fiber project could be funded with TIF dollars. Administrator Keller reported that currently the annual TIF increments are minimal.

Trustee Farrell noted that if the Village bonded for the fiber project the Village will then own the fiber. She questioned who would be responsible for maintaining the fiber infrastructure. Mr. Mertz replied that the lease rate paid by the content service providers would cover the maintenance cost.

Mr. Mertz discussed the fact that currently the Village is under served and has limited choices of service providers. The Installation of dark fiber in his opinion would generate a more competitive market and increase service provider options for the residents. In addition the fiber project would spur economic growth and improve the residents' quality of life.

A lengthy discussion ensued with respect to public private partnership. Trustee Zambetti questioned why voters would vote yes to increase their taxes to have a wire in the ground. Administrator Keller agreed. The information informing the voters of the benefits of the fiber would need to be clear and concise. Attorney Tappendorf reported that the Village can educate the voters on the benefits of the installation of the dark fiber. However, they cannot advocate their position on the public question.

The Board Members inquire if staff would have enough time to devote to this initiative. Administrator Keller replied if the Board Members are interested in placing the public question on the ballot staff will make time. The Board Members concurred to place the public question on the next agenda for Board consideration.

Conservancy entry signage approval

Administrator Keller reported that Mr. Mertz and Ryan Homes are asking approval for the installation of two permanent entrance signs at the entrance into the Conservancy Pod 4 at Freeman Road and Blue Aster Parkway. The annexation agreement requires the Village Board approval of the entry signage, which is to comply with the sign regulations in effect when approval is requested.

Manhard's design sketches show two stone entrance signs that measure 47.25 square feet each. The Village's current sign regulations allow up to two entrance signs, each of which must be less than 50 square feet in area and less than 100 square feet combined. Staff recommends approval of these signs, as they comply with the Village's regulations.

In addition to the two entrance signs they are also asking approval of a monument sign to be located at the southeast corner of Pod 4, angled to face Freeman Road at the edge of the retention pond. This extra sign was not included in the annexation agreement or PUD ordinance, nor is it granted by the sign regulations in the UDO. Administrator Keller reported that Staff recommends not granting the extra monument sign. Staff advises that a similar monument sign may be appropriate for the southeast corner of Galligan and Freeman Roads when Pod 5 is developed and the temporary development signage is removed. The Board Members agreed with Staff recommendation. This matter will be placed on the next consent agenda.

Staff Reports

There were no reports provided by any staff member.

Board of Trustee Reports

The Board Members provided no reports.

President's Report

There was no reports provided by President Pro Tem Zambetti

Public Comment

There were no comments from any member of the audience.

Committee of the Whole
Meeting Minutes
January 13, 2015
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Executive Session

A Motion was made by President Pro Tem Zambetti and seconded by Trustee Hacker to close a portion of the public meeting with no business to follow as permitted by 5 ILCs 102/2 (c) (11) to discuss litigation against, affecting, or on behalf of the Village which has been filed and is pending in a court or administrative tribunal of which is imminent. Roll call: Vote: 5 ayes: Trustees Corbett, Mierisch, Zambetti, Farrell and Hacker. 0-nays, 0-abstained. Motion carried.

The Board Members along with Administrator Keller, Attorney Tappendorf, Assistant Administrator Beith, Finance Director Blocker and Village Clerk Meadows entered into Executive Session at 9:13 p.m. and returned to the public meeting at 9:22 p.m.

Reconvene/ Roll call

A Motion was made by Trustee Farrell and seconded by Trustee Corbett to reconvene to the public meeting at 9:23 p.m. Roll call: Vote: 5-ayes: Trustees Corbett, Mierisch, Zambetti, Farrell and Hacker.

Adjournment

There being no further business to discuss, a Motion was made by Trustee Zambetti and seconded by Trustee Farrell to adjourn from the public meeting at 9:24 p.m. Roll call: Vote: 5-ayes by unanimous voice vote. 0-nays, 0-abstained. Motion carried.

Respectfully submitted,

Debra Meadows

FINAL BILLS AND SALARIES
1-20-15

VENDOR ID	VENDOR	GRAND TOTAL	GENERAL FUND	DEVELOPER DONATIONS	PERMIT PASS THRU	PERFORMANCE BONDS AND ESCROWS	WATER FUND	PAYROLL
		146,270.77	64,576.00	-	-	12,729.23	11,234.41	57,731.13
	BILLS AFTER PACKETS							
BPC001	BENEFIT PLANNING CONSULTANTS	100.00	100.00					
CAN01	CANON FINANCIAL	409.50	409.50					
CURTECH	CURRENT TECHNOLOGIES	120.00	120.00					
KCRECORD	KANE COUNTY RECORDER	32.00	32.00					
MORTSALT	MORTON SALT	2,527.48					2,527.48	
	Payroll 12/28 - 1/10	57,731.13						57,731.13
ALLEGRA	ALLEGRA PRINT & IMAGING	197.65	197.65					
ANGEL	ANGEL GLINK, DIAMOND, BUSH,	17,256.97	9,607.28			7,649.69		
B&W001	BAXTER & WOODMAN, INC.	4,201.09				4,201.09		
BANKCARD	CARD SERVICES	1,076.52	1,076.52					
BATTGUY	THE BATTERY GUY, INC.	166.00					166.00	
CAR001	INTEGRATED PURCHASING OPTIONS	156.94	133.98				22.96	
CONSTEEL	CONSTELLATION NEWENERGY, INC.	6,366.83					6,366.83	
EPC001	ELGIN PAPER COMPANY	226.00	226.00					
IFPCA01	ILLINOIS FIRE & POLICE	375.00	375.00					
ILSPBOF	ILLINOIS STATE POLICE	75.75	75.75					
JGUNIFRM	J G UNIFORMS INC	240.25	240.25					
KANECHAM	NORTHERN KANE COUNTY	20.00	20.00					
KANETRAN	KANE COUNTY DIVISION OF	1,744.80	1,744.80					
MANALY01	MCHENRY ANALYTICAL WATER	435.00					435.00	
MDCEV01	MDC ENVIRONMENTAL SVCS.	46,268.31	46,268.31					
MEN002	MENARDS - CARPENTERSVILLE	38.24	38.24					
NAPA01	DUNDEE NAPA AUTO PARTS	644.49	644.49					
NIC001	NICOR	729.14					729.14	
PAC001	PAGES AUTO SERVICE	979.65	979.65					
PIT002	PITNEY BOWES	307.54	307.54					
PRNAL01	PRAIRIE ANALYTICAL SYSTEMS	370.00					370.00	
PROV002	PROVENA ST. JOSEPH HOSPITAL	111.00					111.00	
RAO001	RAY O'HERRONS	489.93	489.93					
SMITH001	SMITH AMUNDSEN LLC	200.00	200.00					
STERLING	STERLING CODIFIERS, INC.	500.00	500.00					
STMSUB01	SUN-TIMES MEDIA	313.27	313.27					
SUBLAB01	SUBURBAN LABORATORIES	506.00					506.00	
T0001400	RENEE REID	28.00	28.00					
T0001774	SILVIO DIPALO	878.45				878.45		
T0001775	CITY OF ELGIN	147.84	147.84					
T00S001	STEPHEN D. TOUSEY LAW OFFICE	300.00	300.00					

Check Warrant Report	
Payroll Checks From 12/28/14-1/10/15	
Employee Name	
	Net Pay
Anderson, Matthew	1,576.71
Baresel, Gerald	795.23
Beith, William	1,470.52
Block, Todd J	2,052.62
Blocker, Marlene	1,360.40
Castillo, John	1,696.88
Clark, Collin	343.58
Corbett, Dan	221.49
Danca, Karen	391.26
Farrell, Nancy	221.49
Gregory, Daniel	1,032.22
Hacker, Louis	176.49
Hernandez, Jason	877.95
Hill, Jeff R	1,670.58
Izydorski, Michael	732.98
Joswick, Michael	2,010.47
Keller, Raymond B.	2,414.07
Klaras, Jason	1,577.86
Leclercq, David	221.49
Lorkowski, Michael	204.56
Maculitis, Jerome	125.98
Meador, Eric E.	1,626.72
Meadows, Debra	1,439.56
Mierisch, Patricia	227.74
Mueller, Steve	260.64
Pulgar, Hector L	1,939.82
Rodriguez, Vanessa	486.79
Rood, Jackie E. Jr	2,173.54
Rossi, Louis	1,468.10
Rowlett, Heather	189.56
Russell, Claudine	939.01
Schuring, Larry	1,320.21
Siegbahn, Lisa	622.80
Steiner, George	414.11
Swedberg, John L	1,968.92
Varas, Randy	1,788.22
Wittenauer, Robert A.	765.43
Zambetti, Guy	221.49
Zirk, Rick	443.00
PAYROLL LIABILITIES:	
Federal Tax Deposits	14,809.19
ICMA-RC	798.00
ICMA-RA	500.00
Illinois Department of Revenue	1,991.41
KCC State Disbursement	162.04
Total All Checks	57,731.13

Check Warrant Report	
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Employee Name	Net Pay
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Mierisch, Patricia	227.74
Mueller, Steve	260.64
Pulgar, Hector L	1,939.82
Rodriguez, Vanessa	486.79
Rood, Jackie E. Jr	2,173.54
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Total All Checks	57,731.13

feet (15') of any point of vehicular access from a zoning lot to a public roadway. The location and arrangement of all building name and address signs shall be subject to the review and approval of the building official.

- e. Height: Building name and address signs shall not project higher than seven feet (7') as measured from the base of the sign or grade of the nearest adjacent roadway, whichever is higher.

2. Residential Development Signs. Residential development signs indicating only the name of the development, the management or developer thereof, and/or the address or location of the development shall be subject to the following:

- a. Type: All residential development signs shall be monument signs.
- b. Number: There shall not be more than two (2) residential development signs for each point of vehicular access to a development.
- c. Area: Residential development signs shall not exceed fifty (50) square feet in gross surface area for each exposed face nor exceed an aggregate gross surface of one hundred (100) square feet.
- d. Location: Residential development signs shall not extend over any lot line or within fifteen feet (15') of any point of vehicular access from a zoning lot to a public roadway. The location and arrangement of all residential development signs shall be subject to the review and approval of the building official.
- e. Height: Residential development signs shall not project higher than seven feet (7'), as measured from the base of the sign or grade of the nearest adjacent roadway, whichever is higher.

3. Exempt Signs. Exempt signs are as specified in subsection I.

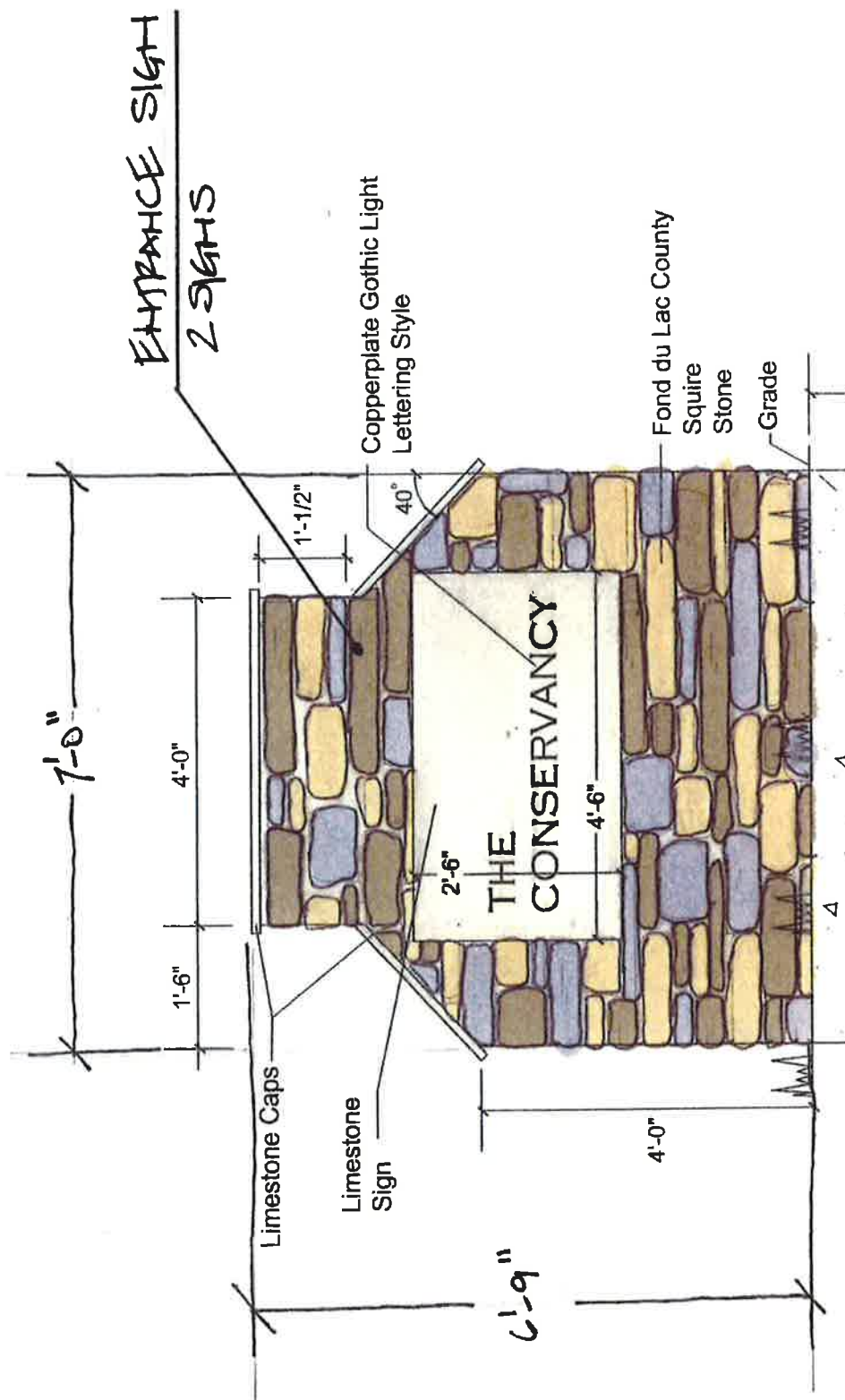
4. Temporary Signs. Temporary signs are as specified in subsection J.

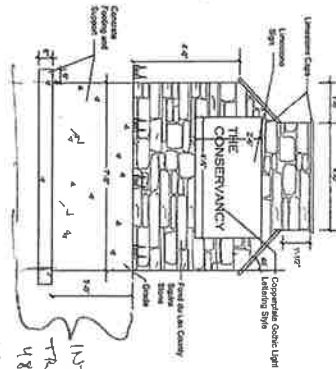
L. Permitted Signs for Commercial Uses. For all commercial uses, only the following signs are hereby permitted and then only accessory and incidental to a permitted or special use:

1. Commercial Use Signs. Commercial use signs shall be subject to the following:

a. Wall Signs:

- (1) Number: There shall be not more than one wall sign for each tenant; except, that where the building abuts two (2)





Small Entry Monument Detail (2 Total - One per side of Entry Road)

Small Monument Sign Landscape Plan
Scale:



A.Y.

 $1^{\text{st}} = 40^{\circ}-0^{\text{m}}$ 

RESOLUTION NO. 03-2015

A RESOLUTION PROVIDING FOR AND REQUIRING THE SUBMISSION OF A PROPOSITION FOR ISSUING AN AMOUNT NOT TO EXCEED \$5,000,000 GENERAL OBLIGATION BONDS TO THE VOTERS OF THE VILLAGE OF GILBERTS, IN KANE COUNTY, ILLINOIS, AT THE GENERAL ELECTION TO BE HELD ON APRIL 7, 2015

WHEREAS, the Board of Trustees (the “**Corporate Authorities**”) of the Village of Gilberts, in Kane County, Illinois (the “**Municipality**”), has considered improvements necessary to be made in order that the Municipality may provide for a Village-wide fiber optic network to adequately serve the needs of the Municipality; and

WHEREAS, the Corporate Authorities hereby find and determine that it is necessary and in the best interests of the Municipality that a Village-wide fiber optic network be installed to serve the interests of the residents and businesses within the Municipality (the “**Project**”); and

WHEREAS, there are not sufficient funds on hand and available for the purpose of paying costs of the Project or of installing the Village-wide fiber optic network, and therefore it will be necessary to borrow money and in evidence thereof issue the general obligation bonds of the Municipality in the amount of not to exceed \$5,000,000 for such purpose; and

WHEREAS, before the Corporate Authorities can provide for the installation of the Project, and borrow money and issue bonds for such purpose, a proposition therefor must be submitted to the voters of the Municipality and be approved by a majority of the voters of the Municipality voting on such proposition at an election to be held in and for the Municipality, and it is deemed advisable, necessary, and in the best interests of the Municipality that the provision therefor be submitted to the voters of the Municipality at an election to be held and conducted in accordance with the general election law;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF GILBERTS, IN KANE COUNTY, ILLINOIS, as follows:

Section 1. Project Borrowing. That it is necessary and in the best interests of the Municipality that the Corporate Authorities be authorized to undertake the installation of a Village-wide fiber optic network, and that it will require not less than the sum of \$5,000,000 for such purpose, and that it is necessary and in the best interests of the Municipality that the money be borrowed and in evidence thereof general obligation bonds of the Municipality be issued in the amount not to exceed \$5,000,000.

Section 2. Election. That the proposition described above be submitted to the voters of the Municipality in accordance with the general election law at the general election to be held on Tuesday, the 7th day of April, 2015, between the hours provided by law for voting on

such day (the “**Election**”) in the form of the question set forth in the form of Notices included in Section 6 hereof.

Section 3. Election Precincts. That the Election shall be held in the voting precincts and at the polling places established by the County Board (the “**County Board**”) of the County of Kane, Illinois (the “**County**”), for voters of the Municipality at the Election.

Section 4. Notice. That the County Clerk of the County (the “**County Clerk**”) shall give notice of the Election in accordance with the general election law and by publishing notice thereof once in one or more local, community newspapers published in and having general circulation in the Municipality, the dates of such publications of such notices for the Election to comply with the Election Code of the State of Illinois, as supplemented and amended (the “**Election Code**”). The notice shall also be given at least 10 days before the date of the election by posting a copy of the notice at the principal office of the election authority. The local election official shall also post a copy of the notice at the principal office of the political or governmental subdivision, or if there is no principal office at the building in which the governing body of the political or governmental subdivision held its first meeting of the calendar year in which the referendum is being held.

Section 5. Newspaper. That appropriate Election notices shall be given by the County Clerk in local, community newspaper published in and/or having general circulation in the Municipality and in the County, as required by the Election Code.

Section 6. Form of Notices. That the notices of the Election shall include the following:

NOTICE IS HEREBY GIVEN that at the general election to be held on Tuesday, the 7th day of April, 2015, the following proposition will be submitted to the voters of the Village of Gilberts, in Kane County, Illinois:

Shall bonds in the amount not to exceed \$5,000,000 be issued by the Village of Gilberts for the purpose of installing a Village-wide fiber optic network, bearing interest at the rate of not to exceed 5%?	YES

	NO

The polls at such election will be open at 6:00 o’clock A.M. and will continue to be open until 7:00 o’clock P.M. of that day.

Dated January ____, 2015

County Clerk, the County of Kane, Illinois

PASSED BY ROLL CALL VOTE OF THE BOARD OF TRUSTEES of the Village of Gilberts, Kane County, Illinois, this ____ day of _____, 2015.

	<u>Ayes</u>	<u>Nays</u>	<u>Absent</u>	<u>Abstain</u>
Trustee Dan Corbett	_____	_____	_____	_____
Trustee Nancy Farrell	_____	_____	_____	_____
Trustee Louis Hacker	_____	_____	_____	_____
Trustee David LeClerc	_____	_____	_____	_____
Trustee Patricia Mierisch	_____	_____	_____	_____
Trustee Guy Zambetti	_____	_____	_____	_____
President Rick Zirk	_____	_____	_____	_____

APPROVED this _____ day of _____, 2015

(SEAL)

Village President Rick Zirk

ATTEST: _____
Village Clerk, Debra Meadows

Published: _____

Resolution No. 04-2015

A Resolution authorizing an agreement with Bernardi Securities Inc. for bond underwriting services

BE IT RESOLVED by the President and the Board of Trustees of the Village of Gilberts, Kane County, Illinois that:

Section 1: The Village of Gilberts hereby authorizes the Village President and Village Clerk to authorize an agreement with Bernardi Securities Inc. for bond underwriting services related to the refinancing of Special Service Area #9 bonds, a copy of which is hereto attached as Exhibit "A."

Section 2: This resolution shall be in full force and in effect from and after its passage and approval pursuant to law.

PASSED BY ROLL CALL VOTE OF THE BOARD OF TRUSTEES of the Village of Gilberts, Kane County, Illinois, this _____ day of _____, 2015.

	<u>Ayes</u>	<u>Nays</u>	<u>Absent</u>	<u>Abstain</u>
Trustee David LeClercq	_____	_____	_____	_____
Trustee Dan Corbett	_____	_____	_____	_____
Trustee Nancy Farrell	_____	_____	_____	_____
Trustee Louis Hacker	_____	_____	_____	_____
Trustee Patricia Mierisch	_____	_____	_____	_____
Trustee Guy Zambetti	_____	_____	_____	_____
President Rick Zirk	_____	_____	_____	_____

APPROVED this _____ day of _____, 2015

(SEAL)

Village President Rick Zirk

ATTEST: _____
Village Clerk, Debra Meadows

Published: _____

Exhibit A
BERNARDI SECURITIES
MUNICIPAL BOND SPECIALISTS

Rich Zirk, Village President
Village of Gilberts
87 Galligan Road
Gilberts, Illinois 60136

Date: January 20, 2015

Dear President Zirk:

Bernardi Securities, Inc., acting as Underwriter (the "Underwriter"), anticipates structuring and underwriting Special Service Area Number Nine, Special Tax Refunding Bonds, Series 2015 (the "Bonds") on behalf of the Village of Gilberts, Kane County, Illinois (the "Issuer") for the purpose of refinancing Special Service Area Number Nine, Special Tax Refunding Bonds, Series 2005 (Big Timber Project) and paying for the costs of issuance associated with the Bonds.

This contract will serve as the Underwriter's authorization to structure and underwrite the Bonds. At such time as the Issuer has approved all of the documents and proceedings related to the issuance of the Bonds, the Underwriter will be expected to submit a detailed purchase agreement to the Issuer for execution that includes, among other things, final interest rates, dated date, principal maturity dates, interest payment dates, and other closing documents for issuing the Bonds.

All costs of issuance are to be paid from Bond proceeds and, as applicable, other funds. These costs include but are not limited to: legal fees, trustee fees, if any, paying agent / bond registrar fees, book-entry setup charges, closing costs, escrow verification fees, if any, escrow agent fees, if any, CUSIP costs, and any rating and bond insurance fees. Bernardi Securities, Inc.'s underwriting fee will also be paid from Bond proceeds and shall not exceed 1.80% of the par amount of the Bonds.

The rules of the Municipal Securities Rulemaking Board require the Underwriter to inform you that compensation that is contingent on the closing of a transaction or the size of a transaction presents a conflict of interest. While this form of compensation is customary in the municipal securities market, it may cause the Underwriter to recommend an offering that is unnecessary or to recommend the size of the proposed offering be larger than necessary.

In recent years, Congress has enacted legislation seeking to reform financial markets in the wake of the 2008-2009 financial crisis. One of the most prominent pieces of legislation is the Dodd-Frank Wall Street Reform and Consumer Protection Act. The implementation of Dodd-Frank has led to a series of regulatory changes governing municipal securities.

The 2011 amendments to Rule G-23 of the Municipal Securities Rulemaking Board (MSRB) and 2012 interpretative guidance under MSRB Rule G-17 require Bernardi Securities, Inc. to define its role at the earliest stages of our relationship with you for this issue.

Bernardi Securities, Inc. will only serve as an underwriter. As an underwriter, we will be acting as a principal in a commercial, arms' length transaction, and not as a municipal advisor, financial advisor, or fiduciary. At the Issuer's request, Bernardi Securities, Inc. may provide incidental services, including advice as to the structure, timing, terms and other matters concerning the issuance of the Bonds. Please note the Bernardi Securities, Inc. would be providing such services in its capacity as underwriter and not as a financial advisor to the Issuer.

As an underwriter, our purchase of the Bonds will be with a view to distribute the Bonds to investors. It is important for you to understand that, in this role, Bernardi Securities, Inc. has financial and other interests that may differ from yours.

MSRB Rule G-17 requires us to deal fairly at all times with both municipal issuers and investors. Our duty to purchase the Bonds from the Issuer at fair and reasonable prices is balanced with our duty to sell the Bonds to investors at fair and reasonable prices.

Bernardi Securities, Inc. will review the Issuer's official statement for the Bonds in accordance with, and as part of, our responsibilities to investors under federal securities laws, as applied to the facts and circumstances of this transaction.

As with any Bond issue, your obligation to pay principal and interest will be an obligation that will require you to make these payments no matter what budget constraints you encounter. Furthermore, to the extent that you agree in the Bond issue to rate covenants, additional bond tests or other financial covenants, these may constrain your ability to operate and to issue additional debt and, if you do not comply with these covenants, they can result in a failure to perform with respect to the Bond issue.

If the Bonds are issued as tax-exempt or tax-advantaged obligations, this requires that you comply with various federal tax law requirements and restrictions relating to how you use and invest the proceeds of the Bonds, how you use any facilities constructed or improved with proceeds of the Bonds and other restrictions throughout the term of the Bonds. These requirements and restrictions may constrain how you operate the financed facilities and may preclude you from capitalizing on certain opportunities. Further, violation of these requirements and restrictions can result in a loss of the tax-exempt or tax-advantaged status of the Bonds, and may cause you to become liable to the Internal Revenue Service and to the owners of the Bonds. In addition, in the event of an audit of the Bonds by the IRS, obtaining an independent review of IRS positions with which you legitimately disagree is difficult and may not be practicable.

Bernardi Securities, Inc. is a full service securities firm and as such Bernardi Securities, Inc. and its affiliates may from time to time provide brokerage and other services and products to municipalities, other institutions, and individuals, including the Issuer, certain Issuer officials and employees, and potential purchasers of the Bonds. If these services are rendered, Bernardi Securities, Inc. may receive customary compensation, however, such services are not related to the proposed offering of the Bonds.

In the ordinary course of fixed income trading business, Bernardi Securities, Inc. may purchase, sell, or hold a broad array of investments and may actively trade securities and other financial instruments, including the Bonds and other municipal bonds, for its own account and for the accounts of customers, including its employees and their family members, where Bernardi Securities, Inc. may receive a mark-up or mark-down. Such investments and trading activities may involve or relate to the offering or other assets, securities and/or instruments of the Issuer and/or persons and entities with relationships with the Issuer.

Bernardi Securities, Inc. has not identified any additional potential or actual material conflicts that require disclosure to you. If potential or actual conflicts arise in the future, we will provide you with supplemental disclosures about them.

The designation of Bernardi Securities, Inc. as underwriter applies solely to this issue. We encourage you to consult with your own legal, accounting, tax, financial and other advisors, as applicable, to the extent you deem appropriate.

Accompanying this letter is a risk disclosure document describing financial characteristics and security structures of fixed rate municipal bonds as well as a general description of certain financial risks pursuant to MSRB Rule G-17.

If there is any aspect of the foregoing disclosures that requires further clarification, please do not hesitate to contact us. We understand that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the proposed Bond offering.

The Issuer understands the primary contacts for this process will be Robert P. Vail and John E. Balzano.

BERNARDI SECURITIES, INC,

Robert P. Vail
Vice President

ACCEPTED BY:

By _____
Its _____

ATTEST:

By _____
Its _____

The above proposal accepted this date of _____, _____, by the action of the Village President.

BERNARDISECURITIES

M U N I C I P A L B O N D S P E C I A L I S T S

Village of Gilberts, Kane County, Illinois

Special Service Area Number Nine, Special Tax Refunding Bonds, Series 2015

January 20, 2015

RISK DISCLOSURES PURSUANT TO MSRB RULE G-17

FIXED RATE BONDS (THAT ARE NOT “COMPLEX MUNICIPAL SECURITIES FINANCINGS”)

The following is a general description of the financial characteristics and security structures of fixed rate municipal bonds (“*Fixed Rate Bonds*”), as well as a general description of certain financial risks that are known to us and reasonably foreseeable at this time and that you should consider before deciding whether to issue Fixed Rate Bonds. If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to us. In addition, you should consult with your financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

FINANCIAL CHARACTERISTICS

Maturity and Interest. Fixed Rate Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies and authorities. Maturity dates for Fixed Rate Bonds are fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. The final maturity date typically will range between 10 and 30 years from the date of issuance. Interest on the Fixed Rate Bonds typically is paid semiannually at a stated fixed rate or rates for each maturity date.

Redemption. Fixed Rate Bonds may be subject to optional redemption, which allows you, at your option, to redeem some or all of the bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Fixed Rate Bonds will be subject to optional redemption only after the passage of a specified period of time, often approximately ten years from the date of issuance, and upon payment of the redemption price set forth in the bonds, which may include a redemption premium. You will be required to send out a notice of optional redemption to the holders of the bonds, usually not less than 30 days prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires you to

redeem specified principal amounts of the bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the bonds to be redeemed.

SECURITY

Payment of principal of and interest on a municipal security, including Fixed Rate Bonds, may be backed by various types of pledges and forms of security, some of which are described below. The description below regarding "Security" is only a brief summary of certain possible security provisions for the bonds and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the bonds.

General Obligation Bonds. "General obligation bonds" are debt securities to which your full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. All taxable property in the taxing body is subject to the levy of taxes to pay the same without limitation as to rate or amount. The term "limited" tax is used when a limit exists as to the amount of the tax (see below).

General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest or principal, the holders of general obligation bonds have certain rights under state law to compel you to impose a tax levy.

Limited Bonds. Taxing bodies, subject to the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Extension Limitation Law*"), can issue limited bonds. Limited bonds are issued in lieu of general obligation bonds that otherwise have been authorized by applicable law. They are payable from a separate property tax levy that is unlimited as to rate, but the amount of taxes that will be extended to pay the bonds is limited by the Extension Limitation Law. Limited bonds are payable from your debt service extension base (*the "Base"*), which is an amount equal to that portion of the extension for the applicable levy year for the payment of non-referendum bonds (other than alternate bonds or refunding bonds issued to refund bonds initially issued pursuant to referendum), increased each year, beginning with the 2009 levy year, by the lesser of 5% or the percentage in the Consumer Price Index for All Urban Consumers (as defined in the Extension Limitation Law) during the 12-month calendar year preceding the levy year. The Limitation Law further provides that the annual amount of taxes to be extended to pay the limited bonds and all other limited bonds heretofore and hereafter issued by you shall not exceed the Base less the amount extended to pay certain other non-referendum bonds heretofore and hereafter issued by you and bonds issued to refund such bonds.

Limited bonds constitute a debt. In the event of default in required payments of interest or principal, the holders of limited bonds have certain rights under state law to compel you to impose a tax levy (limited as set forth in the previous paragraph).

Alternate Bonds. Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*"), permits you to issue alternate or

“double-barrelled” bonds. Alternate bonds are general obligation bonds payable from enterprise revenues or from a revenue source, or both, with your general obligation acting as backup security for the bonds. Once issued, and until paid or defeased, alternate bonds are a general obligation, for the payment of which you pledge your full faith and credit. Such bonds are payable from the levy of ad valorem property taxes upon all taxable property in your taxing body without limitation as to rate or amount. The intent of the Debt Reform Act is for the enterprise revenues or the revenue source to be sufficient to pay the debt service on the alternate bonds so that taxes need not be levied, or, if levied, need not be extended, for such payment.

The Debt Reform Act prescribes several conditions that must be met before alternate bonds may be issued. First, alternate bonds must be issued for a lawful corporate purpose. If issued in lieu of revenue bonds (as described below), then the revenue bonds must have been authorized under applicable law (including satisfying any backdoor referendum requirements) and the alternate bonds must be issued for the purpose for which the revenue bonds were authorized. If issued payable from a revenue source limited in its purposes or applications, then the alternate bonds must be issued only for such limited purposes or applications.

Second, alternate bonds are subject to a backdoor referendum. The issuance of alternate bonds must be submitted to referendum if, within 30 days after publication of the authorizing ordinance and notice of intent to issue the alternate bonds, a petition is filed. The petition must be signed by the greater of (i) 7.5% of your registered voters or (ii) the lesser of 200 of the registered voters or 15% of the registered voters, asking that the issuance of the alternate bonds be submitted to referendum. Backdoor referendum proceedings for revenue bonds and for alternate bonds to be issued in lieu of revenue bonds may be conducted at the same time.

Notwithstanding the previous paragraph, in governmental units with fewer than 500,000 inhabitants that propose to issue alternate bonds payable solely from enterprise revenues, except for alternate bonds that finance or refinance projects concerning public utilities, public streets and roads or public safety facilities and related infrastructure and equipment, if no petition is filed within 45 days of publication of the authorizing ordinance and notice, the alternate bonds may be issued. For purposes of this paragraph, the required number of petitioners for a governmental unit with more than 4,000 registered voters is the lesser of (i) 5% of the registered voters or (ii) 5,000 registered voters and the required number of petitioners for a governmental unit with 4,000 or fewer registered voters is the lesser of (i) 15% of the registered voters or (ii) 200 registered voters.

Third, you must demonstrate that the enterprise revenues are, or that the revenue source is, sufficient to meet the requirements of the Debt Reform Act. If enterprise revenues are pledged as security for the alternate bonds, you must demonstrate that such revenues are sufficient in each year to pay all of the following:

- (a) costs of operation and maintenance of the utility or enterprise, excluding depreciation;
- (b) debt service on all outstanding revenue bonds payable from such enterprise revenues;

(c) all amounts required to meet any fund or account requirements with respect to such outstanding revenue bonds;

(d) other contractual or tort liability obligations, if any, payable from such enterprise revenues; and

(e) in each year, an amount not less than 1.25 times debt service on all:

(i) outstanding alternate bonds payable from such enterprise revenues; and

(ii) the alternate bonds proposed to be issued.

If one or more revenue sources are pledged as security for the alternate bonds, you must demonstrate that such revenue sources are sufficient in each year to provide not less than 1.25 times (1.10 times if the revenue source is a government revenue source) debt service on all outstanding alternate bonds payable from such revenue source and on the alternate bonds proposed to be issued. You need not meet the test described in this paragraph for the amount of debt service set aside at closing from bond proceeds or other moneys.

The determination of the sufficiency of enterprise revenues or revenue source or sources, as applicable, must be supported by reference to the most recent audit of the governmental unit, which must be for a fiscal year ending not earlier than 18 months previous to the time of issuance of the alternate bonds. If such audit does not adequately show such enterprise revenues or revenue source, as applicable, or if such enterprise revenues or revenue source, as applicable, are shown to be insufficient, then the determination of sufficiency must be supported by the report of an independent accountant or feasibility analyst, the latter having a national reputation for expertise in such matters, who is not otherwise involved in the project being financed or refinanced with the proceeds of the alternate bonds, demonstrating the sufficiency of such revenues and explaining, if appropriate, by what means the revenues will be greater than as shown in the audit.

Alternate bonds may be issued to refund alternate bonds without meeting any of the conditions set forth above if the term of the refunding bonds is not longer than the term of the refunded bonds and that the debt service payable in any year on the refunding bonds does not exceed the debt service payable in such year on the refunded bonds.

Alternate bonds are not regarded or included in any computation of indebtedness for the purpose of any statutory provision or limitation unless taxes, other than a designated revenue source, are extended to pay the bonds. In the event taxes are extended, the amount of alternate bonds then outstanding counts against your debt limit until your audit shows that the alternate bonds have been paid from the pledged enterprise revenues or revenue source for a complete fiscal year.

In the event of default in required payments of interest or principal, the holders of alternate bonds have certain rights under state law to compel you to increase the pledged revenues or have the tax levy extended for such payment.

Debt Certificates. You may issue “debt certificates” to evidence your payment obligation under an installment contract or lease. Your governing body may provide for the treasurer, comptroller, finance officer or other officer of the governing body charged with financial administration to act as counterparty to the installment contract or lease, as nominee-seller or lessor. The installment contract or lease is then executed by your authorized officer and is filed with and executed by the nominee-seller or lessor. As contracts for the acquisition and construction of the project to be financed are executed (the “*Work Contracts*”), the governing body orders those Work Contracts to be filed with the nominee-seller or lessor. The nominee-seller or lessor identifies the Work Contracts to the particular installment contract or lease. Such identification permits the payment of the Work Contracts from the proceeds of the debt certificates.

Debt certificates are paid from your lawfully available funds. You are expected to agree to annually budget/appropriate amounts to pay the principal of and interest on the debt certificates. There is no separate levy available for the purpose of making such payments.

Debt certificates constitute a debt. In the event of default in required payments of interest or principal, the holders of the debt certificates cannot compel you to impose a tax levy, but you have promised the holders of the debt certificates that you will pay the debt certificates and they can proceed to file suit to enforce such promise.

Special Service Area Bonds. When special services are provided to a particular contiguous area within a municipality, in addition to the services generally provided throughout the municipality, a municipality may create a special service area. The cost of the special services may be paid from taxes levied upon the taxable real property within the area, and such taxes may be levied in the special service area at a rate or amount sufficient to produce revenues required to provide the special services.

Prior to the first levy of taxes in the special service area and prior to or within 60 days after the adoption of the ordinance proposing the establishment of the special service area, you are required to hold a public hearing and to publish and mail notice of such hearing. At the public hearing, any interested person may file written objections or give oral statements with respect to the establishment of the special service area and the levy of taxes therein. As a result of the hearing, you may delete areas from the special service area as long as the remaining area is contiguous. After the hearing, an ordinance establishing the special service area must be timely filed with the county recorder and the county clerk.

Bonds secured by the full faith and credit of the special service area territory may be issued for the purpose of providing special services. Such bonds are paid from the levy of taxes unlimited as to rate or amount against the taxable real property in the special service area. The county clerk will annually extend taxes against all of the taxable real property in the area in amounts sufficient to pay the principal and interest on the bonds. Such bonds are exempt from the Extension Limitation Law of the State of Illinois, as amended.

Prior to the issuance of special service area bonds, you must give published and mailed notice and hold a hearing at which any interested person may file written objections, or be heard

orally, with respect to the issuance of the bonds. The questions of the creation of the special service area, the levy of a tax on such area and the issuance of special service area bonds may all be considered at the same hearing.

The creation of the special service area, the levy of a tax within the area and the issuance of bonds for the provision of special services to the area are subject to a petition process. If, within 60 days after the public hearing, a petition signed by not less than 51% of the electors residing within the special service area and 51% of the owners of record of land located within the special service area is filed with the municipal clerk objecting to the creation of the special service area, the levy of a tax or the issuance of bonds, then the area may not be created, the tax may not be levied and the bonds may not be issued. If such a petition is filed, the subject matter of the petition may not be proposed relative to any of the signatories within the next two years.

Special service area bonds do not constitute an indebtedness of the municipality, and no exercise of your taxing power may be compelled on behalf of the special service area bondholders other than the ad valorem property taxes to be extended on the taxable real property in the special service area.

Revenue Bonds. “Revenue bonds” are debt securities that are payable only from a specific source or sources of revenues. Revenue bonds are not a pledge of your full faith and credit and you are obligated to pay principal and interest on your revenue bonds only from the revenue source(s) specifically pledged to the bonds. Revenue bonds do not permit the bondholders to compel you to impose a tax levy for payment of debt service. Pledged revenues may be derived from operation of the financed project or system, grants or excise or other specified taxes. Generally, subject to state law or local charter requirements, you are not required to obtain voter approval prior to issuance of revenue bonds. Revenue bonds may, however, be subject to a backdoor referendum. If the specified source(s) of revenue become inadequate, a default in payment of principal or interest may occur. Various types of pledges of revenue may be used to secure interest and principal payments on revenue bonds. The nature of these pledges may differ widely based on state law, the type of issuer, the type of revenue stream and other factors.

Some revenue bonds, referred to as conduit revenue bonds, may be issued by a governmental issuer acting as conduit for the benefit of a private sector entity or a 501(c)(3) organization (the obligor). Conduit revenue bonds commonly are issued for not-for-profit hospitals, educational institutions, single and multi-family housing, airports, industrial or economic development projects, and student loan programs, among other obligors. Principal and interest on conduit revenue bonds normally are paid exclusively from revenues pledged by the obligor. Unless otherwise specified under the terms of the bonds, you are not required to make payments of principal or interest if the obligor defaults.

Tax Increment Financing. Tax increment financing provides a means for municipalities, after the approval of a “redevelopment plan and project,” to redevelop blighted, conservation or industrial park conservation areas. The Tax Increment Allocation Redevelopment Act of the State of Illinois, as amended, allows incremental property taxes to be used to pay certain redevelopment project costs and to pay debt service with respect to tax increment bonds issued to

pay redevelopment project costs. The municipality is authorized to issue tax increment bonds payable from, and secured by, incremental property tax revenues expected to be generated in the redevelopment project area. Incremental property tax revenues are derived from the increase in the current equalized assessed valuation of the real property within the redevelopment project area over and above the certified initial equalized assessed valuation for such redevelopment project area.

Before adopting the necessary ordinances to designate a redevelopment project area, a municipality must hold a public hearing and convene a joint review board to consider the proposal. At the public hearing, any interested person or taxing district may file written objections and may give oral statements with respect to the proposed financing. After the municipality has considered all comments made by the public and the joint review board, it may adopt the necessary ordinances to designate a redevelopment project area.

Tax increment bonds may be secured by the full faith and credit of the municipality. The issuance of general obligation tax increment bonds is subject to a “backdoor,” rather than a direct, referendum. Once a municipality has authorized the issuance of tax increment obligations secured by its full faith and credit, the ordinance authorizing the issuance must be published in a newspaper of general circulation in the municipality. In response, voters may petition to request that the question of issuing obligations using the full faith and credit of the municipality as security to pay for redevelopment project costs be submitted to the electors of the municipality. If, within 30 days after the publication, 10% of the registered voters of the municipality sign such a petition, the question of whether to issue tax increment bonds secured by the municipality’s full faith and credit must be approved by the voters pursuant to referendum. Such bonds are not exempt from the Extension Limitation Law unless first approved at referendum.

Tax increment revenues may also be treated as a “revenue source” and be pledged to the payment of alternate bonds under Section 15 of the Debt Reform Act.

FINANCIAL RISK CONSIDERATIONS

Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all of the following (generally, the obligor, rather than you, will bear these risks for conduit revenue bonds):

Issuer Default Risk. You may be in default if the funds pledged to secure your bonds are not sufficient to pay debt service on the bonds when due. The consequences of a default may be serious for you and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds, the trustee and any credit support provider may be able to exercise a range of available remedies against you. For example, if the bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. If the bonds are revenue bonds or alternate bonds, you may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at

market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

This description is only a brief summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

Redemption Risk. Your ability to redeem the bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. In the event that interest rates decline, you may be unable to take advantage of the lower interest rates to reduce debt service.

Refinancing Risk. If your financing plan contemplates refinancing some or all of the bonds at maturity (for example, if you have term maturities or if you choose a shorter final maturity than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you from refinancing those bonds when required. Further, limitations in the federal tax rules on advance refunding of bonds (an advance refunding of bonds occurs when tax-exempt bonds are refunded more than 90 days prior to the date on which those bonds may be retired) may restrict your ability to refund the bonds to take advantage of lower interest rates.

Reinvestment Risk. You may have proceeds of the bonds to invest prior to the time that you are able to spend those proceeds for the authorized purpose. Depending on market conditions, you may not be able to invest those proceeds at or near the rate of interest that you are paying on the bonds, which is referred to as “negative arbitrage.”

Tax Compliance Risk. The issuance of tax-exempt bonds is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of the tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on the bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you or your bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If the bonds are declared taxable, or if you are subject to audit, the market price of your bonds may be adversely affected. Further, your ability to issue other tax-exempt bonds also may be limited.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing the bonds.

Received and read by:

Signature

Name

Title

Date

VILLAGE OF GILBERTS

RESOLUTION NO. 05-2015

**A RESOLUTION AUTHORIZING APPLICATION FOR
KANE COUNTY COMMUNITY DEVELOPMENT FUNDS
AND EXECUTION OF ALL NECESSARY DOCUMENTS**

WHEREAS, the Village of Gilberts has determined that it in its best interests to submit an application for Kane County Community Development Funds for the Old Town Stormwater and Road Improvements Project; and

WHEREAS, said project will result in stormwater system repairs and road improvements in the Old Town neighborhood, a project that would address long-standing drainage and roadway problems in an area that includes the community's oldest and most affordable housing stock; and

WHEREAS, the Kane County Board must approve said application and will require the Village of Gilberts to execute a Funding Agreement and other necessary documents upon such approval.

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF GILBERTS, IN KANE COUNTY, ILLINOIS, as follows:

Section 1:

The Village President (or his designee) and the Village Clerk are hereby authorized to execute an application for Kane County Community Development Funds, a Funding Agreement and other necessary documents upon approval of the application by the Kane County Board, and any requests for payment and documentation required to be submitted by the Village of Gilberts for the dispersal of said funds.

Section 2:

This resolution shall be in full force and in effect from and after its passage and approval pursuant to law.

PASSED BY ROLL CALL VOTE OF THE BOARD OF TRUSTEES of the Village of Gilberts, Kane County, Illinois, this _____ day of _____, 2015.

	<u>Ayes</u>	<u>Nays</u>	<u>Absent</u>	<u>Abstain</u>
Trustee Dan Corbett	_____	_____	_____	_____
Trustee Nancy Farrell	_____	_____	_____	_____
Trustee Louis Hacker	_____	_____	_____	_____
Trustee David LeClercq	_____	_____	_____	_____
Trustee Patricia Mierisch	_____	_____	_____	_____
Trustee Guy Zambetti	_____	_____	_____	_____
President Rick Zirk	_____	_____	_____	_____

APPROVED this _____ day of _____, 2015

(SEAL)

Village President Rick Zirk

ATTEST: _____
Village Clerk, Debra Meadows

Published: _____