

Village of Gilberts
87 Galligan Road
Gilberts, IL 60136
Committee of the Whole
Meeting Minutes
December 10, 2013

APPROVED MINUTES

Roll Call/Establish Quorum

At 7:00 p.m. Village Clerk Meadows called the roll: Roll call: Members present: Trustees Corbett, Mierisch, LeClercq, Zambetti, Farrell and Hacker. 1-absent: President Zirk. Others present: Assistant Administrator Beith, Finance Director Blocker and Village Clerk Meadows. For members of the audience please see the attached list.

President Pro-Temp

Due to the acknowledgement that President Zirk was not in attendance, a Motion was made by Trustee Corbett and seconded by Trustee Hacker to nominate Trustee Zambetti to serve as President Pro-Temp. Roll call: Vote: 4-ayes: Trustees Corbett, Mierisch, Farrell, and Hacker. 1-nays: Trustee LeClercq, 0-abstained. Motion carried.

Call to Order/Pledge of Allegiance

President Pro-Temp Zambetti called the meeting to order at 7:05 p.m. He proceeded to lead those present in the Pledge of Allegiance.

Presentations

Bernardi Securities-Re-bonding

Assistant Administrator Beith introduced Mr. John Vezzetti of Bernardi Securities, Inc. Mr. Vezzetti provided the Board Members with an overview of their proposed refinancing options for SSA 15 (Series 2005) bonds which were issued to fund the infrastructure improvements in the Gilberts Town Center development.

Mr. Vezzetti proceeded to comment on the data contained in Bernardi Securities' refinancing proposal. He reported that section 3 of the proposal depicts the historical interest trends from 2004-2013. He pointed out that in years 2008-2009 there was a sharp peak in the interest rate. However in 2011 the interest rates dropped dramatically, and if the Village were to take advantage of the low interest rates there would be a large cost savings over the term of the bonds.

Mr. Vezzetti discussed the level savings option. He reported that an average Gilberts Town Center large lot single family homeowner would save on aggregate of \$1,505.96 over the term of the bonds. The total interest savings is estimated to be \$781,060.42. Mr. Vezzetti noted that this option is a non-rated option. If the Village chooses to insure the bonds the total interest rate savings over the term of the bonds would be \$948,119.48.

Trustee LeClercq asked if staff would provide him with the history of the bond sale. Assistant Administrator Beith replied that the original bond sale was facilitated by the Village on behalf of Ryland Homes to fund the infrastructure improvements within Town Center. Repayment of the bonds was passed onto each of the Town Center lots and is a line item on the parcels tax bills.

Trustee Zambetti inquired if there was an option available to decrease the length of the term. Mr. Vezzetti replied yes. He will discuss an option that proposes decreasing the life of the bonds.

Mr. Vezzetti discussed both the non-rated and rated upfront saving options. He reported that this option provides for a substantial savings the first three years and the following year's minimal savings. However the total interest savings is estimated at \$530,228.33.

Mr. Vezzetti discussed the final proposed refinancing options. He reported that both the non-rated and rated deferred savings options propose the largest saving during the last two years of the term. With at total estimated savings at 1.1 Million dollars. Trustee Mierisch inquired if there was a cost associated with the insurance for the rated bonds. Mr. Vezzetti stated yes, however the cost associated with the insured bonds has been included in the projections. Trustee Hacker noted that if you were an intelligent investor you could take the upfront savings proceeds and open a CD and profit off the interest.

Mr. Vezzetti commented on the proposed timeline. He suggested if the Board wanted to move forward with refinancing the SSA 15 bonds. They may want to consider hiring Bernardi Securities as the Underwriter at the January 7th Board Meeting. Then at the January 21st Board Meeting selecting and hiring a Bond and Disclosure Counsel. Trustee Mierisch inquired about the fees associated with hiring Bernardi Securities and Bond Counsel. Mr. Vezzetti replied there is no out of pocket cost for either their firm or bond counsel. Bernardi Securities is not paid until the bonds are sold and their fees are included in the bond sale proceeds.

Trustee LeClercq inquired why the Village did not consider refinancing in 2012 when the interest rate was at 3.5%. Mr. Vezzetti replied at that time the Village was not eligible to refinance. The Board Members concurred they needed more time to review the proposed refinancing options.

Arthur J. Gallagher-Health Insurance Overview

Assistant Administrator Beith introduced Mr. Matt Gullickson from Gallagher & Co. Mr. Gullickson provided the Board Members with an overview of their proposal for the Village's property and casualty insurance renewal.

Mr. Gullickson reported that he had recently met with Administrator Keller and Finance Director Blocker to discuss the insurance renewal. At that time they decided to market the property and liability portion of the Village's insurance program.

Mr. Gullickson noted that they approached their strongest markets for the property and liability coverages. Trident, the Village's incumbent carrier, and Brit when paired with Hartford on the equipment breakdown submitted options for the Village. The Brit and Hartford program provided the most competitive terms. With this option the Village's package premium decrease by 1.7% while Trident's renewal terms increased by 5.58%.

Mr. Gullickson discussed the Crime coverage. The Crime coverage was marketed and Hanover again provided the most competitive and comprehensive program. As requested Hanover provided an option to include the police pension fund under the crime policy for an additional premium.

Mr. Gullickson commented on the Workers Compensation quote. The Village's overall premium increased was by 16.5%. The change was the result of an 18.83% increase in payrolls.

Trustee LeClerc commented on the fact that the Village was awarded a grant in the amount of \$3,317 from the Illinois Public Risk Fund. Finance Director Blocker acknowledged receipt of the grant. She reported that Public Works is purchasing safety equipment and sending employees to safety training programs with the grant proceeds.

There was some discussion with respect to park equipment coverage. Mr. Gullickson referenced the schedule exhibits included in the proposal. Trustee Farrell questioned if underground park improvements would be covered. Mr. Gullickson will need to check if underground improvements are covered.

There being no further discussion, Mr. Gullickson thanked the Board Members for their time.

Items for Discussion

Minutes from the December 3, 2013 Village Board Meeting

There were no comments on the minutes. The December 3, 2013 Village Board Meeting Minutes will be placed on the next consent agenda.

November 2013 Treasurer's Report

There were no comments on the November 2013 Treasurer's Report. This item will be placed on the next consent agenda.

Ordinance 25-2013, an Ordinance Levying Taxes for Fiscal Year beginning May 1, 2014 and ending April 30, 2015

Finance Director Blocker provided the Board Members with an overview of the Corporate Tax Levy Ordinance. There were no comments on the Ordinance. Ordinance 25-2013 will be placed on the next consent agenda.

Ordinance 26-2013, an abatement Ordinance for SSA # 9 for Fiscal Year beginning May 2014 and ending April 30, 2015

Finance Director Blocker provided the Board Members with an overview of the SSA #9 Abatement Ordinance. There were no comments on the Ordinance. Ordinance 26-2013 will be placed on the next consent agenda.

Ordinance 27-2013, an Abatement Ordinance for SSA # 15 for Fiscal Year beginning May 1, 2014 and ending April 30, 2015

Finance Director Blocker provided the Board Members with an overview of the SSA # 15 Abatement Ordinance. There were no comments on the Ordinance. Ordinance 27-2013 will be placed on the next consent agenda.

Ordinance 28-2013, an Abatement Ordinance for SSA # 19 for Fiscal Year beginning May 1, 2014 and ending April 30, 2015

Finance Director Blocker provided the Board Members with an overview of the SSA # 19 Abatement Ordinance. There were no comments on the Ordinance. Ordinance 28-2013 will be placed on the next consent agenda.

Ordinance 29-2013, an Ordinance abating the Tax levied for the Year 2013 to pay debt service on several bonds for the Village of Gilberts

Finance Director Blocker reported that the purpose of this Ordinance is to abate the levy for the GO Bonds. The debt service is paid by the 1% sales tax revenue.

Staff Reports

Assistant Administrator Beith reported that the Community Days Committee is looking for direction on how to proceed with the Gilberts Town Square Park power infrastructure.

He noted that the Board has set a target cost of \$50,000.00. However, the bid from O'Carroll, plus the Com Ed charge would result in a cost of \$73,475.00. Trustee Farrell commented on the fact that the permanent power would allow for additional programs to be offered in the park. She reported that the YMCA in the past has thought about offering movies in the park. However, there was no power to support the event. A lengthy discussion ensued with respect to rental possibilities. The Board Members concurred the additional installation cost was acceptable due to the fact that the improvement is an enhancement to the park and will provide a public benefit.

Finance Director Blocker discussed the meter change out program. She reported that there are still 68 residents that have yet to allow the Village to access their water meters. Unfortunately some of the residences in question are townhome units. The townhomes only have one water meter for all the units. She noted that if you were to double their water bills the payment responsibility would fall on the HOA. A lengthy discussion ensued with respect to resolving this issue.

The Board Members suggested amending the current Ordinance by adding language that allows a refund of an estimated bill if the resident complies within 30 day of the notice. If additional fees have been incurred those fees would be refunded for that current billing cycle. After the 30 day window, any back doubled billed payment would not be refunded. Billing adjustments related to double billing for water meter change-out will only affect current billing cycles carrying the double billing charge. Once that due date passes no adjustments can be made. Staff will draft language. Trustee Hacker questioned the fairness of not refunding previous doubled billed fees once the resident was in compliance. Trustee Mierisch recommended staff discuss this matter with Attorney Tappendorf.

Trustee Reports

There were no reports offered by the Trustees

President's Report

In President Zirk's absence President Pro-Temp Zambetti had nothing to report.

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Adjournment

There being no further public business to discuss, **a Motion was made by Trustee Farrell and seconded by Trustee Hacker to adjourn from the public meeting at 8:14 p.m.** Roll call: Vote: 5-ayes by unanimous voice vote. 0-nays, 0-abstained. Motion carried.

Respectfully submitted,

Debra Meadows

