

**VILLAGE OF HUNTLEY
VILLAGE BOARD
October 8, 2020
MEETING MINUTES**

CALL TO ORDER:

A meeting of the Village Board of the Village of Huntley was called to order on Thursday, October 8, 2020 at 6:32 p.m. in the Municipal Complex, Village Board Room, 10987 Main St., Huntley, Illinois 60142.

ATTENDANCE:

PRESENT: Mayor Charles Sass; Trustees: Ronda Goldman, Tim Hoeft, Niko Kanakaris, Harry Leopold, John Piwko and JR Westberg.

ABSENT: None

IN ATTENDANCE: Interim Village Manager Lisa Armour, Management Assistant Barbara Read, Director of Development Services Charles Nordman, Director of Public Works and Engineering Timothy Farrell, Chief Robert Porter, Director of Finance Cathy Haley, Human Resources Manager Chrissy Hoover, and Village Attorney John Cowlin.

PLEDGE OF ALLEGIANCE: Mayor Sass led the Pledge of Allegiance.

EXECUTIVE SESSION:

A MOTION was made at 6:32 p.m. to Enter into Executive Session for i) Security Procedures

MOTION: Trustee Piwko

SECOND: Trustee Hoeft

The Village Board exited the Board Room to go to the Emergency Operations Center (EOC).

Mayor Sass called the Village Board meeting back in session at 6:50 p.m.

SPECIAL PRESENTATION:

Chief Porter presented Ian Watson with a Citizen Life Saving Award for saving the life of his three year old neighbor. Chief Porter described the situation that took place and how Ian saved his neighbor's life.

PUBLIC COMMENTS: None

ITEMS FOR DISCUSSION AND CONSIDERATION:

- a) Consideration – Approval of the October 8, 2020 Bill List in the amount of \$203,799.77

Mayor Sass reported that \$54,375.00 (or 27%) of the total bill list is attributable to the payment of 350 Support Hours to Advanced Business Networks, Inc. (\$42,000.00) and payment for Cyber Security Training to Sentinel Technologies Inc. (\$12,375.00).

Mayor Sass asked if the Village Board had any comments or questions; there were none.

A MOTION was made to approve the October 8, 2020 Bill List in the amount of \$203,799.77.

MOTION: Trustee Westberg
SECOND: Trustee Piwko
AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko, and Westberg
NAYS: None
ABSENT: None
The motion carried: 6-0-0

b) Consideration – An Ordinance Approving the Issuance of a Class “A” Accessory Use Tobacco License to American Drug Stores, LLC d/b/a Osco Drug #3198; 10090 Route 47

Mayor Sass reported that the Village of Huntley regulates the sale of tobacco and tobacco products in the Village through its Tobacco Control Ordinance, which provides for the issuance of certain classes of tobacco licenses and establishes the number of licenses available.

Staff Analysis

The Village is in receipt of a request for a Class “A” Accessory Use Tobacco license from American Drug Stores, LLC d/b/a/ Osco Drug #3198 (Jewel). Jewel is seeking approval, included on the Liquor Commission agenda, to include liquor sales in the new store opening in Reed’s Corner at 10090 Route 47. Jewel will offer a limited selection of tobacco and tobacco products at the service counter which would qualify as a Class “A” Accessory Use license.

A Class “A” Accessory Use Tobacco license offers tobacco products and/or tobacco paraphernalia for sale at retail but derives less than 30% of its gross revenue from the sale of tobacco products and tobacco paraphernalia. An amendment to the Code of Ordinances is not necessary to increase the number of available licenses. The Code allows for an unlimited number of Class “A” Accessory Use licenses; however, Village Board approval is required to issue the license.

As part of the application the following items are required to be submitted:

- Signed Application (*Submitted*)
- Economic Interest Disclosure Form (*Submitted*)
- Payment of \$200 for a Class “A” license (*Submitted*)
- BASSET or TIPS training information for employees (*Must be submitted within 90 days*)

Financial Impact

The annual fee of \$200 for a Class “A” Accessory Use Tobacco license has been received and deposited to the Tobacco License revenue line item 100-00-00-4322.

Legal Analysis

Section 120 of the Village Code of Ordinances regulates tobacco sales in the Village. The application has been reviewed and is in compliance.

Mayor Sass asked if the Village Board had any comments or questions; there were none.

A MOTION was made to approve an Ordinance Approving the Issuance of a Class “A” Accessory Use Tobacco License to American Drug Stores, LLC d/b/a Osco Drug #3198; 10090 Route 47.

MOTION: Trustee Leopold
SECOND: Trustee Goldman
AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko, and Westberg
NAYS: None
ABSENT: None
The motion carried: 6-0-0

- c) Consideration – An Ordinance Approving a Simplified Residential Zoning Variance for Front Yard Building Setback Relief in the “RE-1 PUD” Residential Estate District Planned Unit Development, 8965 Clinnin Lane

Director of Development Services Charles Nordman reviewed a Power Point presentation and reported that the petitioner is requesting $\pm 1' - 9 \frac{7}{8}$ " of relief from the requisite 30-foot front yard building setback to accommodate the construction of $\pm 12' \times \pm 25'$ garage addition to the home located at 8965 Clinnin Lane. The property is zoned “RE-1 PUD” Residential Estate District Planned Unit Development. The Talamore Community Association reviewed the request for variance and has approved the project per their Covenants and pending final approval by the Village Board.

Staff Analysis

The proposed $\pm 12' \times \pm 25'$ garage addition on the side (south side) of the single-family residence will encroach $\pm 1' - 9 \frac{7}{8}$ " into the requisite 30-foot front yard building setback.

The petitioner has cited the fact their lot has an unusual shape and results in a curved building setback line, making it necessary to request zoning relief for the corner of their proposed garage addition. The petitioner explains that for constructability, the rear of the proposed garage addition needs to align with the existing garage and the curved front setback line restricts the depth of the proposed addition.

The single story garage addition will be constructed with all new materials to match the existing residence, and the roof shingles will match the existing roof. A third car concrete driveway will also be added and is designed to meet the Huntley Zoning Code.

Zoning Board of Appeals

The Zoning Board of Appeals reviewed the petitioner’s request at a public hearing on September 28, 2020, with no members of the public speaking in opposition to the request, the Zoning Board of Appeals unanimously recommended approval of the request by a vote of 7 to 0 subject to the following condition:

1. No building permits or Certificates of Occupancy are approved as part of the Simplified Residential Zoning Variation.
2. The petitioner will be required to submit an HOA approval letter when submitting building permit plans. *The condition has been met as the HOA approval letter was received on 09.29.20*

Mayor Sass asked if the Village Board had any comments or questions; there were none.

A MOTION was made to approve an Ordinance for a Simplified Residential Zoning Variation for a Garage Addition Encroaching into the Front Yard Building Setback at 8965 Clinnin Lane.

MOTION: Trustee Leopold

SECOND: Trustee Piwko

AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko, and Westberg

NAYS: None

ABSENT: None

The motion carried: 6-0-0

- d) Consideration – An Ordinance Approving a Simplified Residential Zoning Variance for Side Yard Building Setback Relief in the “SF-2 (PDD)” Garden Residential – Planned Development District, 13058 Farm Hill Drive

Director of Development Services Charles Nordman reviewed a Power Point presentation and reported that the petitioners are requesting ± 12 -feet of relief beyond the platted 30-foot south side building setback line to

accommodate the construction of a ±16' x ±50' home addition on the side (south side) of the single-family residence located at 13058 Farm Hill Drive. The property is zoned "SF-2 PDD" Garden Residential, Planned Development District. The Sun City Community Association reviewed the request for variance and has approved the project per their Covenants and pending final approval by the Village Board.

Staff Analysis

The proposed ±16' x ±50' home addition will encroach ±12-feet beyond the platted 30-foot south side platted building setback line.

Richard and Judy Scherer have cited the fact their lot has a 30' platted building south side yard setback line and does not allow the construction of the addition without the Village Board granting relief for a 12' variance. The petitioners also note that most surrounding homes have 7.5' platted side yard building setback line. If the variance is approved and the addition is constructed, the home will still have an 18' side yard (south) setback.

The single story home addition will be constructed with all new materials to match the existing residence, and the roof shingles will match the existing roof.

Zoning Board of Appeals

The Zoning Board of Appeals reviewed the petitioner's request at a public hearing on September 28, 2020, with no members of the public speaking in opposition to the request, the Zoning Board of Appeals unanimously recommended approval of the request by a vote of 7 to 0 subject to the following condition:

1. No building permits or Certificates of Occupancy are approved as part of the Simplified Residential Zoning Variation.

Director Nordman reported that the petitioners were in attendance to answer questions.

Mayor Sass asked if the Village Board had any comments or questions; there were none.

A MOTION was made to approve an Ordinance Approving a Simplified Residential Zoning Variation for a Home Addition Encroaching into the Platted 30-foot Side Yard Building Setback at 13058 Farm Hill Drive.

MOTION: Trustee Leopold

SECOND: Trustee Hoeft

AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko, and Westberg

NAYS: None

ABSENT: None

The motion carried: 6-0-0

- e) Consideration – An Ordinance Amending Title III, Chapter 35 of the Huntley Code to Institute a Flat Rate Tax on the Privilege of Renting or Leasing Hotel Rooms

Interim Village Manager Lisa Armour reported that Title III, Chapter 35, Subchapter A of the Code currently imposes a hotel accommodations tax of 7% of the gross rental or leasing charge for rental or leasing of hotel accommodations within the Village limits. Pursuant to the Village's home rule powers, an additional flat-rate tax is proposed to be imposed upon the privilege of renting or leasing hotel rooms in the Village at a rate of \$3.00 per room per night.

Staff Analysis

The hotel accommodations tax and the flat-rate tax are administered and enforced at the local level. The owner, manager, or operator of hotel accommodations is required to file a sworn tax return on a monthly

basis with the Village Treasurer and Village Clerk showing tax receipts received with respect to hotel accommodation space rented or leased during the preceding monthly period, upon forms prescribed by the Village. The forms shall provide for separate accounting and reporting of the hotel accommodations tax and the hotel room tax. At the time of filing the tax return, the owner, manager, or operator of hotel accommodations shall pay to the Village all taxes due for the period to which the tax return applies.

Financial Impact

Per the first amendment to the Business Development Agreement with Woodstock Hotels, LLC, the flat-rate room tax of \$3.00 per night will be rebated to the developer of the Hampton Inn for years one through five of hotel occupancy and after year five, the Village Board is to discuss future rebate options.

Legal Analysis

An amendment to Village Code is required to impose the flat-rate room tax.

Mayor Sass asked if the Village Board had any comments or questions; there were none.

A MOTION was made to approve an Ordinance Amending Chapter 35 of the Huntley Code to Institute a Flat Rate Tax on the Privilege of Renting or Leasing Hotel Rooms.

MOTION: Trustee Piwko

SECOND: Trustee Goldman

AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko, and Westberg

NAYS: None

ABSENT: None

The motion carried: 6-0-0

- f) Consideration – An Ordinance Authorizing the Approval and Execution of a First Amendment to a Business Development Agreement between the Village of Huntley and Woodstock Hotels, Inc. for a Hampton Inn

Interim Village Manager Lisa Armour reported that the Village Board approved Ordinance (O)2020-07.48 on July 23, 2020, authorizing approval and execution of a Business Development Agreement between the Village of Huntley and Woodstock Hotel, Inc. to assist with the development of a Hampton Inn on 3.7 acres of the former Home Depot site at Huntley Crossings Phase I. The project is anticipated to create 22 jobs and serve as a catalyst to attract other businesses in proximity to the hotel. Woodstock Hotel, Inc., operated by Hetan Patel, intends to spend approximately \$11,500,000.00 to construct a four-story, 100-room hotel.

The Business Development Agreement (BDA) currently provides for the following:

- Rebate of 85% of the Village's share of hotel accommodations tax, up to a maximum of \$2,500,000
- Rebate of 85% of the Village's portion of the property tax once fully assessed, up to a maximum of \$150,000
- Maximum rebate period of 15 years, or a total amount rebated of \$2,650,000
- Hotel to open for occupancy by December 31, 2021; if not, the Business Development Agreement may be terminated, but the Village Board would have the option to extend the date if warranted
- Any changes to the hotel brand during the agreement time period would require prior approval of the Village Board; this is to ensure that the quality of the project remains at the initial standard approved by the Board
- Any major changes to the development plans would require approval by the Village Board

Mr. Patel has provided documentation from his lender indicating additional funding of approximately \$300,000 over the first five years of occupancy for cash flow support to cover the stabilization period for

the hotel must be addressed in order to finalize the loan for the project. The proposed amendment to the Business Development Agreement is projected to provide the additional funds as outlined below.

Staff Analysis

Increasing the rebated hotel accommodations tax revenue from 85% to 100% over the first five years of occupancy is projected to generate an additional estimated \$96,075. The proposed amendment makes this modification, with the revenue split reverting to 85%/15% in Year Six. Adding a flat room tax of \$3 per night would generate an additional \$267,000 for the same period. (This requires an ordinance implementing the new tax, which is included as a separate agenda item). The proposed amendment provides for this new tax to be rebated 100% to the developer for Years One through Five, with a provision that the owner and Village agree to review the Hotel Room Tax within 60 days after the end of Year 5 to determine any future rebates or revenue sharing. If the Owner desires to extend the rebate, the Owner shall make a request in writing to the Village prior to the end of the 60-day period documenting the need for continuation of the rebate. The Village may consider, but shall be under no obligation, to approve the request. The Village also reserves the right to repeal the Hotel Room Tax after Year 5. The maximum hotel tax to be rebated to the developer would be increased by \$300,000, to a total of \$2,800,000. The total maximum rebated taxes would be increased to \$2,950,000.

Financial Impact

The Village would be foregoing the projected \$96,075 over the first five years of occupancy. The flat room tax of \$3 per night would generate an additional \$267,000 for the same period.

Legal Analysis

The amended agreement has been prepared by Village legal counsel.

Strategic Plan Priority

The 2016-2020 Strategic Plan identifies “*Promote New Business Development, Retention, and Expansion*” as a Strategic Priority, “*Attract and Retain Businesses to Enhance Tax Base and Create New Jobs*” as a goal, and “*Secure a commitment for the construction of a hotel*” as an objective.

Mayor Sass asked if the Village Board had any comments or questions.

Trustee Leopold stated that he supports the amendment as the Village has been trying for 15 years to get a hotel.

There were no other comments or questions.

A MOTION was made to approve an Ordinance Authorizing the Approval and Execution of a First Amendment to a Business Development Agreement between the Village of Huntley and Woodstock Hotel, Inc. for a Hampton Inn.

MOTION: Trustee Leopold

SECOND: Trustee Hoeft

AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko, and Westberg

NAYS: None

ABSENT: None

The motion carried: 6-0-0

- g) Consideration – An Ordinance Approving an Amendment to Ordinance (O)2019-07.46 to Allow a Revised Site Plan, Building Elevations, and Landscape Plan for Extreme Clean Car Wash

Director of Development Services Charles Nordman reviewed a Power Point presentation and reported that

on July 25, 2019, the Village Board approved Ordinance (O)2019-07.46 that approved a Special Use Permit for a Thorntons gasoline station, a Special Use Permit for the proposed car wash, preliminary/final plat of subdivision, and site plan review for a Thorntons gasoline station and standalone car wash (now named Extreme Clean Car Wash). The Village Board later approved a revised sign plan for Thorntons and Extreme Clean Car Wash on June 25, 2020, which allowed Extreme Clean Car Wash to have its own ground sign and relocate the Thorntons ground sign from Lot 2 to Lot 1 to be closer to the intersection of Route 47 and Kreutzer Road (Ordinance (O)2020-06.43). The revised sign plan also allowed Extreme Clean Car Wash to add an additional wall sign.

The petitioner is now requesting to modify the approved site plan, building elevations, and landscape plan for Extreme Clean Car Wash. The petitioner has indicated the site plan change is requested in order to create a second row of parking spaces that will allow additional vacuums to better serve customers. The second row of parking has been created by shifting the building to the south thus creating additional space for the row of parking. The petitioner is also proposing to better separate the vehicles stacking for the car wash and the vacuum area by adding a landscaped median between the two areas. Previously, the median did not extend the full length of the stacking nor was it landscaped. Landscaping was also added along the south building elevation where none was previously proposed on the original landscape plan. The revisions improve traffic flow through the site.

The revised building elevations enhance the appearance of the building with an added pitched roof to the rear tower element and gooseneck light fixtures on all four building elevations. The awnings are also being changed from fabric to standing seam metal roofing which matches the roof on the tower elements. Other architectural materials (brick and stone) remain the same as approved on the original elevations.

Staff Analysis

Staff recommends the following conditions be applied should the Village Board approve the proposed modifications to the site plan, building elevations and landscape plan previously approved by Ordinance (O)2019-07.46:

1. In accordance with Zoning Ordinance parking stall and drive aisle dimension requirements, the width of the two-way drive aisle shall be increased to 25 feet and the depth of the parking stalls shall be increased to 19 feet (the parking stalls are already shown to be 10 feet in width in accordance with ordinance requirements).
2. The Landscape Plan shall be revised to replace the one Kentucky Coffee Tree with a difference species of tree and to replace the sixteen GroLow Sumac with a different species of shrub.
3. The petitioner shall obtain final landscape approval of the Landscape Plan from the Development Services Department.
4. All public improvements and site development must occur in full compliance with the submitted plans and all other applicable Village Municipal Services (Engineering, Public Works, Planning and Building) site design standards, practices and permit requirements.
5. The petitioners will comply with all final engineering revisions to be approved by the Village Engineer and Development Services Department.

Director Nordman reported that the petitioner was in attendance to answer questions.

Mayor Sass asked if the Village Board had any comments or questions; there were none.

A MOTION was made to approve an Ordinance Approving an Amendment to Ordinance (O)2019-07.46 to Allow a Revised Site Plan, Building Elevations, and Landscape Plan for Extreme Clean Car Wash.

MOTION: Trustee Piwko
SECOND: Trustee Leopold

AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko, and Westberg
NAYS: None
ABSENT: None
The motion carried: 6-0-0

- h) Consideration – An Ordinance Approving a Special Use Permit and Any Necessary Relief for a Wendy’s Restaurant with a Drive-Through to be located at 13240 Route 47

Director of Development Services Charles Nordman reviewed a Power Point presentation and reported that Wendy’s restaurant is proposing to open in the vacant restaurant space in Drendel’s Corner, 13240 Route 47, which has been previously occupied by Denny’s and Culver’s. Wendy’s will utilize the existing drive-through and add directional arrows to the pavement and directional signage so that customers circulate around the gas pumps/canopy to avoid blocking parking spaces along the front of the building. The original site plan for the gas station and restaurant with a drive-through was approved by the Village Board on May 27, 1999.

The existing building footprint will not be altered for Wendy’s. Proposed façade changes include painting the existing roof dark bronze, new signage, painting the existing fascia red at the east and west gables, and adding EIFS as an accent material to a portion of the north façade.

Staff Analysis

Drive-Through Restaurant

A drive-through is required to provide adequate stacking distance for a minimum of ten (10) vehicles (Zoning Ordinance, Section 156.060 (D)(4)). The existing drive-through provides stacking for 11 vehicles (from the pick-up window to the start of the drive-through lane). Pavement markings and directional signage will be added to the site so that drive-through customers circulate around the gas pumps/canopy to avoid block parking spaces should stacking occur beyond the entrance of the drive-through lane.

Parking

The existing site provides 66 parking spaces for both the restaurant space and the gas station’s convenience store. At the time the site plan was approved in 1999 it was determined that 46 parking spaces were required for the restaurant (90 seats) and gas station. Wendy’s is proposing 88 seats, therefore, requiring no additional parking.

Signage

The proposed signage for the restaurant includes three wall signs and two ground signs. The proposed wall signs will be installed on the north, west, and east building elevations in the same locations as previous wall signs for Culver’s and Denny’s. The proposed signs on the north and west elevations will have an area of ±21.67 square feet and the sign on the east elevation will have an area of ±32.49 square feet.

The proposed ground signs include re-facing the existing monument sign with a “Wendy’s” sign panel and constructing a second ground sign closer to Route 47. The new ground sign is proposed to be constructed of brick to match the building with a stone cap. The sign will be 5’-4” in height and the Wendy’s sign face and logo will have an area of ±13.88 square feet. Relief is required to allow a second ground sign to be located on the property.

The two proposed directional signs for the drive-through will be installed in the same locations as the previous drive-through signage used for Culver’s. Each directional sign will have an area of ±2.16 square feet and brick base to match the building.

REQUIRED RELIEF

The following relief is required for the proposed plans:

1. The Sign Ordinance allows one ground sign per lot. The proposed Wendy's monument sign would be the second ground sign to be located on the lot, therefore requiring relief.

Plan Commission Recommendation

The Plan Commission reviewed the petitioner's request on September 28, 2020. With no members of the public offering comments in favor or opposition to the request, the Plan Commission recommended approval of the petition by a vote of 7 to 0, subject to the following conditions:

1. A landscape plan shall be submitted for the proposed landscaping at the base of the new ground sign. The landscape plan shall be reviewed and approved by Development Services Department staff prior to the issuance of a sign permit for the ground sign.
2. The damaged parking lot light fixture at the Oak Creek Parkway entrance to the property shall be repaired prior to the issuance of a certificate of occupancy for the restaurant.
3. No building plans or permits are approved as part of the submittal.
4. No sign permits are approved as part of the submittal.

Strategic Plan Priority

The 2016-2020 Strategic Plan identifies "*Promote New Business Development, Retention, and Expansion*" as a Strategic Priority, "*Attract and Retain Businesses to Enhance Tax Base and Create New Jobs*" as a goal.

Director Nordman reported that Don Wallin, Wendy's architect, was in attendance to answer questions.

Mayor Sass asked if the Village Board had any comments or questions.

Trustee Leopold asked if the drive-thru would have additional parking spaces for people waiting for their orders. Mr. Wallin stated that Wendy's has not yet considered that.

Trustee Leopold asked what the target opening date was; Mr. Wallin stated it is planned for the first quarter of 2021.

Trustee Kanakaris stated that the trees along Route 47 should be pruned for better visual. Director Nordman stated that the picture in the exhibits is an older picture and he thought the trees have been pruned for better visual of the site.

There were no other comments or questions.

A MOTION was made to approve an Ordinance approving a Special Use Permit and any necessary relief for a Wendy's restaurant with a drive-through to be located at 13240 Route 47.

MOTION: Trustee Kanakaris

SECOND: Trustee Hoeft

AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko, and Westberg

NAYS: None

ABSENT: None

The motion carried: 6-0-0

- i) Consideration – An Ordinance Approving a Final Planned Unit Development, including any necessary relief, for Infinite Thermal Solutions, 10802 Route 47

Director of Development Services Charles Nordman reviewed a Power Point presentation and reported that

Infinite Thermal Solutions (ITS) has purchased 10802 Route 47, which was previously occupied by Hoppy's Barber Shop, and intends to locate their administrative office in the principal building and use the existing garage for the storage of product. ITS' primary business is in the purchase and resale of heating components. ITS also provides application engineering expertise and has engineering capabilities to improve product design for customers. ITS does not manufacture any products.

Background Information

In June 2010 the previous property owner, Arthur Kahl, received approval of legal nonconforming status as a result of additional right-of-way being acquired by the Illinois Department of Transportation (IDOT) for the widening of Route 47. The property is zoned "B-3" Shopping Center Business which requires a minimum lot area of 50,000 square feet and minimum front yard setback of 50 feet. Prior to the acquisition by IDOT the lot was 9,757 square feet in area and had a front yard setback of 44.07 feet, both of which did not meet the minimums required for the "B-3" district. Following the acquisition, the property has a lot area of 9,016 square feet and front yard setback of 34.07 feet which increased the nonconformity of the property. To adjust for the reduced lot area and setback, the property owner proposed to construct a new paved parking lot at the rear of the property. The Village Board approved Ordinance (O)2010-06.30 allowing the increase in nonconformities affecting lot area and setbacks, subject to the following conditions:

1. Handicap parking shall be provided in accordance with the Illinois Accessibility Code.
2. Landscape screening shall be installed on the south side of the property,
3. The petitioner shall obtain all required permits from the Development Services Department prior to the construction of the parking lot.
4. All site improvements shall comply with all Village of Huntley Engineering and Building Code requirements.
5. Any proposed future signage shall comply with the Village's Sign Ordinance with the exception of the 10-foot setback from the south lot line (*At the time, the property owner was relocating an existing sign. That sign has since been removed from the property.*)
6. All site improvements shall take place as soon as possible in coordination with the Route 47 construction activity.

Following approval of Ordinance (O)2010-06.30 and completion of the Route 47 widening, the owner did not construct the paved parking lot as required by the ordinance. The new owner has been advised of this and is proposing to reconfigure and pave the parking lot.

Staff Analysis

The proposed site improvements to the property include façade changes to the principal building and garage, constructing a 400 square foot addition to the garage, paving the parking area, and the installation of new landscaping.

Final Planned Unit Development

The subject site is zoned "B-3" Shopping Center Business. The Zoning Ordinance requires that all land within the "B-3" district must be developed as a Planned Unit Development (PUD).

Site Plan

The site plan proposes to pave the existing gravel lot to provide parking for four vehicles, including one accessible parking space. The parking spaces will be split between the rear of the building, two along the front elevation of the building, and one space in front of the garage. Due to the small lot size, access to the parking spaces will be provided by a fifteen-foot drive aisle. The petitioner has provided turning radius exhibits to demonstrate that an automobile is able to enter the site and access the parking spaces.

The existing two-car garage will be expanded by 400 square feet to provide additional storage space for the business. The pitch of the garage roof will also be modified to create additional storage in the garage's attic space.

Parking

As noted above, the parking spaces will be split between the rear of the building, two along the front elevation of the building, and one space in front of the garage. The accessible parking space will be located at the front of the building, nearest the front door, and will have direct access to a concrete ramp. Due to the small lot size, access to the parking spaces will be provided by a fifteen-foot drive aisle. The petitioner has provided turning radius exhibits to demonstrate that an automobile is able to enter the site and access the parking spaces. The parking areas will be illuminated by wall mounted light fixtures to be installed on the principal building and garage

The following table summarizes the parking requirements for the proposed use:

Principal Building	Square Feet	Required Parking	Proposed Parking
Office Space	669 SF	3 spaces	--
Garage			
Storage	981 SF	1 space	--
Total	1,650 SF	4 spaces	4 spaces

Building Elevations

The petitioner is proposing to reconfigure the location of the existing windows and doors on the building and reface the principal building and garage with Hardie Board siding. A Timber Bark colored Hardie Board siding will be used at the base of the buildings and Monterey Taupe colored Hardie Board siding will be installed above (material and color samples will be available at the meeting). A new roof will also be installed on both the principal building and garage using architectural shingles.

The petitioner has also submitted a Façade Improvement Assistance Program grant application for the proposed façade improvements. The grant application will be considered by the Village Board as a separate agenda item.

Landscaping

The proposed landscape plan consists of seven Dwarf Alberta Spruce trees along the east lot line and 12 Boxwood shrubs along the west and south elevations of the principal building. An existing six-foot tall wood fence located on the neighboring residential property also runs along the length of the rear lot line. Staff has recommended that the Dwarf Alberta Spruce be replaced with a different species of evergreen tree that would provide better screening. A typical Dwarf Alberta Spruce will grow to a mature height of six feet with a 24 inch spread. They are known to grow at a slow rate, so it would be many years (if ever) before they reach 10 to 12 feet in height as indicated on the plan.

Signage

The petitioner is proposing to install one 3'-6" by 6'-0" wall sign on the front elevation of the building. The sign will be an aluminum sign face stating "ITS Infinite Thermal Solutions" that will be illuminated by goose neck fixtures placed on each side of the sign. The proposed sign conforms to the sign ordinance requirements for a wall sign. The petitioner has stated that no ground sign will be installed on the property.

REQUIRED RELIEF

The proposed plans shall require the following relief to be considered as part of the Final Planned Unit Development:

1. Per Section 156.039 (C)(3) of the Zoning Ordinance, the "B-3" zoning district requires a building setback of 30 feet from residentially zoned properties. The property to the east of the site is zoned "R-2" Single Family Residence, requiring a structure to be setback 30 feet from the property's east lot line. The existing garage is nonconforming as a result of it being setback only nine (9) feet from

the east line. The proposed addition to the garage will also be setback nine (9) feet from the east lot line, but requires relief because it will not meet the 30 foot setback required in the “B-3” district.

2. Per Section 156.039 (C)(4) of the Zoning Ordinance, a minimum parking lot setback of 10 feet is required from the front lot line. The site plan proposes a zero (0) setback from the front lot line, and therefore requires relief.
3. Per Section 156.106 (C)(7) of the Zoning Ordinance, every parking lot shall be bordered by a six (6) inch high concrete curb. The proposed parking lot is not bordered by a six (6) inch high concrete curb, and therefore requires relief.
4. Per Section 156.106(C) of the Zoning Ordinance, the minimum two-way parking lot aisle width is twenty-five (25) feet. The petitioner is proposing a drive aisle that would be fifteen (15) feet in width, and therefore requires relief.

Plan Commission Recommendation

The Plan Commission reviewed the petitioner’s request on September 14, 2020. With no members of the public offering comments in favor or opposition to the request, the Plan Commission recommended approval of the petition by a vote of 5 to 0, subject to the following conditions:

5. The seven (7) Dwarf Alberta Spruce trees proposed along the east lot line shall be replaced with a different species of evergreen that shall no less than 10 feet in height at the time of planting. *The petitioner has agreed to replace the Dwarf Alberta Spruce with a different species of evergreen tree.*
6. Wheel stops shall be installed at the front of each parking space.
7. The garage shall be used for storage only. Any future proposed change to the use of the garage space shall require a reevaluation of the required parking for the site.
8. All public improvements and site development must occur in full compliance with the submitted plans and all other applicable Village Municipal Services (Engineering, Public Works, Planning and Building) site design standards, practices and permit requirements.
9. The petitioners will comply with all final engineering revisions to be approved by the Village Engineer and Development Services Department.
10. The petitioner is required to meet all development requirements of the Huntley Fire Protection District.
11. The petitioner shall obtain final landscape approval of the Landscape Plan from the Development Services Department.
12. All permanent and seasonal plantings must be replaced immediately upon decline.
13. No building plans or permits are approved as part of the submittal.
14. No sign permits are approved as part of the submittal.

Financial Impact

The property is located within the Downtown Tax Increment Finance (TIF) District.

The petitioner has also submitted a Façade Improvement Assistance Program grant for the proposed exterior improvements to the property. The grant request will be considered as a separate agenda item.

Strategic Plan Priority

The 2016-2020 Strategic Plan identifies “*Promote New Business Development, Retention, and Expansion*” as a Strategic Priority, and “*Clean up or redevelop businesses along the Route 47 corridor north of Main Street*” as an objective.

Director Nordman reported that the petitioner, Randy Lee, was in attendance to answer questions.

Mayor Sass asked what size trucks would be making deliveries to the site; Mr. Lee stated deliveries are made by UPS.

Mayor Sass asked if the Village Board had any comments or questions.

Trustee Piwko asked why this business is being located in this zoning instead of Industrial Zoning. Mr. Lee stated that it is close to his house, it would look more professional and that he does not get many customers coming to his building.

There were no other comments or questions.

A MOTION was made to approve an Ordinance Approving a Final Planned Unit Development, including any necessary relief, for Infinite Thermal Solutions, 10802 Route 47.

MOTION: Trustee Hoeft

SECOND: Trustee Kanakaris

AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, and Westberg

NAYS: Trustee Piwko

ABSENT: None

The motion carried: 5-1-0

- j) Consideration – A Resolution Approving a Façade Improvement Assistance Program Grant for Infinite Thermal Solutions, Inc., 10802 Route 47

Director of Development Services Charles Nordman reviewed a Power Point presentation and reported that Infinite Thermal Solution, petitioner, and Heat Doctor LLC, owner, have submitted a Façade Improvement Assistance Program application requesting \$10,000 in assistance for improvements to 10802 Route 47. The proposed site improvements to the property include façade changes to the principal building and garage, constructing a 400 square foot addition to the garage, paving the parking area, and the installation of new landscaping. The construction cost of the exterior work is estimated at \$76,500.

Building Elevations

The petitioner is proposing to reconfigure the location of the existing windows and doors on the building and reface the principal building and garage with Hardie Board siding. A Timber Bark colored Hardie Board siding will be used at the base of the buildings and Monterey Taupe colored Hardie Board siding will be installed above (material and color samples will be available at the meeting). A new roof will also be installed on both the principal building and garage using architectural shingles.

The existing two car garage will be expanded by 400 square feet to provide additional storage space for the business. The pitch of the garage roof will also be modified to create additional storage in the garage's attic space.

Landscaping

The proposed landscape plan consists of seven Dwarf Alberta Spruce trees along the east lot line and twelve Boxwood shrubs along the west and south elevations of the principal building. At staff's recommendation, the petitioner has agreed to replace the Dwarf Alberta Spruce with a different species of evergreen tree that would provide better screening.

Staff Analysis

The Façade Improvement Assistance Program Guide identifies specific exterior improvements that are eligible for reimbursement. All proposed exterior improvements are identified as eligible improvements under the guidelines of the program.

The Village Board shall evaluate the projects based on the value of the aesthetic improvements to the Village of Huntley and the following criteria:

- Condition of the building and need for renovation (see photos with application)
- Extent to which the improvements conform to the Downtown Revitalization Plan and Commercial Design Guidelines
- Extent to which the proposed improvements restore, maintain, or enhance the character of the building and surrounding area

Strategic Plan Priority

The 2016-2020 Strategic Plan identifies “*Promote New Business Development, Retention, and Expansion*” as a Strategic Priority, and “*Clean up or redevelop businesses along the Route 47 corridor north of Main Street*” as an objective.

Financial Impact

The FY20 budget includes \$50,000 for the Façade Improvement Assistance Program in the Downtown Tax Increment Financing (TIF) District No. 2 Fund.

The Façade Improvement Assistance Program allows reimbursement of up to fifty percent (50%) of the project cost per property with a maximum reimbursement of \$10,000 per project. As a policy, the maximum aggregate amount of all grants approved for a property within any five-year period shall be limited to \$20,000. The estimated cost of the proposed improvements total \$76,500 which would allow for a maximum reimbursement of \$10,000.

Legal Analysis

If the requested grant is approved by the Village Board, the petitioner must sign and abide by the terms of the Façade Improvement Assistance Program Agreement in order to be reimbursed for the project.

Director Nordman reported that Mr. Lee was in attendance to answer question.

Mayor Sass asked if the Village Board had any comments or questions; there were none.

A MOTION was made to approve a Resolution Approving a Façade Improvement Assistance Program Grant for Infinite Thermal Solutions, Inc., 10802 Route 47.

MOTION: Trustee Westberg

SECOND: Trustee Goldman

AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, and Westberg

NAYS: Trustee Piwko

ABSENT: None

The motion carried: 5-1-0

BUDGET WORKSHOP: Review of Personnel Staffing, Pension and Insurance Summary, and Review of Financial Management and Debt Management Policies

Interim Village Manager Armour reviewed the following:

Personnel / Staffing Summary

INTRODUCTION

The Village is a service organization and approximately three-quarters of the operating budget expenditures are personnel related. To keep personnel costs in check, the Village’s philosophy for providing services to residents is to combine the use of full-time employees with regular part-time and seasonal employees, contractual services, and intergovernmental partnerships. This philosophy allows

the Village to provide the highest levels of service to Village residents in the most cost-efficient manner possible.

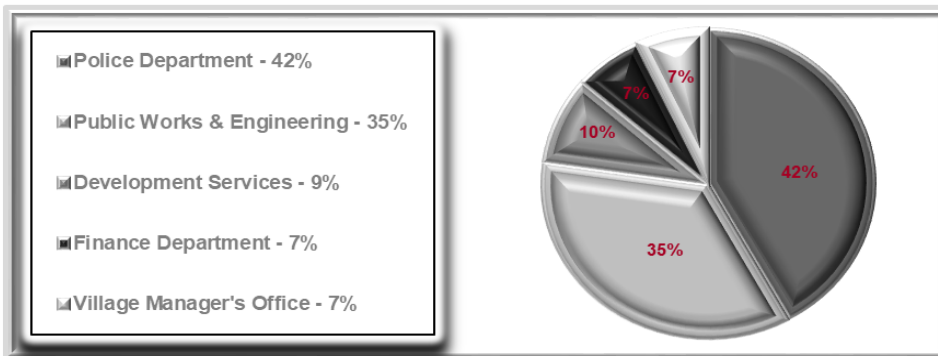
FINAL STAFFING ANALYSIS - 2020

The Village will end FY20 with the equivalent of 98.5 full-time positions actually filled; .5 full-time equivalent positions less than the 99 positions authorized in the FY20 budget. Currently the Village Manager position is vacant, and the Assistant Village Manager is serving as Interim Village Manager. The Village closely monitors its operational approach, continually searching for innovative and cost-effective ways to enhance service levels. Examples of this in FY20 include restructuring the part-time Office Assistant position in Development Services to a full-time Permit Coordinator, and contracting the vacated Building Official and part-time Accountant positions.

PRELIMINARY STAFFING ANALYSIS – 2021

The number of proposed authorized/budgeted positions for FY21 is 99.5 subject to adequate funding being available. This is an increase of 0.5 full-time equivalent positions above FY20. The 0.5 full-time equivalent increase in positions is due to moving a part-time Office Assistant in Development Services to a full-time Permit Coordinator in FY20. Given the impact of COVID-19 on the economy, the challenges it presents, and yet-to-be determined effects in 2021, staffing changes are minimal and no new positions are proposed for FY21. A promotion of a Maintenance Worker to General Utility Worker in the Public Works Streets and Underground Utilities Division is proposed, along with adjusting the role of the Operations Supervisor to oversee the Buildings and Grounds, Streets and Underground and Fleet divisions. The vacant Village Manager position is proposed to be filled in FY21. A Chief Water Operator and Fleet Superintendent in the Public Works and Engineering Department remain as authorized and unbudgeted.

STAFFING BREAKDOWN BY DEPARTMENT



The proposed 99.5 full-time equivalent positions equate to 3.65 employees per 1,000 population. Historically, the Village’s ratio of employees per 1,000 population has been below comparable communities in the region.

Department	Authorized / Budgeted	Authorized / Budgeted	Authorized / Budgeted	Authorized / Budgeted	Authorized / Budgeted
	2017	2018	2019	2020	2021
Village Manager’s Office	4	7*	7	7	7
Finance	10	8	7	6.5	6.5
Police Department	40.5	41.5	41.5	41.5	41.5

Development Services	7.5	9	10	9	9.5
Public Works and Engineering					
<i>Administration and Engineering</i>	3.5	4.5	3.5	4.5	4.5
<i>Buildings and Grounds</i>	4	3.5	3.5	3.5	3.5
<i>Streets, Underground Utilities and Fleet Services</i>	15	15	15	16	16
<i>Utilities (Water and Wastewater)</i>	10	10	11	11	11
Total Public Works and Engineering	32.5	33	33	35	35
Authorized and Budgeted Total:	94.5	98.5	98.5	99	99.5
Authorized and Unbudgeted Total:	1	1	1	2	2
Total Authorized Village Employees	95.5	99.5	99.5	101	101.5

**Increase in positions due to reorganization of Human Resources and Information Technology Services from Finance Department to Village Manager's Office.*

COLLECTIVE BARGAINING GROUPS

The Village has two unionized employee groups. One group includes the Streets, Underground Utilities and Fleet Services Division employees in the Public Works and Engineering Department who are represented by the International Union of Operating Engineers (IUOE), Local 150. The Police Department Patrol Officers, Detectives, Community Response Team (CRT) and School Resource Officer (SRO) are represented by the Metropolitan Alliance of Police (MAP) Chapter #207. The total number of employees in these two groups is 41 representing approximately 42% of the Village's total workforce.

Collective bargaining agreements are in place for both groups. The number of employees in each group for FY21 and the expiration date of the applicable contracts are shown below:

Bargaining Group	Number of Employees	Contract Expiration
IUOE Local 150	14	December 31, 2021
MAP Chapter #207	27	December 31, 2020

Negotiations are currently underway with MAP for a new contract.

WAGES

Non-union employee wages are adjusted annually as a part of the Village's merit pay plan and are adopted as part of the overall budget. Each existing union group has an established wage and step schedule. A step schedule is a mechanism by which employees' annual wages are developed. It establishes an introductory wage for a position, and then over a period of years moves employees through a series of wage increases, or steps, as their experience and abilities develop. Eventually, the employee hits the top of the wage scale and no longer receives an annual step increase. Employees in a collective bargaining unit will receive raises in accordance with the binding contract. Non-union

employees are scheduled to receive a salary increase on January 1, 2021. The proposed FY21 pay plan is included in the budget.

PENSION

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; and the Police Pension Plan (Plan), which is currently a single-employer pension plan. In late 2019, Public Act (P.A.)101-0610 was signed into law, mandating consolidation of the assets of the state's downstate and suburban public safety pension funds into two consolidated investment funds, one for police officers (Article 3) and one for firefighters (Article 4). The intent of combining the funds is to improve investment returns, reduce administrative costs, and reduce the impact to local taxpayers. According to the Illinois Municipal League, the Police Officers' Pension Investment Fund will control an estimated \$8.7 billion in combined assets. Per the law, each local pension board will retain ownership of the assets and liabilities of local pension funds. Returns on investments will be paid out to each fund in proportion to their amount invested in the consolidated funds. Local pension boards will continue to manage benefit distribution and determinations, including pension disability awards. No later than 30 months after the effective date (January 1, 2020), all local pension fund assets are to be transferred to their respective consolidated pension investment fund. The investment fund will be governed by an independently elected and autonomous board of trustees. The benefits, benefit levels, employee contributions and employer contributions for both plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund (IMRF)

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard of 1,000 hours must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees that first participated in IMRF prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.67% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees that first participate in IMRF on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.67% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by State statute.

Police Pension Plan

Police sworn personnel are covered by the plan, which was established in 2001. The defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Division	Percent Funded as of Dec. 31, 2019	Employee Contribution	2021 Budgeted Contributions as Percentage of Covered Payroll
IMRF	83.40%	4.50%	10.26%
Police Pension	57.91%	9.91%	24.20%

The Village’s FY21 budgeted Pension obligations totaled \$1,747,544.

HEALTH AND DENTAL INSURANCE

One of the Village’s long-standing objectives is to provide quality, affordable health insurance coverage to full-time employees in order to attract and retain quality staff. Health insurance remains the second largest employee expense after wages. The Village has been a member of a health insurance pool to stabilize costs of providing health insurance since 2016.

The Intergovernmental Personnel Benefit Cooperative (IPBC) was created under Illinois State law allowing government entities to band together for the purposes of offering members insurance in a financially stable and fully transparent environment. Members retain the right within the IPBC to create and change the plan design, which provides full flexibility for members. Comprised of over 130 government members, the IPBC offers group purchasing power that the Village would not have on its own as a small employer.

The IPBC is a self-insured insurance pool where each member pays a monthly payment determined at the beginning of the plan year, and share the claims experience together. While each member pays a level monthly payment, member liability is determined by a combination of the member’s actual claim experience for all claimants, and the IPBC average experience. At the end of each plan year, an audit is performed and the funding paid in is compared to the actual costs for each member. This approach establishes the opportunity for the disbursement of “dividends”, or reserve funds to members when claims and experience are less than the funds paid in by the members.

As part of a self-insured pool, the Village is able to save profit margin that insurance companies add to premiums, allowing for a more transparent correlation between premium costs and claims paid. Additionally, the IPBC provides stability, predictability, and spreading of risk that is not available through fully insured plans. Since joining the IPBC, the Village has experienced historically low premium increases. In the first year, the decision to join the IPBC met the Village’s strategic goal of minimizing and stabilizing health insurance costs. For the 2020 benefit year, the Village saw rate increases of 4.3% for the PPO, 5.1% for the HMO and a 3.6% decrease for dental.

IPBC Renewal History	2018/2019 Benefit Year	2019/2020 Benefit Year	2020/2021 Benefit Year
PPO Rate Adjustment	6.60%	0.90%	4.3%
HMO Rate Adjustment	2.50%	3.40%	5.1%
Dental Rate Adjustment	-4.70%	6.40%	-3.6%

The Village offers three medical insurance plans to employees: United Health Care Base Plan PPO, United Health Care Premium Plan PPO, and a Blue Cross Blue Shield HMO. The health insurance plans include medical and prescription drug card benefits. The Prescription Drug Card co-pays are tier based dependent upon medication. Currently, dental insurance premiums are 100% paid by the Village for employees and dependents, with the exception of Local 150 members hired after January 1, 2018 and MAP union members who are responsible for 25% of the dental premium. Non-union employees hired

after January 1, 2020 and Local 150 members hired before January 1, 2018 are responsible for 20% of the dental premium. The Flexible Spending and 125 Plan Dependent Care program is completely funded by voluntary tax-deferred contributions and reimburses employees for expenses incurred for qualified benefits.

The United Health Care Base Plan PPO premiums for single employees are 100% paid by the Village, with the exception of Local 150 employees hired after January 1, 2018 and MAP union members hired after January 1, 2017 who are responsible for 25% of both individual and dependent coverage. Non-union employees hired after January 1, 2020 are responsible for 20% of both individual and dependent coverage. Employees contribute a set percentage of the difference in premium costs between individual and dependent coverage. Non-union employees (hired prior to January 1, 2020) contribute 18%, Local 150 union members (hired prior to January 1, 2018) contribute 20%, and MAP union members (hired prior to January 1, 2017) and Local 150 union members (hired after January 1, 2018) contribute 25%.

The Village also offers supplementary benefit products: AFLAC, enhanced vision plan, additional life insurance, and two 457 tax-deferred plans. These voluntary programs premiums are 100% paid for by employees.

	FY17	FY18	FY19	FY20 Estimate	FY21 Budget
Medical Insurance	\$1,159,626	\$1,174,427	\$1,233,786	\$1,255,979	\$1,305,000
Dental Insurance	\$74,169	\$71,798	\$72,687	\$75,000	\$80,000
Life Insurance	\$9,980	\$10,016	\$15,419	\$12,000	\$20,000

WELLNESS PROGRAM

In a continual effort to improve the health and well-being of employees, the Village provides opportunities throughout the year for employees to participate in a variety of wellness events that foster sustained employee engagement and positive lifestyle changes. Examples of past wellness events include lunch and learn seminars, retirement and financial planning sessions, health fairs, on-site physicals, fitness classes and an employee garden. In addition to having a direct correlation in the reduction of overall healthcare costs, a comprehensive wellness program offers benefits such as reduced absenteeism, and increased employee morale and productivity.

The IPBC offers a wellness program allowing the Village the opportunity to earn a rebate of up to \$400 per covered employee annually. Rebate dollars earned are used to expand Village wellness programs.

In a separate program aimed at rewarding employees for leading a healthy life style, all employees have the ability to earn an additional \$400 for participating in and passing a fitness test modeled after the law enforcement POWER test.

TRAINING PROGRAM

It is the Village's philosophy that a well-trained workforce is critical to support the Village's Mission Statement to achieve excellence in the management and delivery of municipal services in a reliable, efficient, and socially responsible manner.

In support of this philosophy, the Village creates an annual training and development program that goes beyond minimum statutory requirements, investing in employee development opportunities that are tailored to individual growth and organizational needs in an effort to create a continuous learning environment. This leads to improved employee performance and creates a culture of knowledge while providing enhanced operational efficiency, allowing the Village to provide the highest level of service to its residents.

RETIREMENTS AND ATTRITION

Each year, there may be employees who choose to retire or leave employment with the Village. It is possible that some of these positions may not be filled. In other instances, services provided by any such employee may be contracted out, or a lower cost employee may be hired to replace the employee in order to save money. Management is constantly monitoring this situation and any open positions are reviewed and re-evaluated prior to replacement.

CONCLUSION

The Village's employees are its most valued asset. None of the high level of services that Huntley residents experience would be possible without the Village's highly trained and dedicated workforce.

Huntley enjoys an organizational culture that continuously searches for cost-efficient service and program delivery options. The Village's Management Team is committed to monitoring service levels and ultimately through the budget process, making annual recommendations to the Village Board for personnel and staffing levels that are directly linked to service level improvements.

Classification and Pay Plan

INTRODUCTION

The Village of Huntley annually adopts a classification and pay plan to provide a logical, objective, and uniform process for making job classification and salary decisions. The goal of the Village is to:

1. Administer individual salaries within a classification range/pay band based upon experience, qualifications, and performance.
2. Recognize individual job responsibilities, performance, and contributions to Village objectives.
3. Provide competitive compensation, which considers the value of all pay and benefits.
4. Reward exceptional performance in a meaningful and ongoing way.

Compensation for employees covered by a collective bargaining agreement or employment agreement will be determined by the terms of the applicable agreements.

CLASSIFICATION AND PAY PLAN

The Village's Classification and Pay Plan is adopted annually by the Village Board as part of the annual budget process. Adjustments are recommended by the Human Resources Manager and the Village Manager based on changes in the external wage market, consumer price index, and changes to individual positions. Any changes to the pay plan will be made in the context of the Village's overall financial condition.

- a. Annual Range Adjustments: Pay grade ranges are reviewed each year with overall adjustments recommended based on changes in the consumer price index and overall wage market, and updated to recognize changes in specific positions or new positions within the Village.
- b. Benchmarking: Approximately every two years, a full compensation analysis will be conducted to survey the Village's comparable community set and public sector data in order to maintain alignment with the overall wage market. Adjustments to ranges does not relate to individual employee wage adjustments except where an employee would otherwise fall below the range.

The proposed FY21 non-union full-time pay ranges plan is included in the budget. An increase of 2% was used to increase the minimum and maximum amounts of each pay grade.

WATER/WASTEWATER CERTIFICATION PLAN

In recognition of employees that enhance their professional growth and their value to the Village by achieving certifications through the State of Illinois Environmental Protection Agency Certification Program for Water and Wastewater Treatment Operators, the Village has created a progression plan for

employees within the Water and Wastewater Divisions of the Public Works and Engineering Department. The progression plan is outlined below.

Water Operator Certification

Certification and applicable years of service at each level must be obtained in order to progress to the next step. Employees are encouraged to attempt each certification as soon as eligible. Eligible employees who achieve a Class B Water Operator Certification and 6 consecutive years of service and maintain CEU's will receive a one-time bonus of one-thousand dollars (\$1,000).

Water Operator Certification must be renewed through the State of Illinois Environmental Protection Agency every three years. Employees are required to complete and document the required hours of training within the 3-year certificate period before the certificate expiration date.

Years of Service:	Water Certification Eligibility:	
1 year	Eligible for Class C Certification	Probationary appointment to entry level position of Utility Worker-Water (Pay Grade 5)
2 years	Eligible for Class B Certification	Move to Operator Trainee (Pay Grade 7) after obtaining Class B certification
4 years		Move to Operator (Pay Grade 10) requires Class B certification and 4 years of service
6 years		Receive \$1,000 one-time lump sum certification bonus for continuing CEU's

Wastewater Operator Certification

A Certificate of Technical Competency and applicable years of service at each level must be obtained in order to progress to the next step. Employees are encouraged to attempt each certification as soon as eligible. Eligible employees that achieve a Class 1 Wastewater Certification and have met the required years of service will receive a one-time bonus of one-thousand dollars (\$1,000).

Wastewater Treatment Certificates must be renewed through the State of Illinois Environmental Protection Agency every three years. Employees are required to complete and document the required hours of training within the 3-year certificate period before the certificate expiration date.

Years of Service:	Wastewater Certification Eligibility:	
1 year	Eligible for Class 4 Certification	Probationary appointment to entry level position of Utility Worker-Wastewater (Pay Grade 5)
2 years	Eligible for Class 3 Certification	Move to Operator Trainee (Pay Grade 7) after obtaining Class 3 certification
4 years	Eligible for Class 2 Certification	Move to Assistant Operator (Pay Grade 9) after obtaining Class 2 certification
6 years	Eligible for Class 1 Certification	Move to Operator (Pay Grade 10) and receive \$1,000 one-time lump sum bonus after obtaining Class 1 certification

**VILLAGE OF HUNTLEY PAY PLAN
FYE 12/31/21**

Pay Grade	Annual Minimum	Annual Maximum	Position
1	\$ 36,579	\$ 51,600	
2	\$ 38,409	\$ 54,178	
3	\$ 40,329	\$ 56,886	Office Assistant Records Clerk Maintenance Worker I
4	\$ 42,346	\$ 59,734	Maintenance Worker II
5	\$ 44,463	\$ 62,718	Finance Assistant I Human Resources Assistant Permit Coordinator I Utility Worker - Water Utility Worker - Wastewater
6	\$ 46,687	\$ 65,853	Billing Coordinator Meter Technician
7	\$ 49,020	\$ 69,145	Community Service Officer Operator Trainee Permit Coordinator II
8	\$ 51,470	\$ 72,604	Administrative Assistant II
9	\$ 54,042	\$ 76,235	Assistant Operator - Wastewater Purchasing Agent
10	\$ 56,747	\$ 80,046	Special Events Manager/Management Assistant Management Assistant (Police) Operator - Water Operator - Wastewater
11	\$ 59,585	\$ 84,049	Accountant GIS Technician Executive Assistant/Village Clerk
12	\$ 62,565	\$ 88,252	Development Manager Marketing & Recruitment Specialist Building Inspector II Lead Operator - East Plant Lead Operator - West Plant
13	\$ 65,692	\$ 91,975	
14	\$ 68,976	\$ 97,294	
15	\$ 72,423	\$ 102,158	Building Official
16	\$ 76,046	\$ 107,272	Development Engineer Chief Water Operator Chief Wastewater Operator Assistant Director of Finance
17	\$ 79,846	\$ 112,634	Utilities Superintendent Streets and Underground Superintendent Fleet Superintendent Buildings and Grounds Superintendent Human Resources Manager Information Technology Manager
18	\$ 83,840	\$ 118,264	Operations Supervisor, Police Sergeant
19	\$ 87,717	\$ 124,178	Assistant Director of Public Works
20	\$ 92,435	\$ 130,386	
21	\$ 97,055	\$ 136,906	Deputy Chief of Police
22	\$ 101,907	\$ 143,752	
23	\$ 107,004	\$ 150,937	Assistant Village Manager, Director of Development Services
24	\$ 112,352	\$ 158,485	Chief of Police, Director of Finance, Director of PW & Eng.

*Subject to change prior to final budget approval

Manager Armour asked if the Village Board had any questions or comments.

Trustee Goldman asked what happens when an employee tops out on the pay scale. Interim Village Manager Armour reported that the pay grades are adjusted annually and the merit program has addressed this in the past.

Finance Director Haley reviewed the following:

Financial and Debt Management Policies

The Village's financial policies and goals, compiled below, set forth the basic framework for the overall fiscal management of the Village including the adoption of a balanced budget in the General Fund. A balanced budget provides for revenues and expenditures budgeted equally. Any surplus of actual revenues over expenditures that are above the 25% reserve level will be budgeted the following year as a one-time revenue transfer to capital funds or projects as designated by the Village Board.

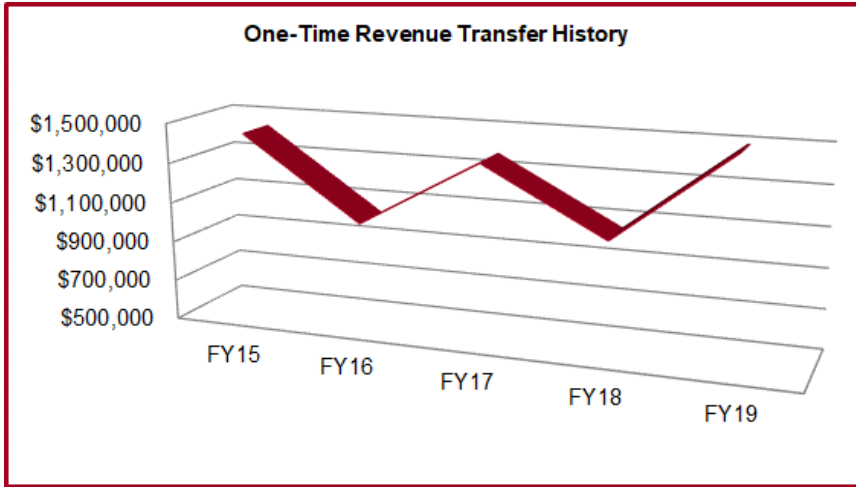
The following budget policies serve to assist with the decision-making process and provide guidelines for evaluating both current services and future programs. These policies are meant to assist the Village Board and Village management staff in making budgetary decisions based on sound financial principles. These policies are not intended to be comprehensive or exhaustive but are meant to establish a solid foundation for the financial management of the Village and provide continuity for staff. Staff will work within the context of these policies while continuing to explore lawful, creative and insightful financial recommendations to present to the Village Board for their consideration and possible implementation.

BUDGET POLICIES

Purpose: The Village Manager shall submit an annual budget to the Village Board, which is within the Village's ability to pay. The annual budget should provide for the following:

1. The Government Finance Officers Association (GFOA) recommends, at a minimum, to maintain an unrestricted budgetary fund balance in the General Fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. The reserve shall be the minimum cash and cash equivalent unencumbered monies kept available to the Village at all times and shall be reflected in the "Equities" portion of the balance sheet in the Village's financial reports. Reserves have also been established for the Water and Wastewater Operating Funds.
2. The Village shall prepare capital improvement plans and review staffing plans in order to maintain the Village's capital equipment and infrastructure, and maintain or enhance the current levels of service. The update to the Village's Five-Year Capital Improvement Plan (CIP) is included in the budget document. The Staffing Plan is also included with the budget document.
3. The Village will attempt to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source. The Village will review all fees and charges on an annual basis through the budget process.
4. The Village has adopted sections 5/8-2-9.1 through and including 5/8-2-9.10 of Chapter 65 of the Illinois Compiled Statutes providing for an annual municipal budget. The Village maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Trustees. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the

fund level. The Village Board must approve any revisions to the budget that increase total expenditures of any fund.



	FY15	FY16	FY17	FY18	FY19
One Time Revenue Transfer	\$1,438,396	\$1,030,652	\$1,375,000	\$1,055,159	\$1,535,809

FUND BALANCE POLICIES

Purpose: Fund balance measures the net financial resources available to finance expenditures of future periods. Fund balance reserve policies are established to avoid cash flow interruptions, generate investment income, and reduce the need for borrowing. The fund balance reserves identified within this policy are the minimum balances necessary to accomplish these objectives.

Part I – Governmental Funds

This section only applies to fund balances reported in the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

The Village’s flow assumptions are stated in the budget document to allow for implementation of Governmental Accounting Standard Board Statement 54 (GASB 54). GASB 54 establishes fund balance classifications that comprise a hierarchy based on constraints imposed upon the use of the resources reported in governmental funds. The governmental fund balance categorizations are as follows:

Nonspendable Fund Balance

Represents fund balances that are not in spendable form or are required to be maintained intact.

Restricted Fund Balance

Represents fund balances that are subject to external limitations or enabling legislation.

Committed Fund Balance

Represents fund balances used for specific purposes determined by a formal action of the Village Board.

Assigned Fund Balance

Represents fund balances that are intended to be used for specific purposes.

Unassigned Fund Balance

Represents fund balance available for any purpose; reported only in the General Fund.

The flow assumptions are based upon the definitions stated above. The Village will spend the most restricted fund balances first, in the following order:

1. Restricted
2. Committed
3. Assigned
4. Unassigned

The Village Board's determination of authority to assign fund balances is stated in the budget document to allow for implementation of GASB 54. Authority to determine assigned fund balances is conveyed to both the Village Manager and the Director of Finance/Village Treasurer.

Reserves:

General Fund: Unassigned fund balance will be maintained at a minimum level equal to 25% of annual expenditures. The Village's unassigned General Fund balance will be maintained to provide the municipality with sufficient working capital and a margin of safety to address emergencies without borrowing.

Downtown TIF Fund: This Fund should eventually be self-supporting and should maintain a fund balance equivalent to meet the planned improvements identified in a multi-year capital schedule(s).

Capital Projects and Improvements Fund, Streets Improvements and Roads and Bridges Fund, and Facilities and Grounds Maintenance Fund: These funds are used for resources accumulated and used in right of way improvements such as street repair, street reconstruction, curb and gutter replacement, and facility improvements. To ensure that the Village's infrastructure is adequately maintained the Village should work toward establishing a fund balance for all three of these funds at a minimum dollar amount to meet the planned improvements identified in a multi-year capital replacement schedule(s).

Part II – Enterprise and Internal Service Funds

This section applies to funds outside the scope of GASB 54 and are identified in the Village's budget as the Water and Wastewater Funds and Benefits Fund.

Restricted Net Assets: The component of net assets restricted by external parties, constitutional restrictions, and enabling legislation.

Net Assets Invested in Capital Assets, Net of Related Debt: A component of net assets calculated by reducing capital assets by accumulated depreciation and the principal portion of related debt.

Unrestricted Net Assets: The portion of net assets that is neither restricted nor invested in capital assets net of related debt.

Reserves:

Water Operating Fund: The unrestricted net assets of the Water Operating Fund will be maintained at a minimum level equal to 25% of the annual budgeted operational expenses. Net position above 25% will be transferred annually to the Water Capital Improvement and Equipment Fund for use in funding the Water Capital plan.

Water Capital Improvement and Equipment Fund: This fund will be used to account for all Water Capital revenues and expenditures as approved by the Village Board in the annual budget. Capital

projects include existing water infrastructure for water mains, wells, treatment plants, pumping systems and water towers. The Water Capital Improvement and Equipment Fund should work toward establishing a fund balance at a minimum dollar amount to meet the planned improvements identified in a multi-year capital replacement schedule(s).

Wastewater Operating Fund: The unrestricted net assets of the Wastewater Operating Fund will be maintained at a minimum level equal to 25% of the annual budgeted operational expenses. Net position above 25% will be transferred annually to the Wastewater Capital Improvement and Equipment Fund for use in funding the Wastewater Capital plan.

Wastewater Capital Improvement and Equipment Fund: This fund will be used to account for all Wastewater Capital revenues and expenditures as approved by the Village Board in the annual budget. Capital projects include existing sewer infrastructure for sewer mains, treatment facilities and lift stations. The Wastewater Capital Improvement and Equipment Fund should work toward establishing a fund balance at a minimum dollar amount to meet the planned improvements identified in a multi-year capital replacement schedule(s).

Benefits Fund: This fund should maintain unrestricted net assets of three months of Intergovernmental Personnel Benefit Cooperative (IPBC) premiums and additional reserves equal to 25% of General Fund expenditures. Any additional reserve dollars may be used as transfers for one-time capital projects, fleet, equipment or facilities, or for emergent operational needs as determined by staff and with Village Board approval.

EQUIPMENT REPLACEMENT FUND POLICIES

Purpose: The Village has established the Equipment Replacement Fund (ERF) to set aside funds each year for the eventual replacement of existing equipment. In order to build and maintain sufficient funds on hand to replace items at the end of their useful life, transfers by each department from the General Fund are determined annually through the budget process. The remainder of this policy is intended to provide guidance as to how the ERF will operate.

The Equipment Replacement Fund shall be used to replace existing equipment owned by the Village. Requests for new equipment shall be made as part of the annual budget process and must be approved by the Village Manager and the Village Board before acquisition.

Only those items, which individually have a replacement cost of more than \$10,000 or groups of similar equipment (e.g. personal computers, bullet proof vests, etc.) which, in the aggregate, exceed \$10,000 with a useful life of more than one year shall be included in the ERF. Departments shall include individual items or groups of items with a value of less than \$10,000 in their annual operating budget, unless approved as a capital purchase during the annual budget process.

The cost of items associated with new vehicles such as vehicle markings, light bars, radios and similar equipment shall be included in the replacement cost of the vehicle.

The replacement cost and useful life for vehicles and technology related equipment will be re-evaluated on an annual basis. This re-evaluation may change the annual amounts set aside for the replacement of each item. Final capital asset replacement decisions using ERF monies will be discussed and approved by the Village Board as part of the annual budget process.

When ERF equipment is sold, the proceeds of the sale shall be credited to the ERF Fund.

From time to time, departments may be assigned previously used technology related equipment from within their department or another department in the Village. The Assistant Village Manager, in consultation with the IT Manager and Department Head, shall recommend that such equipment be assigned to a department when it meets the department's needs and when doing so will help avoid the expense of purchasing new equipment. Consideration shall be given to the annual operating cost of maintaining the used equipment when deciding whether to continue using it. The Village Manager shall have the final say in determining whether or not previously used technology is assigned to a department.

REVENUE AND EXPENDITURE POLICIES

Purpose: Revenues

The Village desires to maintain a diversified and stable revenue base to reduce the impacts of fluctuations in any one revenue source. The revenue mix combines elastic and inelastic revenue sources to minimize the effects of an economic downturn. The Village also incorporates the following principles related to revenues as it furthers its financial planning and fulfills its fiscal responsibilities:

1. The Village policy is to keep its property tax rate as low as possible. The following components shall be followed in priority order each year when establishing the property tax levy:
 - a. Levy for Police and IMRF pensions per actuary calculations. If the actuarial report indicates a higher employer contribution is needed, said increase will need to be added to the Village's overall previous year levy request to avoid underfunding.
 - b. Levy taxes to cover the employer payroll portion of Social Security and Medicare (FICA) taxes imposed by the federal government.
 - c. Levy for general obligation (GO) bond principal and interest less abatements.
 - d. Levy to support General Fund operations including Police, Public Works & Engineering, Streets, Fleet & Underground Utilities, Building & Grounds, Development Services, Finance, Human Resources, Information Technology and Village Manager's Office. The annual increase for this component ties to additional dollars available for new growth.
 - e. Levy to fund additional personnel as determined by the Village Board.
2. All user charges and charges for service will be sufficient to finance all operating and debt service costs for the Water and Wastewater Funds.
3. The Village Manager should impose spending limits if, in his/her judgment, revenues will be below original estimates. Staff should review and monitor on a monthly basis expenditures to assure control of spending within available revenues.

4. Ongoing transfers will be made from the General Fund to the Equipment Replacement Fund on an annual basis to help plan for the purchase of large capital equipment needs.

Expenditures

The Village will strive to adhere to the following policies:

- I. The Village will consistently budget the minimum level of expenditures, which will provide for the public well-being and safety of the residents and businesses of the community.
- II. Expenditures will be within the confines of generated revenue. Fund balances will not be used to pay for operating expenditures except in the case of emergencies and after careful consideration.

CASH MANAGEMENT/INVESTMENT POLICIES

Purpose: It is the policy of the Village to invest public funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds. This policy shall allow and conform to the Public Funds Investment Act 30 ILCS 235.

The primary objective, in order of priority is:

- *Legality* - The administration of this investment policy and the investment transactions authorized herein shall conform with the State of Illinois Public Funds Investment Act 30 ILCS 235 and with Federal and local law as well as internal policies and procedures.
 - *Safety of Principal* - Each investment transaction shall seek to ensure preservation of capital and protection of investment principal
 - *Liquidity* - Sufficient liquidity shall be maintained to enable the Village to meet all cash flows resulting from operations and which may be reasonably anticipated.
 - *Rate of Return* - The overall investment portfolio shall be designed to attain competitive market rate of return commensurate with the Village's investment risk restraints, cash flow characteristics and prudent investment principles.
1. The Village will avoid any transaction that might impair public confidence. Investments shall be made with judgment and care, under current circumstances, which persons of prudence, discretion and intelligence exercise in the management of their own affairs.
 2. The Village's Police Pension Fund Board has adopted a separate investment policy, which also conforms to Illinois Pension Code and is managed by a professional investment management firm.
 3. All monies due the Village shall be collected as promptly as possible. Monies that are received shall be deposited in an approved financial institution no later than the next business day after receipt by the Village.

Collateralization: Funds on deposit (checking accounts, certificates of deposit, etc.) in excess of Federal Deposit Insurance Corporation (FDIC) limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent third party institution in the name of the Village. To secure the safekeeping of the deposits, the depository shall pledge certain securities, in an amount equal to 110% of the market value of deposits in excess of the amount, if any, insured by the FDIC, to the customer as provided herein. All securities so pledged (the “securities”) shall be of the United States government or its agencies or instrumentalities or interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The pledged securities shall be transferred to the disinterested banking institution or safe depository or the trust department of the pledging bank (the “custodian”) mutually agreed upon by the customer and the depository. Single institution collateral pools or other forms of collateralization shall be permitted as allowed by Federal, State or local law.

4. Maximum Maturities: To the extent practicable, the Village shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than 3-years from the date of purchase.

Reserve funds may be invested in securities exceeding 3-years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

The accounting policies of the Village are in accordance with generally accepted accounting principles in conformance with Generally Accepted Accounting Principles (GAAP) for governmental entities as established by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies of the Village.

1. The Village is a municipal corporation established under Illinois Compiled Statutes governed by an elected Board of Trustees and Village President. The Village has determined that the Police Pension Fund, Special Service Areas, and Tax Increment Financing District, should be incorporated into the Village’s reporting entity.
2. The accounts of the Village are organized on the basis of funds and accounts groups, each of which is considered a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.
3. The Village shall have an annual audit conducted on its financial records by a qualified, independent public accounting firm. The audit shall be conducted on an annual basis to be completed and filed within six months after the end of each fiscal year. The Village should submit its Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. A Popular Annual Financial Report (PAFR) will also be prepared and submitted to the GFOA PAFR Awards Program within six months after the end of each fiscal year.

CAPITAL ASSET POLICIES

Purpose: Capital assets purchased or acquired with an original cost of \$25,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, are capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities), the government chose to include all such items regardless of their acquisition date. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

	<u>Years</u>
Buildings	40
Machinery and Equipment	10-40
Extensions and Transmission Lines	40
Infrastructure	30
Vehicles	3-20

DEBT MANAGEMENT POLICY

As a home rule municipality, the Village is not subject to a debt limit. However, the Village employs the following objectives in managing its debt:

1. Long-term debt will be issued to fund capital improvements that cannot be financed utilizing current revenues.
2. Debt financing will not exceed the useful life of the project.
3. The Village will utilize current revenue sources prior to the issuance of general obligation bonds.
4. Long-term debt will not be used to fund operations.
5. The Village will maintain communications with bond rating agencies regarding financial condition and follow full disclosure policies. The Village's current rating from S&P is a AA+. This shows the Village of Huntley's strong capacity to repay bonds issued for capital improvement projects. A high credit worthiness allows the Village to borrow money at lower interest rates.

Standard & Poor's Long Term Bond Ratings	
Letter Grade	Capacity to Repay
AAA	Extremely Strong
AA+, AA, AA-	Very Strong
A+, A, A-	Strong
BBB+, BBB, BBB-	Adequate
BB+, BB	Faces major future uncertainties
B	Faces major uncertainties
CCC	Currently vulnerable
CCC	Currently highly vulnerable
CCC	Has filed bankruptcy petition
D	in default

DEBT PER CAPITA

Debt per capita is based on a 2020 assessed valuation of \$950,676,740 (Downtown TIF valuation not included) and the 2016 special census certified population of 26,632 residents. As of January 1, 2021, the Village's net outstanding debt is \$6,080,000 of which, \$3,810,000 is from the Downtown TIF portion of the 2020 GO Bond Issuance, and \$2,270,000 is from the Wastewater Treatment Facilities Upgrade Debt Certificate refunding portion of the GO Bond Issuance in 2020. This \$6,080,000 consists of principal only. Interest amounts are not included in calculating outstanding debt.

	Net Outstanding Debt	EAV	Market Value	Population 2016 Special Census	Debt/EAV	Debt/Market	Debt/Capita
2018	\$5,925,612	\$871,310,736	\$2,613,932,208	26,632	0.68%	0.23%	\$222.50
2019	\$5,518,600	\$903,893,405	\$2,711,680,215	26,632	0.61%	0.20%	\$207.22
2020	\$6,080,000	\$950,676,740	\$2,852,030,220	26,632	0.64%	0.21%	\$228.30

OUTSTANDING DEBT

Outstanding Debt is budgeted in the Downtown Tax Increment Financing District (TIF#2) Fund and the Wastewater Operating Fund, and is comprised of the following:

A. Tax Increment Financing District No. 2 (Downtown TIF)

In late 2010, the Village Board adopted the Downtown Revitalization Plan to guide efforts to redevelop the core downtown area and adjacent areas along Illinois Route 47. On January 10, 2013, the Village Board approved the creation of the Downtown Tax Increment Financing District to facilitate the redevelopment of these areas. The TIF is set to expire in January 2036.

In anticipation of creating the TIF District, the Village Board adopted a resolution that allowed the Village to reimburse itself or others for eligible redevelopment project costs incurred prior to the establishment of the proposed Downtown TIF district from either TIF funds or debt issuance.

In April 2014, the Village Board approved a Downtown Streetscape Plan that identified various improvements to be completed within the TIF, including streetscaping and infrastructure improvements such as landscaping, benches, planters, lighting, underground utility relocations, dry

utility relocations, water and sewer improvements, sidewalks, streets, parking improvements, and other improvements to Village owned-property and building structures.

In February 2015, the Village authorized construction of the Downtown Streetscape Plan improvements by issuing a \$4,000,000 Debt Certificate at an interest rate of 2.64%. Construction was completed in 2015. TIF funds, as they are generated by new development within the TIF, are used to reimburse these costs and to pay debt service. Currently the Downtown TIF fund is being supplemented with revenue from Telecommunications Tax and Video Gaming Tax receipts and transfers from the Water and Wastewater Funds. Estimated Incremental Property Tax revenue projections for FY21 will cover 60.40% of this total debt service payment and transfers from Water and Wastewater operating funds will cover 21.80% of this total debt service.

In July 2020 the Village refunded these debt certificates and took out an additional \$1,500,000 to complete stormwater management infrastructure improvements within the downtown TIF. This new issuance runs through the life of the TIF with the final payment made in 2037. Overall, the extension of the original debt certificates and the addition of the new money during this low interest rate environment lowered the total annual payments by more than \$30,000.

Refunding 2015 & new \$1.5M Downtown TIF

\$3,885,000 18 Year Term 1.87%

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$175,000	\$114,300	\$289,300	2030	\$225,000	\$60,900	\$285,900
2022	\$180,000	\$109,050	\$289,050	2031	\$235,000	\$54,150	\$289,150
2023	\$185,000	\$103,650	\$288,650	2032	\$240,000	\$47,100	\$287,100
2024	\$190,000	\$98,100	\$288,100	2033	\$250,000	\$39,900	\$289,900
2025	\$195,000	\$92,400	\$287,400	2034	\$260,000	\$32,400	\$292,400
2026	\$205,000	\$86,550	\$291,550	2035	\$265,000	\$24,600	\$289,600
2027	\$210,000	\$80,400	\$290,400	2036	\$275,000	\$16,650	\$291,650
2028	\$220,000	\$74,100	\$294,100	2037	\$280,000	\$8,400	\$288,400
2029	\$220,000	\$67,500	\$287,500	Total:	\$3,810,000	\$1,110,150	\$4,920,150

B. Upgrades to the East and West Wastewater Treatment Facilities

In August 2017, the Village issued \$3,000,000 in Debt Certificates at an interest rate of 3.31% to fund upgrades to the Village’s current Wastewater Treatment Facilities (WWTF). Directives from the Illinois Environmental Protection Agency (EPA) mandated the need for these upgrades. The Illinois Environmental Protection Agency (IEPA) reissued the National Pollutant Discharge Elimination System (NPDES) Permit No. IL0029238 for the East WWTF. The reissued permit required the Village to prepare three planning documents and submit them by November 30, 2016 and also required Village compliance with a Phosphorus effluent discharge limit of 1.0 mg/l by November 30, 2018. All improvements to the treatment facilities and IEPA requirements have been met and completed.

In July 2020 the Village refunded these Debt Certificates with GO Bonds and a lower rate of interest. The new interest rate is 1.39% creating an annual savings of over \$20,000 or more than \$250,000 over the remaining life of the bond.

Refunding 2015 (Wastewater Operating)
\$2,330,000 same maturity date 1.39%

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$165,000	\$68,100	\$233,100	2027	\$195,000	\$36,150	\$231,150
2022	\$170,000	\$63,150	\$233,150	2028	\$200,000	\$30,300	\$230,300
2023	\$175,000	\$58,050	\$233,050	2029	\$210,000	\$24,300	\$234,300
2024	\$180,000	\$52,800	\$232,800	2030	\$215,000	\$18,000	\$233,000
2025	\$185,000	\$47,400	\$232,400	2031	\$220,000	\$11,550	\$231,550
2026	\$190,000	\$41,850	\$231,850	2032	\$165,000	\$4,950	\$169,950
Total:					\$2,270,000	\$456,600	\$2,726,600

DEBT DISCLOSURE POLICY

The Disclosure Policy assists the Village in creating accurate disclosures with respect to its Official Statements, Annual Financial Information, and EMMA Notices. Official Statements, Annual Financial Information and EMMA Notices are collectively referred to herein as the “*Disclosures*.”

- a) *Disclosure Officer*. The Director of Finance of the Village (the “*Disclosure Officer*”) is hereby designated as the officer responsible for the procedures related to Disclosures as hereinafter set forth (collectively, the “*Disclosure Procedures*”).
- b) *Disclosure Procedures: Official Statements*. Whenever an Official Statement will be disseminated in connection with the issuance of obligations by the Village, the Disclosure Officer will oversee the process of preparing the Official Statement pursuant to the following procedures:
 1. The Village shall select (a) the working group for the transaction, which group may include outside professionals such as disclosure counsel, a municipal advisor and an underwriter (the “*Working Group*”) and (b) the member of the Working Group responsible for preparing the first draft of the Official Statement.
 2. The Disclosure Officer shall review and make comments on the first draft of the Official Statement. Such review shall be done in order to determine that the Official Statement does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Official Statement not misleading. Particular attention shall be paid to the accuracy of all descriptions, significant information and financial data regarding the Village. Examples include confirming that information relating to the Village, including but not limited to demographic changes, the addition or loss of major employers, the addition or loss of major taxpayers or any other material information within the knowledge of the Disclosure Officer, is included and properly disclosed. The Disclosure Officer shall also be responsible for ensuring that the financial data presented with regard to the Village is accurate and corresponds with the financial information in the Village’s possession, including but not limited to information regarding bonded indebtedness, notes, certificates, outstanding leases, tax rates or any other financial information of the Village presented in the Official Statement.
 3. After completion of the review set forth in 2. above, the Disclosure Officer shall (a) discuss the first draft of the Official Statement with the members of the Working Group and such staff and officials of the Village as the Disclosure Officer deems

necessary and appropriate and (b) provide comments, as appropriate, to the members of the Working Group. The Disclosure Officer shall also consider comments from members of the Working Group and whether any additional changes to the Official Statement are necessary or desirable to make the document compliant with the requirements set forth in 2. above.

4. The Disclosure Officer shall continue to review subsequent drafts of the Official Statement in the manner set forth in 2. and 3. above.

5. If, in the Disclosure Officer's reasonable judgment, the Official Statement does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Official Statement not misleading, the Official Statement may, in the reasonable discretion of the Disclosure Officer, be released for dissemination to the public; *provided, however*, that the use of the Official Statement must be ratified, approved and authorized by the President and Board of Trustees of the Village (the "Board").

(c) *Disclosure Procedures: Annual Financial Information.* The Disclosure Officer will oversee the process of preparing the Annual Financial Information pursuant to these procedures:

1. By June 1 of each year (the same being at least 30 days prior to the last date on which the Annual Financial Information is required to be disseminated pursuant to the related Undertaking, the Disclosure Officer shall begin to prepare (or hire an agent to prepare) the Annual Financial Information. The Disclosure Officer shall also review the audited or unaudited financial statements, as applicable, to be filed as part of the Annual Financial Information (the "*Financial Statements*"). In addition to the required updating of the Annual Financial Information, the Disclosure Officer should consider whether additional information needs to be added to the Annual Financial Information in order to make the Annual Financial Information, including the Financial Statements, taken as a whole, correct and complete in all material respects. For example, if disclosure of events that occurred subsequent to the date of the Financial Statements would be necessary in order to clarify, enhance or correct information presented in the Financial Statements, in order to make the Annual Financial Information, taken as a whole, correct and complete in all material respects, disclosure of such subsequent events should be made.

2. If, in the Disclosure Officer's reasonable judgment, the Annual Financial Information, including the Financial Statements, is correct and complete in all material respects, the Disclosure Officer shall file the Annual Financial Information with EMMA (or confirm that such filing is completed by any agent hired by the Village for such purpose) within the timeframe allowed for such filing.

(d) *Disclosure Procedures: Reportable Events.* The Disclosure Officer will prepare (or hire an agent to prepare) Reportable Event Disclosure and file the same with EMMA (or confirm that such filing is completed by an agent hired by the Village for such purpose) in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event). Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders, if material, is a Reportable Event. Upon the incurrence of any Financial Obligation, as such term is defined in the Undertaking, the Disclosure Officer shall review such Financial Obligation and assess whether such Financial Obligation is material.

If, in connection with such Financial Obligation, the Village has agreed to any covenant, event of default, remedy, priority right or other similar term which affects security holders, the Disclosure Officer shall further review such term and assess whether the same is material. The Disclosure Officer shall prepare a summary of such review. If, in the Disclosure Officer's reasonable judgment, following consultation with financial or legal professionals as necessary, such Financial Obligation and/or term of such Financial Obligation is deemed material, the Disclosure Officer shall file a summary of such Financial Obligation (or the entire financing document, provided that confidential or sensitive information may be redacted to the extent such redaction does not prevent all material terms from being disclosed) with EMMA not in excess of ten business days after the incurrence of such Financial Obligation.

(e) *Disclosure Procedures: EMMA Notices.* Whenever the Village determines to file an EMMA Notice, or whenever the Village decides to make a voluntary filing to EMMA, the Disclosure Officer will oversee the process of preparing the EMMA Notice pursuant to these procedures:

1. The Disclosure Officer shall prepare (or hire an agent to prepare) the EMMA Notice. The EMMA Notice shall be prepared in the form required by the MSRB.

2. In the case of a disclosure required by an Undertaking, the Disclosure Officer shall determine whether any changes to the EMMA Notice are necessary to make the document compliant with the Undertaking.

3. If, in the Disclosure Officer's reasonable judgment, the EMMA Notice is correct and complete and, in the case of a disclosure required by an Undertaking, complies with the Undertaking, the Disclosure Officer shall file the EMMA Notice with EMMA (or confirm that such filing is completed by any agent hired by the Village for such purpose) within the timeframe allowed for such filing.

(f) *Additional Responsibilities of the Disclosure Officer.* The Disclosure Officer, in addition to the specific responsibilities outlined above, shall have general oversight of the entire disclosure process, which shall include:

1. Maintaining appropriate records of compliance with this Disclosure Policy (including proofs of EMMA filings) and decisions made with respect to issues that have been raised;

2. Evaluating the effectiveness of the procedures contained in this Disclosure Policy; and

3. Making recommendations to the Board as to whether revisions or modifications to this Disclosure Policy are appropriate.

General Principles.

1. All participants in the disclosure process should be encouraged to raise potential disclosure items at all times in the process.

2. The process of revising and updating the Disclosures should not be viewed as a mechanical insertion of current numbers. While it is not anticipated that there will be major changes in the form and content of the Disclosures at the time of each update, the Disclosure Officer should consider whether such changes are necessary or desirable in order to make sure the Disclosure does not make any untrue statement of a material fact or omit to state a material fact necessary or desirable, in order to make the statements made, in light of the circumstances in which they were made, not misleading at the time of each update.

3. Whenever the Village releases information, whether in written or spoken form, that may reasonably be expected to reach investors, it is said to be "speaking to the

market.” When speaking to the market, Village officials must be sure that the released information does not make any untrue statement of a material fact or omit to state a material fact necessary or desirable, in order to make the statements made, in light of the circumstances in which they were made, not misleading.

4. While care should be taken not to shortcut or eliminate any steps outlined in this Disclosure Policy on an ad hoc basis, the review and maintenance of the Disclosures is a fluid process and recommendations for improvement of these Disclosure Procedures should be solicited and regularly considered.

5. The Disclosure Officer is authorized to request and pay for attendance at relevant conferences or presentations or annual training sessions conducted by outside counsel, consultants or experts in order to ensure a sufficient level of knowledge for the effective administration of this Disclosure Policy.

Mayor Sass asked if the Village Board had any comments or questions; there were none.

VILLAGE ATTORNEY’S REPORT: None

INTERIM VILLAGE MANAGER’S REPORT:

Interim Village Manager Armour reported that a new resident in the Woodcreek Townhomes has contacted the Village that there is a lack of overnight parking on the street and would like the Village Board to consider changing the rules. Manager Armour stated that the parking regulations are posted on the Village’s website and there are signs posted at the entrance of each subdivision. Mayor Sass stated that the resident uses her garage for storage only and if they rented a storage space they may be able to fit one (1) car in the garage and one (1) on the driveway. Mayor Sass noted that they have three (3) cars and stated that they should work out something to park in the Woodcreek Apartment lot.

VILLAGE PRESIDENT’S REPORT:

Mayor Sass wished happy belated birthdays to Trustee Piwko and Trustee Goldman.

UNFINISHED BUSINESS: None

NEW BUSINESS: None

EXECUTIVE SESSION:

- a) Probable or Imminent Litigation and Pending Litigation
- b) Contractual
- c) Property Acquisition, Purchase, Sale or Lease of Real Estate
- d) Appointment, Employment, Dismissal, Compensation, Discipline and Performance of an Employee of the Village of Huntley
- e) Collective Bargaining
- f) Appointment, Discipline or Removal of Public Officers
- g) Appointment of a Public Officer
- h) Review of Closed Session Minutes

A MOTION was made at 7:54 p.m. to Enter into Executive Session for: e) Collective Bargaining.

MOTION: Trustee Piwko

SECOND: Trustee Westberg

The Voice Vote noted all ayes and the motion carried.

A MOTION was made at 8:20 p.m. to Exit Executive Session.

MOTION: Trustee Piwko

SECOND: Trustee Leopold

The Voice Vote noted all ayes and the motion carried.

POSSIBLE ACTION ON ANY CLOSED SESSION ITEM: None

ADJOURNMENT:

There being no further items to discuss, a MOTION was made to adjourn the meeting at 8:21 p.m.

MOTION: Trustee Piwko

SECOND: Trustee Westberg

The Voice Vote noted all ayes and the motion carried.

Respectfully submitted,

Barbara Read
Recording Secretary