

**VILLAGE OF HUNTLEY
VILLAGE BOARD
November 12, 2020
MEETING MINUTES**

CALL TO ORDER:

A meeting of the Village Board of the Village of Huntley was called to order on Thursday, November 12, 2020 at 7:00 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, Harry Leopold, John Piwko and JR Westberg.

ABSENT: Trustee Niko Kanakaris

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.

PUBLIC COMMENTS:

Rita Bramley, 10289 Central Park Blvd., thanked the Village Board for listening to comments and concerns and noted that the HOA is due to be turned over to the residents soon. Ms. Bramley stated that she had safety concerns regarding construction traffic damaging their roadways and requested that a new construction entrance be made also for the safety of the many children playing throughout the subdivision. Ms. Bramley stated that she was pleased with the new park but wants it constructed first as it will take several years for the new construction to be completed. Ms. Bramley stated that she is concerned with the proposed cookie cutter models and she and other residents would still like a meeting with DR Horton.

Greg Gillming, 11785 Leland Lane, read the following statement: Mr. Mayor and village trustees, thank you for allowing me to speak today. I am speaking to you with regard to the new subdivision being proposed by DR Horton, directly east of Heritage and Cider Grove subdivisions. Like others who will be or have brought up other issues, I have some specific concerns I would like to speak on. Specifically, mine center around the lot sizes in the subdivision and the homes themselves.

I truly appreciated DR Horton reaching out to me personally to start a dialog about the concerns a few of us raised at the last meeting. I respect DR Horton's position as a business and I understand the need for a village to grow. I also understand the need for this conversation to be ongoing, and for it to move forward. I think many people can agree the undeveloped field that is supposed to contain the final phases of Cider Grove has sat for far too long – to the point where we have the issues with the HOA still not being handed over the residents after 14 years.

As a homeowner who is going to be directly affected by this new development, I also appreciate DR Horton listening to feedback, and making the concessions they have made for this new proposal. However, there are still some things that were said that give me pause. Now, representatives of DR Horton have pointed out marketing studies showing potential owner tastes gravitating toward smaller homes and smaller lots. They indicate larger homes will not sell. If I am not mistaken, Talamore, in Huntley, just opened a new phase of approximately 130 homes, ranging in size from 2,146 sq ft to 3,237 sq ft at an approximate price range of \$373,000 to \$416,000. Furthermore, the CEO of Zillow has mentioned that the current events causing employees to work from a home office on a permanent basis is actually increasing the buyer's market for larger homes. There may be a market for this particular buying group that DR Horton is targeting, but any argument that DR Horton cannot sell larger homes here in Huntley is simply inaccurate, so I will have to respectfully disagree with them on that particular point. I do believe that larger homes can and will sell, and I encourage DR Horton to consider adding additional models or replacing some current models with others containing larger square footage. I also kindly request DR Horton and the trustees, to reconsider the lot sizes in this proposal, with a particular regard to the lots nearer the Cider Grove subdivision to be in comparison with Cider Grove, which are standard lots of 12,400 square feet with a 30' setback. I want to remind DR Horton that this land was intended to be comparable homes to Cider Grove. Many of us residents in Cider Grove have waited years and are still waiting to recoup the values of our homes once purchasing.

Secondly, DR Horton representatives had encouraged me to take a look at the comparable homes being built by their subdivision in Gilberts, called Cambridge Lakes. I understand our village has more stringent codes on house building and elevation redundancy, and so there may be some variance here in Huntley. I am also aware of the brick facade. However, I want to bring to your attention the fact that although eight models are being offered in Gilberts, I was not able to observe more than five different models being built and did not observe any of the ranches being built in the areas we drove. My concern is, just because a number of models are being offered, it doesn't appear as if this means people are going to purchase them. Additionally, I saw little variance in color scheme or much diversity in the elevation of the same model. My question respectfully, to the trustees and to DR. Horton is, should this subdivision go forward, what would you plan to do to deter this same look for this new subdivision? How will you limit the number of the same model being purchased to keep in line with redundancy?

Alissa Rizzo, 10299 Central Park Blvd., stated that she agrees with Ms. Bramley and Mr. Gillming and thanked the Village of Huntley and DR Horton for reaching out. Ms. Rizzo stated that she has concerns with access to the park and asked if the Village could set up a trust so that the funds will go to the Cider Grove Park. Ms. Rizzo also stated that she does not want the construction vehicles going through the neighborhood as it is unsafe for the children. Ms. Rizzo also stated that the proposed homes need to be comparable to the existing homes.

Nick Andreas, 11681 Beason Avenue, stated that there should be a construction entrance coming off of Dundee Road because if not all the construction traffic will be passing 38 houses and school bus stops. Mr. Andreas stated that he would like the Village to consider requiring DR Horton to lease the property to the east for a construction entrance. Mr. Andreas would also like the park to be graded, seeded and built before the start of home construction.

Tom Domenz, 11676 Leland Lane, stated that he purchased his home in 2006 and agrees with all the speakers before him. Mr. Domenz stated that he does not trust anything the developer says as they have not fulfilled any of their earlier promises. Mr. Domenz stated that their homes were sold as a premier

development in Huntley but now they want to put in smaller lots. Mr. Domenz stated that the facades they were directed to view at Cambridge Lakes are not remotely attractive.

Ken Fanella, 10193 Jonamac Avenue, stated that he has lived in Cider Grove since 2007 and thanked the Village Board. Mr. Fanella stated that he did not attend the July Board Meeting. Mr. Fanella stated that he has lost more than \$75,000 on his home after the first year due to the economy and have not regained it back and begged the Village Board to only allow lot and home sizes as previous zoned. Mr. Fanella stated that the construction traffic must come off of Dundee Road for the safety of the current residents.

Mayor Sass thanked the public for their comments and reminded everyone that the Cider Grove agenda item was before the Village Board for a concept review and that no decision would be made at this meeting. Mayor Sass stated that the Village Board and Staff will look into their comments as discussions continue with the proposed project. Mayor Sass stated that the HOA issue was an eye-opener when that came forward in July and that the HOA should be turned over within two-weeks after the close on the property so perhaps within the next three months.

ITEMS FOR DISCUSSION AND CONSIDERATION:

- a) Consideration – Approval of the October 22, 2020 Village Board Meeting Minutes

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

A MOTION was made to approve the October 22, 2020 Village Board Meeting Minutes.

MOTION: Trustee Piwko
SECOND: Trustee Goldman
AYES: Trustees: Goldman, Hoeft, Leopold, Piwko, and Westberg
NAYS: None
ABSENT: Trustee Niko Kanakaris
The motion carried: 5-0-1

- b) Consideration – Approval of the November 12, 2020 Bill List in the amount of \$459,829.55

Mayor Sass reported that \$229,933.54 (or 50%) of the total bill list is attributable to payment to Roadsafe Traffic Systems Inc. for the 2020 Paint Pavement Marking Program (\$33,520.90), Visu Sewer of Illinois LLC for the 2020 Sewer Televising & Lining Program (\$47,883.38), Morrow Brothers Ford for the purchase of two new Police Vehicles (\$71,410.00), Patrick Engineering Inc. for Invoice Number 7 for the Kreutzer Road Phase I Project (\$33,804.11), and to Horizon Group Properties Inc. for the refund of their Escrow Fund Deposit (\$43,315.15).

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

A MOTION was made to approve the November 12, 2020 Bill List in the amount of \$459,829.55.

MOTION: Trustee Leopold
SECOND: Trustee Hoeft
AYES: Trustees: Goldman, Hoeft, Leopold, Piwko, and Westberg
NAYS: None

ABSENT: Trustee Niko Kanakaris
The motion carried: 5-0-1

- c) Consideration – An Ordinance Approving the Issuance of a Class “A” Accessory Use Tobacco License to Thorntons #342; 11975 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 Thorntons LLC (Thorntons). Thorntons is constructing a new gas station at 11975 Route 47 and is anticipating being open by the end of November 2020. Approval is being sought to 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 \$100 for a Class “A” license issued after July 1st (*Submitted*)
- BASSET or TIPS training information for employees (*Must be submitted within 90 days*)

Financial Impact

Payment for the prorated fee of \$100 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 Thorntons LLC; 11975 Route 47.

MOTION: Trustee Leopold

SECOND: Trustee Hoeft

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

NAYS: None

ABSENT: Trustee Niko Kanakaris

The motion carried: 5-0-1

- d) Concept Review – Proposed Amendment to the Annexation Agreement for Cider Grove to allow a Revised Site Plan and Home Product for the Remaining Phases of the Subdivision

Director of Development Services Charles Nordman reviewed a Power Point presentation and reported that DR Horton was previously before the Village Board on July 23, 2020, seeking feedback for a proposed plan to develop the remaining phases of the Cider Grove subdivision. At the time, DR Horton was proposing to amend the Annexation Agreement to increase the number of lots/units from 138 to 197 and reduce the minimum lot size from 12,600 square feet to 8,450 square feet (a minimum lot size of 10,800 was proposed adjacent to the existing portion of the Cider Grove subdivision). The proposed plan also reduced the size of the park site from 8.28 acres to 2 acres.

DR Horton has since revised the concept plan based on feedback received at the July 23rd meeting. Most notably, the revised plan increases the size of the park from 2 acres to 8.2 acres and reduces the number of lots from 197 to 185. The plan also eliminates the age-targeted component. The plan still proposes to reduce the minimum lot size from 12,600 square feet to 8,450 square feet while maintaining a minimum lot size of 10,800 square feet for the 35 lots adjacent to the existing portion of the Cider Grove subdivision.

The following table summarizes the Annexation Agreement and compares the changes that have been made to the concept plan since the July 23, 2020, Village Board meeting:

	Annexation Agreement	July 23 rd Concept Plan	November 12 th Concept Plan
Number of Lots	138 Lots	197 Lots	185 Lots
Minimum Lot Area	12,600 sq. ft.	10,800 sq. ft. and 8,450 sq. ft.	10,800 sq. ft. and 8,450 sq. ft.
Home Sizes	Traditional Single Family: 2,396 - 4,321 sq. ft.	Traditional Single Family: 1,942 to 2,600 sq. ft. Age-Targeted: 1,664 - 2,162 sq. ft.	Traditional Single Family: 1,942 – 2,836 sq. ft. Age-targeted homes are no longer proposed
Park Size	8.28 acres and cash donation	2 acres and cash donation	8.2 acres and cash donation

Village Board Conceptual Review

The following is a summary of the comments and concerns expressed at the July 23, 2020, Village Board meeting and an explanation of how DR Horton has addressed each of them (*the full meeting minutes are provided as an attachment to report*):

1. There was discussion regarding the status of the existing Cider Grove Homeowners Association (HOA) and questions related to the structure of the HOA for the remaining phases of the subdivision.

DR Horton is proposing to create a separate HOA for the remaining phases of the Cider Grove Subdivision. This will allow the existing Cider Grove HOA to be turned over to the residents. A Cross Easement and Cost Sharing Agreement would be executed so that the remaining phases

would participate in the costs to maintain the subdivision entrance and existing stormwater facilities. As currently proposed, the new homes would not have use of the existing clubhouse facility or share in the cost to maintain it; however, DR Horton has stated they are open to change this based on the preference of the Village Board and Cider Grove residents.

DR Horton has also contacted the HOA's property manager, Property Specialist, Inc., and obtained the Association's 2020 Annual Budget and Financial Statement. These documents are provided as attachments to Ms. Dash's letter, dated 10/30/20.

2. There was concern expressed regarding the proposed lot sizes being too small.

DR Horton continues to propose that the 35 lots nearest the existing homes in Cider Grove have an area of no less than 10,800 square feet. The remaining 150 lots would have an area of no less than 8,450 square feet.

Staff notes, the existing lots in Cider Grove have a minimum lot area of 12,600 square feet. The Heritage of Huntley subdivision, which abuts the remaining phases of Cider Grove, has a minimum lot area of 8,400 square feet.

3. There was concern expressed regarding the reduced size of the park site. There was a consensus that the park site should remain as originally contemplated by the Annexation Agreement (8.28 acres).

DR Horton has revised the concept plan to provide an 8.2-acre park site.

4. There was concern that basements would not be standard on homes and would only be offered to buyers as an option. There was consensus that basements should be standard on traditional single family homes.

DR Horton has stated that partial basements will be standard on all homes and full basements will be offered to buyers as an option.

5. There was concern about the proximity of the age-targeted portion of the subdivision to the traditional single-family homes.

DR Horton has eliminated the age-targeted product from the plan.

Financial Impact

DR Horton is requesting to modify the impact and transition fees that are specifically identified in the Annexation Agreement to be in-line with the fees that are paid by Lennar for the Talamore Subdivision.

Legal Analysis

The proposed modifications to the Annexation Agreement shall require a public hearing to be held by the Village Board. The preliminary/final plats of subdivision and preliminary/final planned unit development shall require a public hearing by the Plan Commission.

Strategic Plan Priority

The 2016-2020 Strategic Plan identifies “*Promote New Business Development, Retention, and Expansion*” as a Strategic Priority, “*Diversify Residential Development Options*” as a goal, and “*Pursue new residential development*” as an objective.

Courtesy Review

The petitioner has requested the Village Board to conceptually review the proposed plans. The Village Board is not required to provide a formal position statement on the proposal, and the petitioner shall not be required to comply with any position statements which are offered. The concept review shall provide the petitioner with initial comments and concerns that should be considered as they proceed in the formal review process. The Village Board and its individual members are not bound by any comments made during the discussion and the petitioner acknowledges that it cannot claim in the future any reliance whatsoever on those comments.

Director Nordman reported that representatives from the petition were in attendance to answer questions.

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

Trustee Goldman stated that she had concerns with having two different Home Owner Associations (HOAs). Peter Bazos, DR Horton Attorney, reported that they need to turn over the first HOA to current residents and are willing to cost-share the Club House.

Trustee Goldman stated that she doesn’t want a lower the price of homes in the development; the current houses are better built and more custom and does not want cookie cutter facades. Danielle Dash, DR Horton Land Acquisition Manager reported that the homes will be priced comparable to what current homes are reselling for now; and, by doing this will increase the current value of the homes.

Trustee Leopold noted the proposed home sizes and stated that if there was no demand for the smaller homes, Talamore would not have sold out so quickly. Trustee Leopold stated that he is happy about the park. Trustee Leopold stated that if possible he would like the construction access off of Dundee Road.

Trustee Westberg noted the current lots are 12,600 square feet and suggested that certain lots should be increased to that size. Mr. Bazos agreed that lots 7, 8, and 22 – 29 could be increased by 1,800 square feet. Trustee Westberg stated that Phase I lot sizes should be the same and current and that he would like more elevations. Ms. Dash noted that they had removed the elevations without brick. Ms. Dash also noted that the current lot widths are 90 feet wide and the width of the proposed lots is 80 feet. Trustee Westberg suggested that there would not be a big loss if all the lots had 10 feet added to the width.

Ms. Dash asked about including elevations without brick for more variety; Director Nordman added that some current Cider Grove homes do not have brick elevations.

Trustee Piwko stated that he agreed with Trustee Westberg regarding Phase I lot sizes. Trustee Piwko also stated that he was glad to see the park and wanted to make sure that the Village’s Monotony Ordinance was being followed. Director Nordman reported that they would have to follow all codes.

Mr. Bazos stated that they will reach out to the property owner to the east regarding a construction

entrance.

No action was required on this agenda item as the Village Board was requested to review the proposed conceptual site plan and building elevations and provide any questions, comments, or concerns for the petitioner to consider as they proceed in the formal review process.

- e) Consideration – A Resolution Approving Temporary Signage for the Jewel Osco # 3198 for the Grand Opening at 10090 N. Route 47, December 7- 21, 2020

Director of Development Services Charles Nordman reviewed a Power Point Presentation and reported that the Village is in receipt of a request from Jewel Osco #3198 to install temporary signage to market the opening of the new Jewel Osco at 10090 N. Route 47. The grand opening of the store is planned for December 8, 2020. The temporary signs will go up on December 7 and will be removed on December 21, 2020.

Staff Analysis

Jewel Osco #3198 has requested a temporary sign permit to install eight (8) feather style flags, eighteen (18) light pole banners (2 per pole on 9 poles) and one (1) inflatable advertising device (25' tall Jewel Osco Shopping Cart) for the grand opening of the new store. All three types of signage are prohibited in the Sign Code as follows:

Section 156.121 Prohibited Signs: It shall be unlawful for any person to install or maintain any signs, poster, advertisement, or notice when it is:

- (A) Fluttering, undulating, swinging, rotating, moving and/or flashing sign, except time and temperature signs, and festoon lighting.
- (N) Inflatable balloons and all tethered airborne advertising devices are prohibited.

The feather flags and light pole banners will require relief from the Village Board under Section 156.121 (A). The inflatable device will require relief under Section 156.121 (N).

Jewel Osco states they may also put up a temporary banner for the Grand Opening; however, they plan to meet the requirements of the Sign Code for the banner and limit the size to 50 square feet. The banner will not require relief.

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

Trustee Hoeft noted that the inflatable should be anchored into the grass and not the new pavement of the parking lot.

There were no additional comments or questions.

A MOTION was made to approve a Resolution for Temporary Signage for the Jewel Osco # 3198 for the Grand Opening at 10090 N. Route 47, December 7- 21, 2020, subject to the following conditions of approval:

- 1. A Temporary Sign Permit must be applied for and obtained from the Development Services Department.**
- 2. The inflatable device must be secured on a paved portion of the property.**
- 3. All temporary Grand Opening signage must be removed on December 21, 2020.**

MOTION: Trustee Leopold
SECOND: Trustee Goldman
AYES: Trustees: Goldman, Hoefft, Leopold, Piwko, and Westberg
NAYS: None
ABSENT: Trustee Niko Kanakaris
The motion carried: 5-0-1

- f) Consideration – Approval of Payout Request No. 4 to Schroeder Asphalt Services, Inc. for the 2020 Street Improvement Program in the Amount of \$66,539.57

Director of Public Works and Engineering Timothy Farrell reported that on February 27, 2020, the Village Board approved a resolution appropriating \$1,200,000.00 in Motor Fuel Tax Funds for Maintenance of Streets and Highways for the 2020 Street Improvement Program and a Resolution Authorizing a Bid Award and Construction Contract to Schroeder Asphalt Services, Inc. in the amount of \$1,375,018.81 for the resurfacing of Northbridge Subdivision for a total length of approximately 3.0 centerline miles.

Schroeder Asphalt Services, Inc. has submitted the fourth payout request for the 2020 Street Improvement Program. The Village’s project engineer, CBBEL, has reviewed the request and all is in order for consideration of the payout request No. 4.

Staff Analysis

Pay Request	Total Completed Work	Retention	Previous Payments	Amount Requested
#1	\$235,032.80	\$23,503.28 (10%)	\$0.00	\$211,529.52
#2	\$661,802.04	\$66,180.20 (10%)	\$211,529.52	\$384,092.32
#3	\$1,268,324.63	\$63,416.23 (5%)	\$595,621.84	\$609,286.56
#4	\$1,284,290.88	\$12,842.91 (1%)	\$1,204,908.40	\$66,539.57

Financial Impact

The FY20 Budget includes funding for the 2020 program in the amount of \$475,000.00 for engineering and partial construction costs from the Streets Improvements and Roads & Bridges Fund, 420-00-00-8001 and \$1,200,000 for construction costs from the MFT Fund, 460-00-00-8001. The full amount of the MFT appropriation will be used for construction. Any unexpended budget funds will remain in the Streets Improvements and Roads & Bridges Fund.

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

A MOTION was made to approve Payout Request No. 4 to Schroeder Asphalt Services, Inc. in the amount of \$66,539.57 for the work completed under the 2020 Street Improvement Program.

MOTION: Trustee Leopold
SECOND: Trustee Piwko
AYES: Trustees: Goldman, Hoefft, Leopold, Piwko, and Westberg
NAYS: None
ABSENT: Trustee Niko Kanakaris
The motion carried: 5-0-1

- g) Consideration – A Resolution Approving an Intergovernmental Recipient Agreement for Coronavirus Relief Funds between the County of Kane, Illinois, and the Village of Huntley, Illinois

Director of Finance Cathy Haley reported that the County of Kane governs disbursement of Coronavirus Relief Funds and is the local government in receipt of Coronavirus Relief Funds from the U.S. Department of the Treasury in accordance with the Federal Coronavirus Aid, Relief and Economic Security (CARES) Act. Kane County qualified as an eligible local government and received funding from the U.S Department of Treasury as it is a unit of local government with a population exceeding 500,000 residents. The Kane County Coronavirus Relief Fund (CRF) Program supports local units of local government within the county.

Staff Analysis

Reimbursement is available for local government units for costs that;

- Are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19)
- Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the unit of local government
- Were incurred during the period beginning March 1, 2020 and ending December 30, 2020

Eligible Coronavirus Relief Fund (CRF) Expenditures:

- Expenditures for public safety measures undertaken in response to COVID-19
- Expenditures for disinfection of public areas and other facilities in response to the COVID-19 public health emergency
- Expenditures for the acquisition and distribution of medical supplies and personal protective equipment, for medical personnel, police officers, and other public health or safety workers in connections with the COVID-19 public health emergency
- Payroll expenditures for public safety, and similar employees whose services are substantially dedicated to responding to the COVID-10 public health emergency

Funding Certifications in adherence with the U.S. Department of Treasury:

- Funds provided cannot be used as a revenue replacement for lower than expected revenue collections
- Recipient will submit a “Duplication of Benefits Certification” acknowledging expenditures are not being reimbursed through a different emergency response program
- Expenditure wouldn’t exist without COVID-19 or would be for a “substantially different” purpose

Financial Impact

Based on the per capita amount of \$58.86, the Kane County’s Coronavirus Relief Fund allocation for the Village of Huntley is \$347,428 for expenses that qualify for reimbursement under this program. Expenses will be submitted after execution of the Intergovernmental Agreement.

Expenses incurred through December 30, 2020 will continue to be documented and will be submitted through the CARES portal by January 31, 2021.

Legal Analysis

The Intergovernmental Agreement was drafted by Kane County and is required in order to be eligible for funding under the Kane County CARES Program.

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

Trustee Leopold asked what types of expenses are covered. Director Haley reported items such as public safety, salary, and Personal Protection Equipment (PPE) are some of the items covered.

Trustee Goldman asked about funds from McHenry County; Director Haley reported that the Village has received \$847,000 from McHenry County.

There were no other comments or questions.

A MOTION was made to approve a Resolution Approving an Intergovernmental Recipient Agreement for Coronavirus Relief Funds between the County of Kane, Illinois, and the Village of Huntley, Illinois.

MOTION: Trustee Piwko

SECOND: Trustee Westberg

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

NAYS: None

ABSENT: Trustee Niko Kanakaris

The motion carried: 5-0-1

- h) Transmittal – Third Quarter for FY2020 Financial and Investment Reports for the Village of Huntley

Director of Finance Cathy Haley reported that the General Fund Revenues are the taxes, fees and other charges that the Village assesses to provide services to its citizens.

The three largest sources of revenue for FY20 continue to be property tax, sales tax, and income tax, which is part of the State shared revenue. Local fees and fines include local use tax, telecommunications tax, building permits, video gaming and police fines. At the end of the third quarter for FY20, General Fund revenues appear to be trending ahead of budgeted parameters. However, property tax revenues are showing over 90% received by the end of September.

Property Tax Revenue - Every December, the Village levies property taxes to provide funding for General Village operations, employer portion of IMRF, Social Security and Police Pension obligations. As a home rule community, the Village levies for dollars and has received between 98.00% and 100.00% of dollars levied the last three years. As a result of the current pandemic situation this revenue stream may come in at slower rate due to no late penalties being assessed by the counties, but the Village still expects to receive 95% – 99% of these dollars at this point in time.

Sales Tax Revenue - Sales tax at a rate of 8% is collected on all retail sales within the Village. The sales tax is administered and collected by the Illinois Department of Revenue (IDOR). One percent of this sales tax is distributed to the municipality where the sale occurred. This tax is recorded in the Village's General Fund and is used for basic Village operations. Beginning July 1, 2020 the Village started collecting an additional 1% for the new home rule sales tax. This revenue is dedicated to capital projects and streets. In October 2020, the Village received \$148,166 for its first distribution for those sales that

occurred in July. Sales tax has a lag of three months from the time the sale occurs and when the Village receives the money from the state. FY20 actual revenues are showing seven months' worth of collections for this September 30, 2021 report. These seven months of revenue total \$1,996,005 vs. \$1,915,832 for the same period last year. Minus the sales tax rebate for FY20, total sales tax dollars equal \$1,787,004 through September 30, 2020.

Income Tax Revenue - Income tax is trending slightly ahead of FY19 receipts through September 30, 2020. Third quarter FY20 actual dollars are at 78% of budgeted dollars, ahead of the expected 75% for this nine month mark. The full impact of the pandemic and unemployment is yet to be determined on this revenue stream. But at this time receipts still seem to be holding strong. The chart below displays ending actual dollars through FY19 and nine months of actual dollars for FY20.

OTHER REVENUE SOURCES

Local Use Tax - Local Use Tax continues to trend ahead of budgeted parameters at 80.85%. At this third quarter, 75% is the expectation for revenue receipts compared to budgeted dollars. Original projections from the Illinois Municipal League (IML) indicated local use tax continuing to increase. New projections for this revenue source from IML based on the COVID-19 pandemic continue to show this revenue stream increasing over last year. The continued shift from brick-and-mortar to online shopping is supporting the growth of this tax revenue.

Telecommunications Tax - Telecommunications tax revenue, like sales tax revenue, has a lag of three months from the time the tax is remitted to the State and the revenue is received by the municipality. FY20 actual revenues are showing seven months' worth of collections for this September 30, 2020 report. These seven months of revenue total \$242,522 vs. \$268,234 for the same period last year. This revenue is allocated between the General Fund, the Facilities and Grounds Maintenance Fund and the Downtown TIF Fund.

Video Gaming Revenue - Video gaming revenue was trending in ahead of budgeted parameters for January and February. However, due to the COVID-19 pandemic, video gaming operations were suspended effective March 16, 2020. As of July 1, 2020, Illinois casinos and video gaming locations were authorized to resume operations. The impact to this revenue at this time is a drop in revenue of \$45,000 split between the General Fund and the Downtown TIF Fund. Displayed below are revenues through September 30, 2020. This includes three and half months of zero receipts.

Police Fines & Fees - Police fines are trending in at 65.17% of budget through September 30, 2020. The second quarter of the year had very few collections from court cases due to the county being closed down for adjudication processing. This has begun to tick back up during the third quarter, however this overall revenue stream continues to trend behind budgeted parameters.

Building Permit Revenue - Building permit dollars through September continue to be well ahead of budget at \$451,422 or 150.47%. The chart in the packet shows the dramatic drop in this revenue source compared to its peak year in 2014. The impact the COVID-19 crisis may have on building has yet to be determined.

Conclusion - Overall, and in light of the COVID19 pandemic, the General Fund revenues continue to be strong through the third quarter of FY20. Total actual revenues collected are showing at 82% of budgeted dollars which is ahead of expectations of 75%.

SECTION 2: General Fund Expenditures

General Fund Expenditures - General Fund Expenditures account for the general operations of the Village, including Police, Development Services, and Public Works and Engineering (Streets, Engineering, Buildings & Grounds and Fleet Services). It also includes the Village Manager's Office (including Human Resources and Information Technology) and Finance. At the end of the third quarter for FY20, General Fund Expenditures are at 74.43% of budget. Overall, the General Fund is operating within the parameters of budgeted dollars.

SECTION 3: Water and Sewer Operating Funds

Water and Sewer Revenues - Water and Sewer revenues come from charges for service for the water and wastewater treatment facilities. These revenue streams are dependent on customer usage. At the end of the third quarter for FY20 both revenue sources seem to be coming in ahead of budgeted parameters at 85% and 87% respectively. This revenue stream is seasonal and showed an increase in the summer months when usage is higher. The COVID-19 pandemic may actually increase water usage with the stay at home order and school age children being home more hours in a day than normal. This is unknown, as users may cut down on consumption to conserve dollars.

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

Trustee Leopold asked if the Village would get any late payment property tax penalties. Director Haley stated that the Village would only get the levy dollars.

There were no other comments or questions.

A MOTION was made to Accept and Place on File the Third Quarter for FY2020 Financial and Investment Reports.

MOTION: Trustee Hoeft

SECOND: Trustee Goldman

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

NAYS: None

ABSENT: Trustee Niko Kanakaris

The motion carried: 5-0-1

- i) Discussion – Village of Huntley Special Service Area #5 Property Tax Levy Policy Direction for the 2020 Tax Levy for Taxes Payable in 2021

Director of Finance Cathy Haley reported that the Village Board must approve the annual property tax levy in sufficient time to file the approved property tax levy ordinance with the County Clerks by Thursday December 31, 2020.

The Village levies taxes for Special Service Area #5 (SSA #5) for the annual maintenance costs provided to the Southwind Subdivision by the Village.

Staff Analysis

Current taxes levied for SSA#5 equal \$26,250 annually. This is the same amount that has been levied since 2015, when the dollars levied at that time were \$25,000. Currently there are about 720 households

within this SSA that pay an annual dollar amount on their tax bill between \$39 and \$44 depending on the Equalized Assessed Value (EAV) of their individual homes.

Based on the 5-year Capital Improvement Plan (CIP) below, the current levy amount is not enough to sustain the annual maintenance costs for landscape maintenance, weed control and ecological restoration provided by the Village.

SPECIAL SERVICE AREA #5 FUND								
Account Number	Account Description	2019 Actual	2020 Estimated	2021 Budget	2022 Projection	2023 Projection	2024 Projection	2025 Projection
Fund: 250 - Special Service Area #5								
REVENUES								
<i>5 - Property Taxes</i>								
250-00-00-4010	Property Taxes-McHenry	\$26,248	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250
Property Taxes		\$26,248	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250
<i>40 - Other Income</i>								
250-00-00-4708	Investment Income	\$529	\$200	\$0	\$0	\$0	\$0	\$0
Other Income		\$529	\$200	\$0	\$0	\$0	\$0	\$0
REVENUES Total		\$26,777	\$26,450	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250
EXPENSES								
<i>20 - Capital</i>								
250-00-00-8000	Capital Improvements	\$18,620	\$38,155	\$46,485	\$40,000	\$40,000	\$40,500	\$190,500
Capital		\$18,620	\$38,155	\$46,485	\$40,000	\$40,000	\$40,500	\$190,500
EXPENSES Total		\$18,620	\$38,155	\$46,485	\$40,000	\$40,000	\$40,500	\$190,500
Ending Fund Balance		\$51,824	\$40,119	\$19,884	\$6,134	(\$7,616)	(\$21,866)	(\$186,116)

Strategic Plan Priority

The 2016-2020 Strategic Plan identifies *Promote Sound Financial Management and Fiscal Sustainability* as a Strategic Priority, “identify new sources of revenue to reduce impact of state’s fiscal condition” as a goal, and “review the annual property tax levy for Special Service Area #5 (Southwind Subdivision) and adjust as needed to address annual maintenance costs for common areas and stormwater management facilities” as an objective.

Financial Impact

Increasing the levy by \$5,000 for the next five years will assist in covering the annual maintenance costs for this subdivision. This \$5,000 annual increase has a \$7/year impact to the owner. By the year 2025 owners within Southwind would be paying between \$75 and \$80 annually to cover the maintenance costs provided by the Village. While this increase would not be enough to pay for the Shoreline Stabilization project and the Aquatic Management Aeration projects in the 5-year CIP, it would cover the annual costs for the maintenance and allow for the increased costs to provide this service as shown in the chart below. Typical HOA fees in other subdivisions range from \$200 to more than \$800 annually (not including Sun City).

SPECIAL SERVICE AREA #5 FUND								
Account Number	Account Description	2019 Actual	2020 Estimated	2021 Budget	2022 Projection	2023 Projection	2024 Projection	2025 Projection
Fund: 250 - Special Service Area #5								
REVENUES								
<i>5 - Property Taxes</i>								
250-00-00-4010	Property Taxes-McHenry	\$26,248	\$26,250	\$31,250	\$36,250	\$41,250	\$46,250	\$51,250
<i>Property Taxes</i>		\$26,248	\$26,250	\$31,250	\$36,250	\$41,250	\$46,250	\$51,250
<i>40 - Other Income</i>								
250-00-00-4708	Investment Income	\$529	\$200	\$0	\$0	\$0	\$0	\$0
<i>Other Income</i>		\$529	\$200	\$0	\$0	\$0	\$0	\$0
REVENUES Total		\$26,777	\$26,450	\$31,250	\$36,250	\$41,250	\$46,250	\$51,250
EXPENSES								
<i>20 - Capital</i>								
250-00-00-8000	Capital Improvements	\$18,620	\$38,155	\$46,485	\$40,000	\$40,000	\$40,500	\$190,500
<i>Capital</i>		\$18,620	\$38,155	\$46,485	\$40,000	\$40,000	\$40,500	\$190,500
EXPENSES Total		\$18,620	\$38,155	\$46,485	\$40,000	\$40,000	\$40,500	\$190,500
Ending Fund Balance		\$51,824	\$40,119	\$24,884	\$21,134	\$22,384	\$28,134	(\$111,116)

The following schedule will be followed for the 2020 Tax Levy process:

- December 10, 2020 Public Hearing – 2021 Annual Budget
Village Board to approve:
- a.) 2021 Annual Budget
 - b.) 2020 Property Tax Levy Ordinance
 - c.) 2020 Special Service Area Levy Ordinances
 - d.) 2020 Abatement Ordinances

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

Trustee Leopold asked if SSA #5 had an HOA; Director Haley answered no.

Mayor Sass asked if they ever had any increase. Director Haley stated that they was a small increase in 2015.

There were no other questions.

It was the policy direction from the Village Board to increase the 2020 tax levy for taxes payable in 2021 for SSA #5 to \$5,000. This will come before the Village Board at the December 10, 2020 meeting.

- j) Discussion – Village of Huntley Property Tax Levy Policy Direction for the 2020 Tax Levy for Taxes Payable in 2021

Director of Finance Cathy Haley reported that the Village Board must approve the annual property tax levy in sufficient time to file the approved property tax levy ordinance with the County Clerks by Tuesday December 31, 2020.

Staff Analysis

The Village’s current financial policies state:

“The Village policy is to keep its property tax rate as low as possible. The following components shall be used as a guideline in priority order each year when establishing the property tax levy:

- 1. Levy for Police and IMRF pensions per actuary calculations. If the actuarial reports indicate 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.*
- 2. Levy taxes to cover the employer payroll portion of Social Security and Medicare (FICA) taxes imposed by the federal government.*
- 3. Levy for general obligation (GO) bond principal and interest less abatements.*
- 4. 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 tie to additional dollars available for new growth.*
- 5. Levy to fund additional personnel as determined by the Village Board.*

The following options abide by these financial policies and are based on the current Assessor Estimated EAV Reports from McHenry and Kane Counties.

Financial Impact

McHenry County is estimating a 3.95% increase in valuation, of which \$7,426,267 is attributable to new construction. Kane County is estimating a small decrease of .07%. New construction for Kane County is shown at \$1,828,103.

2011	\$790,820,406	-0.70%	2016	\$821,394,208	12.86%
2012	\$711,860,053	-9.98%	2017	\$871,310,736	6.08%
2013	\$673,475,479	-5.39%	2018	\$903,893,405	3.74%
2014	\$678,590,982	0.76%	2019	\$950,676,740	5.18%
2015	\$727,796,554	7.25%	2020 est.	\$974,894,768	2.55%

Tax levy funds are allocated for General Fund operations, IMRF employer obligations, Social Security employer obligations, Police Pension Fund employer obligations and Liability Insurance costs.

	2019 Tax Levy Extensions	2021 Budgeted Dollars	Difference
IMRF	\$250,000	\$314,098	(\$64,098)
Social Security	\$250,000	\$397,255	(\$147,255)
Liability Insurance	\$250,000	\$335,735	(\$85,735)
Police Pension	\$978,039	\$1,198,846	(\$220,807)

Costs for the Police Pension Fund and IMRF are based on calculations done by a third party actuary.

This year's actuarial calculation costs for the Police Pension Fund obligation increased by \$220,807 in part due to a statutory requirement that the Village's pension fund be at least 90% funded by 2040. Based on the above information three options have been put together for review and discussion.

OPTION #1 – Zero Dollar Increase

Holding the total levy dollars equal to the 2019 levy will decrease dollars for general operations by \$220,807 and increase the portion of the levy that goes to the Police Pension Fund. This zero dollar increase in conjunction with the estimated increase in EAV could have an impact on the limited rate, lowering it from .5048 to .4923 as shown in the chart below. The current FY21 draft budget has been compiled using this option. Note, while the combined EAV for McHenry and Kane County shows an increase, the overall EAV for Kane County is showing a decrease from 2019.

<i>2020 REQUESTED TAX LEVY - Zero Dollar Increase</i>	2019 Tax Levy Extensions	2020 Tax Levy Request	\$ Increase/ Decrease over prior year	% Increase/ Decrease over prior year
Corporate	\$3,070,917	\$2,850,110	(\$220,807)	-7.19%
IMRF	\$250,000	\$250,000	\$0	0.00%
Social Security	\$250,000	\$250,000	\$0	0.00%
Liability Insurance	\$250,000	\$250,000	\$0	0.00%
Cemetery	\$0	\$0	\$0	0.00%
Police Pension	\$978,039	\$1,198,846	\$220,807	22.58%
TOTAL	\$4,798,956	\$4,798,956	\$0	0.00%

Levy Year	Limited Rate	EAV	Dollars	Increase
2019	0.5048	\$950,676,740	\$4,798,956	
2020 est.	0.4923	\$974,894,768	\$4,798,956	\$0

The chart below shows the impact of option #1 on an individual homeowner with a home value of \$250,000 in 2019 and the estimated increase in value of 2.55% for 2020. The net average impact of zero would be a potential decrease for McHenry County residents but an increase for Kane County residents due to the overall estimated EAV for Kane County decreasing from 2019.

COMPARISON BETWEEN 2019 AND 2020 - Zero Dollar Increase

2019 Market Value		2019	2020	Difference
\$ 250,000.00	Home			
	EAV	\$83,333	\$85,458	
	Tax Rate	0.5048%	0.4923%	
	Tax Bill	\$421	\$421	\$0 - Annually

OPTION #2 – Capture New Growth

Increasing the levy lines for new growth in conjunction with the overall increasing EAV in McHenry County, but the decreasing EAV in Kane County shows the limited rate changing from .5048 to .5017 as shown in the chart below.

<i>2020 REQUESTED TAX LEVY - Increase for New Construction</i>	2019 Tax Levy Extensions	2020 Tax Levy Request	\$ Increase/ Decrease over prior year	% Increase/ Decrease over prior year
Corporate	\$3,070,917	\$2,896,357	(\$174,560)	-5.68%
IMRF	\$250,000	\$250,000	\$0	0.00%
Social Security	\$250,000	\$250,000	\$0	0.00%
Liability Insurance	\$250,000	\$250,000	\$0	0.00%
Cemetery	\$0	\$0	\$0	0.00%
Police Pension	\$978,039	\$1,198,846	\$220,807	22.58%
TOTAL	\$4,798,956	\$4,845,203	\$46,247	0.96%

Levy Year	Limited Rate	EAV	Dollars	Increase
2019	0.5048	\$950,676,740	\$4,798,956	
2020 est.	0.5017	\$965,811,403	\$4,845,203	\$46,247
New Construction Kane		\$1,828,103	\$9,171	
New Construction McHenry		\$7,426,267	\$37,255	\$46,427

The chart below shows the impact of option #2 on an individual homeowner with a home value of \$250,000 in 2019 and the estimated increase in value of 2.55% for 2019. The overall potential increase is a combination of a zero increase for McHenry County residents and an overall increase to Kane County residents due to the drop in the overall EAV higher than the 2020 new construction amount.

COMPARISON BETWEEN 2019 AND 2020 - Increase for New Construction Only

2019 Market Value	2019	2020	Difference
\$ 250,000.00			
Home EAV	\$83,333	\$85,458	
Tax Rate	0.5048%	0.5017%	
Tax Bill	\$421	\$429	\$8 - Annually

OPTION #3 –Fully funding Police Pension Fund

Increasing the levy line for the Police Pension Fund Village obligation shows a total increase to the Village’s levy of 4.60%. This dollar increase in conjunction with the overall increasing EAV shows the limited rate changing from .5048 to .5197 as shown in the chart below.

<i>2020 REQUESTED TAX LEVY - Police Pension Levy Requirement</i>	2019 Tax Levy Extensions	2020 Tax Levy Request	\$ Increase/ Decrease over prior year	% Increase/ Decrease over prior year
Corporate	\$3,070,917	\$3,070,917	\$0	0.00%
IMRF	\$250,000	\$250,000	\$0	0.00%
Social Security	\$250,000	\$250,000	\$0	0.00%
Liability Insurance	\$250,000	\$250,000	\$0	0.00%
Cemetery	\$0	\$0	\$0	0.00%
Police Pension	\$978,039	\$1,198,846	\$220,807	22.58%

TOTAL	\$4,798,956	\$5,019,763	\$220,807	4.60%
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Levy Year	Limited Rate	EAV	Dollars	Increase
2019	0.5048	\$950,676,740	\$4,798,956	
2020 est.	0.5197	\$965,811,403	\$5,019,763	\$220,807

The chart below shows the impact of option #3 on an individual homeowner with a home value of \$250,000 in 2019 and the estimated increase in value of 2.55% for 2019.

PROPERTY TAX COMPUTATION CALCULATION

COMPARISON BETWEEN 2019 AND 2020 - Increase for Police Pension Obligation

2019 Market Value		2019	2020	Difference
\$ 250,000.00	Home			
	EAV	\$83,333	\$85,458	
	Tax Rate	0.5048%	0.5197%	
	Tax Bill	\$421	\$444	\$23 - Annually

Ultimately, multiple options are available to the Village in establishing the levy. The three options being presented align closest with the Village’s financial policies and strategic goals of practicing sound financial management, while being cognizant of the impact on taxpayers. None of the options above would require the Village Board to hold a “Truth in Taxation” hearing.

The following schedule will be followed for the 2020 Tax Levy process:

- December 10, 2020 Public Hearing – 2021 Annual Budget
- Village Board to approve:
 - e.) 2021 Annual Budget
 - f.) 2020 Property Tax Levy Ordinance
 - g.) 2020 Special Service Area Levy Ordinances
 - h.) 2020 Abatement Ordinances

Mayor Sass asked the Village Board what option preference they would like to consider.

Trustee Leopold noted that if Option #2 would be picked it would only be an \$8 increase per year.

All the other Trustees supported Option #1 which was a zero dollar increase.

Mayor Sass agreed and said some people are going through tough times and that some taxes might go up due to appeals, etc.

It was the consensus of the Village Board to go with Option #1 and have a zero dollar increase for the 2020 tax levy for taxes payable in 2021.

VILLAGE ATTORNEY’S REPORT: None

VILLAGE MANAGER’S REPORT: None

VILLAGE PRESIDENT'S REPORT: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

EXECUTIVE SESSION:

A MOTION was made at 8:24 p.m. to Enter into Executive session for: a) Probable or Imminent Litigation and Pending Litigation, d) Appointment, Employment, Dismissal, Compensation, Discipline and Performance of an Employee of the Village of Huntley, and e) Collective Bargaining.

MOTION: Trustee Piwko

SECOND: Trustee Leopold

The Voice Vote noted all ayes and the motion carried.

Mayor Sass announced that due to social distance requirements the public is asked to leave the Board Room and that no action will be taken today on items discussed in Executive Session.

A MOTION was made at 8:49 p.m. to Exit Executive Session.

MOTION: Trustee Leopold

SECOND: Trustee Hoeft

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 8:50 p.m.

MOTION: Trustee Piwko

SECOND: Trustee Westberg

The Voice Vote noted all ayes and the motion carried.

Respectfully submitted,

Barbara Read
Recording Secretary