

**Village of Indian Head Park  
201 Acacia Drive  
Indian Head Park, IL 60525**

**MEETING MINUTES  
BOARD OF TRUSTEES**

*“Pursuant to 5 ILCS 120/2.06 (3) minutes of public meetings shall include, but need not be limited to a general description of all matters proposed, discussed, or decided and a record of votes taken.”*

**Thursday, April 10, 2014**

7:30 p.m.

**CALL TO ORDER – MAYOR RICHARD S. ANDREWS**

The regular meeting of the Village of Indian Head Park Board of Trustees was held on Thursday, April 10, 2014 at the Municipal Facility, 201 Acacia Drive, and was convened at 7:30 p.m. by Mayor Richard S. Andrews. Village Clerk Joseph Consolo called the roll as follows:

**ROLL CALL: JOSEPH CONSOLO, VILLAGE CLERK**

**PRESENT (AND CONSTITUTING A QUORUM):**

Mayor Richard Andrews  
Trustee Tom Hinshaw  
Trustee Brenda O’Laughlin  
Trustee Norman L. Schnauffer  
Trustee Matt Walsh  
Trustee Amy Jo Wittenberg

**ALSO PRESENT:**

John Brooks, Chief of Police/Administration  
Steve Busa, Treasurer  
Joseph V. Consolo, Village Clerk  
Richard Ramello, Counsel, Storino, Ramello & Durkin  
Edward Santen, Water/Public Works Superintendent  
Dave Vandervelde, Christopher Burke Engineering

**NOT PRESENT**

Trustee Brian T. Bailey (prior professional commitment)

For the record, Mayor Andrews noted Board meetings are being videotaped by the Village as well as video or audio recordings by others.

## **PLEDGE OF ALLEGIANCE TO THE FLAG**

Mayor Andrews and the Board of Trustees led the audience in reciting the Pledge of Allegiance to the Flag: *“I Pledge Allegiance to the Flag of the United States of America and to the republic for which it stands, one nation under God indivisible with liberty and justice for all”*.

## **MAYOR’S REPORT – RICHARD ANDREWS**

Mayor Andrews reported on Saturday, April 19, 2014 at 11:00 a.m. the annual Easter Egg Hunt will be held in Blackhawk Park. He further noted on April 26, 2014 the Metropolitan Water Reclamation District will be hosting a medication drop-off event at their facility in Stickney at 6000 Pershing Road for anyone who needs to dispose of unwanted medicine. Mayor Andrews mentioned he and Chief Brooks attended a meeting at the Lyons Township Offices hosted by Assessor Weyrick regarding the upcoming triennial re-assessment of the southern tier of Cook County suburbs. The re-assessments will be in the mail on May 7, 2014. Mayor Andrews stated he invited Assessor Weyrick to attend the May 8<sup>th</sup> Board meeting to provide a presentation. He noted the meeting was interesting, the discussions included areas that are defined by various neighborhoods or areas when someone files an appeal on their re-assessment and comparables of properties within those areas or neighborhoods are reviewed during an appeal process.

## **CONSENT AGENDA**

*Consideration of a Resolution Authorizing Execution of an Intergovernmental Agreement Regarding Hireback Contract with Lyons Township for Police Patrol.*

Mayor Andrews and the Village Board deferred this matter to the May Board meeting for further discussion.

## **APPROVAL OF FINANCIAL REPORT**

*Financial Report for the Month ending February 28, 2014*

Treasurer Steve Busa presented the financial report for the month ending February 28, 2014. For the month of February, he noted: total revenues were \$284,352.16; expenditures were \$235,241.75 and fund balances in all accounts at the end of February were \$1,397,116.66. He noted as collection of real estate tax revenues come in those will be included in the March financial statement from the first installment of the 2013 property taxes collected in 2014.

Trustee Schnauffer moved, seconded by Trustee Walsh, to approve the financial report for the month ending February 28, 2014, as presented by Treasurer Busa. Carried by unanimous roll call vote (5/0/1).

*Ayes: Trustees: Hinshaw, O'Laughlin, Schnauffer, Walsh, Wittenberg*  
*Nays: None*  
*Absent: Trustee Bailey*

**APPROVAL OF BOARD MEETING MINUTES**

***Minutes of the Special Board Meeting – March 6, 2014***

***Minutes of the Regular Board Meeting – March 13, 2014***

After review of the special meeting minutes, Trustee Schnauffer moved, seconded by Trustee Wittenberg, to approve the March 6, 2014 special Board meeting minutes, as presented. Carried by unanimous voice vote (5/0/1). After review of the regular Board meeting minutes, Trustee Wittenberg moved, seconded by Trustee O'Laughlin, to approve the March 13, 2014 meeting minutes, as presented. Carried by unanimous voice vote (5/0/1).

**QUESTIONS AND/OR COMMENTS FROM THE AUDIENCE – AGENDA ITEMS ONLY**

None

**AGENDA ITEMS (DISCUSSION AND A POSSIBLE VOTE MAY TAKE PLACE)**

1. ***Presentation Regarding Street Bond, Bond Ordinance and S & P Engagement Letter – Dave Phillips, Speer Financial***

Dave Phillips and his colleague Mark Jeritina from Speer Financial congratulated the Village Board on the recent successful Road Bond Referendum. Dave Phillips noted the following: (1) a summary of the General Obligation Bond Series 2014 schedule for capital projects over a fifteen year period was provided to the Board including estimated interest rates as of March 21, 2014; (2) the summary mirrors the report provided previously by Speer financial with some updates in the debt service schedule as well as interest rates; (3) a preliminary fiscal impact on property taxes of \$128.24 was considered on a market value home of \$250,000 at an estimated interest rate of 4.45%; (4) if assessed values go up interest rates will go down. He noted equal payments for the road bond by the Village over time would be about \$225,000 per year; (5) an update on the bond issue bids would need to be brought back to the Board at the May 8<sup>th</sup> meeting with an award of the bid at that time and consideration by the Board to approve a bond ordinance prepared by bond counsel. Dave Phillips noted this process is a precursor to the street program on the finance side.

Dave Phillips summarized that a statement with social economic information about the community will be presented as well as a debt service schedule for the \$2,500,000 general obligation bond series and repayment of the bond between the years 2014 and 2029. He noted: (1) interest rates in the municipal industry increases over time and each maturity has its own interest rate because there are adjustments in the consumer price index every year. If assessed valuation goes up the rate goes down; (2) there are many factors involved based on the security strength and bond rating of the issuer with an anticipation to qualify at an "A" scale;

(3) the rating would be determined by the assessment of finances and a review of audits and other economic information; (4) the determination of the rating would be presented and circulated in the market to place the bonds in a category of similar securities such as general obligation bonds to be able to price the bonds appropriately; (5) the bids will be presented to the Board at the next meeting with a recommendation that is appropriate to the market and the bond ordinance prepared by Chapman and Cutler as bond counsel would be presented to the Board for adoption; (6) the approved bond ordinance will be on file with Cook County and the taxes would be extended and collected allowing that \$225,000 per year debt service payment level; (7) the estimated Equalized Assessed Valuation (EAV) is about 133 million dollars. If there is an increase in the EAV, the tax impact to the homeowner would be reduced. He noted the perception is that the economic housing market loss will recover in the future.

Mayor Andrews asked if the Equalized Assessed Valuation (EAV) over the life of the bond goes up, what would the impact be?. Dave Phillips stated if the EAV goes up, the interest rate would go down because the dollar amount the Village would levy each year (\$225,000) would stay the same but if economic values increase in town the interest would be reduced over time as assessed value rises. Mayor Andrews asked how the \$76,500 EAV was determined based on a property with a \$250,000 market value home. Dave Phillips stated that figure is based on 1/3 of the market value minus a homestead exemption for someone eligible for that deduction with the County. Mayor Andrews stated the estimated tax on a market value home of \$250,000 fluctuates during the life of the loan from about \$127.45 in the first year of the loan to \$128.53 in the year 2029. He noted the figures provided to residents previously about the bond referendum was about \$128.08 so the figures are consistent with the numbers provided by Speer Financial as well. Dave Phillips stated the numbers provided are based on conservative interest rates and the final figures will be determined when the bids are received.

Trustee Wittenberg stated the summary of estimated costs refers to Kane and DuPage County. Dave Speer stated the summary prepared had a clerical error and the reference should be Cook County. Trustee Hinshaw asked Dave Phillips if the Equalized Assessed Valuation (EAV) goes up and the tax rate percentage goes down, would the approximate \$128.00 stay the same. Dave Phillips stated the tax impact to the homeowner would go down a little bit if the EAV increases, the market value of a \$250,000 home increases and the dollar amount of the tax on the bond referendum would go down. Trustee Hinshaw asked if the EAV increased in the whole Village and there are no new houses, would that \$128.00 payment be the same. Dave Phillips stated if there is no new construction, the share of the payment would remain the same. Trustee Hinshaw inquired if a ten year projection of costs could be provided. Dave Phillips stated a previous model was provided showing what the fiscal impact would be for a ten year period, the estimated tax impact was about \$169.00 for ten years and the estimated cost over a fifteen year period was about \$128.00. He noted if there is a desire from the Board to shorten the bond schedule from fifteen years to ten years that would need to be determined before bids are obtained.

Mayor Andrews asked Dave Phillips if based on current interest rates and information published to residents concerning the ten year option with a tax impact of \$169.39 and \$128.08 for a fifteen year tax impact with a \$250,000 market value home the figures would still be about the same. Dave Phillips responded, yes.

Mayor Andrews stated there has not been much of a change from the information provided in January and February by Speer Financial. Dave Phillips stated the current model presented reflects the interest rates as of March 31, 2014 and there is an increase on the long end of the term as opposed to the intermediate term. Mayor Andrews stated the Board previously reached a decision on the fifteen year payout subject to financial information being provided. He asked the Board if they are comfortable with that decision or if there is a motion to make a change to the term of the bond. Trustee Hinshaw stated he recalled discussing terms of the bond, there was a discussion about a majority that agreed on the terms of the bond and he asked if the Board voted to agree to the term of the bond. Mayor Andrews said he recalled the consensus of the Board was for a fifteen year payout subject to the fact that if a decision needed to be made the Board would focus on that and a chart was printed on Smoke Signals to residents about the bond issue and what the impact would be to a homeowner. Mayor Andrews stated his position is still the same as discussed a few months ago with a fifteen year payout. He entertained a motion to direct Speer Financial on the term of the road bond. Trustee Wittenberg stated she would be open to hearing any other options, she recalled the majority of the Board discussed a fifteen year payout, if something changed during the bond process such as a bond rating change that would affect the cost of the bond issue and the Board may need to finance the bond over twenty years instead of fifteen years because the cost of money went up or the bond market went up. Trustee Wittenberg further stated if the bond market has not changed, the cost of money is the same as estimated and the bond rating is what is anticipated we should take the recommendation of the bond advisors and not change it. Trustee Hinshaw stated he did not agree to a fifteen year term and voted in favor of a ten year term. Mayor Andrews stated the majority of the Board previously decided for a fifteen year term.

Trustee Wittenberg asked if there are any other options other than a Standard & Poor rating from a bond cost perspective and also asked if distribution of an electronic version of bond documents is available in lieu of paper. Dave Phillips stated there are other rating agencies such as Reese and Fitch, there is a cost savings for official electronic bond documents, printed bond documents can cost as much as \$2,000 and about \$1,200 to mail them. He noted, the underwriter has the option if they request to receive the documents in a printed version after the sale and if the Village wants printed copies there is a cost for the documents. Dave Phillips stated a line item was provided in the cost estimate and the Board can decide whether printed documents or an electronic version is preferred. Mayor Andrews asked if the Board will be in a position to take action on the bond issue at the next meeting. Dave Phillips stated the Board will need to make two motions at the May Board meeting: (1) a motion to accept the bids and (2) a motion to consider and approve a bond ordinance to finalize the collection of taxes for the road bond.

2. ***Presentation of Street Program Construction – Dave Vandervelde, Christopher Burke Engineering***

Dave Vandervelde, from Christopher Burke Engineering, presented a color coded map defining the areas of street repairs in the upcoming months. He noted the following: (1) Ashbrook streets, parts of Cascade Drive, Keokuk, Arrowhead Trail, will be streets removed down to the stone base and reconstructed (shown in yellow on the map); (2) core samples were taken to determine the amount of asphalt we have;

(3) some streets will have asphalt removed, the existing stone base will be regraded and areas repatched as necessary with the appropriate amount of asphalt replaced; (4) the repairs will vary from street to street from 3.5 to 5 inches of asphalt depending on what has to be taken out; (5) a list of streets marked in green on the map will be rehabilitated with milling of 2" of asphalt, patching as necessary and resurfacing with 2" of asphalt surface. On the streets marked in green there is extensive curb and gutter work to be done, the pavement in these areas is marginal so there will be new curb and gutter and some patching; (6) in the areas where asphalt repairs are needed the curb and gutters are pristine and intact and other areas where there are no curb and gutters but those areas have a ditch system; (7) Keokuk and Vine Street will be reconstructed and those streets do not have curb and gutter systems; (8) Arrowhead Trail also has a curb and gutter system that is in very bad shape and there is no drainage system in that area. The street is 1,200 feet long and there are only two drainage structures on the street. The existing curb and gutters are only one-foot to carry seven hundred feet of water so this has deteriorated the curb and gutter on Arrowhead Trail. There is an existing storm sewer system for about half the street so maybe that can be extended on Arrowhead Trail by adding drainage structures on the street towards Wolf Road to utilize the existing drainage system. He noted that all curb and gutter on Arrowhead Trail will be replaced.

Trustee Hinshaw asked if Keokuk is to be reconstructed does that mean it will be releveled. He asked if the road is sloped in the right direction. Dave Vandervelde stated Keokuk Road will be removed down to the stone base, new asphalt will be installed, there is no defined ditch line on the east side of Keokuk, over the years some people may have filled in the ditch for easier maintenance, there is a lot of standing water on the east side of the road and the asphalt will be a little deeper on the west side so the entire road is pitched to the creek. Trustee Hinshaw asked if two drainage structures are normal on a street and what will be proposed for Arrowhead Trail. Dave Vandervelde stated generally drainage structures would be about every 200 feet and there are two drainage structures on Arrowhead Trail which is about 1,200 feet. He noted there are also two drains at Wolf Road and Arrowhead Trail also for a total of four within 1,200 feet, an extra six drains will be added on Arrowhead Trail (2 north of the existing drains and 1 south of the existing drain).

Dave Vandervelde pointed out roadway patching will be completed as necessary, cost estimates are a work in progress and the dollar amount of \$2,350,000 is the tentative number, various scopes of work are being refined in various areas as well as estimates of costs. He noted the latest numbers for road projects is about \$2,270,000, the engineers estimate is very conservative and if the estimate is too low then there is action the Board will have to take to action if the bids go over the amount estimated for the low bidder. Dave Vandervelde stated the road program is a large project so the Village should receive good numbers from bidders. Mayor Andrews stated he met with John Brooks, Superintendent Santen and representatives from our engineering after the bond referendum project was approved. He noted plans for all streets were discussed, there were certain streets that would be replaced down to the stone base, some streets would receive mill and overlay and other streets would get patching and crackfilling.

Mayor Andrews stated as final engineering was being prepared it was determined that possibly there would be money to do more streets since it is a larger project than the original plan contemplated. Based on suggestions, the color coded map reflects if there is money in the 2.5 million dollar bond issue after expenses extra road work can be done. He noted streets that may have been designated only for crackfilling may now be resurfaced with mill and overlay. Mayor Andrews stated a collective decision was made with input by the Village engineers and his recommendation regarding some areas of 45 acres such as Arrowhead Court, Indian Head Trail and Sioux Trail that were originally designated for patching and crackfilling. He noted more paving work will be completed on those streets than initially planned within the scope of the road bond project that was approved and the most amount of road work will be completed as possible. Mayor Andrews stated he contacted the Acacia Association and talked to Frank O'Connor about the various parking areas along some streets in Acacia that have additional parking spaces at the end of some of the streets with some curbs. A determination needs to be made by Acacia if they want to include those areas when the paving company is in the Village. He noted Bob Bersin from the Acacia Association is also present at the Board meeting tonight. Mr. Bersin stated the Acacia Association has discussed the matter and a decision has not yet been made.

Amy Wittenberg stated the Village will have the money to do the 2.5 million dollars in road repairs and the Board previously discussed making sure we have the ability to run and update software to maintain a road program. She noted the P.A.S.E.R. Program was not updated for many years and we need to track when roads are being restored and other roads that need to be done in the future as Trustee Hinshaw mentioned before. Mayor Andrews stated previously the Village never had the money to pave and patch streets, there is a downside to patching streets because if someone has a nice road in front of them their inclination to support a referendum goes away because their street is in good shape. Mayor Andrews asked Dave Vandervelde about an estimated timeline to complete the road project. Dave Vandervelde stated the plan is to have the bids advertised and bids in before the next Board meeting so the information can be presented to the Board at the next meeting, there is a fourteen day advertisement period and it is a tight schedule with I.D.O.T. projects being advertised every Thursday, the bids would have to be opened the day of the Board meeting, if the project is awarded the contractor will need to be notified within sixty (60) days, the contractor who is awarded the project would have to set together a contract bond, sign a contract and that might take a week or two. Dave Vandervelde stated a pre-construction meeting would then need to be scheduled to review the details of the road program, obtain a schedule from the contractor and the earliest possible start date would be about June 1, 2014 if everything goes as planned. Mayor Andrews asked if the Village can put a time limit to complete the work by a certain date. Dave Vandervelde stated usually working days are used for schedules, weather conditions sometimes come into play and with calendar days there is no charge if the contractor cannot work on those dates and that is included in the contract. Dave Vandervelde stated he anticipates sixty (60) to eighty (80) working days are needed to complete the scope of work and that information will be included in the bid documents.

Trustee Wittenberg asked if there is a reason to extend the time period to accept bids or if that is to get more bids coming in. Counsel Ramello stated if the bidding period is too short there may not be enough time for a contractor to prepare a bid and a reasonable time was selected. Trustee Hinshaw stated if the bids will be coming in the day of the Board meeting do we need to move the meeting to give the engineer more time to review, assess and compile the bid results.

Dave Vandervelde stated the Village would only be losing a week to start the road project if the meeting is a week later. Mayor Andrews stated initially it was discussed to open the bids on the Tuesday before the Board meeting and counsel made a recommendation to open the bids in fourteen days. Counsel Ramello stated a reasonable period of time is only required and it is not etched in stone that it needs to be in fourteen days. Dave Vandervelde stated the agreement states bids would be opened in fourteen days. Trustee Walsh asked Dave Vandervelde what his recommendation would be. Dave Vandervelde stated some projects advertised by I.D.O.T. have a ten day period before opening bids, most larger contractors will know about the road project in Indian Head Park and the Village can open the bids on the Tuesday before the Board meeting with results to be compiled for the Board meeting if that is what the Board decides. Mayor Andrews asked if the Board will be able to take Board action at the May 8<sup>th</sup> meeting to award the project. Dave Vandervelde responded, yes. Trustee Hinshaw asked the Village engineer if he anticipates the road project to be completed in about four months or sometime in the fall. Dave Vandervelde stated based on the scope of work, he anticipates the project to be finished by the end of September and a large contractor if they are awarded the project can complete it in less time depending on what they have scheduled in other places.

Trustee Wittenberg stated 65<sup>th</sup> Street was previously shown on the road project list and she asked if that has now been removed from the list. Mayor Andrews stated he is still working on trying to get that issue resolved. He noted last year in June it was decided we would not spend the money to pave that street but that the Village would rather close it. Mayor Andrews stated the Township wanted to split the cost of paving the street, the Township has not changed its position, Counsel Ramello has been working with the Township attorney on an intergovernmental agreement and now I.D.O.T is involved. Trustee Wittenberg asked if the Village is liable if something happens on that street since the street is in disrepair, we are still waiting for the issue to be resolved and it was initially listed on the Village street plan. Mayor Andrews stated the street is still usable and for many years we did not even know it was our street.

3. ***Resolution to Approve Christopher Burke Engineering Agreement for 2014 Road Improvement Project (Resolution #R4-14-1)***

Mayor Andrews stated the Board did not receive the Christopher Burke Engineering agreement due to a problem with his Village email account and therefore it was not forwarded to Kathy for distribution to the Board. He noted Counsel Ramello reviewed the engineering agreement in connection with the 2014 Road Improvement Project and some language modification was added to the agreement by counsel. Dave Vandervelde stated there is a change to the engineering agreement from the normal course of an agreement for this type of project. He asked Counsel Ramello if he could provide a Word document of some of the forms that are being incorporated so all of the data does not need to be retyped by Burke Engineering staff.

Mayor Andrews stated the estimate of engineering costs is about 7.5% of the project construction costs. Dave Vandervelde stated the engineering estimated costs are for design and construction specifications, pavement evaluations, bidding assistance and full-time construction observation for the road project only.

Mayor Andrews stated the estimated engineering fee is about \$175,500 in connection with the road project, we have a long time relationship with Christopher Burke Engineering and they have provided engineering services to the Village on a day-to-day basis and most recently helping us to get a bid for the Cochise project. Mayor Andrews stated counsel has reviewed the document, we should not delay moving forward and the resolution can be approved with the provision that it would allow for counsel and the engineering firm to make such modifications that might be mutually agreeable for the benefit of moving the project forward.

Dave Vandervelde stated although the document is more tedious Christopher Burke Engineering can work with modifications made by counsel in the agreement, the fourteen day advertisement was a bit of a problem but it was discussed earlier and that issue was resolved. Mayor Andrews entertained a motion to approve the engineering agreement. Trustee Hinshaw asked if the 82 page agreement that was just provided at the start of the meeting is the only option or are there any other options to extend the old agreement. He asked if the Board needs to pass this document for the road program. Counsel Ramello stated there is no existing agreement about the road program and this agreement specifically pertains to the 2014 Road Bond project. Trustee Hinshaw asked if changes are to be made by counsel does the Board need to do that in the next thirty days or is there only one change. Counsel Ramello stated he does not anticipate any major changes and he spoke with Mike Kerr from Christopher Burke Engineering who sent the proposal to his office. Counsel Ramello pointed out his firm has done thirty or forty agreements that have involved Christopher Burke Engineering and various municipalities in the Chicago area so there may be some minor changes and the agreement is standard for building roads in Illinois and is a boilerplate document. Trustee Walsh stated the main focus is the cost of 7.5% of the project. He asked counsel if that is a reasonable and customary cost for engineering work on a project. Counsel Ramello stated the cost varies based on the amount of work, the extent of the design of the project and the amount of on-site observation, some projects might involve some topography and sewer structures and may be more involved with more specifications. Dave Vandervelde stated standard I.D.O.T. agreement for a similar maintenance program is about 5% for design and 6% for construction for a total of about 11% of the construction cost. He noted a \$50,000 project can have \$20,000 in engineering surveys and sometimes topography is needed for the entire project. The larger the project, the engineering figures come down and the only area that needs a survey is Arrowhead Trail and some costs were cut back.

Trustee Walsh moved, seconded by Trustee Schnauffer, to approve the resolution authorizing the execution of an agreement between Christopher Burke Engineering and the Village of Indian Head Park in connection with the 2014 Road Improvement Project presented with the revision by counsel subject to further modification between the engineer and counsel on behalf of the Village as mutually appropriate and an amendment to Section 3 to be changed from fourteen days to twelve days for the bidding period. Carried by unanimous roll call vote.

*Ayes: Trustees: Hinshaw, O'Laughlin, Schnauffer, Walsh, Wittenberg*  
*Nays: None*  
*Absent: Trustee Bailey*

4. ***Discussion and Possible Vote Regarding Cascade Drive Water Main Replacement During Street Program Construction***

Mayor Andrews stated based on his preliminary discussion with Superintendent Santen and the Village engineer, the possibility of the Cascade Drive water main replacement during the street program project was discussed. He noted approximately nine hundred feet (900') of water main along Cascade Drive across from Blackhawk Park is in need of replacement, the road work on Cascade Drive will be more than crackfilling and while the road is dug up that would be the time to replace the water main. Mayor Andrews stated there have been several water main breaks on Cascade Drive over the years and the time to replace it is when the road project is going on. He noted there are funds in the water and sewer fund to tackle that project.

Mayor Andrews stated the money coming from the street bond must be used for roads and the water main replacement would come from water and sewer funds if that is what the Board decides. He noted Superintendent Santen received a preliminary cost estimate from Uno Construction in the amount of about \$170,000. Uno Construction was the lower bidder on the Cochise Drive water main project about one year ago and Superintendent Santen was happy with the work by that contractor who completed the work in a timely fashion. Mayor Andrews asked if we could get the project done for about \$150,000, our engineer mentioned the I.E.P.A. will require a permit to replace the Cascade Drive water main as a maintenance project but does not require a permit if there is a water main break that is an emergency repair.

Mayor Andrews stated the Village intends to comply with all requirements and in order to file an application for a permit with I.E.P.A. for the Cascade Drive water main sufficient drawings are needed and it may take up to sixty (60) days but we cannot delay the road project waiting for approval of a permit from the I.E.P.A. Mayor Andrews stated weather is always a factor in every project, a few years ago we were paving the municipal parking lot and it was supposed to be a ten day job but it took the entire month of October due to constant rain every day so he is not in favor of delaying the road project beyond the time period the contractor has to complete the work. He noted if there is a way to get around not going out for bid for the water main replacement project, the project can be completed with the road project when the road is being repaved. Counsel Ramello stated if the Board votes in favor with a two thirds majority a contract can be awarded for the water main project without going out for bid. Mayor Andrews stated he would add a proviso that when the road work starts in that area we need the water main contractor out to replace the water main at that time because we have a paving crew scheduled to start on the road project. He noted whether we are talking about \$170,000 or less for the water main project it is a lot of money and is certainly over the \$20,000 we would normally have to go out for bid. Mayor Andrews stated he is comfortable with recommending Uno Construction to replace approximately 900' of water main at a cost of about \$170,000 based on the fact they were the low bidder on the Cochise Drive water main project but if the Board decides they want to go out for bid that is fine too.

Mayor Andrews stated possibly we could get a couple of other estimates from two other contractors as a basis for comparison purposes and it would have to be made clear they are getting a favor for not having to go through a bidding process and we would want the company to fix the water main when we need them to before the road project starts in that area.

Superintendent Santen stated the watermain replacement would take approximately seven working days to install and maybe two days to test the system and hook up water services.

Trustee Wittenberg stated when the water main priority list was reviewed we had five identified areas of trouble spots on the water break map that identified recent main break on Shabbona, Tecumseh, Blackhawk, Pontiac. She asked if there were other areas where water main breaks occurred that were in worse shape. Superintendent Santen stated the top five areas of water main breaks were listed. Trustee Wittenberg asked if there is an advantage to doing any other water main work in any other area if there is another problem. Trustee Hinshaw stated we would be doing the same type of work on Pontiac that is planned on Cascade Drive, he is in favor of doing both Pontiac and Cascade, the estimates we received when we looked at the water main work we were saving 20% or 30% because we know where we would be digging up the street, we might be able to do both projects at a discounted rate for about \$350,000 and there is about \$600,000 in the water fund. He added, some of the funds might not be disposable income but maybe some of the funds could be used for water projects, the fund has been building up over the years and it is a great time to do two of the water projects. Mayor Andrews stated the water fund has about \$530,000, water payments need to be made in March and the balance will be reflected on the financial report. Trustee Wittenberg stated on the water main priority list was (1) Joliet Road, (2) Blackhawk Trail, (3) Pontiac, (4) Tecumseh, (5) Shabbona. Trustee Hinshaw stated Pontiac had 10 breaks, Cascade had 11 breaks and we can do both projects if we have the money for water system work. Mayor Andrews stated we need to have some reserve in the water fund to replace in other areas and it may not be prudent to take the fund down to almost nothing but we can look at it.

Trustee Hinshaw asked how much of a reserve is needed. Mayor Andrews stated he would like input from Superintendent Santen and Dave Brink on what is needed for reserves. Trustee Hinshaw stated there is roughly 200,000 in reserves assuming we receive a discount on the water main project for Cascade (an estimate of \$225,000) and Pontiac (an estimate of \$250,000). He noted economically it makes sense to replace the water main on Cascade and Pontiac when the road work is taking place. Mayor Andrews stated the original estimate for the Cascade water main replacement with 900 feet of water main from about 1 Cascade to 130 Cascade was about \$225,000 and approximately 1,000 feet of water main on the 6500 block of Pontiac at an estimated cost of about \$250,000. He noted Uno Construction gave an initial estimate of \$170,000 for the Cascade Drive water main project and if we can get a total estimate for both water projects of about \$350,000 we would still have money in reserves in the water fund. Superintendent Santen stated we would have to measure the lines, how many valves would be needed, check the hydrant locations and an estimate for the water projects could be obtained. Mayor Andrews stated we would need to start working on the permit application process for water projects by May 1<sup>st</sup>. Trustee Wittenberg stated maybe there could be further discussion with options to be presented to determine a more holistic approach to review infrastructure that might be beneficial so we are not doing projects piecemeal to be able to have open discussions about it.

Mayor Andrews asked if language could be added to the road program contract to specify to the contractor to delay two streets until later in the project until the water main work is done.

Dave Vandervelde stated the Village can specify anything in the contract and in his opinion, there is no reason a contractor cannot defer road work in the water main area until later in the project. He added, given the time they have to complete the project it will not impact the cost of the project at all. Dave Vandervelde stated Ed Santen found old construction plans that reflect storm sewers, sanitary lines and water mains on Cascade when it was reconstructed, the I.E.P.A. usually wants to see plans reflecting this information and maybe these can be used for a permit to the I.E.P.A. otherwise plans would need to be developed. Dave Vandervelde stated we might have the information we need on the Cascade plans, we can take a look at Uno Construction plans from the Cochise water main project and compare it to the Cascade project to determine the cost for that project, the Village would still need a contract with Uno Construction if the Village decides not to go out for bid.

Mayor Andrews stated the road project is a long time coming, he is pleased the road bond referendum passed to get the work done and if we can get the water main projects done we need to move forward with that as well. Trustee Hinshaw asked if there is a delay in the project how long would that be a month or six months. Mayor Andrews stated the last discussion about the Cascade water main was that we had to go out for a request for proposal, design it and opening bids could push the road project back. Dave Vandervelde stated time is needed for an advertisement, the award of the project, getting the contract signed and a month could be added to the sixty day project schedule. Trustee Walsh stated he is in favor of doing as much as possible with the water main projects, are we voting on whether or not to get a target contract to a qualified contractor to take action and does that need to be done tonight. Counsel Ramello stated staff can be directed to obtain proposals for the water main projects while awaiting bids for the road project for the May 8<sup>th</sup> meeting or preparing the necessary documents to advertise for sealed bids which the engineer has indicated will delay the road project by about a month.

Mayor Andrews entertained a motion to direct staff to obtain bids for the Cascade and Pontiac water main projects without advertising for bids. Trustee Walsh moved, seconded by Trustee Schnauffer, to direct staff to obtain bids for the Cascade and Pontiac water main projects without advertising for bids. Carried by unanimous roll call vote (5/0/1).

*Ayes: Trustees: Hinshaw, O'Laughlin, Schnauffer, Walsh, Wittenberg*

*Nays: None*

*Absent: Trustee Bailey*

Mayor Andrews asked Superintendent Santen, Dave Vandervelde and John Brooks to obtain proposals for the Cascade and Pontiac water main projects. Trustee Hinshaw asked if the Board should determine what level of reserves are needed for future projects. He suggested possibly the Finance Committee could help determine a level for reserves. Trustee Walsh stated the Finance Committee would not know what level of reserves are needed and it would be Superintendent Santen and the engineer that could make that determination. Superintendent Santen stated we can possibly come up with a number based on projects that need to be done.

5. ***Approval of a Resolution Regarding Extension of Municipal Electric Aggregation Agreement (Resolution #R4-14-2)***

Mayor Andrews stated back in February the Board discussed the expiration of the electric aggregation agreement on May 1, 2014 and the Board was looking into continuation of the electric aggregation program. Mayor Andrews stated the Board may not have received all of the documents before this evening due to an email error that occurred. Mayor Andrews stated Trustee Wittenberg inquired previously if we could renew the agreement with Constellation Energy. At that time we were unsure if we could do that, later there was a discussion that the Village would go out for bid with energy suppliers and Constellation Energy mentioned the current agreement allows a provision to extend the agreement. Mayor Andrews stated Counsel reviewed the power supply agreement with Constellation Energy and pointed out the terms of the agreement states the Village and the retail energy supplier can extend the term for a period of up to thirty-six months by written agreement approved by both parties. Mayor Andrews stated he spoke with representatives from Constellation Energy and inquired about the power supply rates (the original rate in the electric aggregation agreement was at 4.9 cents per kilowatt hour) at a time when Commonwealth Edison was charging 8 cents per kilowatt hour. He noted Constellation asked when the Board could act on an agreement because as it turns out the energy market changes like the stock market which changes from day to day, counsel has been working with Constellation Energy on an extension agreement and the current energy supply rate offered on this date for 12 months is 7.3 cents per kilowatt hour, for 24 months the rate is 7.4 cents and the rate for 36 months is 7.1. He noted the increase is about 2 cents more per kilowatt hour than the original agreement. Mayor Andrews stated the energy supply market is fluctuating between 6.8 cents per kilowatt hour and 7.2 cents per kilowatt hour and the rates are going up.

Counsel Ramello stated other surrounding communities have gone out to bid for electric aggregation and the current market is similar to the quotes received by the Village in the 7 cents per kilowatt hour range. He noted most of the bids coming back are with a provision that the electric supplier would not agree to an option to terminate the contract early when the ComEd rate is lower than the alternate retail supplier. Counsel Ramello stated because the energy supplier is not imposing a termination fee, the supplier will not offer a Village-wide termination clause. Mayor Andrews asked if there is an opt-out period for residents. Counsel Ramello stated under the rules of the ICC there is a minimum opt-out period of twenty-one days for residents. Mayor Andrews asked with an extension of the existing agreement if the ComEd rate drops below the Village's rate can residents opt-out. Counsel Ramello stated the Village could terminate the power supply agreement if the ComEd rate goes below the Constellation Energy rate and that provision is in the original agreement. Mayor Andrews stated the Board can approve the power supply rate with Constellation Energy for any of the terms provided or another option is to go out for formal bids from energy suppliers.

Mayor Andrews stated Dave Brink provided some information about Northbrook and residents in that community that are continuing to save on electricity. The article talks about the North Shore Electricity Aggregation Consortium and their rate is about 6.6 cents per kilowatt hour for the final year of their three year contact with a company called MC Squared Energy. He noted the rate may be lower because they entered into a three year agreement at that time, the ComEd estimated residential rate in June will be 7.3 cents per kilowatt hour for the next year, so Constellation's rate is less across the board for all terms.

Mayor Andrews stated the North Shore Consortium price increase from the current rate is due to a significant rise in the cost to supply electricity effective June 2014 and the cost to generate electricity. Mayor Andrews stated the Village entered the electric aggregation program to try to get a better rate for electricity for all of the residents, the Board can decide to approve one of the rates and terms with Constellation and if the ComEd rates goes below the Village's rate, the Village can terminate the power supply agreement or the Village can go out for bids. Trustee Hinshaw stated the electric aggregation agreement allows a resident to cancel at any time so they can switch to another company within twenty-one days. Mayor Andrews stated the new contract provides for a termination penalty if someone cancels after the twenty-one day period.

Mayor Andrews stated we still have the benefit of the electric aggregation and Constellation Energy is a subsidiary of Commonwealth Edison so another company might be higher than their rate. Trustee Andrews entertained a motion to approve a resolution to authorize an extension of an electric aggregation agreement for power supply with Constellation Energy for a three year term at 7.1 cents per kilowatt hour. Trustee Wittenberg stated there is no information on an energy website about municipalities that have renewed at the 7 cents per kilowatt hour, there is a provision to allow the Village to terminate the agreement if the rate goes lower and all of the electric aggregation statistics are on the energy website. Counsel Ramello stated the rates for electric supply in the last month were in the 6 cents per kilowatt hour range but the rate in the last two weeks is up in the 7 cents per kilowatt hour. Mayor Andrews stated Clarendon Hills has an electric aggregation rate of 6.6 cents per kilowatt hour with Constellation and their new contract is a rate of 8.7. Trustee Walsh stated he favors the extension of the agreement to help preserve some of the good terms of the contract, there is no downside because we can terminate at any time but is reluctant to enter into a term for thirty-six months because the rate may go down but it seems the rates are going up. Trustee O'Laughlin stated possibly the current rates could be put on the Website. Mayor Andrews stated because the energy market is constantly changing the Board can direct him to enter into an agreement with Constellation Energy if the market rate goes lower. Trustee Walsh stated he is not sure about whether to authorize a 12, 24 or 36 month term or if we need to go out for bid. Trustee Schnauffer stated if we wait too long the electric supply rate may go up more. Mayor Andrews stated the best rate offered for residents by Constellation is 7.1 cents per kilowatt hour for thirty-six months, we would be locked into it for three months except for the initial opt-out period and if the ComEd rate drops below that we can terminate the agreement and everyone can make their own choice.

Bob Bersin, of Acacia, stated there is no downside and the Village can terminate at any time. Milan Simich, of Stonehearth, stated twenty years ago he was buying gas from oil wells in Oklahoma and having it piped in to Chicago to his plant. He noted there are many fluctuations in the market that affect delivery costs.

Trustee Schnauffer moved, seconded by Trustee Hinshaw, to approve a resolution to authorize an extension of an electric aggregation agreement for power supply with Constellation Energy for a three year term at 7.1 cents per kilowatt hour. Carried by unanimous roll call vote (5/0/1).

*Ayes: Trustees: Hinshaw, O'Laughlin, Schnauffer, Walsh, Wittenberg*

*Nays: None*

*Absent: Trustee Bailey*

6. ***Approval of Ordinance Amending Sections of Title 2 “Administration/Personnel” and Adding Chapter Regarding Purchasing (Ordinance #2014-7)***

Trustee Walsh stated he would like this matter to be continued to be able to get some input from the Village Administrator on this issue and his recommendations as well. He noted when this matter came up previously Frank Alonzo was planning to get more information but the Board did not receive it. Trustee Walsh stated he is in favor of such an ordinance but the dollar amount and reasoning behind it was never determined and input is needed from the new Village Administrator. Trustee Walsh moved, seconded by Trustee Schnauffer, to table the discussion regarding the purchase ordinance to the May 8<sup>th</sup> Board meeting. Carried by unanimous voice vote (5/0/1).

7. ***Discussion and Possible Vote Regarding Use of Collection Agency to Collect Fines from Village Citations owed to Indian Head Park – Police Chief Brooks***

Chief Brooks stated during evaluating the services of the Village it was brought to his attention that there are outstanding parking tickets and violations and there is not a lot of enforcement on how to get the money back. Chief Brooks stated he is looking into options and made several phone calls to Villages to find out how they collect revenue, records administration provided an estimate of about one hundred forty-one unpaid tickets, of those tickets about one hundred and six are approximately \$70.00 and thirty-five ticket are \$100.00 or more (these could be parking in handicap spaces or Village stickers). The total outstanding money owed to the Village is about \$10,920. Chief Brooks stated he reviewed information on file that letters were sent in the past about past due fees and there were no responses from those in violation.

Chief Brooks stated he contacted various Village Administrators and Police Chiefs and they provided three local collection agencies with different rates. He noted most of the companies are month to month operations. The three collection agency companies are: (1) Armor Systems Corporation from Zion Illinois takes 20% of the collections. This company does traffic, parking, compliance, utility, judgments, etc; (2) Illinois Collection Service from Tinley Park takes 28% of collections. Many of their clients are Oak Lawn, Evergreen Park, Westmont, Palos Park, Marionette Park and Burbank; (3) MCSI of Palos Heights, takes 35% of collections. Their clients are Lagrange, Willow Springs, Bridgeview, Lyons, Hickory Hills and Summit.

Chief Brooks stated these are all options for the Board to consider and many municipalities use these firms to receive the money owed to them without the Village spending resources on skip tracing and making contacts or writing letters without getting responses. Chief Brooks stated most firms will abide by the rules and by sending this out to a perspective client within forty-five days they will report to a credit agency like Experian or Equifax and it will appear on the credit report. He noted Villages are using this system successfully and we may get \$5,000 or \$6,000 without spending resources within the department by sending letters out and he would be happy to discuss with counsel.

Mayor Andrews stated he recalled former Chief Alonzo contacted Armor Systems a few years ago and we attempted to work out a collection agency agreement with them and were unsuccessful because the company was unwilling to comply with some Illinois Statutes they were required to comply with under a municipal contract and there were some other issues with working out a policy with them. Trustee Wittenebrg stated if there is an agreement that is month to month it is not an agreement and possibly a company is willing to do it on a trial basis. Counsel Ramello stated it is still a contract and the Fair Credit and Reporting Act has requirements under Illinois State Statutes.

Trustee Walsh moved, seconded by Trustee Hinshaw, to direct Chief Brooks to contact the three collection agencies to reach an agreement to employ their collection services for the Village. Carried by unanimous voice vote (5/0/1).

### **QUESTIONS AND/OR COMMENTS FROM THE AUDIENCE**

Aileen Henkel, of 14 Algonquin Drive, stated she called the Village and spoke with an officer about illegal parking on the north side of Algonquin which has been going on for years. She mentioned there is a no parking sign posted in front of 14 Algonquin and cars park between 10 and 12 Algonquin. Aileen Henkel stated the officer mentioned he could not write a ticket because of how the sign was posted and could only issue a warning and that he tried to get the sign moved in front of 10 Algonquin where it should be posted. Chief Brooks asked if she recalled the name of the officer or an approximate date. Aileen Henkel stated she did not recall the name of the officer, it was about six weeks ago and she has safety concerns when someone parks on the north side of Algonquin. Chief Brooks stated he would check into the matter. Superintendent Santen stated the sign ordinance should be checked to find out what the covenants say for that subdivision and the sign can be moved if needed.

Milan Simich, of 26 of Stonehearth Lane, thanked Mayor Andrews and the Board for a great meeting that was very informative also for service to the community. He noted he has two drains in his driveway and had a problem and after contacting the Village they were out to check into it within a couple of hours. Lou Mini, of Pontiac Drive, stated he echoed the great meeting comments and thanked the Board. He stated the Board was discussing the road project and mentioned curb and gutter repairs. He asked will curbs be added in areas where there are no curbs because there are no curbs on Pontiac Drive. Dave Vandervelde stated if there are no existing curb and gutters there will be no curb and gutters in those areas.

### **ADJOURNMENT**

There being no further business to discuss, Trustee Schnauffer moved, seconded by Trustee O'Laughlin, to adjourn the regular Board meeting at 10:15 p.m. Carried by unanimous voice vote (5/0/1).

Submitted by,  
Joseph V. Consolo, Village Clerk

Minutes prepared by,  
Kathy Leach, Deputy Clerk/Recording Secretary