

**Village of Algonquin
Minutes of the Committee of the Whole Meeting
Held in Village Board Room
January 22, 2019**

AGENDA ITEM 1: Roll Call to Establish a Quorum

Trustee Brehmer, Chairperson, called the Committee of the Whole meeting to order at 7:30 p.m.

Present: Trustees Debby Sosine, John Spella, Janis Jasper, Jerry Glogowski, Laura Brehmer, Jim Steigert, and President Schmitt.

A quorum was established.

Staff Present: Village Manager Tim Schloneger; Assistant Village Manager, Mike Kumbera, Public Works Director, Bob Mitchard; Police Chief, John Bucci and Village Clerk, Jerry Kautz.

AGENDA ITEM 2: Administer Oath of Office

Village Clerk Kautz administered the Oath of Office to incoming Police Officer Rodney A. Brown

AGENDA ITEM 3: Public Comment

None

AGENDA ITEM 4 Community Development

None

AGENDA ITEM 5: General Administration

Mike Kumbera reporting:

(Please note: A full copy of presentation can be found on the Village website)

A. Presentation for Capital Budget for 2019/2020

1. Proposed Water and Sewer Improvement and Construction Budget

This fund is intended for the larger capital improvements such as expansion of the water and sewer treatment plants, distribution systems, and smaller expenditures that improve or enhance the existing water and sewer distribution systems overall. The Water and Sewer Improvement and Construction Fund is a capital account with cash reserves that can be accumulated from year to year.

The revenue estimated for this fiscal year is \$1,915,000 (including a transfer of \$1,320,000 from the Water & Sewer Operating Fund), and expenditures are budgeted at \$6,984,000. The existing cash reserves will cover the difference between revenues and expenditures. Additionally, IEPA Low Interest Loans will begin funding \$22,340,000 worth of scheduled projects.

REVENUES - \$1,915,000

Maintaining safe drinking water and environmentally sound sewer services is one of the most important responsibilities of the Village of Algonquin. As providing water and sewer services becomes more expensive, the village is faced with the constant challenge of balancing our interest in offering a fundamental public health service at an affordable price against the necessity of managing our systems in a financially sustainable manner. Water, sewer and all other utilities are businesses, regardless of who owns them. The village's water and sewer utilities are businesses that just happen to be owned by government.

On January 19, 2016, the Village Board adopted a new rate structure that took effect November 1, 2016. The new rates are not only fair and equitable, but are also based on an accurate cost of service analysis. The rate structure covers all costs of day-to-day operations, growth, depreciation and debt service for needed capital improvement projects.

EXPENDITURES - \$6,984,000 (\$22,340,000 multi-year projects separately covered by IEPA Low Interest Loans)

2. Proposed MFT and Street Improvement Budgets

These two funds have separate sources of revenue collection and expenditure requirements. The projects recommended in these two funds continue the village's commitment to maintenance and implementation of the multi-year street improvement program.

The MFT and Street Improvement Funds budget assumes carryover projects from the current fiscal year, outstanding monies to be paid to the state of Illinois for previously completed projects, a draw down in cash reserves, grants, future tax increment financing (TIF) fund reimbursements and the possibility of future issuance of debt. These factors will allow expenditures of road projects to exceed revenues by \$6,095,000. The projected revenue for the two funds total \$10,020,000 (including General Fund Transfers), and the proposed engineering, road construction and maintenance expenditures total \$16,115,000.

MFT FUND REVENUES - \$845,000

MFT FUND EXPENDITURES - \$1,285,000

3. Proposed Park Improvement Budget

The Park Improvement Fund is utilized for the acquisition of parklands, development of and improvements to new parks, and wetlands/native area enhancements. Through it, the village provides a comprehensive park system that provides recreational opportunities for all residents while protecting assets, natural resources and open space for the benefit of present and future generations.

During the high growth years, park impact fees, paid by developers, financed many new park development and other enhancements. The development fees were restricted to specific uses such as reforestation, enhancement of wetlands, and improvements to other natural areas.

With the evolving market for new construction, the revenue generated from park impact fees has become less predictable and more intermittent. Furthermore, the recreational improvements built during the growth years are substantial and require systematic maintenance. Therefore, the village has dedicated two recurring revenue streams to protect and preserve the standards of excellence expected by the community.

First, video gaming revenue received via the state (5% of net terminal income) is deposited into the Park Improvement Fund. Second, as of July 1, 2015, a portion (2.25% tax rate) of the revenue from the Village's telecommunications tax is also being dedicated to the fund.

PARK FUND REVENUES - \$360,000

Revenues include \$15,000 in interest income, \$105,000 in video gaming terminal tax receipts, \$220,000 from the dedicated portion of the telecommunications tax, and \$20,000 in reforestation and watershed donations.

PARK FUND EXPENDITURES - \$1,295,000

Side note: Tim Schloneger stated that the Village has several 'shovel ready' projects and could benefit from having former State Rep. Mike Tryon, who is highly regarded, assist in getting dedicated funding from Springfield. Trustee Jasper asked if this is legal? Mr. Schmitt responded 'of course it is'.

Some other discussion involved a future solution for Algonquin Hills Subdivision property, north of the public works building, being possibly used as an industrial/commercial site. A question was brought up regarding playground inspections with Bob Mitchard responding the Village has three

certified playground inspectors on staff and they inspect the equipment every month for safety and repairs.

It was stated that our salt dome property will be shared with the County so that their trucks and equipment can be used for helping our village in snow and ice removal and Algonquin is at the southernmost part of McHenry County.

When the presentation was finished the consensus of the Committee of the Whole was have staff continue with complete budget preparation.

AGENDA ITEM 5: Public Works & Safety
None

AGENDA ITEM 6: Executive Session
None

AGENDA ITEM 7: Other Business

(1) Algonquin Lakes basketball court needs repaving after many years of use, mainly due to winter ice buildup. This funding is part of Public works proposed budget

AGENDA ITEM 8: Adjournment
There being no further business, the Committee of the Whole meeting was adjourned at 8:30 p.m.

Submitted: Jerry Kautz, Village Clerk