



Village of Algonquin
Minutes of the Committee of the Whole Special Meeting
Held in Village Board Room
February 4, 2020

AGENDA ITEM 1: Roll Call to Establish a Quorum

Trustee Laura Brehmer, Chairperson, called the Committee of the Whole meeting to order at 7:00 p.m. Present: Trustees Debby Sosine, John Spella, Janis Jasper, Jerry Glogowski, Laura Brehmer, Jim Steigert, and President Schmitt. A quorum was established
Staff Members Present: Village Manager, Tim Schloneger; Assistant Village Manager, Mike Kumbera; Intern, Matt Bajor; Public Works Director, Bob Mitchard; Community Development Director, Russ Farnum; Deputy Village Clerk, Michelle Weber; and Village Attorney, Kelly Cahill.

AGENDA ITEM 2: Presentation for Capital Budget for 2020/2021

Mr. Kumbera presenting:

1. Proposed Water and Sewer Improvement and Construction Budget

The revenue estimated for this fiscal year is \$1,906,000 (including a transfer of \$1,320,000 from the Water & Sewer Operating Fund), and expenditures are budgeted at \$21,990,000. IEPA Low Interest Loans are funding designated projects.

REVENUES - \$1,906,000

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 - \$21,990,000

- Engineering (\$1,930,000): Including Countryside Standpipe Rehab; Downtown Streetscape Stage 2; Downtown Streetscape Stage 3; MCC Upgrades WTP 1 & HSP's WTP 2&3; PRV Replacement Program year 1, 2 and 3; Ratt Creek Reach 5 (High Hill Dam Area) Water & Sewer Improvements; Risk & Resilience Study (per the American Water Infrastructure Act of 2018); WWTP Phase 6B Improvements; Contract Engineer; and the Public Relations Firm.
- Infrastructure Maintenance (\$1,300,000): Including the Countryside Standpipe Rehabilitation; Ratt Creek Reach 5 (High Hill Dam Area); and Terrace Hill Improvements.
- Collection Systems Maintenance (\$100,000): This is an ongoing program to identify and correct failures in the sanitary sewer collection system derived from sanitary sewer studies in order to prolong the life cycle and reduce routes of inflow and infiltration. Work includes potential manhole rehabilitation, sanitary sewer line replacements, and CIPP (Cured in Place Pipe), or lining of sanitary sewer pipe.
- Water Treatment Plant (\$300,000): Including the MCC Upgrades WTP 1 & HSP's WTP 2&3.
- Waste Water Collection (\$4,690,000) Including the Downtown Streetscape Stage 2 and 3;
- Water Main (\$1,160,000): Including the Downtown Streetscape Stage 2 and 3; and the PRV Replacement Program Year 1.
- Water Treatment Facility (\$12,500,000): WWTP Phase 6B Improvements

2. Proposed MFT and Street Improvement Budgets

The proposed fiscal year 2020/2021 budgets for the Motor Fuel Tax (MFT) Fund and the Street Improvement Fund. 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 \$2,011,000. The projected revenue for the two funds total \$9,237,000 (including General Fund Transfers), and the proposed engineering, road construction and maintenance expenditures total \$11,248,000.

MFT FUND REVENUES - \$837,000

Under the MFT Fund, the primary revenue sources are the Motor Fuel Tax allotments provided by the State of Illinois and interest income on accumulated cash reserves.

MFT FUND EXPENDITURES - \$1,630,000

- Materials (\$340,000): Includes Road Salt, new wave deicer and brines, and asphalt
- Infrastructure Maintenance (\$250,000): Including Bike Path repair and asphalt patching.
- Maintenance Curb Sidewalk (\$500,000)
- Maintenance Streets (\$220,000): Pavement marking and contracted street sweeping
- Maintenance Street Lights (120,000)
- Maintenance Storm Sewer (\$200,000)

STREET IMPROVEMENT FUND REVENUES - \$8,400,000

The estimated revenues for the Street Improvement Fund include the utility tax receipts, telecommunications tax, 100% of the home rule sales taxes, grants, interest estimated for this fiscal year, and a \$3,000,000 inter-fund transfer from the General Fund.

STREET IMPROVEMENT FUND EXPENDITURES - \$9,618,000

- Legal Services (\$10,000)
- Engineering Design Services (\$1,268,000): Algonquin Lakes; Boyer and County Line Roads; Broadmore and Stonegate Roads; Crystal Creek Bridge Replacement; Crystal Creek Improvements; Grand Reserve Drainage; High Hill Subdivision; Joint Salt Dome with MCDOT; Lake Braewood Drainage Repair; Randall Road Wetland Complex Stage 1 and 2; Ratt Creek Reach 5; Route 62 Bridge Deck Overlay; Makers' Park Bike Path; Scott, Souwanas & Schuett; Sleepy Hollow Road; Stongate Road; Terrace Hill; Contract Engineer; Public Relations Firm; Crystal Creek Watershed Plan; Brick Paver Maintenance; Crystal Creek Improvements; Grand Reserve Drainage; Highland Avenue Detention Maintenance; Pavement Analysis; Reclamite Treatment; Souwanas Creek Emergency Repair and Reach 2; Storm Sewer Lining; Surrey Lane Creek & Drainage repair; Woods Creek Bunker Hill Drive; Woods Creek Reach 2; Wayfinding Signage

CAPITAL IMPROVEMENTS - \$7,820,000

- Including the following projects: Crystal Creek Bridge Replacement; Crystal Creek Improvements; Downtown Streetscape MCCD Trailhead; Downtown Streetscape Stage 1B; Highland Avenue; Randall Road Wetland Complex Stage1; Makers' Park Bike Path; Sleepy Hollow Road; Terrace Hill.

3. Proposed Park Improvement Budget

The Park Improvement Fund is utilized for the acquisition of parklands, development of and improvements to 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, 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 - \$751,000

Revenues include \$11,000 in interest income, \$115,000 in video gaming terminal tax receipts, \$170,000 from the dedicated portion of the telecommunications tax, \$55,000 in reforestation and watershed donations, and \$400,000 from an Open Space Land Acquisition and Development (OSLAD) grant.

PARK FUND EXPENDITURES - \$1,547,000

- Engineering and Design (\$248,000): Gaslight Tennis Court Rehab; Creeks Crossing Drainage Improvement; Kelliher Park Parking Lot; Comprehensive Parks and Recreation Master Plan; Stoneybrook Park Improvements; Woods Creek Reach 4 and 5.
- Infrastructure Maintenance (\$135,000): Algonquin Lakes Basketball Court Rehab; Creeks Crossing Drainage Improvement; Natural Area Maintenance; Spella Pollinator Project
- Reforestation (\$54,000): Planting of parkway trees
- Maintenance-Open Space (\$90,000): Holder Park Detention Naturalization; Spella Fen Buffer; Targeted Phragmite Control; Kelliher Park Parking Lot; Stoneybrook Park Improvements; Woods Creek Reach 4; Gaslight Tennis Court Rehab.

Mr. Schloneger indicated he has been doing research on ways to increase our funding for the park plan and he is watching the "Penny Per Push" tax Oak Lawn has implemented. This "Sin Tax" would come into play each time a video gaming terminal's button is pushed. Oak Lawn has indicated the "Penny Per Push" tax is estimating a revenue increase of \$500,000 annually. This is a test case, and the Gaming Terminal Operators have not challenged the tax yet. This is something to watch and maybe consider in the future.

Mr. Glogowski questioned the PCI, are we needing to do an evaluation of the roadways sooner than later to keep on top of the maintenance? Mr. Mitchard indicated, we are planning in the budget to rerun the analysis this coming fiscal year.

AGENDA ITEM 3: Adjournment

There being no further business, Chairperson Brehmer adjourned the meeting at 7:30 p.m.

Submitted: Michelle Weber, Deputy Village Clerk