

**MEETING OF THE BOARD OF TRUSTEES REGULAR SESSION
11004 Carpenter Street, Mokena, Illinois 60448**

Session #022

November 27, 2017

CALL TO ORDER

Mayor Fleischer called the Regular Session of the Board of Trustees to order at 7:00 p.m

PLEDGE OF ALLEGIANCE

The Board of Trustees and members of the audience recited the Pledge of Allegiance.

ROLL CALL/ESTABLISHMENT OF QUORUM

Clerk Hersted called the roll and the following Trustees were present:

Jim Richmond
Debbie Engler
George Metanias
Joe Siwinski

Absent: John Mazzorana and Joseph E. Budzyn

Also present were: Clerk Jillian Hersted; Village Administrator John Tomasoski; Finance Director Barb Damron; Assistant Village Administrator Kirk Zoellner; Police Chief Steve Vaccaro; Community/Economic Development Director Alan Zordan; Public Works Director Lou Tiberi; Staff Engineers Dan Peloquin and Brian Fei and Village Attorney Carl Buck.

DISCOVER MOKENA

June Graffy from Curtain Call Theatre provided information on their upcoming production of The 39 Steps, a fast-paced whodunit packed with humor and over 30 characters (played by a cast of 5). In addition, December 9th is open registration for summer theatre camp.

COMMUNITY CALENDAR

Clerk Hersted presented the Community Calendar.

PUBLIC COMMENT

N/A

CONSENT AGENDA

Village Administrator John Tomasoski presented (2) items on the Consent Agenda for Board approval. These items are strictly administrative in nature.

- a. Motion to approve Ordinance No. 2017-O-039, an ordinance amending Title I, Administration Code within the Village of Mokena and to authorize the Village President and Village Clerk to execute same.
- b. Motion to approve minutes from the November 13, 2017 Board Meeting and Work Session.

Trustee Engler made a motion to approve Consent Agenda Items 6 (a) and (b) as depicted in the November 23, 2017 Request for Board Action prepared by the Village Administrator. Trustee Metanias seconded.

AYES: (4) Richmond, Engler, Metanias, Siwinski

NAYS: (0)

Absent: (2) Mazzorana, Budzyn

Motion carried

PRESENTATIONS/APPOINTMENTS/PROCLAMATIONS

Appointment of Dale Butler to position of WWTP Operator II

Public Works Director Lou Tiberi recommended the appointment of Dale Butler to the position of Wastewater Treatment Plant Operator II.

The recent passing of long-time employee Gerry Delaney created an opening in the Utilities Department for a Wastewater Treatment Plant Operator II. Following standard

protocol, staff advertised this open position internally, and two current employees formally expressed an interest in filling it.

Following interviews with each internal candidate, it was determined that Dale Butler was most qualified to fill this open position.

Mr. Butler has been employed in the Utilities Department for over 24 years. He possesses a Class 1 Wastewater Treatment Works Operator Certification with the Illinois EPA (which is required for this position) and a Class "C" Public Water Supply Operator Certification.

Mr. Butler was the main operator in charge of Marilyn Estates sewer plant for over 10 years prior to its abandonment in 2005.

Staff is confident that Mr. Butler possesses the skills and capabilities necessary to perform the tasks affiliated with this position, and that he will prove to be an asset to the Utilities Department in his new capacity as Wastewater Treatment Plant Operator II.

Trustee Engler made a motion to approve the appointment of Dale Butler to the position of Wastewater Treatment Plant Operator II in the Utilities Department at the starting step for that position as delineated in the August 22, 2016 Collective Bargaining Agreement with the International Union of Operating Engineers, Local 150, effective November 27, 2017. Trustee Metanias seconded.

Mr. Butler thanked the Board for the opportunity to serve the Village in this capacity.

AYES: (4) Richmond, Engler, Metanias, Siwinski,

NAYS: (0)

Absent: (2) Mazzorana, Budzyn

Motion carried

Chicago Southland Convention and Visitors Bureau Award

Jim Garrett, Executive Director of the Chicago Southland Convention and Visitors Bureau (CSCVB), provided information on their annual awards luncheon at which the Village of Mokena received the Patricia Chase Magan Municipal Leader of the Year Award.

Mr. Garrett provided an overview of why Mokena was selected for the award, read the text of the award, and provided some history on the significance of the recognition. He congratulated Mayor Fleischer, the Village Board and the community for the award.

Mayor Fleischer thanked Mr. Garrett for recognizing the Village of Mokena.

Mr. Garrett also thanked former Trustee Ed Jancauskas who served on the CSCVB Board of Directors for many years.

PUBLIC HEARINGS

Fiscal 2017 Audit

Finance Director Barb Damron presented the FY 17 audit.

Ms. Damron stated that several positive conclusions can be drawn from the Fiscal 2017 audit, which include the following:

- The assets of the Village exceeded its liabilities at June 30, 2017 by \$154,089,294 (net position). Of this amount \$21,687,970 is unrestricted, however, \$12,673,215 is for the business-type activities and is earmarked for the activities and projects associated with those funds.
- At June 30, 2017, the governmental funds reported combined fund balances of \$13,159,282, an increase of \$2,527,949 in comparison to the prior year. This total represents three figures: \$3,567,365, which is unassigned and reflected in the General Fund; \$7,805,118 in the Capital Improvement, Repair and Replacement Fund, which is restricted/assigned for capital projects and other special purposes; and \$1,786,799, which is restricted/assigned for purposes associated with the non-major governmental

funds (which include: municipal audit, school crossing guards, motor fuel tax, IMRF/FICA contribution, tourism, and special tax allocation).

- At June 30, 2017, the business-type activities (proprietary funds) reported combined unrestricted balances of \$12,673,215, an increase of \$127,420 in comparison with the prior year. Of the unrestricted balance, \$12,379,327 is for the Water and Sewer Fund activities (which also include Sewer Plant Expansion, Sewer Plant Replacement, Water System Capital Improvements, and Sewer System Capital Improvements), \$154,833 is for the Refuse Fund, and \$139,055 is for the Municipal Parking Lot Fund.
- The General Fund is the Village's primary operating fund. Due to the State of Illinois' ongoing fiscal condition, management has recommended that a fund balance of 33% of expenditures be maintained. The June 30, 2017, ending fund balance is approximately 31% of total expenditures or 37% excluding the \$2.6 million transfer out at year end.
- Debt levels continue to be manageable as the Village Board has carefully worked to meet the balance of improving our infrastructure while assuming principal and interest payments that can be met through earmarked sources.
- The Village Board has also been able to continue its philosophy of earmarking funds for current and future improvement projects. These projects include water and sewer utility improvements, various road projects, and facility improvements.
- Both of the Village's pension funds (Police Pension and Illinois Municipal Retirement Fund) are stable.

Brad Werner from Wipfli LLP auditing firm provided an overview of the audit.

Mr. Werner spoke about the governance letter and the responsibilities of the auditor. He discussed the Village's accounting policies and stated they found no transactions without authoritative guidance or anything unusual.

The auditors found the disclosures to be neutral, clear and consistent. Pension fund information can be found in the back of the financial statement.

Mr. Werner stated they found no difficulties in performing and completing the audit or working with staff.

Mr. Werner stated that they did not identify any material weaknesses or deficiencies related to internal control matters. He stated the Village is doing a very good job.

Mr. Werner noted that the auditing firm has provided an unqualified opinion in their report. He also stated that the general fund balance of 37% is very solid and strong.

The unrestricted fund balance of \$12.7M in the proprietary funds is very strong and healthy which is a testament to the way the Village manages its money.

Mr. Werner discussed pension plan funding and stated that according to the Illinois Department of Insurance's (IDOI) recent Biennial report, the Village of Mokena is ranked number eight out of 358 reporting police pensions. The Village is also managing long-term obligations very well.

Looking at the long-term debt schedule, Mr. Werner stated the Village is on pace to be debt-free in 2024 for bonded debt. He stated these are very good financial health numbers.

The final item Mr. Werner reported on was the TIF compliance report. He stated they had no findings with regard to this report.

Mayor Fleischer thanked Mr. Werner for his report.

Finance Director Damron stated she is happy with the clean bill of health for the Village.

Trustee Siwinski thanked Ms. Damron and Administrator Tomasoski for their hard work. He noted that this is the second year this auditing firm has conducted an audit for the Village. He stated that it is good to have a fresh set of eyes reviewing the Village's finances and giving the Board a clean report.

Trustee Metanias complimented and thanked staff on a good job.

Trustee Engler made a motion to accept the 2017 Audit for the Fiscal Year ended June 30, 2017 as prepared by the auditing firm of Wipfli LLP. Trustee Metanias seconded.

AYES: (4) Richmond, Engler, Metanias, Siwinski,

NAYS: (0)

Absent: (2) Mazzorana, Budzyn

Motion carried

OLD BUSINESS

ABC Supply Assignment of Sales Tax Incentive

Community/Economic Development Director Alan Zordan presented a request from Graefen Spring Lake, LLC, for assignment of a sales tax rebate incentive for property located at 8315 Spring Lake Road.

On August 28, 2017 the Village Board conceptually reviewed this request which included a 50,000 sq. ft. building with outdoor storage. The Board supported the proposal, and directed staff to prepare the necessary documents for review.

On October 16, 2017 the board reviewed the draft documents and directed staff to prepare the final documents for adoption.

On October 23, 2017 the Village Board formally approved the Special Use Ordinance and Plat of Resubdivision. One condition of the Special Use was the Village's agreement to assign the Economic Incentive Agreement.

ABC Supply is a nationwide company providing building materials (i.e. windows, siding, roofing, gutters). They currently have locations in Tinley Park and Joliet. It is estimated that they will generate approximately \$20 million in annual taxable retail sales at the proposed location.

Graefen Development/ABC Supply were attracted to this site in part due to the sales tax sharing incentive the Village created several years ago for a portion of this business park. The agreement states the Village agrees to share sales tax revenue with any sales tax generating user that develops on an industrially-zoned parcel within this business park. Industrially zoned lots do not typically attract sales tax generating users. However, several businesses in this development have taken advantage of this incentive including CIT, Point Blank, Accelerate Speedway and Win Supply.

The terms of the Economic Incentive Agreement (EIA) provide for the Village to share 50% of sales tax revenue (excludes ½% non-home rule sales tax designated for road infrastructure). This equates to ¼% sales tax sharing arrangement. Based on an estimated \$20 million in annual taxable sales, proposed sales tax split is \$200,000 for the Village of Mokena (includes \$100,000 1/2% non-home rule sales tax) and \$100,000 for Graefen Spring Lake LLC.

Per the terms of the EIA, the sales tax sharing period is 15 years, which began April 2008. There are approximately five years left in the 15 year term, assuming occupancy in Spring 2018. ABC Supply is expected to generate over \$1 million in sales tax revenue for the Village over a five year period.

The EIA was originally between the Village and the initial developer, TCB Development Corporation. The Village subsequently assigned the agreement to MB878 when MB Financial took over the business park in 2015. MB878 has agreed to share the sales tax rebate with Graefen Spring Lake LLC.

Trustee Engler made a motion to authorize the Village President and Village Clerk to execute a partial assignment of certain rights and obligations for the economic incentive

agreement between the Village of Mokena, MB878, and Graefen Spring Lake LLC, as it relates to the property at 8315 Spring Lake Road. Trustee Metanias seconded.

Trustee Siwinski thanked Jeff Graefen for bringing this project to Mokena.

Mayor Fleischer stated this is a partnership with Mr. Graefen and ABC. The Village is not fronting money for the project.

AYES: (4) Richmond, Engler, Metanias, Siwinski,

NAYS: (0)

Absent: (2) Mazzorana, Budzyn

Motion carried

Team Surus Special Use

Community/Economic Development Director Alan Zordan presented a request from Ronald Gravitt, owner of Team Surus, for a special use permit (SUP) to operate a fitness facility on property located at 8027 W. 189th Street, Unit E. This property is zoned I-1 (light industrial), and is located within the 80th Avenue Industrial Park.

On August 28, 2017 the Village Board reviewed the request. There were no comments from the public. The Board generally favored the request and directed staff to forward the proposal to the Planning Commission for a public hearing.

On September 21, 2017 the Planning Commission held a public hearing. There were no comments from the public. The Planning Commission unanimously recommended approving the SUP.

On October 16, and November 20, 2017 the Village Board reviewed the recommendation from the Planning Commission. The Village Board directed staff to prepare the final documents for consideration.

Team Surus intends to provide individual & small group fitness training. Class sizes will be 1 to 10 individuals. The hours of operation will be Monday through Friday - 4:30 pm to 9:30 pm., Saturday by appointment only and closed on Sunday.

Terms and conditions of the special use ordinance include

- Owner shall establish Seven (7) parking spaces within the rear yard of the property as shown on Exhibit "A".
- Owner agrees to not open the training facility to the public until the following conditions have been completed:
 - a. All required building permits are obtained from the Village.
 - b. The training facility is brought up to Village code.
 - c. The facility passes final inspections by the Village and Fire District and an Occupancy Certificate is issued.

Trustee Engler made a motion to adopt Ordinance No. 2017-O-040 granting a special use permit for indoor commercial recreational training for the property located at 8027 W. 189th Street and authorize the Village President and Village Clerk to execute same. Trustee Metanias seconded.

Trustee Metanias clarified that in the future permits must be obtained prior to construction.

AYES: (4) Richmond, Engler, Metanias, Siwinski,

NAYS: (0)

Absent: (2) Mazzorana, Budzyn

Motion carried

NEW BUSINESS

N/A

VILLAGE ADMINISTRATORS COMMENTS

Village Administrator Tomasoski requested Economic Development Director Alan Zordan update the Board on development and business activities. Mr. Zordan provided an update on pending development projects, announced new businesses, and highlighted businesses offering hostess gifts.

Administrator Tomasoski provided information on Senate Bill 42 which addresses accelerated income tax payments in FY 2018 (including a 10% reduction in the payments) and a 2% fee being imposed by the State for the collection of the ½% sales tax. The total impact on the Village would be +/- \$237,040.76.

Administrator Tomasoski also provided information on a flag raising ceremony scheduled for December 4th at the Village Hall at noon. The ceremony kicks off a year long celebration of the State's 200th birthday.

TRUSTEE'S COMMENTS

Trustee Engler commented on Christmas Fest and congratulated Lincolnway East.

Trustee Metanias congratulated Lincolnway East on another State Championship.

CLERK'S COMMENTS

N/A

MAYOR'S COMMENTS

Mayor Fleischer spoke with Chief Vaccaro and requested that the police enforce the leash law.

Mayor Fleischer spoke about leaf burning and the disposal option offered through the Township. He also spoke about leaves being blown on the street which block the storm sewers.

ADJOURNMENT

Trustee Siwinski made a motion to adjourn the Regular Session at 8:08 p.m. Trustee Richmond seconded.

AYES: (4) Richmond, Engler, Metanias, Siwinski,

NAYS: (0)

Absent: (2) Mazzorana, Budzyn

Motion carried

Respectfully submitted,

Frank A. Fleischer, Village President

ATTEST:

Jillian Hersted, Village Clerk