

MINUTES OF THE SPECIAL MEETING OF THE MAYOR AND BOARD OF TRUSTEES OF THE VILLAGE OF METTAWA, ILLINOIS, HELD AT THE HOUR OF 9:00 A.M. ON SATURDAY, JANUARY 23, 2016 IN THE SAVANNA ROOM OF THE HILTON GARDEN INN HOTEL, 26225 N. RIVERWOODS BOULEVARD, METTAWA, ILLINOIS

A. CALL TO ORDER

Mayor Urlacher called the meeting to order at 9:05 a.m.

B. ROLL CALL

Upon a call of the roll, the following were:

Present: Trustees Brennan, Maier, Pink, Sheldon, Towne and Mayor Urlacher

Absent: Trustee Armstrong

Mayor Urlacher declared a quorum present.

Also present: Village Administrator Bob Irvin; Scott Anderson, representative of the firm of James Anderson Company, Village Attorney Jim Ferolo of Klein Thorpe & Jenkins, Ltd., and Village Treasurer Pam Fantus

C. PUBLIC WORKS COMMITTEE

1. Consideration and Discussion of Authorizing Plans and Specifications for the Construction of a Village Hall

Mayor Urlacher opened the meeting and stated that he was hoping for a positive meeting to continue the discussion of a potential Village Hall. Progress has been made on the matter since last February's Committee of the Whole Meeting. He added that this is all about transparency and keeping the residents informed about issues before the Board. He said that the Village Administrator would present the five year financial projections, architect Rick Phillips will present the latest Village Hall plans, and we will take questions from the audience. He added that no decisions would be made at today's meeting, but he hoped the Board would reach some consensus on moving forward with additional studies.

Village Administrator Irvin stated that he was asked to review the Village current and projected financial position for the next five years. The summary that has been distributed shows the actual numbers from the FY 2014-15 audit and projections for the next five years. In summary, the Village is in excellent financial position with an unrestricted fund balance in the General Fund of over \$4.5 million. This is a result of good planning and decisions by the Mayor and Village Board over the years to be conservative with both revenues and expenses. The five year forecast has conservatively estimated both revenues and expenses, by only increasing revenues that have recently been trending higher, but leaving most flat. As for expenses, areas that have been on the increase are shown to increase and a conservative amount of unknown capital improvements are included. Even

with these conservative numbers, the fund balance could grow to over \$7 million in the next five years. This healthy reserve enables the Board to consider other capital projects or land purchases.

Rick Phillips provided a handout of the latest Village Hall site plans and elevations. He said that since last year's meeting, redesigns had occurred in consultation with the Public Works Committee. They included a more efficient layout, separating the office areas from the meeting room areas. He described the various components in the building and their uses and the various changes that we made including the addition of an airlock vestibule at the entrance, separate conference room, ADA access and a cupola to increase natural light into the building.

Cynthia Chicca asked if there would be any storage planned for the attic. Rick said that it could be added. She also asked about the flooding that occurs at the corner. Village Engineer Anderson advised that the building was positioned on the high point of the property and did not foresee any issues with flooding there.

Tom Glusic asked if the Mettawa Security Patrol would benefit from this building and if the second floor could be finished space if it was needed in the future. Rick Phillips said the second floor could be finished. Mayor Urlacher said the Mettawa Patrol does not need office space, but it could be used for a place to take a break.

John Cahill asked if it included a full basement. Rick Phillips said that the basement was just less than seven feet and it would not require an elevator. Basements over seven feet would require an elevator.

Denis Bohm asked the square footage of the building and Rick Phillips advised that it is just less than 3,000 sq. ft. He also asked what the cost per square foot was estimated to be. Orren Pickell, resident and residential builder said it would likely be about \$200 per square foot. He also asked about the basement and elevator issue. Rick Phillips said if the basement was over seven feet, there was space to add an elevator at the corner of the building.

Amy Lane asked if there was usable storage space in the basement and attic, why is there need for storage on the main level. Rick Phillips suggested that it was beneficial for access to records.

Cynthia Chicca asked if the code requires fire protection sprinklers. Rick Phillips said it did. Mayor Urlacher advised that a water main is adjacent to the property on Route 60.

Holly Hirsch Bollhoffer asked what the estimated cost of the project was, if there were any sustainable construction options being pursued and the operational costs. Rick Phillips said that we were open to reviewing sustainable options and evaluating their costs. He said the addition of an elevator could add from \$150,000 to \$200,000 to the cost. Village Administrator Irvin said the range in cost is \$850,000 to \$1.1 million. It includes site

development cost, building, utility connections, furnishings and design and inspection costs. The annual operating costs are estimated to be \$25,000.

Jeff Clark said that the project costs should include the purchase cost of the land that adds another \$500,000 to the project. He also asked how much damage would be done to the Village's R-1 zoning if an office building is built there. Attorney Ferolo advised that municipal buildings are a permitted use in the R-1 zone, so there would be no damage to the Village's R-1 zone.

Mike Collier asked if the Village would pay for this out of the Village's reserves. Trustee Maier said the Village had options to use reserves or borrow the funds from a bank. Interest rates on Village reserves are about .5% while borrowing money would be about 4%. Using reserves would not impact our cash flow.

Adrienne Tindall clarified that the Village document storage at her home referred to recent Village documents including the 16 file drawers and many boxes relating to Korhumel and Grainger. She said that residents and Board members could examine the documents.

Tm Glusic asked if the Village could grant itself a variation for a deeper basement without the need for an elevator. Mayor Urlacher advised that we could not. Cynthia Chicca said the water table was low in that area and she has three sump pumps in her basement, so we would not be able to keep the basement dry.

Jeff Clark mentioned the letter regarding the Village Hall and today's meeting that was sent around. He said it was meant to be a positive communication and avoided such terms as frivolous use of money. He added that the residents owe the Village Board a debt of gratitude for the service that you provide. He also stated that he did not believe that we have established a need for this building. There should be a needs analysis completed to determine what is actually needed. A year ago we were led to believe from the former Village Clerk that there was an unacceptable amount of traffic at her home. Since our Village Administrator has taken over the Clerk's duties, we have found that amount of walk in traffic, communications and meetings are negligible. He has visited the current Village office and it is clean and neat. While it is not ideal with its security locked entrance, it does work. Perhaps today, and given a future change in Clerk's the security feature is not a bad idea. The current cost of operating in the same manner is \$5,000 less per year than the maintenance for a Village Hall. He said that the need for the building has not been demonstrated and perhaps another opportunity will present itself such as a shared use building on the Village property across from the hotels or a corner of the CDW building. He added that a Village official had been contacted by the owner of Always Faith Stables regarding the potential use of their lodge. Mayor Urlacher stated that there were 19 real estate transactions handled last year, above the "count on one hand" comment in the email that went to residents. He agreed that foot traffic at a Village Hall would be low as stated in the past. There is a need for Village meetings to be held in one central location and not in the hotel lobby. We recently conducted a meeting with our auditors here. A Village Hall would also give us a sense of home. Trustee Brennan advised that there is a conference room at the storage facility that could be used for meetings.

Roberta Bohm said a needs analysis is a very important thing to do. There is a benefit to centrally locate meetings and storage for the Village. She was willing to serve on a Committee for a needs analysis.

Lisa Dieter, former Village Treasurer said that she agrees with many of the points that were just made. Before the Village spends money on a Village Hall, it should determine its needs. She believes the Village is run very efficiently, largely due to the work of the Village Administrator. She does not see much of a shortfall by continuing to operate in the same manner. The Village should start at square one and determine what is needed. It should be a necessity and not a luxury.

Mike Oberman said that we have a small Village, with about 400 residents and a building did not seem necessary. He said that this looked like a government having some money and looking for ways to spending it.

Mike Ruppe said it is a great idea to have something like this to represent the community. He suggested that we seek solar energy credits and asked where the computer room was located. He suggested that rather than add an elevator, that the building could be larger.

Amy Lane read a letter from her parents, Roger and Chris Lane which included that the increased operating cost to \$50,000 would be the loss of opportunity cost and there is no guarantee that the Village's revenue sources will continue. The State of Illinois could reduce its revenues with the Village. There is little foot traffic business and the addition of a Village Hall would require staffing and regular business hours. Meetings held at the hotel and other locations work well. There will also be less dependence on paper files reducing storage needs.

Tom Heinz submitted an evaluation system that included a series of questions designed to determine needs. It could be used to determine if a building is needed and if so, the proper solution. He said the needs analysis should be done. He is also concerned about the loss of a large income source such as Costco. Mayor Urlacher said loss of Costco issue has come up before. The Mettawa Costco is the second highest revenue producer in Illinois and the ninth highest in the Midwest. He does not believe it will be leaving any time soon. He added that if all of our commercial businesses closed on the same day, we would still have three year of operating revenues in the bank.

Marguerite Zamalo asked if there was the intent to rent out the public spaces for other events that could affect the operating expenses. Mayor Urlacher said he did not believe it was the intent to rent out space. He said that it could be used for Village events.

Jess Ray, former Mayor, said that with respect to a needs analysis, needs were reviewed and some votes taken at meetings like this one, based on the needs and there was a majority who believed there was a need for a Village Hall. He added that the Village is not a home owners association, it is a municipal government and it is not always apparent to what is necessary to be done by a municipality. Activity may be lower today than during his tenure as Mayor, but there is much that needs to be done to maintain a transparent

government and to answer requests for public documents. He believes the needs analysis has been clearly vetted in the last four years. Residents have elected this Village Board to be fiscally responsible and they are being very transparent on it. He asked how much in property tax rebates has been shared with residents since the program began. Village Administrator Irvin reported that it was over \$2.5 million. He stated that we need some bricks and mortar and this notion that everything can be done electronically is not the case with municipalities. He suggested that having meetings in the hotel are not reasonable and not a professional way to run a business. The cost should not exceed \$1 million for the building. You need to hold your elected officials accountable, but you need to let them make their decisions. Today's meeting was not required given the previous meetings that have been held on the issue, but it is further evidence of the Board being transparent. Trustee Brennan said she has been a Village official for many years and she does recall there ever being a needs analysis completed. There have been estimates on what a building will cost, but not the need for one. Jess Ray advised that meetings were held to discuss the needs.

Orren Pickell said that he has been neutral to this issue until Jess Ray spoke. The Village has money to build a Village Hall and there are intangible benefits to having a Village Hall. He stated that he has been in the building business for thirty years and does not believe there is a greater undervalued community around and there is thousands of dollars lost in real estate value in Mettawa. A Village Hall could be a springboard for establishing the Village as an even better place to live. He also asked if the Village's reserves exceed \$7 million in five years, what are we going to do with that money.

Mike Oberman said he doesn't understand the benefits of a Village Hall to residents.

Rich Fantus said the records management aspect of this project is grossly underestimated. The Village must follow the local records act and it's a felony to lose public records that must be maintained. He was unable to obtain some records under the Freedom of Information Act that are less than ten years old. Some of the requested documents he was told are stored in the basement of homes. They should be kept available for inspection. The annual maintenance cost of \$50,000 would be equal to \$173.17 per house per year and if the number is \$25,000 it would be \$86 per house. While some residents may not need documents at this time, that need may come in the future and they should be available. We should have a Village Hall like this one proposed.

Denis Bohm said that this project would not be costing any resident out of pocket. Even if we take out a 20 year mortgage for the building, it would only be equal to a couple of hundred dollars per year. The ongoing maintenance expense would be there and the Village has other significant sources of revenue beyond Costco.

David Bush expressed his thanks to the Board members and for the good turnout of the residents at the meeting. As an engineer, he said the needs analysis is important as well as the annual costs. He said that after the analysis, perhaps a leasing option would make more sense. The analysis would include building usage, transaction, etc. The analysis could be completed and presented to the Village.

Ron Pink said he moved to the Village in 1978 and was a Trustee thirty years ago. He stated that a Village Hall is an asset, not a liability and he did not think we know how much time is spent on Village business by the Mayor and Trustees. This Village is well run and we need to think about the people who run the Village.

Jeff Clark stated that the needs analysis has been done and for six years we have been trying to find the need to build a Village Hall and we still haven't found the need for a Village Hall. The amount of foot traffic is not there.

Larry Falbe, a former Trustee and President of MOLA said he was on the fence on this matter. He sees some positive things in the proposed building and the points about having a seat of government for a place to conduct business. He stressed caution in trying to buy legitimacy in the eyes of other governments. Mettawa is fortunate to not have expenses for pensions and maintenance of a Village Hall.

Patricia Cork said that having a centralized location for all of the Village's documents is very important. The documents should be accessible and easy to find. There are many items to be considered and not just the amount of foot traffic.

Sean McCarthy said there have been discussions of needs such as storage of documents and a place to meet. Attendance is not large except for major issues such as Costco. Perhaps it would make more sense to reduce the size of the building for proper office and storage areas. It would reduce the cost.

Tom Glusic asked the Mayor and Trustees for their thoughts on a Village Hall.

Trustee Maier stated that he recently had difficulty obtaining documents for the annual Village audit. It can be difficult when documents are kept in different places. We also recently had to have a meeting with our auditors in the lobby of the hotel. Private meetings cannot be held in our homes due to the open meetings act. He added that he does not like big government and Xanadu buildings. However, we are a government entity and he would like to see something compact where we can meet and conduct our business without having it conducted out in the open. He would rather not go to a storage building, but a place of business. He would prefer not to rent and pay the associated fees and profits to the owner. He added that the property tax rebates are the priority. Our cash flow is good at this time and we could build the Village Hall with cash reserves and save the cost from paying a mortgage. We need a place for document storage and a place to conduct business.

Trustee Sheldon said that she wanted to address it on a personal basis and asked by a show of hands, how many in the room are home owners and renters. She questioned why the Village should consider renting for the business of the volunteer elected officials. She said the Village should be an owner in the Village. The building under review may not be the final one, but a home is needed for the Village. There could be some increased value in property values if we had our own home. The Village has the funds to build a home for the Village.

Jan Pink stated that we are all tax payers and it is an important decision. We want to handle our funds as best we can. She took issue with a letter that went out to the Village as she did not know where the numbers came from listed in the letter. An estimate for the Village Hall came through the Public Works Committee to the Village Board and the Board agreed to get more information. The range for the building is \$850,000 to \$1.1 million and it was discussed in meetings and available on the Village website. It is not \$1 million to \$1.5 million as listed in the letter. We will know if we fall within the estimated range only if we go out for bids. She called the letter the missive of misinformation. She said the letter indicated that it would cost each household \$5,700, but we have not decided how it would be financed. With regard to the paper Village comment, she said that the Village is not even listed in the local phone book. She also visited the Village Hall in Green Oaks and took a tour and spoke to Village officials. They advised it was important to have professional offices and enough space.

Jeff Clark said that the estimated cost did not include the cost of the land. He said he obtained the range of \$1.1 million to \$1.5 million in the last three weeks from a Village official. The numbers were run past another Village official and they were not corrected.

Trustee Brennan said that she does not see the need for the Village Hall. In the next five years there will be even more things moving to the internet. She also addressed the tax rebate program that was started about ten years ago to give back money to the residents when we had a surplus. The amount of the rebate varies based on the amount of the surplus. As for Costco, it is not going anywhere. The bigger concern is the State of Illinois and the possibility of the State taken away some of the money that comes from the State. She added the tax rebate is a gift to our residents and not an entitlement. We should not count on receiving it every year. She added that she would prefer to rent a space first for a Village Hall and determine our needs before we build something. She said that if you take the estimated cost of the building with what has been spent on the land, the cost falls in \$1.1 million to \$1.5 million range.

Trustee Towne acknowledged the great turnout at the meeting. He said that this phenomenal Village has been humming along for 55 years due to our past Mayors and Trustees. There has been a stewardship to preserve this greenbelt in the heart of density in Lake County. Things have changed since the crash of 2008 and what younger people are looking for in housing. The days of buying and flipping a house to make a profit are over. We are preserving Mettawa to protect our greenbelt that has been here for more than 55 years. He said that we don't need a Village Hall tomorrow. It should be studied more and the needs identified. A lot of good points have been made. He said he does not think the tax rebate is a gift, he thinks the residents deserve it for maintain our green space. Mettawa is watching our finances and protecting our zoning and maintaining our infrastructure. The Village density is only 100 people per square mile. He suggested that we keep our studies going on a Village Hall, but slow it down and perhaps put it on the shelf until 2020, only four years away. It would enable us to study the need and refine what we need in a building.

Trustee Brennan agreed that the residents deserve the tax rebates and the Village Board works hard to maintain a surplus.

Tom Lys said this was second time that he attended a meeting in this room and was encouraged by everyone being civil during the meeting. He said that he does not know whether or not we need a building, but suggested that the Village consider a document management system to access records.

Mayor Urlacher stated that it has been a very constructive and positive meeting. Progress has been made since the meeting last February. He asked for a consensus of how the Village Board wanted to proceed.

Cynthia Chicca asked why not let all of the residents weigh in on this matter.

Mayor Urlacher suggested that a survey drafted by the Public Works Committee be considered as a way to obtain residents opinions. The Board members discussed the survey and the consensus was to survey the residents on the matter. They urged everyone in attendance to let their neighbors know about the survey and stress the importance of completing it. There was discussion on what should be in the survey and that it should be drafted by the Public Works Committee and then approved by the Village Board.

Village Attorney Ferolo suggested the motion could be for the staff and Public Works Committee to draft a survey for Village Board approval prior to distribution. There was discussion that the survey should go out to all residents.

Trustee Brennan moved, seconded by Trustee Maier to direct staff and the Public Works Committee to prepare a survey to present to the Village Board for review and distribution to the residents.

Ayes: Trustee Brennan, Maier, Pink, Sheldon and Towne
Nays: None
Absent: Trustee Armstrong

Mayor Urlacher declared the motion carried.

D. ADJOURNMENT

With no further business to conduct, it was moved by Trustee Brennan seconded by Trustee Sheldon that the meeting be adjourned.

Upon a call of the roll, the following voted:

In Favor: All

Opposed: None

Mayor Urlacher declared the motion carried and the meeting adjourned at 11:02 a.m.

Bob Irvin, Deputy Village Clerk