

PUBLIC WORKS COMMITTEE
MINUTES
DECEMBER 20, 2010

Mr. Fridly called the regular meeting of the Public Works Committee to order at 6:30 P. M. Present were: Mr. Peterson, Mrs. Bloodworth, and Mr. Fridly. Also present: Mayor Adams, Dennis McMullen and Atty. Cox.

Motion by Peterson, second by Bloodworth to waive the reading of and approve the minutes of December 6, 2010, as presented. All ayes. Motion carried 3-0.

MR. MCMULLEN

Mr. McMullen reported that the Anderson water and sewer is complete, tested, and connected. The Blum water project is done and they very happy with their water. Mr. McMullen will get together a first draft for specifications for park maintenance.

ATTY. COX

1. Construction Bond Ordinance. Atty. Cox stated that this will be an amendment to the zoning code; therefore, there will have to be a public hearing. It basically requires there to be some sort of cash deposit, bond, letter of credit or other security. This is presently geared only to new construction. Since you are changing it he questioned whether you wanted to make it applicable to all construction with perhaps a provision where you could waive it for something minor which would be a rare instance where someone is putting up a garage and damages a curb or cracks a sidewalk which makes it easier if you already have a deposit. Mr. McMullen stated that if you give a waiver, everyone is going to ask for that waiver. You probably want to put a limitation on the size of an addition, greater than a certain square footage. No exemption for any reason. Atty. Cox stated that since you are going through the hassle of a public hearing, do you want to do more of a catchall. This will cover 95% of your problems. Mr. Fridly stated that it is not the fact that they are in the public right of way as noted, but the issue is with people crossing the public right of way to get to their construction. The construction in the public right of way wordage needs to be eliminated. Atty. Cox stated we would then limit the first sentence to new construction. Mr. McMullen stated this is really a safety net for subdivisions that we don't have existing bond left or probably won't get and we have a substantial amount of vacant lots to be built on yet. This is our only protection at that point. Mr. Fridly asked about time limit on bonds. Mr. McMullen stated letters of credit run in a year, but they have to notify you in certified writing that they are going to terminate that. Bonds are good for the duration. They are held until we release it. Atty. Cox stated that this is for a year or for the completion whichever is later. Mr. Fridly suggested that we only accept bonds, not letters of credit because of issues in the near past, or cash deposit. Atty. Cox stated the reason that was done is because it will be hard for a single homeowner to get those bonds. It is much easier when developing a

whole subdivision to get a bond than for an individual homeowner. Mr. Fridly stated that we don't need something that has an expiration date. Cash deposit would be fine but then we would have to track it. Mr. McMullen also stated that we should get rid of the letter of credit as it is not a good vehicle any more. Mr. Peterson stated that the letter of credit issue may have been the lack of organization. Mr. McMullen stated a letter of credit is 1-2% and a bond is 4-5%. Any contractor that is building a home, if he cannot get a \$5,000 bond should not be building the home. Mr. Peterson stated that we don't want to create something that will discourage development in that we have something that is unusually strict compared to neighboring communities. A new subdivision would not be governed by this ordinance. This ordinance is for a platted individual lot. If you come in and re-plat some bare land, you will have to come in with a bond to cover the improvements. We already have that in place. What we needed was something to cover all those lots where the improvements are already done and there are still vacant lots as in Stoneridge, Old River Hills and Kensington East. This is a vehicle to cover the lots that are already platted and developed and they just have to be built on. We are covering ourselves for any of those improvements that are destroyed in that construction. Atty. Cox will tweak the amendment according to the committee's wishes and then this will have to go to the Zoning Board and Public Hearing and then back to the board. This would not apply to any new subdivisions. They will not be able to get their zoning permit until they pay the bond, in order to get the building permit.

STREETS & WALKS – MR. PETERSON

1. Tacchi USA Contract Renewal. Mr. Peterson questioned the payment of legal fees and whether that section was in the previous contract which it was with the identical wording.

2. Rt. 251 & Rockton Road. IDOT called about Rt. 251 and Rockton Road. We started this process three years ago. We were told by IDOT to do this and annex. All they want is a copy of the ordinance and a legal description. We will have to go through the process of a public hearing, etc. This can start the ball rolling. We would have no responsibility. It gives you a connector.

BUILDINGS & PARKS – MRS. BLOODWORTH

Mrs. Bloodworth stated that she will ratify the consensus for the village to pay for electricity at the hockey rink. Mr. Peterson stated that he had heard that someone wants to have a fundraiser hockey tournament there which they will approach the committee about in the future.

WATER, SEWER & GARBAGE – MR. FRIDLY

1. Sewer Rates. Mr. Fridly figured four options. His original option was Option 1, but after figuring the sewer discount that doesn't cover the costs. Option 2 is no base

rate and \$2.00 from zero. That will generate \$453,000 plus the first year which would be year 2011-12 fiscal year which our projected expense is \$454,000 so we would show a little bit of a loss, but would gain with a small increase each year. Option 3 is \$15.00 base and \$2.00 from zero. Option 4 is what he is suggesting that we use with a \$22.38 base rate and \$1.57 after the first 1,000. \$22.38 covers our salaries which is constant and \$1.57 is our cost to operate the plant per hundred cubic feet after that 1,000. Mr. Peterson noted that Option 4 actually results in a decrease for high users, which makes him feel that it will put a burden on the low users such as retired people on a fixed income. Option 2 seems the fairest way because you are paying for what you use. Mr. Peterson wondered if we had considered a \$10.00 from base rate and a \$2.00 from zero scenario. Mayor Adams is more in favor of Option 3 as it does not have such a high base rate, but if you use 500 feet a quarter, they would be paying \$25 a quarter, but in Option 4 they would pay \$22.38 a quarter. Mr. Peterson stated that Option 3 is \$100,000 more than any of the other options and does the base rate have to be \$15? Could it be more like \$10 to make it fairer? Option 3 makes the most money and it doesn't have to be \$15 but could still be \$12.50 but \$2.00 starting from zero. Option 4 seems to be the biggest jump. Mr. Peterson stated they will only see the \$22.38. Mayor Adams stated for the people who go to Florida and are not using anything and will still have to pay \$22.38. Mr. Peterson stated that it should be a smaller or similar base but pay from zero. Mayor Adams stated that we have to generate higher numbers. \$10,000 a year is not cutting it. Mr. Peterson stated that to be fair to every household that they pay for usage. We still have to have the base to cover the constant costs. Mayor Adams stated that it will cover the costs because there is usage also starting from zero. Mr. McMullen stated that if you are at \$12.50 with the \$2.00 from zero for usage, you are really at \$32.50 so their bill would have gone up \$20 a quarter. Right now the customers are paying \$12.50, but not paying additional until they hit 1,000. Mr. Fridly stated that the progressive increases should be set now and automatically increase each year without having to go back and have a public hearing each year. Mayor Adams stated that if we did Option 3 or a modified Option 3 and begin building a capital fund, you might not have to increase it. Mr. Fridly stated that he already has three projects that could add up to \$500,000. He would like to develop a capital plan, but doesn't have the funds to have the engineer do it. Atty. Cox stated that if you develop a fund and a lift station goes down, it will be much less painful for the citizens. When we took over the plant, the base rate was \$20. Mr. Peterson stated that Option 4 doesn't make us enough money. Mr. McMullen stated that if you raise the base rate \$2-3, most people will see that change. If you start to charge for usage based on zero if someone leaves for the winter, they would not see a change. It costs so much to get that service to your front lot whether it is \$12, \$15, or \$20. By going back to \$2.00 from zero, the senior citizens will pay for what they use. He recommended \$15 - \$16 on the base rate and \$2.00 from zero this year and add 10 cents for the next five years on that rate and don't touch it for the next five years. Your base rate is your base rate and you live off of that. The discount should be eliminated. If you are going to change it now, get rid of it. You are paying for what you use. Mr. Fridly will rework the numbers and bring it back to the committee for discussion with a \$15 base rate, \$2.00 from zero and adding 10 cents per year for the next five years.

Motion by Peterson, second by Bloodworth to adjourn at 7:15 P.M.

Respectfully submitted,

Judy Rossi
Village Clerk