

VILLAGE OF HAMPSHIRE - BOARD OF TRUSTEES

Meeting Minutes February 1, 2007

Village President Jeffrey Magnussen called the meeting to order at 7:00 p.m

Present: George Brust, Karyn Danielson, Martin Ebert, Orris Ruth, Ed Szydlowski, Jim Taylor.

Absent: None

Also Present: Village Attorney Mark Schuster, Village Engineer Brad Sanderson and Village Economic Fredi Schmutte, Kevin McCanna- Speer Financial, John Mays & Dan Olsem from Crown Community Development.

A quorum was established.

The Pledge of Allegiance was said.

Trustee Brust moved, to approve the minutes of January 18, 2007.

Seconded by Trustee Szydlowski
Motion carried by voice vote
Ayes: All
Nays: None
Absent: None

PRESENTATION/CITIZEN COMMENTS:

Bob Murray: Questioned about impact fees, the village states \$100,000 value for land and farmers sell their land and receive \$40,000. Can someone explain to him why?

VILLAGE PRESIDENT REPORT:

Village President Magnussen reported that we are actively working towards the new village hall with Wight and Co. On February 21st at 6 p.m. a Zoning Committee Meeting will be held with Wight and Co. to present a slide presentation on Green Building/ Environmental Sensitivity and all the trustees are urged to be there.

Village President Magnussen announced Coffee with the Mayor on Friday February 23 at 9 a.m. at the Village Hall. Would like the newspaper to print that information in the paper.

VILLAGE CLERK'S REPORT:

No Report

VILLAGE ECONOMIC DEVELOPMENT:

No Report

VILLAGE ATTORNEY REPORT:

Mr. Schuster Reported: The Hampshire Meadows Letter of Credit Unit 1 & 2 will expire April 3, 2007; however there is an outstanding punch list. Such as seeding in the Park space, water/sewer and some utilities.

The Village could have the developer renew the letter of credits or prepare the paperwork to make a claim against the outstanding letter of credits. The board needs to think about this and take action this month.

Trustee Szydlowski moved, to approve **Ordinance 07-02**: Amending the provision establishing the fair market value of land for development impact fees.

Seconded by Trustee Ebert
Motion carried by roll call vote
Ayes: Brust, Danielson, Ebert, Ruth, Szydlowski, Taylor.
Nays: None
Absent: None

Trustee Ebert moved, to approve **Resolution 07-05**: Modifying the Transition Fee to be paid by and collected from applicants for any development which includes residential dwelling units in the Village for 2007.

Seconded by Trustee Ebert
Motion carried by roll call vote
Ayes: Brust, Danielson, Ebert, Ruth, Szydlowski, Taylor.
Nays: None
Absent: None

Trustee Szydlowski moved, to approve **Resolution 07-06**: Abatement of real estate taxes on SSA #5.

Seconded by Trustee Ebert
Motion carried by roll call vote
Ayes: Brust, Danielson, Ebert, Ruth, Szydlowski, Taylor.
Nays: None
Absent: None

Trustee Brust moved, to approve **Resolution 07-07**: Abatement of real estate taxes on Elm Street Water Tower Bond.

Seconded by Trustee Danielson
Motion carried by roll call vote
Ayes: Brust, Danielson, Ebert, Ruth, Szydlowski, Taylor.
Nays: None
Absent: None

Trustee Szydlowski moved, to approve **Resolution No. 07-08**: Confirming the Amended Special Tax Roll for SSA #9 for 2006.

Seconded by Trustee Brust
Motion carried by roll call vote
Ayes: Brust, Danielson, Ebert, Ruth, Szydlowski, Taylor.

Nays: None
Absent: None

Presentation by Crown re SSA Refinancing Proposal for Public Improvements slide show was given by John Mays – Council for Crown.

Crown has experienced very large cost overruns on its Prairie Ridge, Oakstead and Tamms Farm combined infrastructure project, and anticipated additional costs to extend sewer and water facilities, for example, before the project is done.

The Annexation Agreement was a net expenditure of \$43M -- which would have required a gross bond issue of approximately \$57M. The current request of Crown is to increase the net proceeds to \$59M -- at a gross bond issue of about \$78M.

The infrastructure includes at least new water wells; a new water treatment facility; oversized regional water mains; interceptor sewers; collector roadways; and engineering costs for these improvements.

On what terms and conditions should the Village approve the Special Service Area financing proposal of Crown for its Prairie Ridge, Tamms Farm and Oakstead Subdivisions?

Mr. Mays went on to discuss Crown proposes to establish four (4) separate Special Service Areas, splitting its Prairie Ridge Subdivision into two areas, and adding others for the Tamms Farm and Oakstead Subdivisions. The original Annexation Agreement specifically calls for SSA financing to be utilized by Crown for such infrastructure costs.

Each of the proposed SSA's would take on a portion of the costs for the overall infrastructure improvements that have been undertaken by Crown: bonds would be issued and each SSA would then become the source of re-payment for a portion of the bonds. The estimated Special Tax per household would be \$1,500 per year x 30 years.

Crown is also seeking the Alternate Revenue Bonds approved in the Annexation Agreement. These bonds are to be paid from the additional water revenues generated from the new users in the Crown projects plus 50% of the operating revenues collected from such customers, or from the net revenues of the water system (after payment of operating expenses and debt service), whichever is less.

Crown is also entitled to “recapture” of expenses from other benefited owners, for a pro rata share of the total “extra” costs incurred by Crown for the infrastructure improvements. This sum is estimated to be \$9M. The reimbursements are typically obtained through recapture agreements which identify the pro rata share due and the properties liable for such re-payment.

As an alternative, Crown has requested that the Village combine the ARBs (\$10M) with the \$9M estimated recapture into one debt instrument, to be held by and paid to Crown from future water and sewer connection fees. The extent there may be future connection fees over a certain period of time.

Kevin McCanna / Speer Financial has reviewed these suggestions. Crown's proposal for a combined debt at 7.5%, and utilizing 100% of the water and sewer connection fees

would require a payment period of some 15 years. The shorter time period would mean less interest to be paid, and the earlier retirement of the debt would then free up the water and sewer connection fees for Village use.

The Village might consider reducing the interest rate to approximately 6.4%, and splitting the connection fees maybe 80-20%. This would not only control interest payments, but would also bring some additional revenue into the water and wastewater system during the life of the debt.

Crown will include the value of the special service area tax on the tax bills.

Trustee Brust wanted to make sure that the SSA would be disclosed to all potential homeowners. Trustee Brust asked Mr. Olsem if Crown would consider paying towards the Early Warning Sirens. Mr. Olsem mentioned he doesn't see a problem with that.

Mr. Schuster mentioned on February 8, 2007 the board may entertain deliberate and vote on financing proposal, specifically, approving Ordinances proposing the establishment of four separate Special Service Areas, the issuance of \$78M of SSA bonds netting some \$59M of proceeds for infrastructure improvements -- and imposing a special tax on the future homes in order to pay off and retire the bonds

Trustee Ebert asked Mr. Olsen if Crown would consider purchasing the water meters, Mr. Olsen said he sees no problem with that. The trustees would like to see the numbers on paper regarding financing the bonds. Mr. Mays would have them by Monday/Tuesday the latest.

VILLAGE ENGINEER REPORT:

No Report

PUBLIC WORKS COMMITTEE REPORT:

Trustee Taylor was looking for a consensus from the board to move ahead to purchase snow route maps but not to exceed \$1,500. This will be on the Board agenda February 8, 2007, The trustees didn't have a problem with that.

Trustee Taylor would like to go ahead and to start putting together information for mowing bids, this item will be on the Village Board agenda February 8, 2007, the consensus of the board agreed.

WATER/SEWER COMMITTEE REPORT:

No report

PUBLIC SAFETY COMMITTEE REPORT:

No report

PERSONNEL COMMITTEE REPORT:

Trustee Taylor reported he received the job description from John Bidinger.

Village President Magnussen announced for the Village Administrator job we have a volunteer service to help us streamline the interview process- Range Riders.

(The Illinois City/Council Management Association Range Rider program was established by the ICMA Executive Board in 1974 to make the counsel, experience, and

support of respected, retired managers of the profession available to city and county managers and administrators. Range Riders are retired managers with extensive experience who volunteer their time to provide a unique source of outside counsel to their colleagues. There are currently 75 Range Riders in 22 states).

Ms. Schmutte has created a spreadsheet to help us go over the applicants. Copies of the resumes will be handed out to the trustees.

VILLAGE SERVICES COMMITTEE REPORT:

No report

PLANNING/ZONING COMMITTEE REPORT:

No report

FINANCE COMMITTEE REPORT:

No Report

ANNOUNCEMENTS:

Trustee Danielson would like to move forward to get riverboat money for the village, to do a study for a train station and to purchase laser fiche. Ms. Schmutte suggested trying to go for one item; you may have a better chance to receive grant money. Trustee Danielson will call the County to find out if we can have multiply items.

ADJOURNMENT

The meeting was adjourned at 8:10 p.m.

Linda R. Vasquez, Village Clerk