



ADMINISTRATION

31 West Quincy Street, Westmont, Illinois 60559

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Administration & Finance Committee Special Meeting Minutes Thursday, March 6, 2014 4:30 pm

Call to Order: 4:37 by Trustee Addington

Roll Call: Bruce Barker, DC Gunther, Sue Senicka, Harold Barry, Virginia Szymiski, Chief Weiss, Mayor Gunter, Kim Nicol, Jim Addington, Bob Scott, Larry McIntyre, Spencer Parker, Tom Mulhearn

Pledge of Allegiance

Minutes - January 9, 2014 - approved and accepted - no changes

Unfinished Business:

Ron Searl began with the discussion on home rule. Conversations of the last few weeks, knowing that the home rule question was to be revisited, we have gotten some RFQ's on the stormwater utility study. We have a final legal opinion from the Village Attorney regarding how a stormwater utility could be set up. With this information we believe that we should come together to make a decision which is more important? Which do we want to pursue?

Ron Searl states that putting 2 questions on the ballot is not always advisable. That the Village Attorney is recommending that we put the stormwater issue on referendum; "although the legal authority for such a utility is more general than specific, I believe that the chances for a legal challenge are greatly lessened if this concept receives voter approval. He is talking about only putting the stormwater utility on the ballot. Ron believes that with the public support for the stormwater, this would be the time to put this on the ballot. Research shows that there are only 8 active stormwater utilities in the state and only 3 non-home rule communities that have a stormwater utility established. 2 of the communities did it as police powers for a public need, not a statutory authority as it is not there. These 2 communities were Richton Park and East Moline and this has not been challenged in court - John believes that it could lose if challenged. There is no state statute that states that a non-home rule municipality may operate a stormwater utility - that is the bottom line. It comes down to of the 2 issues, and the stormwater is the more pressing of the questions for the ballot.

District 201 has a question for the March ballot, so we would not be conflicting with that. Frankly we can all be eternal optimists and there are pending discussions in Springfield on home rule items and maybe some of the issues that we had concerns with that caused us to look at home rule could become a non-issue for us. Spencer has some numbers on costs. The question of the fee versus the tax, discussion on the numbers of the tax generated funds



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even if we issue bonds and levy - we would not be able to raise the funds from tax to pay off the bonds. The fee is the way to go forward to develop a robust program. Ron said that Downers Grove has found this to be the case, and that they are a home rule community.

Mayor Gunter said that it comes down to the referendum do you go for home rule and package it all together, and have the opposition come at you after they just voted it down. Do you do the tax, even though it sounds like it will not be enough? Or the third option do you put the stormwater utility fee on as a referendum? This option we need to educate the homeowners? Sue Senicka said Larry McIntyre if he believed that the committee could rally around this and educate the public so we could get the referendum passed? The staff/elected officials can't do this obviously? Larry said he thought that the committee understood the referendum and there were some that would step up and embrace the challenge. Of course Larry also said that the topic was one that had parts of our community very vocal and we could run into some challenges.

Sue Senicka said that the next question is since the Community Stormwater Management Committee is an ad hoc committee of the board, don't they fall under the same rules as the staff/board is under regarding the fact that they cannot promote it or try to educate people to the need? Ron Searl said that this is true, and he would recommend that a citizen's group would be the way to go. It needs to be set up outside of the governmental entity and meet away from government buildings. The Mayor said that there was a group, Friends of the Park, that educated the public on the park's referendum. A group would need to set up, not be a part of the committee. A staff person can be a liaison to the group, not being in charge of the group just someone to answer questions; however not an elected official.

Trustee Scott asked about 201, what would happen if they do not pass this next election? Ron Searl responded that we hoped that they would not try to put it on the next ballot in November, they would wait for April. Trustee Barker asked what it would take to pass the Village referendum? The response was a simple majority. Mayor Gunter said that with the Stormwater Committee we have a group of residents that have an interest in passing this, I don't know if they would back this as part of home rule. Ron Searl believes that Home Rule at this time would fail. We have to pass it 90 days before we need to have it on the ballot. Trustee Addington states that there is another issue we need to be aware of - Dan Cronin at the County is talking about the same issue. The way the county is written states that if we have something in place then the resident does not have to pay the county. Kim Nicol comments that she believes that it would still apply. Ron Searl said that there is some question, and we need to research this better. Trustee Barker said that there was talk that it would be different, nothing specifically determined as of yet. Ron Searl said we would need this to be answered before we proceed. Trustee Addington said if it didn't apply than it would be a great selling point, keep it in your own community not giving it away. The County issue is



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totally different.

Trustee Scott said that the flooding residents would be our best sellers to the community; get involved if you are tired of flooding; convince the town to go along with it. Help your neighbor understand what this would mean to our community. Mayor Gunter said the number one question will be what does it mean to the individual homeowner? \$800,000 to a million in a year to do a bond issue? Spencer said that roughly for a \$10 million bond each homeowner would be paying \$10 a household per month to raise the funds to issue the bond. These are rough numbers. A full feasibility study will need to be done. This is an estimate. We don't have all the numbers together to put the pieces in place until the feasibility study is completed. The Mayor asked about dollar amount projected as part of the comprehensive community plan; Spencer said that through the committee we have identified additional things that have not been studied as they were not identified during the comprehensive study so that the totals/figures are off. That estimate was \$10 million and now we believe that \$20 million would hopefully cover all the issues, even those that have not been studied.

Trustee Addington said that he understood the resident piece, \$10.00 a month added to a water bill probably. The businesses or churches, how does this work as there are multiple people using a lot more of that service so than question becomes how much do they generate and then you go to an apartment complex such as a four unit how do you do this \$10 per unit or what about townhouses or condos? Spencer replied that the consult for the study will determine the numbers, but has explained that usually you have it based on size of the business. If your business is 10x the size of a single family home average than you would be paying 10x the amount of the average single family home.

Trustee Addington said you mean \$50 instead of \$10.

Trustee Barry said that with the amount of work to be done you should be looking at the \$20 instead of the \$10, and that is a lot of money for someone to add to their monthly expenses. Spencer said that looking at the work, it is how much do we need to get done all at once. Especially in 201 where people are going to get walloped if it passes. Trustee Scott said that he didn't see it passing, Trustee Barry said that he was afraid nothing would pass. The committee to support the stormwater utility would need funds to move forward to promote it; who is going give \$ to a group trying to raise your taxes? Mayor Gunter said that the hope would be to get some business sponsorship. The Mayor agrees with Trustee Barry that the \$20 monthly fee is too high and won't pass; we have to hope that it works out to \$10 a month because that is doable.

Finance Director Parker explains that the consultant has recommended that the formation of a stakeholders group be formed with a few people from the stormwater committee, larger businesses in town, the local churches.... this group would work together to structure the



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options and make recommendations to the Board on the best road to follow in moving forward. We would then have to publish an ordinance detailing a utility; this information gathered by the feasibility study. Right now we have estimates, we need the real numbers to move forward.

Trustee Senicka asks if the stormwater utility fee has to be collected with the water bill, or could it be levy it with property tax? Spencer Parker replied that it could be done on the water bill, but not as a levy on property tax. We could collect along with the county but they have a 2 year educational process and it would be quite a delay. The easiest & quickest way is the water bill. Trustee Senicka said that since we bill every other month, it becomes \$20 right there to a resident. We have residents that don't/can't pay their water bill so this increases rapidly on delayed accounts.

Trustee Scott asked if anyone had spoken to Downers Grove to see what they feel their mistakes were, what would they do different. Director Parker replied that getting the churches involved upfront would have helped Downers Grove go smoother. Engineer Nicoll stated that DG Engineer feels that there were some minor credits that might have influenced people more if they had structured them differently.

Trustee Barry asked if there was time for us to do a public survey to see if we could get any feedback from residents? We could do it on our website? It would be very disappointing to not be able to do anything for the people with the flooding, but it is possible that that could happen. Mayor Gunter said that the only thing we can do at this time is try. The committee did all the work and research. We have to try. People against taxes are willing to support this because they know that it impacts the entire community. We are at the point we have to try.

Trustee Barker states that he has been following the news in Downers Grove, as it affects the churches. Some it means an additional \$4,000-\$5,000 a year, so they have an issue with that. They are taking over services that the community doesn't provide anymore. So, as we don't know what it is going to cost the residents, single family or multifamily, business or churches. He asks that we get all the information and study it and understand it, we need to do it right as we have one chance.

The complaints Trustee Barker has heard has been that the ordinance reads that the village can change it whenever they want, raising the costs. Trustee Senicka said that they should phrase theirs with a good will statement that that would not be the case. Trustee Scott said we should cap it - let people know that we have done it different than other communities by capping it.

Manager Searl quoted from a study that Downers Grove did that projects that stormwater



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fees will rise by 15-70% every year for 10 years. This is based on the study done by Downers Grove for the needs of the system and projected costs - no plan increases after that point. It was done as scientifically as possible and are being upfront with people. The Mayor commented that they didn't go to the voters first because they didn't have to do so. Maybe we let people know that what we have the money to do this, and that's all we do right now. It's not everything but we are upfront about what the costs are and the money we have; we do what we can and hope that the state changes the law governing hotel motel down the line to allow us to use some of that for stormwater issues. Trustee Barry asks about the cost estimates, Manager Searl responds that this could change, the projects can change.

Mayor said that the way we are looking at this with what are the residents willing to have us do cost wise? This is what needs to be done, this is what we can do with \$10 a month, and this is how long it will take. Trustee Barry states it depends on the fix working fast enough. Trustee Scott asks what is the problem of the Village and what is the problem of the homeowner if they caused the problem? Kim stated that the problem is the older neighborhoods have no retention, it was not done 80 years ago, not understood.

Trustee Addington does not believe that it will be as much as \$10 a month for each resident due to the large areas for businesses. If it is \$10 a month we will either be the \$10 a month cost to residents but the person that fixed the problems. If it was \$8 a month it could make a big difference. This is a community issues, not a resident issue everyone is going to pay their share. If the \$10 million will take care of the 6 worst areas in town it might make a huge difference to the areas around them and then the project is done. The study needs to be done to tell us what the costs are; to see what the residents will be expecting. What will the costs be to the businesses? All the new large commercial properties have detention already built in and will get a credit.

The Mayor asked Finance Director Parker if his \$10 figure took commercial into account as well. He responded yes that the figure came using the County GIS and it took into consideration houses, duplexes, and other various building/business types. The experts can do it 10 times better that we can do in house. Our in house amount might be on the high side, until AMEC does one we cannot be sure.

The Mayor asked the board if their feeling was not to go above \$10 is that the consensus? The response from the trustees was yes, no one said no. Discussion about a feasibility study and the response of residents. Trustee Addington believes that the study should be done.

Trustee Senicka asked about the cost for businesses being as high as \$130.00 a month. Spencer said it would be based on the size, if the business was 13 times the size of a regular single family home. If the business is the size of a home than it would be the \$10.00 a month.



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Trustee Senicka mentioned Westmont Yard and the Mayor said that Westmont Yard had built in retention, they would get credited for the retention. Trustee Barry mentioned that \$9.99 sounds so much better than \$10.00.

The Mayor said that the consulting report will lay it all out, Director Parker replied that the report will tell you what can be done for what amount of money charged-we will make sure the firm knows we are hoping to stay below \$10.00. Trustee Senicka asked if this was going to be the same type of bond issue that we just did, and the answer was yet it was the same.

Trustee Scott thinks the hard sell is the people that have no water problems. The people with water issues will probably be very willing to pay \$10 if it solves their issues. Trustee Senicka asked if there were different prices for people that had issues than people that don't.? Director Parker said that there are hybrid models with special assessments for certain work in certain areas along with the utility only for infrastructure, however than you are looking at home values and project costs. Engineer Nicoll mentioned that it is all required to be fair and equitable to all residents.

The timing of this needs to work out so that we can submit the language to the county for the referendum. We are looking for a consensus from the committee as to this is the direction we should be moving in, getting the community group started quickly and be able to give a presentation to the Village Board in mid-July getting the language to the County in August. Then we can do a public relations campaign beginning in August so people will understand what and then we would have the numbers at least 30 days before the referendum.

The cost of this could be between \$80-\$150 thousand dollars based on the various items in the study. Averaging it Director Parker will predict \$100,000.00. Trustee Barry asked if anyone really believed this referendum will pass? Trustee Senicka said that we would have to do a good job in selling this; how non-flooding will raise house values. Trustee Barry replied that this would be a referendum dependent on circumstance - if we flood in October it will pass but if we have no water problems for the rest of the year it will fail.

Trustee Barry feels it can be a huge expense. Trustee Senicka feels that if we don't try to fix this now, it will not be fixed. Trustee Barker asked if it will be done by the end of July? Larry McIntyre assured him it would be done by then. We are asking the public a lot of information as we go forward during the study. What if the study comes back with the same numbers that Spencer already figured. Spencer said that the study does more than just come up with the figures - they do the administrative work that will be required by the bond issue.

Chief Weiss asked if it was possible to structure this so it came in at intervals for \$3 then \$6 then \$9 over a few years. It will be a much easier sell to the residents. Trustee Addington



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said that right now we could talk about every possibility but answers aren't going to be available until we do the study. We need to do the study to be able to put the options on the table. Maybe we want to only do a small bond and only fix the worst areas, but we don't know until we have the study done. You have to spend the \$100,000.00 to save \$1,000,000.00. Engineer Nicoll said that we should have to be able to get a better rate with the work we have already done with various studies.

Trustee Addington asked if everyone was ready to move forward? Manager Searl stated that we would like to have the contract with AMEC authorized. The Mayor said we will have an opportunity to tweak this as we move forward, once we get the report done. Trustee Senicka said that the payments might be too hard at first so we need to look at moving slower. The Mayor made a motion to adjourn. Trustee Barry thanked Trustee Addington for calling this meeting.

Adjourn: 5:30pm

minutes approved: 9/19/2014