



Village of Homer Glen

**14933 South Founders Crossing
Homer Glen, Illinois 60491**

August 6, 2012

Board of Trustees

Special Board Meeting

**Village Board Room
14917 South Founders Crossing
Homer Glen, IL**

A. CALL TO ORDER

The meeting was called to order on August 6, 2012 by Mayor Jim Daley at 7:40 p.m. in the Village Board Room, 14917 S. Founders Crossing, Homer Glen.

B. PLEDGE OF ALLEGIANCE TO THE FLAG**C. ROLL CALL**

Present at 7:31 p.m. were Mayor Jim Daley, Trustees Mike Costa, Marcia DeVivo, Margaret Sabo and George Yukich. All remained throughout the meeting. Trustees Tedd Kagianas and Mary Niemiec were not present. Also present on behalf of the Village were Village Clerk Gale Skrobuton, Village Manager Cameron Davis, Finance Director John Sawyers, and Village Attorney Burt Odelson.

A quorum was established.

D. REPORTS AND COMMUNICATIONS FROM MAYOR AND OTHER OFFICERS**1. Mayor Daley reported:**

The Village Board will be considering the approval of Ordinance No. 12-039 that, if approved, will allow the Village to move forward with funding that is vital to completing improvement projects that the Village Board has discussed and that the Village has been working together on for many years. At this time interest rates are historically low and coupled with the Village of Homer Glen's outstanding AA/Stable bond rating from Standard and Poor's it is a perfect time to go out into the bond market and to borrow money to complete important infrastructure purchases and improvements. Approval of Ordinance No. 12-039 will allow the Village of Homer Glen to move forward with selling \$25,000,000.00 in bonds. These bonds will be paid for with the Village's existing 1% Home Rule Sales Tax receipts. Approval of this ordinance will allow the Village of Homer Glen to achieve the following important objectives:

- Pay for the purchase of the American Lake Water/IAW transmission line along with the other four members of the Northern Will County Joint Water Agency which includes Bolingbrook, Lemont, Woodridge and Romeoville.

Mayor Daley stated that Homer Glen and the other four communities of the Joint Water Agency made an offer to purchase the American Lake Water transmission line for \$34,000,000.00. The Mayor stated that, in his opinion, Illinois American Water does not want the five communities to purchase this water line and they are fighting back with robo calls trying to mislead the residents of Homer Glen.

- Pay for the Village of Homer Glen's portion of the upcoming I.D.O.T. 159th Street improvements. The Illinois Department of Transportation has provided the Village with the total cost of the multi-use paths, street lighting, intersection lighting, and traffic signal upgrades for the 159th Street improvement project. The total cost to the Village of Homer Glen, with median upgrades, will be \$2.5 million. Traditionally, 159th Street has been an important business corridor for the Village of Homer Glen. With over \$70,000,000.00 in State and Federal upgrades planned for this roadway in Homer Glen, the 159th Street business corridor is going to transform itself into a busy destination-focused shopping and business location.
- Complete the unfinished public improvements in nine (9) the existing Homer Glen residential subdivisions that had no security backing the improvements. Where original developers have abandoned these subdivision, money is needed to complete the roads, sidewalks, lighting and other public improvements in these nine subdivisions. The Village Board has completed a master review of all nine (9) unfinished subdivisions and has discovered that the unfinished public improvements in these subdivisions will cost over \$6 million to complete. Village staff will analyze the engineering reports. Mayor Daley stated that, in his opinion, the unfinished subdivisions in Homer Glen are affecting everybody's property values. The vacant residential lots are not contributing, like they should be, to the needed tax base diversification of our community.

- Fiddymment Creek Sanitary Sewer Installation. Approval of this bond ordinance will help to bring a sanitary sewer like to the west side of Homer Glen, especially the west 159th Street corridor. By extending the sanitary service lines to the western edge of 159th Street, Homer Glen will be ensuring that this area becomes commercially developed; thus insuring added tax based diversification. If we do not extend sanitary sewer to these large, currently undeveloped parcels, property owners may seek to annex to another community. The tax dollars would not be going to Homer Glen. Mayor Daley stated that the State of Illinois has moved for a \$100 million project for 159th Street which includes approximately \$70 million in Homer Glen and over \$20-\$30 million for the roads east of Will-Cook Road. The Village Board has discussed these road improvements which will enable 159th Street to be an inviting doorway to the Village of Homer Glen. The Village had worked with our businesses on 159th Street to try to get I.D.O.T. to accommodate their requests. I.D.O.T. has accommodated them with some 1/8 mile breaks instead of the usually 1/4 mile breaks in their medians.

Mayor Daley stated that he believed that Illinois American Water has been making robo calls and blast emails to Homer Glen taxpayers over this past weekend. Calls were full of incorrect information with questions designed to scare Homer Glen taxpayers. Mayor Daley clarified the incorrect information that Illinois American Water was giving in these calls and emails: (1) The ordinance under consideration tonight doesn't result in the issuance of \$50 million in bonds, but in the issuance of \$25 million in bonds; (2) The bonds will be paid off by the existing 1% Home Rule Sales Tax that has been in place for years; and (3) The Village of Homer Glen is not issuing bonds for other communities, just Homer Glen. The Mayor stated that with the approval of the ordinance under consideration tonight the days of being overcharged by Illinois American Water will be coming to an end.

Mayor Daley stated that all expenditures for these capital improvements project will require approval by the Village Board.

Mayor Daley read a report from Trustee Kagianas, who was not in attendance at the Village Board meeting.

- Dear Mayor Daley:

I regret not being able to be at the Village Board's special meeting this evening. If I were in attendance I would wholeheartedly support the approval of Ordinance No. 12-039. This important ordinance will allow the Village to sell bonds, resulting in revenue that will hopefully lead to the purchase of the American Lake Water transmission line and the completion of much needed public improvements in our community. **I support moving forward now, with purpose, to create an even better Village of Homer Glen.**

When I ran and was elected to the position of Village Trustee, I campaigned on a promise that I would support making progress toward the completion of important projects that improved our community. Most notably, I supported making real progress in addressing the ongoing, challenging water issues created by Illinois American Water. Tonight, I hope the Village Board approves the ordinance under consideration.

Residents in Homer Glen have been asking the Village to take action on stabilizing water rates for many years. We have been working toward the goal of taking over the American Lake Water pipeline and I completely support that effort. Approval of this ordinance helps to achieve that objective. In addition, the west side of our community needs sanitary sewer service in order to achieve its highest and best use for the benefit of Homer Glen taxpayers. I'm in support of extending sanitary sewer service to the west side of town, especially the 159th street corridor. Tax base diversification is paramount to the financial well being of this community. If we do not provide sanitary sewer service to the western 159th street corridor we will not achieve tax base diversification. It is as simple as that! Again, approval of this ordinance will help us to achieve that objective.

I wish that I could be in attendance tonight to vote on this historic ordinance. I urge my fellow Village Trustees to vote yes on Ordinance No. 12-039. Approval of this ordinance will allow us to move forward, right now, together and with purpose, to create the absolute best Village of Homer Glen.

Sincerely,
Trustee Tedd Kagianas
Village of Homer Glen

2. Trustees:
 - a. Trustee Costa – No Report
 - b. Trustee Yukich – No Report
 - c. Trustee Sabo reported:

ENVIRONMENT COMMITTEE

. Homer Glen Lands Day

The Environment Committee is encouraging people to nominate an organization, individual or business for the Community and Nature in Harmony Awards. Applications are available at the Village Hall and on the Village website www.homerglen.org. The nomination deadline has been extended until August 8th. The award ceremony will be held on September 25th at a Village Board meeting. Recognition is given to those who have demonstrated a commitment to the environment by beautification of land, restoration, and/or preservation in Homer Glen and unincorporated Homer Township. A tree planting ceremony will take place on public property in the Village with the planting of a native tree.

- d. Trustee DeVivo – No Report
3. Village Treasurer – No Report
4. Village Clerk – No Report
5. Village Attorney – No Report
6. Task Force Chairperson(s) – No Report
7. Public Safety Officials – No Report
8. Village Manager – No Report

E. PUBLIC COMMENT

1. Jeff Strunka, 15713 West 139th Street, commented that he is concerned about the lack of information that has been given out to the residents of Homer Glen regarding the bonds. He asked the Village Board to look at the risk and reward factors of purchasing the bonds before approving this ordinance. Mr. Strunka asked if there would be any benefits to residents who are on well and septic.
2. Alan Puchalski, 16605 Kensington Drive, asked if the Village of Homer Glen had a sound business plan for the use of the funds and asked for the estimated costs of completing each project.
3. Harry C. Brown, 13510 W. Choctaw Trail, voiced his concern that his property taxes would go up if the Village of Homer Glen approved the purchase of the bonds for the water pipeline.
4. Jim Cahill, 16049 Penny Lane, voiced his concern about the lack of information regarding the issuing of the bonds and the attempt by the Village Board to push the ordinance through the approval process. Mr. Cahill questioned how the \$2.7 million that the Village of Homer Glen receives from the 1% Home Rule sales tax could continue to be used for projects that are in the budget and also be used to pay off the bonds.
5. Ray Grajewski, 14041 South Trails End, commented that there are too many unanswered questions about the bonds. He asked if the three sewer facilities that are located in the Village of Homer Glen would be a part of the package if the water pipeline was purchased.
6. Wayne Fairbrother, 14459 Provencal Drive, voiced his concern about the lack of information from the Village of Homer Glen on the bonds and the cost estimates of each project. He noted that currently the Village has a balanced budget and questioned where the money would come from to pay off the bond.

Mayor Daley stated that the money residents currently pay to Illinois American for water transmission, will be paid to the Joint Water Agency. This money will pay the water agency bills.

7. Rosemary Koning, 13536 Bruce Road, stated that she is on private well and septic and doesn't want a municipal water system and doesn't want to pay back bonds for other residents' water needs. Mrs. Koning asked if the cost would be split among all residents or only those who are serviced by Illinois American Water. She questioned if residents on well and septic would be forced to tap into the water system.
8. Jim Husayko, 16843 S. Brentwood Court, voiced his concern about the size of the budget and the lack of information that is being provided to the residents about the issuance of the bonds. He asked if the residents with private well and septic would be taxed if the Village of Homer Glen purchased the pipeline.
9. Mike Smyth, Senior Manager of Field Services and Production for Illinois American Water Company, 1000 Internationale Park, Wood Ridge, Illinois, asked the Village Board and the residents of Homer Glen to consider the following: (1) American Lake and Illinois American Water Company are not for sale; (2) The only means of taking over both entities is through a costly, risky eminent domain action that would take years to resolve and cost taxpayers millions of dollars; (3) The Joint Water Agency has not presented a plan or proposal on how they would lower water rates; (4) The portion of water supply that the Joint Water Agency would affect is only \$1.29 per 1,000 gallons, which is lower than it was in 2001; (5) Illinois American Water is committed to finding a productive resolution to stabilize rates; and, (6) Estimated property tax liability for the residents of Homer Glen would be approximately \$760.00 a year to pay off the \$50,000,000.00 bond for 10 years at 3-3/4%.

Mr. Smyth commented that over the last 2-1/2 years Illinois American has agreed to (1) Franchise agreement discussions; (2) Proposed single tariff pricing for their Chicago-metro customers; (3) Help stabilize the water rates for the water service portion of their customer's bill; and (4) Looked at alternative ways to address the waste water treatment footprint in the Village of Homer Glen. Mr. Smyth stated that Illinois American Water is committed to finding a productive resolution to this situation. He questioned how the Village of Homer Glen could justify moving forward with an eminent domain action without providing a plan to Illinois American Water customers showing how water rates will be lowered and stabilized.

10. Leo Szott, 14526 S. Mustang Drive, stated that he is against local government taking over the water agency. He questioned how many people the Village of Homer Glen would have to hire to oversee the operation of the water system.
11. Terry Elkins, 13533 Court Connection, asked how many miles of pipeline the Village of Homer Glen would be buying and would it include a pumping station. Mr. Elkins questioned how much residents would save on their water bills if the Joint Water Agency purchased the pipeline.

Mayor Daley commented that the Village of Homer Glen would be purchasing the Bedford Park transmission line. The Mayor noted that the Village of Homer Glen would not have the same tax obligation and would be in the business of making a profit for shareholders and that differential is approximately 15%.

12. James Mitidiero, 15001 Wilco Drive, voiced his concern that there doesn't seem to be a plan on how the water distribution would be run and asked if the Village of Homer Glen would have to hire outside help for assist with the distribution.
13. Edward Weiss, 13852 West Sandstone Drive, asked why the Village of Homer Glen can't inform the residents as to what is going on in the Village.
14. Kent Sowatzke, 16845 Evergreen Terrace, voiced his concern that the residents do not have enough information about the bonds and asked why the question of purchasing the bonds can't be put on the November ballot as a referendum.

15. John Madsen, 14631 W. Hickory Avenue, commented that he is on well and septic and would like to see the Village of Homer Glen establish a water district, which would require a vote by the residents.
16. Ron Shereyk, 13418 Choctaw Drive, commented that he agrees that the Village of Homer Glen is going in the right direction by approving the bonds to purchase the water pipeline.
17. Frank Bujan, Jr., 13131 Hidden Valley Drive, suggested that the Village Board should not vote on the \$50,000,000.00 bond issue at this time, but let the residents of Homer Glen decide through a referendum on the November ballot. Mr. Bujan suggested that the Village of Homer Glen reduce the bond from \$50 million to \$30 million and only use the money for purchasing the water pipeline. He also suggested that the Mayor appoint a group of 10 Homer Glen residents consisting of CPAs, attorneys and business owners to assist the trustees.
18. Timothy Rozycki, 13906 S. Kickapoo Trail, commented that he is opposed to using eminent domain to take over a private water company. He asked if the Village of Homer Glen has investigated other municipalities or water companies to determine their costs for water and sewer services and how these figures compare to Homer Glen's estimated costs. He asked if Homer Glen has set aside money for negotiations for the inevitable Union that will arrive when there are water and sewer employees.
19. Bob Schmidt, 13515 W. 159th Street, asked why the bond issue cannot be put on the November ballot as a referendum so the residents decide. He stated that the residents of Homer Glen were not made aware of the bond issue to purchase the water company.
20. Nadine Dryan, 14026 Camdan Road, asked if it was true that two water meters could be put on your house – one for the sewer and water use for your home use and another for watering your lawn and garden. She asked if the Village Board could vote on the bond issue at this time if there is a possibility that Home Rule could be lost in November through the referendum.
21. Calvin Johnson, 15055 W. 139th Street, commented that he has not seen a plan for any of the proposed projects or any information justifying the reason for the Village of Homer Glen to issue the bonds. He would like to see a plan presented to the residents that defines the needs before the Village Board votes on the bonds.
22. Lois Miller, 13503 W. Catawba, commented that the Village of Homer Glen has not provided the residents with information to allow them to have an understanding of the issues.

Mayor Daley stated that the Village Board had a Public Hearing on the bond issue on July 24th and not many people attended. The Mayor stated that with the large attendance at tonight's Village Board meeting and the many questions and concerns that have been brought up by the residents, he will ask the Village Board to table this agenda item in order to gather the information and present the facts to the residents of Homer Glen on how we will be paying for these bonds for the purchase of the Bedford Park pipeline and that it will not impact the residents any more than it impacts the residents right now.

23. Steve Brown, 16234 Maramel Drive, thanked Mayor Daley for his letter in answer to his previous questions regarding taxes. He suggested that the residents of Homer Glen need to get together and establish side committees to discuss the issues that exist in the Village. Mr. Brown asked such a group could use the Village Board Room for their meeting.

Mayor Daley commented that the Village Board Room is a public place and could be used at any time, based on availability. He asked that Mr. Brown contact the Village Manager to secure a date and time for the meeting.
24. Greg Grimm, 14308 Bruce Road, commented that the Mayor and Village Board are attempting to rush the issuance of the bonds through the approval process. Mr. Grimm suggested that the Village Board should be more concerned about reducing property taxes.

25. John Kooi, 12056 W. Venetian Way, voiced his concern that the residents of Homer Glen have not been given any information about the 143rd road improvements that are scheduled to begin in 2013. Information has also not been made available as to cost for the 159th Street improvement project, purchase of the Bedford Park pipeline, or the sewer line down 159th Street. Mr. Kooi questioned if the Home Rule tax could be raised by the Village of Homer Glen Board and if the money from the bonds could be used for things other than capital improvement projects.
26. Tom Bernicki, 12527 Martingale Lane, commented that and while the Village of Homer Glen needs to fight the monopoly of Illinois American Water, going into debt might not be the answer. He suggested that the Village Board wait on approving this ordinance and revisit this issue next year.
27. Keith Gray, 14900 Greenbrier Lane, asked if any of the developers of the subdivisions that do not have a Letter of Credit are still doing business in Homer Glen, and if so, why isn't the Village holding them responsible.

Mayor Daley stated that the Village of Homer Glen completed a study of who owns each subdivision and what needs to be done. The Village is currently looking into the legal aspects of holding the developers responsible for these improvements.
28. Larry Conrath, 13345 Oakwood Drive, noted that he has served on several of the Village of Homer Glen committees which have allowed him to keep informed on the issues facing the Village. Mr. Conrath voiced his concern that there has been a lack of communication between the Village of Homer Glen and the residents regarding Illinois American Water rate increases, purchase of the Bedford Park pipeline and other issues facing the Village.

Mayor Daley asked Bill Hofherr of George K. Baum & Company to explain how the bond will work.

Mr. Hofherr explained how the bond will be structured and financed:

- . The \$25 million will be financed and paid from the 1% Home Rule Sales Tax.
- . The \$25 million bond will have a maturity of between 12-13 years.
- . Based on the Village of Homer Glen's AA/Stable rating the current interest rates are between 2.5% and 2.8%.

Mr. Hofherr explained that since the Village of Homer Glen did not have a rating and the market has changed substantially, it was necessary to have the Village rated by the rating agency of Standard and Poor's. The Village of Homer Glen was given a AA/Stable rating based on the fact that (1) The bonds would not be paid for with property taxes, but with the existing 1% Home Rule Sales Tax; (2) The Village of Homer Glen has never extended a property tax levy; and (3) The excellent status of the Village of Homer Glen's administration and financials. This AA/Stable rating allows the Village of Homer Glen to structure bonds that are much more marketable in the municipal market. Mr. Hoffer stated that payment for these bonds was conservatively based on the current 1% Home Rule Sales Tax as the revenue stream.

Attorney Odelson stated that if the bonds are issued at this time and the Village of Homer Glen loses Home Rule status in the November election, the 1% Home Rule Sales Tax will stay. Since the debt will be incurred while the Village is Home Rule the 1% Sales Tax will continue until the bond debt is paid. Upon Village Board approval of the ordinance for not-to-exceed \$50 million in bonds, the remaining bonds could be issued over the course of years.

Mayor Daley stated that any future projects must be approved by the Village Board. The Mayor stated that the Village of Homer Glen is 20.6% of the Joint Water Agency. The Village's portion of the estimated purchase price for the pipeline of \$34 million, including expert witnesses, attorney fees, etc. is \$9 million. The remainder of the \$25 million will be used to complete major capital improvements that will not be coming out of the Village's General Fund in the future.

Mayor Daley stated that he has met with Illinois American Water on numerous occasions and they have offered the Joint Water Agency nothing. IAW does, however, continue to ask for higher rates for Homer Glen residents.

Mayor Daley, Attorney Odelson and Bill Hoffer from George K. Baum & Company answered random questions from residents pertaining to the 1% Home Rule Sales Tax, Home Rule Status, property taxes, water rates, the bond issue, and the proposed capital improvement projects.

Attorney Odelson commented that if the Village Board does not approve the issuance of the bonds at this time and the Village of Homer Glen loses Home Rule in November, the Village will not have another chance to secure funding for these capital improvement projects.

Mayor Daley explained that if the Joint Water Agency was to purchase the water supply pipeline the money paid by the residents for water transmission costs would no longer go to Illinois American Water but to the Joint Water Agency. These revenues will then be used by the Joint Water Agency to pay the bond.

Attorney Odelson stated that the law allows the Joint Water Agency to acquire Lake American Water by eminent domain. The court will determine the price if the two parties cannot agree on an acceptable purchase price.

Mayor Daley stated that if the Joint Water Agency feels that the price is too high the Agency can decide not to purchase the pipeline and the only expenses incurred will be for legal fees.

The Mayor asked the residents to contact the Village Manager if they have any further questions.

F. LEGISLATION AND ACTION ITEMS

- 1. Ordinance No. 12-039 – An Ordinance providing for the Issue of Not To Exceed \$50,000,000.00 General Obligation Home Rule Sales Tax Bonds of the Village of Homer Glen, Will and Cook Counties, Illinois, and for the Levy of a Direct Annual Tax Sufficient to Pay the Principal and Interest on Said Bonds and to Authorize the Sale of \$25,000,000.00.**

Mayor Daley asked for a motion to postpone consideration of Ordinance No. 12-039 until the next Village Board meeting to allow for the Village of Homer Glen to provide more information to the public.

Trustee Sabo made a motion to postpone consideration of Ordinance No. 12-039; second by Trustee Costa.

Voice Vote;

All Ayes: (4) Trustees Costa, DeVivo, Sabo and Yukich.

Nays: (0)

Absent: (2) Trustees Kagianas and Niemiec

The Mayor did not vote.

Motion Carried.

G. ADJOURNMENT

Trustee Costa made a motion to adjourn the meeting; second by Trustee Yukich.

Voice Vote:

All in favor: (4) Trustees Costa, DeVivo, Sabo and Yukich

Nays: (0) None

Absent: (2) Trustees Kagianas and Niemiec

Motion carried.

The meeting was adjourned at 9:59 p.m.


Gale Skroboton, Village Clerk

Approved at the Board of Trustees Meeting dated September 11, 2012