

VILLAGE OF HEBRON
SPECIAL VILLAGE BOARD MEETING
APRIL 13, 2023

On the roll call at 6:00 p.m., Trustees Shepherd, Correll, Milarski, Knaack, Stevens, and Mogan were present as well as President Shelton and Attorney Smoron.

The meeting began with the Pledge of Allegiance.

President Shelton reported that Frank Michalczyk and Chief Gumble were not able to be present at the meeting due to personal reasons.

Public Comment was solicited. There was none made.

Discussion of the proposed FY 2023-2024 Operating Budget for the Village of Hebron

President Shelton stated that all trustees have two documents in front of them which are two separate entities, one being the General Fund and the other the Water/Sewer Fund. The Board has received several drafts of these budgets for their review. He reported that the Water/Sewer Fund is in good shape and the General Fund is in good shape as well. He did say that he wanted to be clear that the Village had a very lean budget this year and will need to remain lean for the upcoming year. He cautioned that the Village Board and staff will have to watch their spending carefully for the next two to three years. He added that Public Works and the Police Department are two main draws regarding spending and which must be watched carefully so as not to overspend.

President Shelton asked to start with the General Fund, beginning with Administration which covers the Village Hall maintenance and general administration of the offices. The income for administration is shared by the offices in the Village Hall. He stated that he, Treasurer Andrus, and Clerk Attermeier have reviewed the administration budget and are in agreement with what is being proposed. He asked for questions or discussion from the Board. Trustee Mogan asked about income line item 371, miscellaneous income, and questioned that it was considerably higher. Treasurer Andrus stated that it reflected the ARPA funds that were awarded to the Village. President Shelton stated that the ARPA funds, which is roughly \$84,000, is a special case and not a grant. Treasurer Andrus stated that it was a government fund set up during COVID to help municipalities with lost revenue during that period. She also stated that the use of these funds was extremely specific and must be spent by 2025. President Shelton added that last year those funds were designated to a particular area without confirming the placement of the funds by him or the Board. He added that these funds were accounted for, but not distributed properly with Board approval. Attorney Smoron agreed with President Shelton. Treasurer Andrus stated that originally a municipality was supposed to report what those funds were used for, but the government decided that this would be a lot to oversee and they changed it to state that a municipality that received less than ten million would not have to report how it was used. She added that it still has rules to follow on what it can be used for and gave examples of public health, public safety, and infrastructure. President Shelton further stated that the Village must adhere to the rules as this does not stop ARPA from requesting verification of spending. He added that it was put in the budget under line item 371, miscellaneous income, and not under grants.

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President Shelton reported that the Village will be replacing the treasurer and the clerk's computer and research is being done regarding IT support. He stated that the budget is a road map for spending and is only for discussion currently. He continued to state that the Budget will be voted on at the next Village Board meeting. He explained that after approval they will work on the Appropriation Ordinance which is submitted to McHenry County and states our spending limits which the Village cannot go beyond. The appropriation ordinance is about 10 percent higher or greater so that the Village is on the safe side as to not exceed the maximum set forth in the Appropriation Ordinance. Treasurer Andrus stated that the Village would have to have a new source of revenue to warrant going over the appropriation amount.

President Shelton moved on to the **Building Department** budget for discussion. He thanked Building Inspector, Dick Ackerman for attending the meeting. President Shelton stated that the two of them discussed the budget and Dick had made notations of requested changes. Those changes were made. President Shelton explained that this year's budget line item 520, Contract Services, was \$6,000 and the year-to-date spending was only \$794. He said based on that, it was decreased to \$2,000. Dick commented that currently there is not much building happening so he felt that this made sense. There were no other concerns or comments regarding the proposed building department budget.

Next to be discussed was the **Police Department** proposed budget. In the Chief's absence, President Shelton stated that he and the Chief had reviewed the proposed budget together previously. He stated that the incomes are down substantially and they were down last year as well. But he continued to state that the department has held tight on spending as far as personnel, wages, etc. He said that the Chief had asked about taxes brought in and year to date they were \$40, 609; this year's proposal is \$43,000. He said for a town of 1,300 people the Board feels that the number of officers on staff has worked out well. He stated that the proposed budget will allow for the Chief, one full-time officer and four part-time officers, who will give coverage during critical times, during the day and into the evenings during the week as well as weekends. Trustee Shepherd questioned line item 533, Legal Services, and stated that the year-to-date total is currently at \$21,671.53 and the proposed budget is at \$20,000. President Shelton stated that they do not expect to see the amount of legal service needed as in the current year. He added that this current amount included layoffs, arbitration, court costs at McHenry County and court costs for adjudication court held in the Village Hall monthly, when needed. Attorney Smoron stated that tickets have not been issued recently and that brings the corresponding fees down as well. Discussion ensued and all felt comfortable with the proposed budget for line item 533. Trustee Stevens was concerned that with higher fuel prices budget line item 656, fuel, may not be high enough. President explained that the proposed budget is \$15,000 as opposed to \$20,000 this past year with the year-to-date total at \$13,000. He added that there has been less use of vehicles and he does not anticipate fuel costs to go much higher. Trustee Mogan agreed. Trustee Milarski directed the attention to line item 380, grants. President Shelton reported that there was an error that needed to be corrected as there were two line items with the number 380. Trustee Milarski was referring to grants only and wanted to confirm that this included cars.

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President Shelton stated that if the grant does not come in, the expense will not come in. He confirmed that those grants incorporate the expense for the body cams and the possible new used vehicle. He directed the attention to line item 655, computer hardware, which was added just in case we needed new computer hardware in the police department. And lastly, he reported that personnel expense was at \$231,000, but the proposed budget is at \$251,000 as vacation, salary, holidays, and overtime are also being covered. The other items are a bit lower due to personnel and part-time employee changes.

Next, they moved on to the **Street Department** budget proposal and President Shelton stated that Superintendent Dan Nelson reviewed the draft budget and he said that he felt everything seemed in line other than line-item number 514, the 2016 Ford Truck. Dan stated that this truck needs repairs regarding the turbo. It was decided to budget \$5,000 to cover those repairs. Dan said that this truck is used for plowing subdivisions. Dan also stated that line-item 513.5, 1993 International dump truck, should be changed to the 1999 International plow truck as the 1993 International dump truck has been slated to sell as surplus. Dan clarified that the truck would have to be officially termed surplus and then it can be taken to auction. Discussion ensued about the Durango that Dan said should be scrapped as it is in bad shape with over two hundred thousand miles on it. It was also confirmed to leave the \$4,000 in line-item 513.5 for maintenance or repairs. Trustee Shepherd questioned line-item 830, equipment (New), and President Shelton stated that public works is asking to purchase a woodchipper and a skid steer loader. After discussion it was determined to purchase only the woodchipper. President Shelton reported that line item 850, street surfacing, will be discussed later this evening. He mentioned that it was decreased from last year at \$100,00 to the \$65,000 in the 2023-2024 budget being prudent by only sealcoating one subdivision. Treasurer Andrus stated that this area was selected due to the potential RAISE grant funds that, if received, this subdivision would be one of the last to be done by the grant allowing the sealcoating to remain intact the longest.

Treasurer Andrus explained the fund balance for the General Fund. She stated that at the beginning of the year the Village would start out at \$638,495.70 in the General Fund and if the Village spends wisely and with income coming in as projected in the next year, the fund would then start at \$431,735.70. She explained that this is partially due to rising costs, but due to rising expenses the Village cash is decreasing. She stated that this is why the Village must spend wisely as the Village only gets approximately \$200,000 in property taxes. President Shelton wanted the Board to be aware that with the General Fund you have real estate taxes, sales taxes, and gambling taxes. He mentioned that there is always the thought that the Village needs growth. He stated that the Village has a fair amount of industrial growth, but the Village does not realize any sales tax from this. He added that the industrial areas do provide usage tax (replacement tax). Treasurer Andrus explained the premise behind this tax. She stated the goals would be to bring in more people thus more property tax and increased spending in the Village.

Discussion moved to the **Water/Sewer Fund**. Treasurer Andrus stated that the Village would begin this year with 1.9 million in the fund and end the year with 1.5 million. President Shelton stated that the Water/Sewer Fund is in decent shape although there have been some expenses

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because of repairs to the south tower, which he added will go live soon. Other repairs included lift stations, generators, water main breaks, etc. He stated that Public Works does an exceptionally good job running a lean budget. President Shelton directed the Board to look at the Sewer Fund. He stated that the income for bulk water sales remained the same as it is difficult to budget for this. Discussion ensued as to increasing bulk water fees. President Shelton moved on to the IEPA loan which covers the water and sewer fund. Treasurer Andrus explained that the sewer fund takes all the expense for this. Frank Michalczyk asked for certain items to be included in the budget and his needs are reflected in these numbers. President Shelton stated that the Treasurer has suggested that the Village make an additional payment on the IEPA loan toward the principal. He added that the Village spends roughly \$45,000 in interest on this loan yearly and there are two payments for this loan per year. He said that they are looking at paying one extra payment a year. Treasurer Andrus suggested paying an additional \$200,000 per year towards the principal as the Village has enough fund balance to do so. Discussion ensued and it was the consensus to do so. President Shelton stated that Treasurer Andrus would contact IEPA regarding the Village plans to make an additional payment and to confirm that this would go toward the principal. President Shelton also reported that the Village of Hebron sewer plant towers do not have covers on them to protect the environment of the tower from the elements. He reported that all other villages that he is aware of, have covers over their sewer towers. He stated that the Village needs at least one cover which could run around \$65,000. After discussion, the Board agreed to add \$65,000 to the budget for one cover. Treasurer Andrus stated she will add it to “new equipment.”

President Shelton reported that regarding the water portion of the budget he feels that everything seems to be in good shape and Frank Michalczyk is good with the budget as presented. Trustee Milarski suggested that the Village investigate some equipment to test the water for lead. Treasurer Andrus stated that it could be added to the budget. President Shelton reported that he has discussed this with members of the McHenry County Counsel of Governments as well as Frank Michalczyk and he suggested that the Village water mains to the B-boxes are not lead. He added that the issue may be from lead service lines that run from the B-boxes to the homes. He also added that it is easy to figure this out by checking the service line to the meter, but you would have to have access to the home to determine this and many residents are not open to this. Discussion ensued. President Shelton also reported the Village is hoping that the grant funding for Phase 1 and 2 repairs of the water mains on Prairie may be released in June. The release of these funds has been delayed since the previous administration. He added that the RAISE grant the Village applied for could take some time as well. Trustee Milarski stated that she has been researching grants regarding lead. It was determined that this will be revisited at the next meeting.

Motion to Approve Obtaining Bids for the Sealcoating of Country View Subdivision

Trustee Mogan made a motion to approve obtaining bids for the sealcoating of Country View Subdivision. Trustee Knaack seconded the motion. Trustee Knaack stated that one of the streets, Brigham, is considered Victorian Acres. The motion was amended to include Brigham Street in Victorian Acres as well as the streets in Country View Subdivision. Trustee Mogan so

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moved and Trustee Knaack seconded. President Shelton reiterated that this would cover the streets of Wildflower, Meadow, Sharon, and Brigham. He said he spoke with the Village Engineer, Frank Cuda, who explained that the sealcoating that will be added to these four streets is called Double A, not Single A, with pea gravel and tar. He stated that Zeke Nichols of Hebron Township has expressed that Double A is a better coating than Single A. He added that the estimate to sealcoat entire subdivision is \$61,060 so \$65,000 was added to the budget. He stated that there are areas of these streets that will need to be ground down and then a leveling binding will be added to level the surface. Superintendent Nelson stated that it will most likely be cut out and not ground down as there isn't much surface in some areas. Trustee Mogan said that he believes that this is overdue and much needed. Trustee Stevens agreed. Trustee Mogan, Knaack, Stevens, Milarski, Correll, and Shepherd approved the motion with the corrections by answering aye. Motion carried.

Adjournment

Trustee Correll made a motion to adjourn at 7:27 p.m. Trustee Knaack seconded the motion. Trustee Correll, Knaack, Stevens, Mogan, Correll, and Milarski approved the motion by answering aye. Motion carried by all.



Jean Attermeier,
Village Clerk



Robert W. Shelton
Village President

