

TOWN OF CORTLAND
Town Hall
59 S. Somonauk Road
Cortland, IL 60112

BOARD OF TRUSTEES
Business/Committee Meeting
March 12, 2007
7 p.m.

Call to Order/Pledge of Allegiance/Roll Call

Mayor Seyller called the regular meeting of the Board of Trustees to order at 7:05 p.m. Roll call taken by Cheryl Aldis, Town Clerk, showed as present Trustees Brad Stone, Randy Reiter, Mike Siewierski, Shawn McAllister, and Dan Milroy. Absent was Trustee Chuck Lanning. A quorum was present. Also present were Susan Dockus, Treasurer, Tom Simmons & Noah Carmichael of Fehr-Graham, Walter Magdziarz, Zoning Administrator, and Attorney Parker Johnson.

Agenda

Trustee Mr. Siewierski moved and Trustee Mr. Reiter seconded a motion to approve the agenda. Unanimous voice vote carried the motion.

Public Hearing

Consider Formation of Special Service Area #9 – Cambridge Homes

The public hearing was called to order at 7:06 p.m. by Mayor Seyller. The legal notice was read into the record by the Clerk. Notice was published in the *Daily Chronicle* on February 21, 2007, meeting the requirements of the law.

One SSA gets passed on to the homeowners (SSA #9) and one is a pay down bond (SSA #10). The developer pays the tax at the time of the transfer (closing of home) which will not be passed on to the homeowner. The purpose of the SSA's is to finance the infrastructure of the development. A question was asked about the current climate in the new construction market and if this would this create any adverse effects. Laura Bilas, of Foley & Lardner, LLP stated that the bond companies have not noticed any downturn in the market. Attorney for Cambridge stated that Cambridge has no problems, in their estimation they would not have closed on property on January 25, 2007 had there been a problem. Cambridge has several SSA's in other developments at this time. There were no other questions from the Board. There were no comments from the affected property owners.

Mr. McAllister moved and Mr. Siewierski seconded at motion to close the public hearing. Unanimous voice vote carried the motion. 7:14. p.m.

Consider Formation of Special Service Area #10 – Cambridge Homes

The public hearing was called to order at 7:15 p.m. by Mayor Seyller. Legal notice is incorporated into the record by reference. Notice was published in the *Daily Chronicle* on February 21, 2007, meeting the requirements of the law.

Laura Bilas, of Foley & Lardner, LLP stated that SSA #10 is the pay down which is the only difference between the two proposals. There were no board questions or questions from the affected property owners.

Mr. McAllister moved and Mr. Siewierski seconded a motion to close the public hearing. Unanimous voice vote carried the motion. 7:16 p.m.

New Business

Action Items:

Special Service Area #1 Refunding Bonds

Laura Bilas and Kevin McKenna

Ms. Bilas reported that refunding the SSA#1 would be beneficial for the homeowners as well as the town. The current interest rate is 6.875% for the outstanding bonds; the current market rate is 4.65 or 4.7% today. This is a developed area now and there are many homeowners. The security has moved to the individual homeowners. This now becomes an acceptable risk to an insurance company. There is an insurance company ready to issue an insurance policy because of the current security level. This is economically viable. 4.9 million dollars is to be refinanced at a rate of 4.6 or 4.7 % interest with a saving of \$331,000 over the term of the bonds. This is \$23,000 savings per year for the life of the bonds.

Mr. Milroy stated that he was confused as to how this arrived at the Board. Mayor Seyller reported that he had received information in the mail, the packet was reviewed and determined that there would be no cost to the town.

A proposed ordinance sets the parameters not to exceed 6 million dollars, the highest amount that was established at the outset. There is approximately 4.9 million to be refunded, and an insurance policy will be provided. The insurance policy has not yet been obtained. The document sets forth the forms required, bond purchase agreement, form of offering document, form of escrow agreement into which the proceeds will be deposited. The original bonds will be redeemed in 2012. There is a Form of Agreement for administration between the Town and Municap. Securities law requirement update that provides for disclosure every year will be required. Municap has agreed to supply those required documents.

Mrs. Dockus asked if this offering generates 5 million dollars and will be held until existing bonds can be paid off in 2012.

Ms. Bilas answered in the affirmative. This is the better option because the lower interest rate it still cost efficient for the homeowners. The new funds will earn investment money up to the bond yield. Debt service savings will still be taking place. Interest rates may go up and therefore, the time is correct for this transaction.

Mr. Milroy asked if the town is taking on the responsibility of these bonds.

Ms. Bilas stated there is no obligation to the town; additional security is available for the homeowners. LaSalle Bank proposed this change and they were directed to move forward. This transaction does not apply against the town's debt limit in its audit.

The first issue gets paid off and this new amount goes to the original maturity of 2032. There is no extension of the bond indebtedness. Municap will continue to be the administrator of the bonds.

Would there be a change of financial status in our audit? There is no change-this would be transparent.

Mr. Milroy moved and Mr. McAllister seconded a motion to waive first reading. Unanimous voice vote carried the motion.

Mr. Milroy moved and Mr. Reiter seconded a motion to Approve an Ordinance Providing for Issuance of Special Service Area #1 Refunding Bonds.

Roll call vote:

Yeas: Trustees Milroy, Siewierski, Stone, McAllister and Reiter

Nays: None

Absent: Trustee Lanning

5-yea; 0-nay; 1-absent; motion carried.

ORD. 2007-08

Approve Change Order No. 8 Sheaffer International, LLC

Mr. Simmons presented the requested change order. After discussion it was stated that the total should be reduced from 85 days to 65 days. The Town is anticipating a completion date of July 1, 2007. Mr. Simmons stated he is anticipating being able to receive sewerage prior to July.

Mr. Reiter moved to approve Change order #8, seconded by Mr. Milroy with unanimous voice vote carrying the motion

CO2007-01

Approve Change Order No. 9 Sheaffer International, LLC

Mr. Simmons presented the requested change order for electrical wiring. This change is due to the change of road location. The cost of \$13,905.00 includes approx 500 feet of conduit, excavation and pulling of wires. This change was originally brought to the town 3 months ago; the amount has been negotiated down to the amount that is before you tonight.

Mr. Milroy moved and Mr. Siewierski seconded a motion to approve Change Order No. 9.

Unanimous voice vote carried the motion.

C02007-02

Intergovernmental Cooperation Agreement with De Kalb Sanitary District

Mr. Simmons reviewed the proposed agreement. This agreement is to acquire additional PE to service residential areas within the town, at less than line capacity with the De Kalb Sanitary District. There remains 682 PE in the pipe. The DSD will split this amount with the town; 341 PE in addition to the amount currently being pumped. This agreement will permit Coventry Townhomes to connect 102 PE and the remainder, 239 PE, to be used for Robinson Farm. No other developments will be included in this agreement. Connection fees are still required to be paid to the DSD. If the house is not occupied prior to the town's plant being operational the DSD will refund the permit amount, if the house is occupied prior the DSD keeps the permit fee.

Mr. McAllister moved and Mr. Stone seconded a motion to approve the agreement subject to attorney approval and to authorize the Mayor and Clerk to execute upon attorney approval.

Roll call vote:

Yeas: Trustees Reiter, McAllister, Stone, Siewierski, and Milroy

Nays: None

Absent: Trustee Lanning

5-yeas; 0-nays; 1-absent; motion carried

A2007-03

Fehr-Graham Proposal for Professional Services-Well and Water System Investigation

This proposal will result in recommendations for the Board to select a route to take. A hydraulic analysis will be run.

Mr. Reiter moved and Mr. McAllister seconded a motion to accept the Proposal for Professional Services Wells #1 and #2 Well and Water System Investigation in an amount of \$17,500, monies to be taken from Water System Budget, Capital Outlay, Engineering Study.

Roll call vote:

Yeas: Trustees Milroy Siewierski, Stone, McAllister, and Reiter

Nays: None

Absent: Trustee Lanning

5-yea; 0-nay; 1-absent; motion carried.

C2007-03

Mr. Simmons provided information from Sheaffer International that 19.8 acres of irrigation land will need to be acquired by 2009. The documents provide information regarding expected flow data within the cells.

Discussion Items:

PC07-1 Recommendation Special Use Permit to establish and Operate a Carillon and An Ordinance Granting a Special Use Permit to Establish and Operate a Carillon at 45 W. Chestnut Avenue (Cortland United Methodist Church)

Mr. Magdziarz reviewed with the Board the Planning Commission's recommendation. He stated the Planning Commission held a public hearing concerning the special use of the carillon at the Cortland United Methodist Church. Some testimony was received concerning the impact of the noise on property values. We were not able to substantiate that claim. The decibel level will need to be turned down as testing showed it exceeds the ordinance limitation. The general requirements were read from the code by Mr. Magdziarz to answer a question from the table.

PC07-2 Zoning Ordinance Amendment (Non-conforming Structures and Uses and An Ordinance Amending Title 9 (Zoning Ordinance) of the Cortland Town Code (Chapter 8, Non-Conforming Lots, Structures and Uses) in Original Town)

Mr. Magdziarz stated the purpose of the amendment is to fix an inequity as it relates to uses in the original part of town. The proposal is to make any existing use that may be non-conforming, if they are damaged or destroyed, able to be replaced in their current configuration; permits the replacement of what exists in the original part of town. This amendment grew out of the Downtown Development Vision.

Mr. Milroy stated that this proposal undoes the intent of the original ordinance. Elimination of non-conforming uses and structures was intended. This changes the way we want to develop the town from previous board's actions.

Mr. Magdziarz stated if destroyed or damaged 50% or greater the property would not be able to be reconstructed. Non-conforming provisions are becoming more of an issue, they are probably otherwise fine structures and probably sound, but they pre-date the zoning ordinance and regulations. Lenders are doing their due diligence and are not willing to provide a loan or would provide the loan at a much higher rate. Non-conforming has three designations, lot, use and structure. The non-conformity could be one, two or all three of these. There are provisions currently on non-conforming lots and what departures would be allowed. In the case of a natural emergency – under those circumstances the Board cannot grant variances fast enough. This proposal removes an inconvenience for the Town Board and a burden of the property owner.

Typically, it has been known where communities create zoning that creates neighborhoods of non-conforming uses to eliminate whole areas. When lots and structures pre-date the zoning ordinance it generally runs into significant administrative problem if there was a large scale disaster. The procedure that is in place could not be applied in a manner that would least inconvenience those that received the damage. The intention is to confine this to the original town in the event that a tragedy happens. The alternative is to develop zoning regulations for what currently exists. If left alone this does not remove the non-conforming status. Because of non-conforming status of the properties it does limit or obstruct the financing on these properties.

Mr. Milroy asked to have the map enlarged and show the know non-conformities for further discussion. If the predominate issue is lot size possibly the wrong area may be at issue here. If R-1 is the problem possibly change the zoning to R-2.

PC07-3 Zoning Ordinance Amendment Entertainment and Recreation Uses, et al and An Ordinance Amending Title 9 (Zoning Ordinance) of the Cortland Town Code (Various Amendments Related to Entertainment and Recreation Uses)

Mr. Magdziarz reviewed this proposal. He stated this was brought forward as a part of a residents request and the title is not listed in the permitted use table. This proposal would begin to address some of the issues that came out in the preparation of the Downtown Plan and the Comprehensive Plan.

Richland Trails Final Plat Memorandum

Mr. Magdziarz reported that following the public hearing and subsequent action by the Town Board it was noticed that we were replicating a visual problem that was allowed at NeuCort Lakes. Cambridge was asked to change the orientation for the homes facing the open space. Three accesses were provided prior to the townhomes being removed from the plan. The annexation agreement provision for crediting the developer for some off-site improvements may be able to be utilized to construct the third desired street connection (removed with the removal of the townhomes). NeuCort Lakes has three access points to Cortland Center Road; this would be the same desired feature. We can search for ways to blend this into the credits that they are already entitled to. Cambridge does not want to pay for this road extension. Another point to consider, if the connection is not provided when the subdivision is developed there will be at least one landowner who would have the possibility of having objection to an access point at the open space.

Dan Ungerleider addressed the board and stated that they have laid out the open space area and would provide a disclosure statement to that property owner stating it is the town's intention to create a road extension (lot 117). Cambridge is providing for a future access. They do not want to force that at this time. The extension would cost approximately \$90,000 to construct. They are willing to facilitate the creation but they cannot afford to pay for this extension. There are off-street improvements that they are currently sharing the cost of with the town. He encouraged the board to wait until they know what they wish to do with the property.

Mr. Magdziarz addressed the intent option – to get the dedication of the right-of-way so that there would be no doubt of the intention. He stated that he would like to have some kind of direction before March 26th. Look at funding options as well as creating the required road dedication was the consensus of the Board.

PC07-4 Recommendation for Approval of Final Plat with Conditions - Richland Trails Final Subdivision Plat and Final Landscape Plan and An Ordinance Approving the Final Plat of Subdivision for Richland Trails

There was no discussion after a general review.

Adjourn to Committee Work Sessions

Mr. Milroy moved and Mr. Siewierski seconded a motion to adjourn to committee work session. Unanimous voice vote carried the motion. 9 p.m.

Budget & Finance Committee was called to order at 9 p.m. and adjourned at 9:40 p.m.

Committee of the Whole was called to order at 9:48 p.m.

1. Consultant Expenses Billed To Developer (Handout)

Mrs. Dockus supplied the handout and gave a brief review. She stated that this project began with completed projects with the exception of Neumann Homes, Eagle Homes, Robinson Farm, Richland Trails, Brian Grainger (south townhomes).

Mr. Simmons reported that the services are currently billed on time and material. The developers are looking for a method to determine the costs that they are obligated to reimburse. He stated that each

project has its own issues. Sometimes the smaller project takes more work than the larger ones. There are specific requirements for each part of the project.

Construction is specifically dependent upon contractor's performance. All projects are covered on a full-time basis (8 hrs / day) on major installations of infrastructure. This is done at the town's request. Staff has been trying to determine if there is a good number that covers the required costs, but that is a difficult task.

Mr. Reiter stated that the system was put into place for a reason. The builders that perform well have no issue; the builders that do not perform well are paying for their mistakes.

There was much discussion regarding if and how this specified fee may be able to be applied. Consensus of the Board was to move the proposed ordinance forward for action.

2. Proposed Liquor Ordinance

Discussion began at 10:25 p.m. The committee reviewed a preliminary draft ordinance by section. It was determined that changes be discussed and memorialized at a smaller meeting of the staff and bring the document back to the Board.

Mr. Reiter moved and Mr. McAllister seconded a motion to adjourn the Committee of the Whole. Unanimous voice vote carried the motion. 10:48 p.m.

Reconvene Regular Session

Mr. Reiter moved and Mr. McAllister seconded a motion to reconvene the regular meeting of the Board of Trustees. Unanimous voice vote carried the motion. 10:48 p.m.

President's Report

Mayor Seyller reported the staff continues to work on property maintenance issues. There will be a closed session at next meeting for updates on legal matters.

He reported that Cortland will be hosting the Northern Illinois Mayors' meeting on Thursday, March 15 and that the town received just under \$5000 from IL Emergency Management for the December 1, 2006 snow storm.

Adjournment

Mr. Reiter moved and Mr. Siewierski seconded a motion for adjournment. Unanimous voice vote carried the motion. 10:52 p.m.

Respectfully submitted,



Cheryl Aldis
Town Clerk