TOWN OF CORTLAND
Town Hall
59 S. Somonauk Road
Cortland, IL 60112
BOARD OF TRUSTEES
Special Meeting
October 22, 2015
7:00 P.M.

Call to Order/ Pledge of Allegiance/ Roll Call
Mayor Stokes called the regular meeting to order at 7:00 p.m. followed by the Pledge of Allegiance. Roll call was taken by Deputy Clerk Rita Nielsen. Shown as present were Mayor Russ Stokes, Trustees Mike Siewierski, Ben Haier, Brad Stone, Charmaine Fioretto and Doug Corson. Trustee Chuck Lanning was absent. A quorum was present. Attorney Stewart Diamond was also present.

Approval of Agenda
Trustee Stone moved and Siewierski seconded a motion to approve the agenda. Unanimous voice carried the motion.

Set Aside Board Policy
Trustee Stone moved and Trustee Corson seconded a motion to set aside Town Board Policy as adopted on March 11, 2013. [This will allow for documents to be submitted to the table and action to be taken.] Unanimous voice vote carried the motion.

Attorney Stewart Address Trustees
An Ordinance Authorizing Execution of a Settlement Letter with Cambridge Homes
Attorney Diamond explained the events leading up to a settlement with Cambridge Homes. Explaining that the failure of Cambridge Homes to be able to complete and finish Richland Trails Development was a result of the collapse of the economy and nothing to do with the agreements between the Town and Cambridge. The SSA's in Richland Trails were for the development infrastructure. When Cambridge walked away from Richland Trails, two things helped the Town, the Town had a $2,000,000 surety bond to guarantee subdivision improvements. The Town also had, through a 1st Amendment to the Annexation Agreement, expectations of receiving cash contributions for the completion of improvements. Cambridge had intended to walk away at that point. Cambridge did not pay the real estate taxes on undeveloped lots and a few developed lots. The law allows for the County to take over properties and sell for unpaid real estate taxes. The SSA taxes on these lots add huge amounts to the annual tax bill and this will go on until 2037. There is a never used before provision in an Illinois State law that allows for unpaid real estate taxes; the County can take and sell at a tax sale, tax purchasers have to pay full property taxes. If the purchaser pays one year you must continue to pay. We negotiated with the County to use another provision allowing the County to give that piece of property to a governmental body. We passed an ordinance requesting the County to transfer 117 lots from tax sale. The 117 lots will be transferred to the town without charge. $ 76,050 was paid to County by the developer and bond holder. The County board should have passed (last night) a resolution to pass the property to Cortland with no additional charges. With this transaction the 117 lots will be owned by Cortland. All back real estate and SSA taxes are wiped out so the town owes no taxes. The Town will file for PTAX so no property taxes will be assessed. There is no obligation to the Town to sell. Cambridge Homes already paid $7,200 for each lot for a connection fee. As the Town negotiates with new developers it can charge connection fees. The lots can be sold with prepaid connection fee, or they can be negotiated. Engineers have estimated subdivision improvements for the developed area at $181,289 and this will allow Cortland a reasonable amount of cash to finish the subdivision. The Town will return the existing surety bond. A new developer will have to pay for the undeveloped area and a new surety bond would come from the new developer. DeKalb County has a surety bond in the amount of $456,996 for road improvements within Cortland corporate boundaries. The County will receive the $456,996 and turn over its surety bonds. The Town will receive $150,000 for maintenance use. Laura Bilas, Bond Council, will issue a new set of bonds in a reduced amount so the bond holders will have current valued bonds. New bonds will not cause any obligation of Cortland.

Trustee Siewierski moved and Trustee Corson seconded a motion to approve the Ordinance Authorizing Execution of a Settlement Letter with Cambridge Homes.

Ayes: Trustees Corson, Stone, Haier, Siewierski, Fioretto, and Mayor Stokes
Nays: None
Absent: Trustee Lanning
Abstention: None Ord 2015-16

An Ordinance Authorizing Execution of a Supplementary Indenture; an Agreement Regarding Payment of Bonds and Abatement of Special Taxes; a Joint Settlement Agreement and Related Documents with Respect to Special Service Area #9 and Special Service Area #10

Trustee Siewierski moved and Trustee Corson seconded a motion to approve An Ordinance Authorizing Execution of a Supplementary Indenture; an Agreement Regarding Payment of Bonds and Abatement of Special Taxes; a Joint Settlement Agreement and Related Documents with Respect to Special Service Area #9 and Special Service Area #10.

Ayes: Trustees Corson, Stone, Haier, Siewierski, Fioretto, and Mayor Stokes
Nays: None
Absent: Trustee Lanning
Abstention: None Ord 2015-17

Adjournment to Closed Session
Trustee Stone moved and Trustee Corson seconded a motion to adjourn to closed session. Unanimous roll call vote carried the motion. Adjourned to closed session at 7:37 p.m.

Reconvened to Regular Meeting at 7:55 p.m. Roll call was taken.

Public Wishing to Speak
There was no one wishing to speak.

Adjournment
Trustee Siewierski moved and Trustee Stone seconded a motion to adjourn. Meeting adjourned at 7:56 p.m.

Respectfully submitted,

Rita Nielsen
Deputy Clerk