

Village President Besson called the meeting to order at 6:00 p.m.

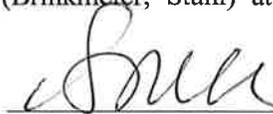
**1.0 ROLL CALL** – Present: Pres. D. Besson, Trustees: M. Bennett, L. Bergan, R. Brinkmeier, K. Meleski & M. Stahl. Trustee D. Schwartz absent and excused. Staff: Administrator S. Kulik, DPW Director – M. Martin. Public Works Commission Members: J. Mesec, R. Murphy, & M. Postotnik. Audience (1).

**2.0 ROAD IMPROVEMENT PROGRAM** – M. Martin reviewed the PASER rating system and the rating of the conditions of the roads within the Village. Approximately 14.3 miles are rated a 1-3 which would be full reconstruction, 9.41 miles are rated 4-6 which may be suitable for a mill and overlay process or pulverization and 11.73 miles are 7 -10 which are the newer improved road ways. We need to be able to move the lower and mid-level roads into the 7 -10. Pro's to implementing an enhanced program would be resident satisfaction levels and improvements in home sale values as roads are improved. Con's would be staff oversight from admin and staff which due to other tasks would be greatly increased. Policies from the Public Works Commission (PWC) and presented to the Board to develop criteria and program guidelines for prioritization processes and be unified on the concept. Depending upon type of road projects selected it could tax the funds established for sanitary sewer and storm water utility funding beyond their limits. Per note issuance rules, the funds must be spent within a three year period therefore projects would need to be at three levels – one ready to go, one on the way and one in design in order to meet the spend down requirement. Coordination with public utilities will also be a challenge as they have to come in and repair / replace their infrastructure. The current funding of \$415,000 allows for either a ½ mile of reconstruction or about 1 mile of mill and overlay. The proposed \$3 million bonding is estimated to address approximately 5 miles including both reconstruction and mill and overlay projects. If the program is expanded to include the additional out year bonding, then the program could be rehabbing 15 miles of roadway. S. Kulik commented that the funding would be included into the 3 and 6 year General Transportation Aids (GTA) and we would be increasing our GTA funding from the State. Further, the Fed Rate was lower again today and the note should yield a bond premium as the DPW Facilities note did which as approximately \$173,000 on a \$5.3 million dollar issuance. Bond premiums can only be used to pay for interest and therefore any premium would also be available to support bond payments for principal and interest. D. Besson asked the Board and PWC to consider 3 questions – 1) are the current roads acceptable the way they are, 2) is current policy keeping up with demands and 3) is what is being proposed a viable program. He believes the road conditions are not acceptable to the residents, the program is doing what it can with the funds it has but it is not keeping up and he wants to know if this is a workable doable study. The proposal would be an estimated zero increase to tax levy to support this program for at least 6 years. J. Mesec commented that residents have come to the meeting complaining about their roads and one in particular that we couldn't get to. His concern is only that it will be a "what about my road" mentality from some residents. M. Martin commented that using a conservative estimate of funds needed to address all roads is \$24 million. Even if he is off by 50% in his math it is \$12 million that would be needed, however he doesn't think he is off. This program is not going to solve all of this but it is a major step towards addressing these conditions. Even with this funding plan, it may be 6 or more years before some of the areas are addressed, however without it would be 9 or more. The Village just needs a good policy that all support as to the road selection process. D. Besson commented that the PWC recommends to the Board and we are working together. However, it gives the Board the ability to review the program and if it doesn't work it can be pulled back in, however it is an opportunity to develop a program so that the roads do not get back to the condition they are currently in and it is worth exploring.

M. Martin commented that when he began working with the Village in 1998, the funding for the road program was \$30,000 until 2011 when it increased to \$36,000. In 2012 it leapt to \$200,000, 2013 was \$365,000, 2014 was \$400,000 and it has been \$415,000 since 2015 through 2019. That is the amount from tax levy for the program and does not include the borrowed funds for larger projects over the years. There were several years where no work was completed due to lack of current and prior funds to complete it. Surface Transportation Program (STP) and Local Road Improvement Program (LRIP) funding is very competitive and yielded approximately \$40,000 every other year. S. Kulik commented on the State Governors program that was recently announced and indicated that those projects typically have to be “shovel ready” in order to receive funding. M. Martin indicated that the details are still not known and more information would be forthcoming but not in time to make this decision. S. Kulik reported on prior borrowings for roads for bonds sold in 2008, 2012 and 2015. Road would have been on the borrowing list but for the need to complete the Public Works Facilities projects which were borrowed for in 2018 when a road bond would typically have been considered. R. Brinkmeier question on when the program would begin. S. Kulik commented that the borrowing should begin now to take advantage of favorable bond rates which allows for PWC to have funds here by December to begin design work on the proposed road projects in order to let those roads in early spring, 2020. M. Martin commented that the smaller mill and overlay projects would be done first and the larger reconstruction program would be developed in year 3 due to design requirements and right of way acquisition and utility coordination time to be properly completed. S. Kulik commented that was the financial planner was asked to do was show an impact on the entire debt picture if we were to proceed under subsequent borrowings to improve roads. The matter under discussion is just one borrowing for \$3 million as resolutions, preliminary offering statement and bond underwriting. Further, even if only one project to reconstruct was proposed at \$1 million, the only option is to borrow for it. M. Bennett also expressed concerns that PWC did not ask for funding options that this was giving it to them versus them requesting it and that we cannot commit future boards under a multiyear plan. S. Kulik commented that the concept was to use the \$415,000 that had been transferred to capital it would go towards debt service and be a flat effect. M. Stahl commented that she understands this is about one borrowing and that favorable interest environments make this a good option and without it we are doing nothing and this is a start as without it we are going to continue getting behind in this. She feels the public needs to see we are doing something about the roads and at a favorable time. M. Bennett other equipment replacement needs or emergencies and how they would be met under this multi-year program. S. Kulik commented that those needs would be State Trust Fund loans which could be rolled into other bond options in the future or the undesignated reserve which is for that purpose, a onetime emergency. She does not recommend using the fund balance for that purpose but would be a board decision at the time it was needed. In addition, the Tax Increment Districts will be closing which eases some of the tax impact as 50% of the increment value is allowed to be added to the general tax levy. Further, under the levy cap and expenditure restraint, this is the only option you have to undertake a larger road program. If you don't want to do a larger road program, that is a policy decision the Board can make and staff will proceed that way. J. Mesec commented that the PWC has built many roads here and that if anything goes wrong it would be under the first project list and can be addressed at that time. The Village has just enough staff to handle the \$3 million and get this done well. M. Martin commented that you can never catch up but this program will make large strides towards a goal of perhaps having a larger maintenance effort and the borrowing isn't required. That's the goal. M. Postotnik commented that he has been on the commission for years and under Ron Romies we were putting out fires as no money was available and that he feels this is an opportunity to make progress. He commented that even though this is a good program, the residents will still fill up the meetings complaining about “my trees” and “I can't cut my grass” no matter what is done. There are roads in the Village that are 2 inches of cover and limestone beneath as well as springs that were covered up over the years. There are a lot of hidden costs and this is a good start to address those things. D. Besson reiterated that this is

just an initial borrowing and that if it doesn't work out then we look for something else. The Board and the Commission need to operate under the same guidelines and present a unified front. K. Meleski question on why we don't issue a \$6 million dollar bond as we know the impact and we know we have the work. Further, we know the interest rates are low and we should take advantage of that. Has an analysis of that been explored? S. Kulik commented that anything over \$5 million is bank qualified debt which mandates that it be spent within 18 months of issuance at 90% and 100% at two years. You would need to hire staff to manage a program that aggressive as you only have one engineering employee. You could look at borrowing roughly \$4.5 million and buying some of the equipment earlier, but that is a board decision and as the equipment is still function it seems a bit precipitous to advance those purchases. She does not recommend at \$6 million or \$5 million program as it is not manageable by existing staff. K. Meleski commented that what about \$4.5 and \$4.5 million to accomplish road work. S. Kulik commented that it is the same problem in terms of inadequate staff time to manage that much work. M. Martin confirmed that the staffing and management is inadequate to address it. S. Kulik commented you would have to hire additional staff and that those costs would be tax levy supported as the bond cannot be used to pay for employee personnel. S. Kulik question on whether there is consensus on having Financial Advisor continue to work on the \$3 million issuance. D. Besson would like to see it move forward. M. Stahl question to PWC if they feel we should move forward to take advantage of favorable interest rates. Consensus to proceed on the \$3 million dollar issuance preliminary figures and present only that issuance at the October Committee of the Whole.

**3.0 ADJOURNMENT** – Motion to adjourn (Brinkmeier, Stahl) at 7:05 p.m.; unanimously approved.



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Sandra M. Kulik, Administrator/Clerk