

Minutes of the 168th Dundee Township Annual Town Meeting
April 10, 2018

Supervisor Glees called the meeting to order at 7:35 PM at the Dundee Township Meeting Room located at 611 E. Main Street, Suite 201, East Dundee, IL. The Supervisor also led the group in reciting the Pledge of Allegiance. Supervisor Glees introduced Clerk Robert Block and turned the meeting over to him.

Clerk Robert Block read the public notice regarding the Annual Meeting published in the Daily Herald Newspaper on March 26, 2018. Clerk Block announced that there were 28 qualified electors present at the meeting.

Supervisor Glees next called for nominations from the floor for the election of a moderator for the meeting. Ken Schaffer was nominated by Sue Harney with a second by Trish Glees. There were no other nominations from the floor. Therefore, the nominations were closed and the motion to elect Ken Schaffer as moderator was carried by voice vote. The oath of the moderator was given, and the gavel passed to Mr. Schaffer.

Moderator Schaffer asked for the presentation of the Supervisor's Financial Report. Clerk Block explained that the Supervisor's Financial Report covering the Fiscal Year 2017-18 (March 1, 2017 to February 28, 2018) was included in the handout given to each attendee. He noted the reports were submitted subject to audit and that the outside auditors had begun their review of the 2017-18 Fiscal Year and should have their formal audit report completed in several months. Clerk Block highlighted the format of the report saying that for each fund the beginning balance as of March 1, 2017 was given along with the various revenues received for that fund during the fiscal year and the total expenditures made from that fund during the year. These numbers were used to calculate the closing balance as of February 28, 2018. Sue Harney made the motion to accept the Supervisor's Financial Report as presented with a second by Mike Tennis. During the discussion of the Report, Chris Kempf and Lonnie Ritchason both commented that they did not want any more taxes levied by the Township. Moderator Schaffer called the matter and upon voice vote — the motion carried.

Moderator Schaffer presented the minutes from the last Annual Meeting - April 10, 2018. Trish Glees made the motion to accept the minutes as presented with a second by Roxane Bennett. Upon voice vote — all present voted "aye" except for Mike Tennis who abstained - motion carried.

Elected Officials Reports

Supervisor Glees presented a slideshow of the major activities from the previous year.

Highway Commissioner Scott Sinnett thanked his staff for attending the meeting. He reviewed the deteriorating condition of the current salt barn. He noted that the years of housing salt in the barn has corroded the walls of the structure. He is proposing the construction of a new salt barn to provide a larger and improved storage capacity. The old salt storage building is still salvageable and will be converted for other storage. He also provided a written report with the Department's inventory and planned road repaving work for this year.

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Roxane Bennett asked if Mr. Sinnett had an estimated cost for the new salt barn. He replied the initial cost estimates were around \$200,000. Lonnie Ritchason asked if the equipment inventory was required annually and Mr. Sinnett replied that it was.

Assessor Mike Bielak reported that the past year had been fairly normal. He said his department was working to close their books by the end of May. The average increase in property values is 6.9% which is the County equalization factor for 2018. This rate would affect taxes paid in 2019, however he stated that if levies do not go up — these new assessment values would not increase taxes. Mr. Bielak stated that the new assessments will be published and that the appeal deadline would be 30 days after publication.

Regarding new construction, Mr. Bielak said that has been quite limited. He knows of three new apartment complexes and Algonquin has some new senior housing scheduled to start construction.

Roxane Bennett asked Mr. Bielak if there is a difference in value in Commercial real estate vs. residential. Mr. Bielak replied that Commercial properties have been flat —residential values have been going up. Spring Hill Mall still faltering while Algonquin Commons has held fairly steady.

Mike Tennis asked about The Grove at Randall apartment complex. He noted that they are breaking ground and plan a fall 2019 opening — when will this new construction help the EAV? Mr. Bielak responded that the assessments will start in 2020 — may take several years to reach full value. Mr. Tennis then asked about the new Canterfield apartment complex and Mr. Bielak stated assessments would start in 2019. Trish Glees noted that the complex is in a TIF district. There is an intergovernmental agreement with D300. There are 249 new apartments, but the property tax will be going to West Dundee for 23 years not the school district. Mr. Tennis noted that residents can go to the Kane County Clerk's website and see the impact of a TIF on individual agencies.

Sue Harney commented that TIF's are very troubling. Village Boards can create a TIF district without other approval and thereby leave other agencies with reduced revenue while they still need to provide residents with services. She urged residents to talk to their Village Board to stop future TIF districts.

Lonnie Ritchason asked if the Township Budget for 2019 is going up? Mr. Bielak replied his budget was up 3% mainly due to increases in health care.

Chris Kempf asked if the Township was reviewing health care costs and options. Supervisor Glees replied that the Township is reviewing the costs of its insurance. The Township is now with the Illinois Central Management Services (CMS) which is a much larger pool for insurance.

Lonnie Ritchason asked Supervisor Glees if the overall Township budget for FY 2019 was up or down. Supervisor Glees responded that the budget was up as the Township is offering additional services to residents. Mr. Ritchason stated he believes the problem is that government agencies do not have to act like the private sector. Government must learn to live within its' means (tax levy). He believes that technology has taken over a number of jobs.

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Chris Kempf stated that the Township could save money by stopping all maintenance work on Open Space. There are three full time and three part time employees. He stated he has heard that there is no requirement that the Township continue to maintain the Open Space. Open Space is a legacy that was originally thought to be a good idea. People are leaving open areas all around us.

Ed Harney noted that there had been three referendums for Open Space and 70 % of the voters approved the creation of the Open Space program. He asked what the average resident pays in property taxes to the Township? He believes that Dundee Township officials work for less than State employees.

Sue Harney stated that a large portion of the property taxes being paid to the Township was to pay off the Bonds approved by the voters to create the Open Space areas. This Bond issue has now been paid off and the property tax levy for the Township has dropped by almost 50%. Currently, the Township's tax rate equates to about 2¢ from every \$1 of taxes paid by a resident. She highlighted the various services provided by the Township and noted that the money spent helps build the local economy of these dollars are spent in local businesses. She also stated that operating budgets increase due to increased costs from suppliers for commodities such as fuel, electricity and equipment.

Mike Tennis stated that TIF's can provide an influx of money from large business.

Lonnie Ritchason stated he still can't understand the matter of increased taxes versus assessed values. A home worth \$100,000 is reduced in value by the taxes owed. Seniors cannot afford taxes. He believes fewer people are at the Library than are in attendance tonight. Assessor Bielak reviewed the Senior Freeze program and noted that the forms are being mailed out. The program applies to seniors with less than \$65,000 in income. Mr. Ritchason stated believes the income level should be higher.

Chris Kempf stated that "you eat an elephant one bite at a time." Taxes are too high and need to go down.

Clerk Block reported on work completed in the Clerk's Office including the preparation for the onsite portion of the financial audit and hosting early voting for the local primary and general election held this year. He noted the new program from the Kane County Clerk's office that will permit residents to obtain certified copies of official records such as birth certificates at the Township office. During the year, the office responded to 8 Freedom of Information requests including one that is an ongoing commercial request. The Clerk's office again provided free notary services to residents. Finally, he outlined the upcoming financial audit and the new State of Illinois requirement that the audit be prepared on an accrual basis.

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Moderator Schaffer presented Resolution 2019-003 which asks authority from the electors to transfer the excess funds in the Open Space Bond fund to the Open Space Operating account. Stephen Kiebler made the motion to approve Resolution 2019-003 as presented. Trish Glees seconded the motion. After a brief discussion, Moderator Schaffer called the motion and upon voice voted all present voted "aye" — motion carried.

Moderator Schaffer next opened the floor for discussion on a potential referendum for an increase in the Township levy. He explained the background for the referendum including that the original Open Space bonds to generate funds only for the purchase of the Open Space land. Funds are needed to continue the maintenance of the Open Space areas.

Mike Tennis supplied a written set of comments which are attached.

Ed Harney asked if the Township could put numbers on the increases. Clerk Block provided general numbers including \$170,000 per year for Open Space maintenance, General Assistance will increase by \$80,000 and some minor staff increases.

George Johnson asked about the changes to the levy without the Open Space Bond. Clerk Block replied that the levy will go down approximately 40 — 45%. Mr. Johnson asked what the impact would be for a resident who owes a \$200,000 house and what impact would any increase in the levy mean for that resident.

Mike Tennis asked that the Township put together a 5-year financial forecast to justify any request for an increase.

Chris Kempf again raised the issue of maintenance of the Open Space land. He stated the bonds are being retired and now the Board wants to levy for maintenance costs. Who voted for them to become a park district? Why did the Board make decision to spend dollars from general taxes for maintenance?

Mr. Schaffer and Sue Harney noted that when the voters approved the referendum authorizing the purchase of the Open Space land, there is a State law that requires the Township to maintain the land. It is not a decision the Board made on its' own. The Township never promised that there would be no maintenance would be done. The Township applied for various Federal and State grants to help fund the purchase of the Open Space land. The excess grant funds were placed into the Open Space account and these have been used to pay for the maintenance.

Trish Glees said that the Open Space department was voted on and approved in 199697 and was not something that just came up. Now that the Bonds have been paid off, the Township has the continuing need to maintain the land.

Chris Kempf suggested that the Open Space land be given to the Kane County Forest Preserve. He does not want another Park District or Forest Preserve charge on his tax bill.

Lonnie Ritchason commented the Open Space is a liability — the Township used money to buy the land. Do not see 1,000's of people using the property and now the Township

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is asking residents to fund the maintenance costs. Just leave the land as it is. When you say you need \$170,000/year for maintenance and you can't sell the land — it's a liability not an asset. Trish Glees noted that the Township has nine Open Space properties and people do use them. Mr. Ritchason replied that it is a minority of residents that use the spaces — only those people who have a passion for open space.

Mike Bielak reiterated that the original referendum passed by the voters was for funds to purchase the Open Space land but did not include any funds for the operation or maintenance of the property. The State law does not allow a Township to hold a referendum to levy for the maintenance of open space.

Moderator Schaffer stated that he originally ran for the Township Board because he wanted to be involved in the creation of the Open Space project and to save Raceway Woods from residential development. The original plans for the site called for building up to 700 homes and that would have required three - five new schools and other infrastructure. Benefit of open space that residents did not have to pay to support a high-density housing project. Look at a current tax bill and the money going to pay for schools.

Mr. Ritchason responded that you can't tear down schools — 700 new homes would have helped pay property taxes.

George Johnson noted the recent Kane County Forest Preserve referendum which voters passed, and this will be an increase in taxes.

Mike Bielak noted that there was not a fair representation in the room and that all voters needed to be given notice of a referendum issue.

Ed Harney said that whether you are for or against a referendum — the matter should be presented to the voters and let them decide. Trish Glees agreed with Mr. Harney that the issue should go to the ballot and let the voters decide.

June Kiebler concurred that the question should go to the voters. She stated that Open Space provides a great benefit to the community. She lives by one of the Open Space sites and feels this increases her property value by providing access to trails. She sees dog walkers using the trails from morning to night. She also like helping with the restoration work and feels that provides a better wildlife habitat — certainly worth having in the community.

Mike Tennis again noted the need for a 5-year financial projection. He also states he believes that serious consideration must be given on how to get the full information to the public and what that would cost — would outside help be required? Need to help voters make the correct decisions. The Township needs to do its' homework and then decide to go forward.

Chris Kempf asked if the Township receives any increase in tax revenue on a yearly basis. Moderator Schaffer replied that increases are tied into the CPI and last year was 2.1%. Mr. Kempf stated the Township needs to live within these increases and not look to a referendum.

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Moderator Schaffer made a statement regarding the Township. He said most of the cost for the Township is in its' staff costs. The Township is not well staffed — the Township was too frugal for too long. In order to get less costs, must provide less service and staff. Larger question is should Townships exist? Point is that eliminating Townships doesn't eliminate costs. Services just get shifted to other agencies and overall taxes would not decrease. For example, the Ride in Kane funding was cut as the Villages do not want to help fund. The communities are not providing public transportation.

Chris Kempf commented that a large % of the population can't access public transportation.

Sue Harney stated that a resident may not need public transportation but in communities that offer these services, they do better in economic downturns.

Moderator Schaffer commented that TIF districts have created difficulties for school districts and other agencies. When a development is put in that requires added schools and with limited impact fees, the costs are transferred to the tax payers. Payoff doesn't come for 15 — 20 years. Trish Glee commented on the Canterbury development with its 269 apartments. This is a rental community that uses resources but the TIF district removes revenues from Township and other agencies. East Dundee has applied TIFs to over 90% of its commercial/industrial properties.

Lonnie Ritchason commented that the Township should look at Itasca. It would be hard to question their success as they used TIFs to bring in business. People are paying taxes.

Roxane Bennett commented that this has been an interesting discussion. Ship has sailed on Open Space and on TIFs. Real question is what the addition to the community's quality of life from Open Space and Libraries is. The Open Space that exists is near and dear to residents. These are things that people enjoy and believe add value to their property. If you don't want to pay for these services, sell you property. New families are looking to move into the area for the quality of life these services provide. The Township should look at the most cost-effective way to maintain these properties. Do projections — come back to the voters and see what they say.

The discussion on the referendum issue was closed.

Moderator Schaffer announced that the next Annual Town Meeting is scheduled for April 9, 2019. Moderator Schaffer asked for a motion from the floor to start the meeting at 7:30 PM. Richard Ahrens made the motion to approve start of the next meeting at 7:30 PM with a second by Mike Bielak. Moderator Schaffer called the motion and upon verbal vote - all voted "aye" - motion carried.

Moderator Schaffer asked if there were any additional public comments or questions. Hearing none at 9:32 PM Moderator Schaffer asked if there was a motion to adjourn, Chris Kempf moved to adjourn the meeting — the motion was seconded by George Johnson and carried by voice vote.

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Moderator Ken Schaffer

Township Clerk, Robert Block

ANNUAL TOWN MEETING
Dundee Township, April 10, 2018
Comments Prepared by M Tennis

My name is Mike Tennis, I live at 303 Churchill CL, Sleepy Hollow

After reviewing the Dundee Twp Supervisor's Statement of Affairs, here are some thoughts that I would like to share with you.

As of March 31, 2017, the township had \$3,883,000 in all our funds. During the 12-month period ended February 28, 2018 the balance dropped \$924,000 to \$2,959,000.

The township ran a deficit each of the past three fiscal years, FY2015 through FY2017, accumulating a \$222,000 deficit. This most recent fiscal year ended February 28, 2018 added an additional \$924,000 bring the four-year accumulated deficit to \$1,146,000.

Capital expenses accounted for \$840,000 of the deficit primarily due to \$658,000 in Cemetery Fund capital expenses. Operating expenses, in excess of revenue, added more than \$83,000 to the deficit.

With all this deficit spending, our elected officials are suggesting we discuss increasing the township tax levy to help close the deficiency in expenses exceeding revenue.

Having analyzed the township finances, as a retired CPA, an increase in the levy is not necessary. There are total government funds of \$2,959,000. Excluding \$392,000 of Capital Expense and Open Space funds, the township has \$2,567,000 beginning March 1st of this year. Based on actual spending for the fiscal year just ended February 28th, there are enough funds to operate for 12.5 months.

In addition to those funds the township levy payable by taxpayers in the next few months will provide more than \$2,953,000 in additional funds. The taxes we will pay this year should be sufficient to fund last year's spending level of \$2,473,000 and provide an additional \$480,000 for increased salaries and benefits as well as additional operating and capital spending.

A levy increase is not necessary IF township funds are managed prudently.