

VILLAGE OF HOMEWOOD
BOARD OF TRUSTEES MEETING
TUESDAY, JANUARY 10, 2012
VILLAGE HALL BOARD ROOM

CALL TO ORDER: Village President Richard Hofeld called the meeting to order at 7:30 p.m. There were eighteen people in the audience and two members of the press in attendance.

PLEDGE OF ALLEGIANCE: Village President Hofeld led the audience in the Pledge of Allegiance.

ROLL CALL: Deputy Village Clerk Sandy Ruhlander recorded the Roll Call. Those present and responding were Trustees Tom Kataras, Barbara Dawkins, Lisa Purcell, Anne Colton, Jay Heiferman, Ray Robertson, and Village President Richard Hofeld. Village Clerk Gayle Campbell was absent.

INTRODUCTION OF STAFF: Village President Hofeld introduced the present staff members: Village Manager Ralph DeWitt, Village Attorney Christopher Cummings, Police Chief Larry Burnson, Fire Chief Bob Grabowski, Director of Finance Dennis Bubenik, Director of Community Development Paula Wallrich, and Director of Public Works John Schaefer, Assistance Village Manager Jim Marino

MINUTES: A motion was made by Trustee Purcell, seconded by Trustee Dawkins to approve the minutes of the Board of Trustees Regular Meeting held on Tuesday, December 13, 2011. **Roll Call: AYES: Trustees Kataras, Dawkins, Purcell, Heiferman and Robertson. NAYS: None. ABSTAIN: Trustee Colton. Motion carried.**

CLAIMS LIST: Following questions from the Board, which were answered by staff, a motion was made by Trustee Robertson, seconded by Trustee Colton, to approve the Claims List of Tuesday, January 10, 2012, in the amount of \$1,257,378.77 **Roll Call: AYES: Trustees Kataras, Dawkins, Purcell, Colton, Heiferman and Robertson. NAYS: None. Motion carried.**

APPOINTMENTS: A motion was made by Trustee Colton, seconded by Trustee Purcell to approve the appointment of Irwin Friedman to the Cable Commission for a term ending 1/08/2015. **Roll Call: AYES: Trustees Kataras, Dawkins, Purcell, Colton, Heiferman and Robertson. NAYS: None. Motion carried.**

Deputy Village Clerk Ruhlander administered the oath for this position to Irwin Friedman, who was then welcomed by the Board.

MEET YOUR MERCHANTS: Allisa Opyd informed the Board and audience of two upcoming events taking place in the Village.

Illinois State Treasurer Dan Rutherford will be in Homewood promoting the Cash Dash program. The Cash Dash program unites residents with unclaimed property. The Treasurer and his staff

will arrive on Friday, January 20, 2012. The Treasurer's staff will be available at 1:30 p.m. to 3:30 p.m. to assist residents. Treasurer Rutherford will address the public and answer questions at 2:00 p.m. This event is open to the public and will be held in the Village of Homewood Board Room, 2020 Chestnut Road.

The Cash Dash program assists people in identifying if they are entitled to unclaimed property which is money or assets that have been separated from their owner for at least five years. Often the owner does not know the property exists. Businesses and banks are required to turn over the unclaimed accounts to the Treasurer's Office. This program was developed to connect owners to their property.

Chocolate Fest will be February 18, 2012, from 11:00 a.m. until 2:00 p.m. in the H-F Park District Auditorium, featuring the annual Bake-Off with tasting for a small fee benefiting the Girl Scouts.

PRESENTATIONS:

PROCLAMATION – GIRL SCOUT COOKIE PROGRAM TIME: Deputy Village Clerk Ruhlander read the proclamation issued by Village President Hofeld, proclaiming Girl Scout Cookie Program Time in the Village of Homewood, with cookie sale order taking January 7, 2012 through January 29, 2012. Customer delivery will be from February 17, 2012 until March 5, 2012.

Village President Hofeld presented the proclamation to the Girl Scouts present at the meeting.

HEAR FROM THE AUDIENCE: No one came forward.

OLD/NEW BUSINESS

OMNIBUS VOTE: Deputy Village Clerk Ruhlander read the following for the Board's consideration:

- A. RESOLUTION R-2109 / 2012 MFT ROAD IMPROVEMENT PROGRAM: A resolution for improvement by municipality under the Illinois Highway Code for various street improvement projects.
- B. ORDINANCE M-1855 / INTERGOVERNMENTAL AGREEMENT-WASHINGTON PARK TAX INCREMENT FINANCING (TIF): An ordinance authorizing execution of an Intergovernmental Agreement providing for declaration of additional surplus funds from the Washington Park Special Tax Allocation Fund and providing for payment of future tax appeals assessed against properties within the former Washington Park TIF.
- C. ORDINANCE M-1856 / LOT CONSOLIDATION / 18243 HARWOOD AVENUE: An ordinance approving a lot consolidation for the property at 18243 Harwood Avenue in Homewood, Cook County, Illinois.

D. ORDINANCE M-1857 / RESUBDIVISION / 1543, 1547 AND 1549 TIENSTRA COURT: An ordinance approving a resubdivision of the property commonly known as 1543, 1547 and 1549 Tienstra Court, Homewood, Cook County, Illinois.

Following comments and questions, which were address by staff, a motion was made by Trustee Kataras, seconded by Trustee Colton to pass, approve, accept or award the Omnibus Vote items "A" through "D" as presented. **Roll Call: AYES: Trustees Kataras, Dawkins, Purcell, Colton, Heiferman and Robertson. NAYS: None. Motion carried.**

DISCUSS WATER AND SEWER RATE INCREASE: Finance Director Bubenik led in the discussion of water and sewer proposed rate increases for the years 2012 through 2015.

As has been reported in the media, the City of Chicago is increasing water rates to all the communities it supplies by 25% for 2012, and 15% for each year of 2013 to 2015. Chicago supplies water from Lake Michigan to 125 municipalities in the area. More and more communities take the Chicago numbers and change their community's rate by the same percentage increase given. That strategy does not recognize that, while water purchased from Chicago is increasing at 25%, labor and capital expenses increase at rates more in the 3% range. Staff will continue to weight the various expenses of the Village's water/sewer budget by expected increases and not just pass on the 25% or 15% rates to our residents.

Homewood receives Lake Michigan water through the City of Harvey, with the ten year contract in its last year.

The City of Hammond, Indiana does supply some municipalities with Lake Michigan water in the southern suburbs. Hammond water is less expensive than Chicago but there are more middlemen in the Hammond process so they will be looking at increases. There is no guarantee that we would spend millions on infrastructure to get water from Hammond and they could turn around and give us Chicago-like increases anyway. More communities in the mix of Lake Michigan water from Hammond through Chicago Heights could end up even more expensive than our present water rate from Chicago through the City of Harvey.

Options are limited. Going back to Village owned wells carries expense and water quality issues. South Holland has a direct connection to Chicago, but their system is not of sufficient size to provide water to Homewood.

When the Village of Homewood went to Lake Michigan water in the 1980's we became the middleman in the process and subject to what happens in the process in front of us and that gets passed on by us to the end user. Before 2008, the City of Chicago raised yearly water rates to us in the 3% to 4% range. These were in line with overall inflation figures (CPI) in the United States. It is doubtful anyone envisioned percentage rate increase of 25% when the first contract was signed for Lake Michigan water.

Conservation is always an option for residents and businesses to help decrease water usage. A variety of fixtures and products are also available to help. Better recognition of things we do that waste water is another conservation technique.

Another alternative staff will investigate is monthly billing. Monthly billing does not offset the increases but would assist a resident's home budget to pay their water/sewer bill more consistent than the present quarterly water/sewer bill.

Water/sewer bills to our residents and businesses in Homewood include charges for water/sewer and sewer processing by Thorn Creek. No information on a rate increase from Thorn Creek to process sewer has been received as this meeting date. When that information arrives from them it will be passed on to the residents and businesses by changing that portion of the bill. The unfunded mandate from Thorn Creek of spending \$600,000 as infrastructure upgrades to our sewer system to minimize the flow of storm water into the sanitary sewer is included in the water/sewer bills.

The proposed water rate increases from current rates are 17.9% in 2012; 8.9% in 2013; 9.3% in 2014; and 9.2% in 2015. The proposed sewer rate increases are 18.4% in 2012; 3.9% in 2013; 3.5% in 2014; and 3.3% in 2015. The administration charge, which is a flat charge per billing cycle, increases are 17.2% in 2012; 6.4% in 2013; 6.6% in 2014; and 6.7% in 2015.

Charles Derringer, a Chicago Heights resident, expressed concerns of the cost rate increase and suggested another alternative.

Trustee Kataras expressed his concerns of the City of Chicago using a commodity they do not own to balance their budget.

Village Manager DeWitt stated staff is looking at other alternatives but that will take time. Though there are other options, the Village must act now.

Following discussion and comments, the Board was in agreement that other options should be looked at for future consideration. It is important to encourage water conservation by educating residents.

ORDINANCE MC-864 / WATER AND SEWER CHARGES: A motion was made by Trustee Robertson, seconded by Trustee Colton to approve an ordinance amending Section 110-196 of the Homewood Municipal Code concerning water and sewer charges. ***Roll Call: AYES: Trustees Kataras, Dawkins, Purcell, Colton, Heiferman and Robertson. NAYS: None. Motion carried.***

WATER METER READING SYSTEM: Public Works Director Schaefer began the discussion of the replacement of water meters due to the age and inaccuracy of the current equipment and the improved new technology capabilities of the new meters.

Over the last several years Public Works had been discussing the replacement of our current water meters with the Finance Department. The reasons these discussions have taken place is based on several factors, which includes the age of the equipment, the accuracy of the meters, new technology available and the possibility of the Village moving to a monthly billing cycle.

The last meter change out was over twenty years ago. Village staff performed the installations, which took approximately two and one-half years to complete. The reason for that meter change

out was to replace all the meters which were some twenty-plus years old and had been measuring well water. Well water produces a high scale of build up to the internal parts of the meter which leads to slow or stopped meters. The other component was to install outside readers called touch pads, which allows the meter reader to obtain the meter reading from the outside instead of needing access to the interior of the home or business.

As meters get older they have a tendency to slow down and not read as accurately as they do when first installed. This is a direct result of wear on internal moving parts over time. When the meter slows, it is not measuring all the water that passes through it, resulting in a major loss of water the Village is paying for that was used but not billed to the resident or business.

Over the past twenty-five years there has been a great deal of change in water meters. There are no longer any moving parts which mean nothing to wear out. Materials have gone from brass to plastic which reduces lead in the water. The accuracy of the meters can now measure usage to one-tenth of a gallon and can now show and store water usage every five minutes in a twenty-four hour period. This technology is very helpful when the Village receives high bill inquiries. These new meters no longer require a person to go to each residence to read the outside remote. The meters are read from one fixed point tower that receives readings every six hours. And, the new technology also alerts the Village if someone is tampering with the meter or trying to remove it.

This new technology would allow the Village to move to a monthly billing cycle, which would ease the strain of bill payers by giving them a smaller monthly bill instead of the much larger quarterly bill. This will also reduce the number of shut offs that the Village performs on a regular basis. With a monthly reading the Village and the resident would be able to detect higher usage as a result of a possible leak due to a bad plumbing fixture. Lastly, the Village would see a better cash flow with a monthly billing cycle instead of the current quarterly cycles.

Public Works Director Schaefer then highlighted the projected costs and four funding options to purchase and install the Sensus water meters and Sensus FlexNet reading equipment and software. The estimated grand total would be \$2,653,459 and recommended option one be approved by the Board. The water/sewer D.I.E. fund has Cash and Investments at April 30, 2011 in the audit of \$3,436,506 with \$800,000 being earmarked this year for water meter replacements. The entire project would be funded all at once using the D.I.E fund. This would not allow for other projects to be implemented for a year or two, one of which was the painting of the water tower.

Jerry Plotke and Chad Capps, representatives from HD Supply Waterworks which sells Sensus meter system, were present to answer questions from the Board.

Board members expressed concerns of awarding the contract without following the bidding process and requested more information.

Attorney Cummings stated the Board could waive the bidding requirements for this project if they so desire.

Following discussion, Village President Hofeld stated the consensus of the Board was to follow the bid process on this project and requested Director Schaefer supply more information.

MANAGER'S REPORT: Village Manager DeWitt had nothing further to report.

GENERAL BOARD DISCUSSION:

Village President Hofeld stated he had received inquiries from residents regarding the need of purchasing insurance for their water service lines and asked Public Works Director to address this issue. Director Schaefer stated though he could not respond with a yes or no answer, typically a homeowner does not have issues with their water service lines.

Director Schaefer also commented on a statement made early in the meeting by someone in the audience. There is no existing water line from the City of Chicago Heights to the Village of Homewood for connection to Lake Michigan water.

EXECUTIVE SESSION: A motion was made by Trustee Colton, seconded by Trustee Robertson to enter into Executive Session for review of executive session minutes at 8:53 p.m. ***Roll Call: AYES: Trustees Kataras, Dawkins, Purcell, Colton, Heiferman and Robertson. NAYS: None. Motion carried.***

The Board took a short recess at 8:53 p.m. prior to entering into Executive Session and returned to open session at 9:06 p.m.

ADJOURN: A motion to adjourn was made by Trustee Kataras, seconded by Trustee Heiferman. ***Roll Call: AYES: Trustees Kataras, Dawkins, Purcell, Colton, Heiferman and Robertson. NAYS: None. Motion carried.*** The meeting adjourned at 9:06 p.m. There was no one in the audience.

Village Clerk