

Minutes Special Township Meeting

STATE OF ILLINOIS

LAKE COUNTY

TOWN OF NEWPORT

THE ELECTORS OF NEWPORT TOWNSHIP met at the office of the Town Clerk at the Village Hall on September 17, 2014 for a Special Meeting in accordance with Section 35-5 of the Illinois Township Code, 60 ILCS 1/35-5 to conduct a referendum on the question:

Shall a tax for road purposes be levied by the Newport Township Road District in an amount not to exceed .167% of the value of the taxable property, as equalized or assessed by the Department of Revenue?

Township Board Members Present: Debbie Spurgeon, Township Clerk

Call to Order: Spurgeon called the Special Meeting of the Electors to order at 6:57 p.m.

Pledge of Allegiance: Spurgeon led the assembled electors in the Pledge of Allegiance.

Clerk's Opening Remarks:

This Special Township Meeting has been called pursuant to a petition from certain township voters. It is the petition of these township voters who determine the time and date of the meeting. The purpose of tonight's meeting is for the assembled electors to consider a proposal to increase the tax of the Permanent Road Fund (Gravel Fund). In a minute we will choose a Moderator, who will be asked to facilitate the meeting in an open and impartial manner. All registered voters received a ballot when you checked in. If there are voters want to cast your ballots and leave without listening to the discussion, you will be allowed to do so in a few minutes. However, if you choose this option you will not be re-admitted to the building. Each voter must place their own ballot in the box, the ballot box will remain stationary and in full view of the electorate throughout the proceedings. The clerk confirmed to the audience the empty ballot box, noting board members present tonight other than herself are here as electors not officials. Spurgeon additionally notes two residents/electors, Kevin Zupec and Mike Dolan have agreed to serve as judges during tonight's vote tally.

Nominations for Moderator:

Nominations for Moderator from the assembled electorate are requested. A motion to nominate Susan Zingle is made by Lynn Schlosser and seconded by Ron Miller.

Spurgeon inquires if there are other nominations from the floor. A motion is made by Rick Neal; seconded by Evelyn Hoselton to nominate Jim Zegar.

Hearing no further nominations, Spurgeon indicates the closing of the nomination period.

A show of hands for the nomination of Susan Zingle totals 30 and is followed by a show of hands for the nomination of Jim Zegar totaling 60. Clerk Spurgeon asks if all electors present voted for one candidate or another. [No.] It is noted that 117 electors are present in addition to 3 non-voters.

Jim Zegar is elected as Moderator of the Special Township Meeting and is sworn in by the clerk. He states his intentions to moderate the discussion using a stop-watch, giving each side 15 minutes to make their respective cases.

The clerk announces it is time for voters who wish to vote and leave without hearing the discussion to do so now.

Moderator Zegar comments on the number of voters who chose the option to vote and go. He requests a show of hands of voters who remain undecided. Several audience members chide the moderator for asking this question. Zegar asks Assessor Jerome Berens to come forward to speak to the electorate. Berens briefly explains assessments and notes a successful referendum will result in an average increase of \$167 per year for every \$100,000 of assessed evaluation. Responding to a question from the audience, the proposed tax increase will take effect in 2015 with the township receiving additional monies in the April/May 2015 timeframe.

Moderator Zegar says there is no question the district has plenty of money as he sees it, but says the issue is some monies are restricted and cannot be used to maintain roads. Citing his accounting background, he says the Road & Bridge Fund currently has approximately one year of funds remaining and that beyond this there is not enough cash to maintain the current condition level of township roadways. Beth Hartford interjects that these monies [Gravel Fund] are to be collected only for road maintenance. The Road & Bridge Fund is the operating fund. Zegar thanks Hartford for the correction.

Zegar continues, the question is simple, do you want to pay for this. An audience member requests to hear from the highway commissioner as to why the money is needed. Zegar states the highway commissioner will speak at the end after everyone else has spoken.

Public Discussion:

Suzanne Zupec--- Suzanne comments on her part in helping to bring the township road district back from the brink on previous occasions, assisting her father and later her husband to build up road district funds. Suzanne notes her frustration over the road district's current financial picture, adding it takes a communities' effort to provide stewardship. She comments on fighting between the road district and township. Citing her background as a contractor and president of the Lake County Transportation Alliance who lobbies Springfield for local funding, Suzanne indicates emergency repairs of roads is a costly way to operate. She calls for the electorate to step to the plate.

Mike Dolan—Mike comments on the format that Moderator Zegar has chosen, calling it a problem. Mike notes that some people simply wish to ask questions and don't want to be segregated into yes and no camps.

Moderator Jim Zegar says this is the format he has chosen, and it's the one he intends to proceed with.

Randy Whitmore--- Randy says when he and Rodger Edmonds ran for these positions [Township Supervisor and Township Highway Commissioner] they knew what they were getting into, and that the Town Fund Levy had been taken down to almost nothing. He comments on the good job Highway Commissioner Rodger Edmonds has done since his election. Whitmore says it's simple, the funds have to be replenished, adding in business you want income coming in and the township needs income coming in to keep the township solvent.

Steve Garris--- Steve asks for someone on the 'no' side to tell him what the 'magic plan' is to maintain the roads if this measure doesn't pass.

Resident Tom Hartford offers to identify what he believes are concerns shared by some of the residents.

Tom Hartford--- Hartford notes he has no issue with raising money for the Permanent Road Fund, but monies are being diverted from road maintenance to operating expenses. Tom says if you need to raise money for operating funds, then raise the levies to support operating expenses. He could see supporting such a measure since the levies were lowered, but believes it is not appropriate to levy money for one purpose, then divert it for another. Hartford cited concerns with co-mingling funds and assets as the reason some voters have trouble with the current measure. He concludes we should be raising the levies not borrowing from the Permanent Road Fund.

Moderator James Zegar asks if there is anyone else who would like to speak for the 'yes' side.

Mark Kirschhoffer--- Mark is concerned with any measure that will need to go to a referendum and does not want to drive on gravel roads. He indicates the timeline to get a levy referendum on the ballot is not quick enough, noting the township would not receive additional monies until spring.

Tom Hartford replies that the district will not get any new monies until spring even if tonight's measure passes, and that moving money from the Permanent Road Fund for salaries is not the right way to do business.

Ron Miller--- Ron comments that \$200,000 from the Permanent Road [Gravel] Fund was already moved to support operating expenses in the summer of 2013. He indicates they [Whitmore and Edmonds] are making it look like the Permanent Road Fund is in dire straits when the situation was in fact exacerbated by moving money out of this fund.

Suzanne Zupec--- Suzanne comments that she appreciates Ton Hartford's opinion, and urges everyone to work together to meet the township's responsibilities while reducing residents' tax burden.

Susan Zingle--- Susan asks how many miles of township roads are we talking about. Highway Commissioner Rodger Edmonds replies, 17 miles. Zingle asks how many of the 17 miles are in the Village of Wadsworth or under the county's transportation jurisdiction. Edmonds indicates the township maintains bits of country roads—no interstate, no highways.

Moderator James Zegar asks if anyone would like to speak for the 'no side, adding he knows there is passion out there.

Mike Dolan--- Mike comments that he still has trouble with the meeting format, noting Zegar may have chosen the format, but residents were given ballots for what is supposed to be a secret ballot vote, and yet Zegar continues to try to categorize the electors publically. Mike says, because I spoke, I am now categorized as a 'no' vote. Mike further indicates he does not think Zegar's format encourages discussion. Dolan adds, there may be a real need for this Permanent Road Fund tax, but resident Tom Hartford has a point--- if monies are needed for operational expenses, then the right thing to do is to go to referendum so the entire electorate is voting on the question, not only a very small group of people. Dolan says perhaps we need to support increases for both the road maintenance and operating expenses, but the upfront thing to do is to ask the voters, because it's better government. Mike Dolan inquires as to who circulated the petitions which resulted in the Special Meeting.

After a quick review of the petition, the clerk indicates the circulators were Randy Whitmore and Toni Edmonds.

Dolan continues that he thinks it may be a good idea a year down the road, if the measure passes tonight, to take a look at how the money is being spent. Randy Whitmore interjects that information on township spending is available monthly. Dolan is aware that monthly accounting is available, but notes his comment is really a suggestion to revisit the ways the increase is being used in a year or so, in order to use this information to make future planning decisions.

Peter Campanella, Sr.--- Peter says he would estimate that probably fifty percent of the people in the room tonight had their roads paved with monies from the Permanent Road [Gravel] Fund. Between the Gravel Fund and Motor Fuel Tax (MFT) monies, this is how much of the township roads transitioned from gravel to pavement. Peter Campanella says the Road & Bridge Fund is the general operating account for salaries, fuel, insurance, etc. and indicates monies in these funds are not supposed mixed. He adds, the Road & Bridge and Gravel Funds are two distinct and separate funds and they are supposed to be kept that way. Peter says he does not understand how all this mixing of funds has taken place.

Moderator Jim Zegar asks if any 'undecided' voters want to speak up.

Resident Beth Hartford would like to hear from the Highway Commissioner.

Zegar says the commissioner will speak.

Highway Commissioner Rodger Edmonds says the \$200,000 transfer was done to support the Road & Bridge Fund. Edmonds maintains he can use the Permanent Road [Gravel] Fund to do anything associated with road maintenance, which he says this includes salaries. Edmonds says the Permanent Road Fund is dwindling and the Road & Bridge Fund was levied at zero, therefore he currently gets very little revenue from Road & Bridge--only about \$57,000 annually, which he says doesn't pay for his employees salaries/benefits, mowing. etc. He adds that in order to re-establish the Permanent Road [Gravel] Fund tax, it must be levied at .167% of the value of the taxable property as equalized or assessed. However, going forward he says he doesn't necessarily need to levy the full .167% and indicates it is his hope to levy at a lesser rate.

A resident asks about the monies in the Building Fund. Edmonds notes the Building Fund currently has ~\$300,000 in it, and if he decides to go down this road, he will have to meet with the attorneys on whether the money could be used for the roads. The resident adds, maintaining the roads is more important than money sitting in an account for a building there isn't really a need for. Edmonds says he does not know what it would take to be able to transfer this money to the roads, and he will need to work with road district attorneys.

A resident comments that she voted 'no' the first time [at the December 18, 2013 Special Meeting] because she was concerned about tax objections from large corporation landowners in the township if more than one and a half times of township operating funds are maintained. Commissioner Edmonds briefly comments on tax objections, indicating their irrelevance to the operational needs of the township.

Directing a question to Commissioner Edmonds, another resident inquires if there is an obstacle preventing Edmonds from defining how much of the .167% he really needs. Edmonds says he has a budget and a booklet identifying repairs the road district is working on. Edmonds says his employees recently worked at Dilly's & Mill Creek and that he is working on preparations for Edwards Road and notes Delany requires some repair as well. The resident says he asked, because it is reasonable to expect there be a plan in place for what the district might need, noting a 5-year plan seems to be a reasonable window. Edmonds says he has a 5-year projection, however he does not elaborate.

Lynn Schlosser comments that Commissioner Edmonds has talked in the past about paving Edwards Road, which she notes is not in the Newport Road District jurisdiction. She wonders if Edmonds is including Edwards Road in his projections. Rodger Edmonds says Mayor Tim Smith of Old Mill Creek wants to wash his hands of Edwards Road and again recently approached the township about taking over the road, so yes, Edmonds says he is in the process of doing this.

Schlosser asks if Edwards Road is in Edmond's 5-year program. He admits it is, adding someone needs to take care of it. Schlosser continues, that Edmonds is basically saying he needs revenue from Newport taxpayers to pave a road that is in Old Mill Creek's taxing district. Randy Whitmore interjects that they are going to take the taxing district over. Edmonds says he is going to get the tax revenue from Old Mill Creek. Schlosser wants to know what is the percentage of revenue he will receive is, in proportion to the costs. Edmonds admits the tax revenue is minimal. Schlosser asks how many residences are on the road. Commissioner Edmonds says there are 3 residences in this area. He also says he has been patching the road already. Lynn Schlosser asks

if Edmonds knows the approximate cost to pave this portion of Edwards Road. Rodger Edmonds says the last estimate he had was ~\$200,000. He adds there is also a significant amount of underground work to do in the area.

A resident says he heard Edmonds say that he has enough money for this year. Edmonds says yes, we're okay. The resident also notes Edmonds made it through the previous year with existing funds. Attorney Keri-Lyn Krafthefer of Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer, PC interjects, but they're not going to have the money this year even if it passes—you don't collect the money right away, that's the problem.

The resident wonders if all Newport has to do is to de-annex a road it doesn't want like Old Mill Creek. Attorney Keri-Lyn Krafthefer says no, we cannot do that. The resident wonders why Old Mill Creek can simply wash their hands of a road they annexed but now have decided they do not want to maintain, and now say, I know someone who will do this for us---Newport Township. Highway Commissioner Edmonds says if you're going to walk away from the road, somebody has to take care of it.

Susan Zingle--- Susan asks if the money Edmonds expects to get from Old Mill Creek is enough to pay for paving the road even once. Edmonds says no. He says, the big picture is that every year it will build a little more. Zingle replies, that while it has been awhile since she has been in school, as a business major, she knows you don't go out and do deals that are going to cost you money. So if Old Mill Creek is not willing to pay for it, then it's a shame for their residents and they can choose to change their mayor. Attorney Keri-Lyn Krafthefer interjects if the village abandons the road, it automatically goes to a jurisdiction of the road district. Zingle doesn't see the sense in taking over someone else's responsibility. Edmonds says it is not a good picture, adding but what are you going to do.

Ben Dolan--- Ben suggests the tax is needed long-term, but says the arguable fact is the rate over the long-term remaining at the full amount. He understands the rate needs to be reinstated at the same rate it went out (.167%,) but asks if an abatement is possible after the current projects are completed. Attorney Keri-Lyn Krafthefer says the township board would have to determine the amount to levy; in the alternative they could levy an amount then do an abatement.

Highway Commissioner Edmonds says he doesn't see the need to levy the full amount, noting the district has lost a lot of roads to the Village of Wadsworth, the Village of Beach Park, etc, but says you have to start somewhere, then get our budgets sorted out and levy down.

Mike Dolan---- Mike asks when the road district sets their levy, and what meeting residents would attend if they wanted to hear this discussion. Attorney Keri-Lyn Krafthefer says it is the November and December meetings—it is usually discussed in November (what the amounts will be) and determined in December with a Truth in Taxation Hearing being required if the district levies over the cap.

Moderator Jim Zegar asks if there any 'undecided' voters who wish to speak. Several residents again chide him for attempting to categorize discussion participants.

Tom Hartford--- Tom believes other information people would like to see to convince them whether the levy is needed or not, is a competitive bid to for plowing the roads and contracting the district's work out. At least the residents would have a comparison as to what the private sector might do the same work for. He notes the district would still need money, but not having this number makes it difficult to understand whether the taxpayers are getting a good value.

Toni Edmonds--- Toni says in the Edmond's booklet, the township's plowing rate of \$70/hour is compared with a contracted rate of \$130 per hour. She concludes there is a big savings in plowing township roads ourselves.

Tom thanks Toni for sharing the information, adding that perhaps some trucks wouldn't be needed in a contractor scenario, noting maintenance costs of the equipment also needs to be factored in to the township's costs.

The Moderator asks if there are any more questions. The audience is ready to vote.

The Referendum/Tally of Voting Results:

Judges Kevin Zupec and Mike Dolan come to the front and voting re-commences with voters placing their secret ballots into the ballot box. The judges discuss and agree on the counting process with Attorney Ker-Lyn Krafthefer and Clerk Spurgeon. Ballots are counted and recounted with each judge verifying the results, overseen by Attorney Krafthefer and Clerk Spurgeon.

For the question, "Shall a tax for road purposes be levied by the Newport Township Road District in an amount not to exceed .167% of the value of the taxable property, as equalized or assessed by the Department of Revenue?"

The vote is announced:

YES 61

NO 56

The question is approved. [The referendum passes.] Total ballots cast 117--equal to the number of registered voters present.

Adjournment:

The clerk requests a motion to adjourn the Special Township Meeting at 7:59 p.m. Motion to adjourn by Randy Whitmore; seconded by Pete Campanella, Jr.

Voice vote: Ayes, all; Nays, none. Motion passed.

Dated the 17th day of September, 2014.

_____s/Debbie Spurgeon_____

Debbie Spurgeon, Township Clerk