



Special Village of Trout Valley Board Meeting Minutes

October 30, 2020

A special meeting of the Board of Trustees of the Village of Trout Valley, Illinois, was held on October 30, 2020 via Zoom. Notice of the meeting and the agenda were posted at two prominent places in the Village of Trout Valley.

President Robert Baker called the meeting to order at 7:03 p.m. Trustees present: Robert Antrim, Walter Graf, David Hall, David Peterson, and Kristin Purtill. Also present were, Treasurer Laurie Almeraz, Clerk Tonia Gonzalez, Comptroller Rick Haning and Counsel James Kelly from Matuszewich & Kelly, LLP. Trustee Ann Somers was absent.

President Baker requested the following motion, which was proposed by Trustee Hall and seconded by Trustee Somers:

“The August 10, 2020 meeting minutes be approved with changes to Section 4.2”

Voting Aye: Trustees Antrim, Graf, Hall, Peterson, Purtill, and Somers

Voting Nay: None. Motion carried.

President Baker requested the following motion, which was proposed by Trustee Hall and seconded by Trustee Antrim:

“The September 15, 2020 Budget meeting minutes be approved with changes to Section 3.1”

Voting Aye: Trustees Antrim, Graf, Hall, Peterson, Purtill, and Somers

Voting Nay: None. Motion carried.

2.0 Public Participation

None

3.0 Old Business

3.1 Approval of Financing for the Trout Valley Road (Stormwater) Project

Comptroller Haning has been looking into financing & working with Project Manager Mark Bartlett.

Financing the project: Develop contacts, establish a credit history for future use and in crunch situations when the Village may need to access capital markets. It is a hard sell for the Village to access the capital market, due to our small size (relative to the market), no current bond rating, and being an unknown entity. In addition, the financial statements are unaudited (utilizing outside firms) and done using a cash basis accounting. Trout Valley won't be able to go out and secure competitive bids, unlike Cary and other larger villages.

Team needed to secure the bond:

1. Spear Financial: As Municipal advisor, they will guide the Village in securing the bond. Dan Forbes is president. They have been providing debt advisory services to government entities for over 50 years. The Cary Park District utilized Spear Financial in securing a \$12m bond and the contract was very favorable. Approx. fee \$4.5-\$5.5k.

2. Ice Miller Legal Counsel: Bond legal counsel firm based in Indianapolis with a Chicago office. James Snyder, Partner. They will prepare the legal documents for all transactions and offer opinions pertaining to the taxability and validity of the bonds. Approx. fee \$2.5-\$5k.

3. Bernardi Securities: They were recommended by Speer Financial and they only handle municipal bonds. They act as a “Placement Agent” and find purchasers for the Villages proposed bonds. In addition, they are well known in this area and have a relationship with the Village of Cary. Bernardi is known for placing bonds with high net worth individuals. Approx. fee \$9-\$9.9k

Structure of the proposed bond:

*\$400k - \$500k maximum bond proposal

*10-15 year repayment w/use of Double Barrel Bonds

Comptroller Haning reviewed the quote from Speer Financial, for the total cost for of all three services to be under \$20k. These fees will mitigate the cost associated with the small amount of funds the Village is attempting to borrow. The Village does not need to choose the amount, rate or term at this time. The bond counsel is needed first, to start the paperwork. Approval is required for the ordinance to sell the bonds.

Comptroller Haning reviewed the time table from Speer Financial, to secure the bond. The target for authorizing the ordinance is at the December 7th Village Board meeting. A 30-day notice is required for posting the ordinance. A hearing may be required if a percentage of residents disagree with the proposed bond ordinance. The Village intent, is to fund the bond, with no taxes from the residents.

President Baker requested the following motion, which was proposed by Trustee Hall and seconded by Trustee Peterson:

“To approve the initiation of financing the road (stormwater) project and retain the recommended firms at a cost not to exceed \$20k.”

Voting Aye: Trustees Antrim, Graf, Hall, Peterson, and Purtill.

Voting Nay: None. Motion carried.

The TVA is eager to see the project completed in 2020. Discussions held regarding the selection of recommended firms. Bank loans are limited to 10 years or less. Comptroller Haning was looking for a 10-14 year loan. Bernardi provided a 10-15 year bond payback.

The bond would be structured similar to a mortgage with typically two interest payments per year & one principal payment per year. A 2-3% interest rate would be very good. Due to low interest rates available, now is the perfect time to borrow money. Given the cost to issue the bond, it may be prudent to borrow additional funds for other short-term stormwater projects. Comptroller Haning will research possible prepayment penalties. MFT and CR&B funds cannot be used to fund this project. The greater the Village commits from the General Fund to the project, the better the interest rate.

A pledge/commitment is needed. If the General Funds are not available, the levy would be placed on the residents of Trout Valley (not Cary). A vote of residents is not required to place a levy. Comptroller Haning cautioned that the Village will need to be very careful in what areas the funds are being spent, to ensure the bond is repaid. Only projects that use restricted funds would not be impacted by the bond cost.

The Village board thanked Comptroller Haning for his work on this project. He hopes to have a contract by the December 7th Village Board meeting.

3.2 Approval of Spending for Holiday Decorations

At the October Village Board meeting, approval was given for the Village to spend up to \$3k for Holiday lights with \$1k being reimbursed to the Village by the TVA (\$500) and the TV Social Committee (\$500). At this time, the decision was made not to decorate the silo, due to the cost of utilizing a lift. The TV Social Committee would like to place lights around Trout Valley which people can walk up to and take pictures with. The cost for the proposed holiday lighting would cost the Village \$4k with the TVA & TV Social Committee reimbursing the Village \$1,350.

The installation, storage & repair of current holiday lights is \$3k. \$2.1k for installation/removal/storage and \$900 for replacement of broken lights. The Village would pay \$2k and the TVA/TV Social Committee would pay \$1k.

Trustee Peterson felt no additional spending for holiday lights is needed. No wassail fundraiser will be held this year, due to the Covid19 restrictions.

President Baker requested a motion for a additional \$650 from the Village for the proposed holiday lights contingent on the receipt of additional reimbursement from the TVA (\$250) and the TV Social Committee (\$100). No motion was made. No additional spending was approved for the holiday lighting.

4.0 Adjournment

There being no additional business to come before the Board, President Baker requested a motion to adjourn, which was proposed at 8:03 p.m. by Trustee Peterson and seconded by Trustee Hall.

Voting Aye: Trustees Antrim, Graf, Hall, Peterson, Purtill and Somers

Voting Nay: None. Motion carried.

Respectfully submitted,
Tonia Gonzalez
Village Clerk