

Village of Creston Minutes Wednesday, December 3, 2024

President Byro called the meeting to order at 7:00 pm. Trustees Elliot, Hibshman, Hopkins, and Ward were present. Trustees Katzman and Kerns were not present. Attorney Wilt was also present.

President Byro introduced the November 6, 2024 minutes and asked for additions or corrections. Trustee Ward said the only thing he saw was in relation to the storm sewer project needing Robert Farris' house and it was the lot he owned, not the house. President Byro said that he was confused about that, too. Clerk Payton stated that someone had asked about needing the house and someone else had clarified that it was the lot that was needed.

Visitors & Communications – President Byro introduced Adam Heal from Query Insurance. Mr. Heal stated that he was not on the agenda because he thought that the Village Board met on the second Tuesday of the month. He stated he wanted to go over the renewal rates. He said that if anyone needed more details or had any other questions, he would be happy to address those either during the meeting or after it. Past the cover page in relation to the valuation of buildings/structures, he stated that he has building replacement costs estimators that he can use for a lot of the buildings. Some of the mechanicals don't fit inside that very well and for some items such as the water tower, industry experts are needed to give more accurate replacement cost information. The experts came back to Query last year and said that the water tower was undervalued. It has been at \$1 million for a while and the experts felt that \$1.5 million would be a more adequate amount should the water tower ever need to be replaced. The building values increased from last year to this year and combined with rate increases that occurred as property in this region has been bad to insure for quite some time, that accounted for most of the increase. On page 2, a higher deductible was implemented with Inland Marine, who is the equipment insurer. The deductible was \$500 and the lowest deductible that Inland Marine will now offer is \$1000. On page 3, not much had changed. The limits were the same and there was a public officials' omissions and errors policy in place. Auto coverage was standard coverage, and workers' compensation was based on payroll. Query used the most recent audited employee payroll for that figure. Mr. Heal said it always depends on how much has been paid from one year to the next. Some of the payroll was for things such as street clearing and road work, so that would vary from year to year. They waited to see what was reported on that and made their best guess. Mr. Heal said that they did see an increase in payroll from last year to this year. Workers' Compensation rates are the same, but the amount increased based on the increase in payroll. He said that they try to avoid owing money at the end of the audit every year. He referenced the very last page which showed the expiring premiums and the new premiums. He said that there were some rate increases, but most of it was driven by property valuation. He said that most of the other rates stayed pretty much the same. He asked if anyone had any questions. President Byro asked about the empty lot on North St. Mr. Heal stated that the lot was covered by liability insurance. It was listed on the policy and general liability was applied to it. Trustee Ward asked if the property would be listed under locations covered. Mr. Heal said it would be, but this was more of a property schedule. Mr. Heal said that 308 E North St would be listed as location 7-1. Mr. Heal confirmed that the house had been removed. Trustee Ward asked where the Village farm was covered. Mr. Heal stated that he believed that liability came from the farmer that was leasing it. Trustee Hopkins asked if anything that was enjoined would be covered under the umbrella. Mr. Heal stated it would, but there could be circumstantial things that could affect that. He said it was highly, highly likely it would be covered under the umbrella. Mr. Heal said it would all depend on what level of negligence the Village displayed as that would be the triggering factor in a liability policy. Trustee Elliot asked what a liability policy would cost. Mr. Heal said it would cost very, very, very little. He said he would make sure the farm was listed. He reminded the Board that what they were looking at was a summary and not the actual policy. Mr. Heal said he would make sure the farm was included and that the summary was updated. Trustee Hopkins stated that if the location was listed as property to make sure it was covered under the umbrella. Trustee Ward said that at one time Village signs were listed. Mr. Heal confirmed that and he stated that they might be included in the Inland Marine section on the 2nd line under Miscellaneous property with up to a \$10,000 limit. Mr. Heal said signs are considered to be potentially mobile and not property. Mr. Heal stated that if someone hits a sign with a car, the driver's auto policy should cover that. Trustee Ward said he was more concerned about vandalism. President Byro said that the Board would look things over and that the policy would be on the January agenda for approval. Since Mr. Heal was not on the agenda, the Board could not vote to approve the policy that evening. Trustee Ward asked when the policy expired, and Mr. Heal stated it was set to automatically renew, and it renewed in December. President Byro thanked Mr. Heal for the information.

Attorney Wilt thanked the Board for having him. He said that Judge Crull took the bench the previous day. Atty Wilt stated that Mr. Crull handled most of the outstanding issues prior to leaving. He said that if there was anything outstanding that Mr. Crull did not take care of to let Atty Wilt know. He said that he was checking Mr. Crull's emails daily so that if anything new came through, it would be forwarded directly to Atty Wilt. He said that everything should be wrapped up or at a point where there was not too much more to do. He reiterated that anyone with any questions should follow up with him. President Byro stated that one of the things Mr. Crull was working on was the demolition of the 2 houses. Atty Wilt said that it was his understanding that Mr. Crull had sent everything out. President Byro said that he had gotten nothing from Mr. Crull. He said he didn't know where Mr. Crull was at in the process, and he

wanted to get things wrapped up this winter. Atty Wilt said it was his understanding that everything got sent out, but he would follow-up and go through Mr. Crull's communications and he would get back to President Byro.

Casper Manheim was not present. His son Aaron was. Aaron said that the new homes that are being built in the subdivision are moving along. All 3 had been dug. Two of them had the walls up and one had the footings in. He said that one of them should be close to a final inspection. Aaron said Casper and he had done a rough-in about a month ago. Aaron said that they did a rough-in at the library and they were doing the finish work there. He said that a final would be coming soon. Aaron said that he and Casper had checked on the drainage pipe. He said it is supposed to drain to the south from that drive, so there was no pipe required under the drive. President Byro said that the architect said that the pipe was not needed. Aaron said that the drive would be graded so it would go off the road. Aaron announced that he was now officially certified as a building inspector.

Kevin Bunge said most of his information was under old business. President Byro said he would cover Kevin's items later in the meeting.

Committee Reports

Finance - Trustee Hopkins had nothing.

Streets & Alleys – Trustee Ward said he didn't have much.

Water & Sewer – Trustee Kerns was not present. Curtis Loyd had RMU come out and we now know where the water lines are at the water tower site. We know where the 10" line goes in and where the main that goes to the subdivision is located. President Byro marked them with red flags. Trustee Elliot asked if there was a map with footages and other information available. President Byro said no. Trustee Ward said that Chris from Ogle County GIS would come over and map that for the Village. President Byro said that she was supposed to come over. Mr. Loyd said he had spoken to her the previous week, and she had to cancel. Mr. Loyd said he would get back in touch with her. President Byro said she was supposed to come the day that we had all that nasty weather. Mr. Loyd also said that since the Village had installed new gate valves, he would have her chart those as well.

Health & Safety - Trustee Hibshman said he had nothing.

Zoning & Planning – Trustee Elliot said that Mr. Terry's garage has been completed and it looks good.

Subdivision - Trustee Elliot said that they had planted a bunch of trees, and he hopes that winter will not be too hard on them. Trustee Elliot said he had seen that they were pushing new water lines. President Byro said that they ended up pushing 8 new lines: the 5 they were originally going to do and they went south and did 3 more. He said there are issues down there. Mr. Loyd said that they aren't plumbed in yet. President Byro said it looked like a war zone with all the holes and piles of dirt. Trustee Elliot stated that sometimes things have to get worse before they get better. Trustee Ward asked if there was any progress made on getting the streetlights working again. Mr. Loyd said he needs to get up there at night to see which ones are out and get a hold of RMU. Trustee Ward said that pretty much all of them were out. President Byro said he thought that was all subdivision wise and Trustee Elliot agreed.

New Business – President Byro introduced the Auditor's Report. Bill Newkirk of Newkirk & Associates introduced himself and he stated that they had done the audits for the Village for quite some time. He introduced the stapled packet in the front that contained communication to the board that auditors are required to put in writing every year. Page 1 explained the purpose of the report and page 2 covered a lot of the topics. About 2/3 down page 2 there was a section referencing difficulties encountered in completing the audit and Mr. Newkirk said he was happy to report that there were no difficulties. He said that there were no issues in completing the audit and they are required to report that in writing to the Board. The following paragraph referenced corrected and uncorrected misstatements. If any adjusting entries are made to the books and records of the Village, they are required to report that to the Board. On page 4, there were several journal entries that they made as far as the audit went. Entry 4 was a couple of months of activity of the Illinois Fund that were not recorded. When they tested that they found the unrecorded entries. There was also a payroll journal that was stuck. Normally the payroll is posted and when it is paid it washes out, and there are accounts in the system that are in and out, and a couple of those had not happened. Some were reversing accruals, and the system puts receivable and payables in, but the Village reports on a cash basis of accounting, so those items were reversed out. For Entry 9, the Water Main Project was listed in the General Fund, but because it was part of the Enterprise Service, an Enterprise Fund matches the cost with the service fees that people are paying. Because it was a Water Main Project, it was moved from the General Fund to the Water Fund and will be depreciated in the Water Fund as such. The very last one that was a bigger dollar figure was the depreciation expense. The auditors track depreciation for the Village and that is on water mains and the water tower and all those assets that get depreciated over time. Newkirk & Associates

keeps a depreciation schedule and books that. The last letter on page 6 discussed any internal control issues or findings. ON page 7, there were the same 2 things that have been in this report since he has been doing the audits. One is segregation of duties. In a perfect world, at least 2-3 people would be involved in all financial transactions, but they understand that it is not practical in small villages to have 2 or more people at the office on a day-to-day basis. This puts more responsibility on the Board to be vigilant and the finance committee to look at things and ask questions because of the lack of segregation of duties. The other thing was preparation of financial statements. By definition, auditors cannot be part of the Village's internal control structure. The Village should stand on its own. Because Newkirk & Associates tracks the Village's depreciation and makes entries, that makes the Village rely on them to make sure the report gets put together and submitted to the state. No one audits the auditor. Relying on the auditor to track depreciation adds a measure of risk and they communicate that to the Board.

The financial report was bound in the packet. Pages 1-2 on the letterhead was the audit opinion. The first paragraph was an unmodified opinion, which is a good, clean audit opinion. They had gone through the books and records and there were no material misstatements. In the middle of page 1, he alluded to the fact that the Village uses cash accounting as different than generally accepted accounting practices. Cash accounting is a simpler, more straightforward method that most small villages use, and they are required to disclose that.

Pages 3, 4 & 5 were government-wide financial statements. He didn't spend much time on those as they were generally a "rollup" of the funds. Page 6 contained the Fund Financials. This is generally how the Village budgets and sees things. The General and Motor Fuel Tax funds were separated. Page 6 was essentially a balance sheet. On page 8 was the income statement for those funds, and the 3rd line up from the bottom was the net change in fund balance, which is essentially net profit or loss. Motor Fuel had a loss. It made sense that municipalities would bank the MFT for a few years for a big project. It's more economical to do it this way. The big thing in the General Fund that should have jumped out at everyone was the landfill closure income of \$6.7 million. The other number that should have stood out was the \$2.4 million in expenditures and a large part of that was a 30% contingency fee on the landfill closure. They reported the revenue as gross coming in and then as a legal fee going out.

On page 10 was the utility fund. It is a balance sheet including capital assets. Page 11 was an income statement. He pointed out an operating transfer in of \$191,000, which was the water main project that got paid out of the General Fund that was rolled over to the Water Fund to depreciate there. On page 12, there was a cash flow statement. The biggest difference between 11 and 12 was the depreciation. In the middle of 12 were transfers in from page 12 and purchase of capital assets of \$195,000, which was most or all of the expenditures related to the Water Main Project.

The notes to the financial statements included a lot of policies and procedures with no significant changes. On page 17 towards the bottom, there was a lot of information about cash and investments, specifically the Illinois Funds and on the following page certificates of deposits. Overall, everything was covered by collateral or FDIC insurance, so they are low risk, and the Village had decent interest returns for the last year or 2. On page 18 and 19, there was a high level depreciation schedule. Those were the big highlights. On page 21, there were budget versus actual figures. The report gave a big picture overview and as it went on, it gave more specific data as one moved deeper into the report.

Mr. Newkirk ended by saying that his presentation was the quick version of the audit and if anyone had any specific questions, let him know.

President Byro asked for a motion to accept the audit. Trustee Ward made a motion to accept the audit. Trustee Hopkins seconded the motion. President Byro asked if there were any questions. There were none. He asked for all in favor to vote aye. All present voted aye. He asked for all opposed to make the same sign. There were none opposed.

President Byro introduced the FY25 Tax Levy that was presented at the previous month's meeting. President Byro stated that all Board members got a copy of the Tax Levy, and he stated that he couldn't see anything that needed to be changed. Treasurer Payton confirmed that no changes were needed. She requested that the Tax Levy be approved in the amount of \$23,176 for Fiscal Year 2025. Trustee Hopkins made a motion to approve the Tax Levy. Trustee Ward seconded the motion. Roll call vote was taken. Trustees Hopkins, Hibshman, Elliot and Ward all voted yes. Trustees Kerns and Katzman were not present.

Old Business - President Byro had Kevin talk about the Storm Sewer Project. Kevin said C.E.S. had been in contact with all the property owners except one, who either cannot be found or will not respond. The Hurtados are the only owners they could not get any kind of response from. Kevin stated that he would communicate more with the attorney's office, but Illinois Drainage Law gives the Village the right to do what we are doing because there is already drainage there and there is already drain tile there. He said that he wants the opinion of the attorney's office, but his firm has depended on Illinois Drainage Law many times over the course of his career. If drainage is existing in a location, the Village is allowed to maintain and improve it. He said they have run out of options to get a hold of the last property owners. He said that they even paid a fee to get as much information as possible about them and had no success. They either cannot be contacted, or they are choosing to ignore the attempts to contact them. Kevin said he is confident that the Village has the right to do what we are doing, but he wants to double-check with the attorneys to make sure. He said that the other owners have been contacted and are in favor of the project. He was trying to hold out for the last property holders as he wants to hold a meeting with all the property owners so that it is one conversation and any of them can ask any questions they have, and everyone will hear the answers. Kevin said he will go ahead and set the meeting up and whatever happens with the Hurtados happens.

Kevin said the plans are done and ready to go out for bids. He just wanted to make sure that no one involved was balking at it. Kevin asked if anything more was said about the property south of the tracks. President Byro said that he had not heard anything yet. Kevin said the project doesn't depend on that property, but this would be a good time to do it if the Village is going to do it. President Byro said that that property is part of the demolition issue. He said that the family has made no contact about what they intend to do with the property. President Byro said he would like Atty Wilt to find out what kind of money is involved in the Sanderson property. If the Village is intending to make a deal and buy that property, he would like to know what kind of money that would involve. President Byro asked if anyone had any questions for Kevin. President Byro said he hoped that the proposal could go out for bids in the Spring. Kevin said he would like to go out for bids in February and be ready to start working possibly in March.

President Byro introduced the Water Tower Maintenance Project. Kevin said that he sent proposals to 6 different firms and got responses from 5. One of the firms ghosted C.E.S. The proposal asked for cleaning and inspection. Some said they don't do inspections, so they asked for quotes for cleaning. 5 gave quotes for exterior cleaning and 3 gave quotes for cleaning and inspection. Kevin recommended KLM Engineering in New Lenox. He said he has dealt with them before, and they have done work in the area. They gave quotes for both and theirs was the cheapest quote. For the exterior cleaning and inspection was \$16,836. Next closest total was \$16,900 and the 3rd one that does both was \$31,000. The other 2 firms that only offered exterior cleaning were both higher than KLM. Kevin said he hasn't locked them down on a time frame yet, but he will if the board says go. President Byro said he didn't know if they would do it this time of year or not. Kevin said not if it is as cold as it was at the time of the meeting, but if it's not freezing, they could do it. He just doesn't know if they'll want to. He said that he will get contracts rolling with them ASAP. Trustee Hopkins suggested waiting until Spring. Trustee Elliot agreed, stating that he couldn't see getting into that this time of year. Trustee Ward asked if there was a deadline in the contract by which they have to have it done. Kevin said no. They left it open ended because of the time of year. Kevin said the proposal was good for 60 days, but there is no mention of when they expect to do the work. President Byro said it sounded like a good deal to him. Trustee Ward said it sounded like a good price. Trustee Hopkins made a motion to accept KLM Engineering's bid to clean and inspect the Water Tower. Trustee Ward suggested putting in a "Complete By" date, even if it's July 1, so that it isn't open-ended. Kevin said he had no problem with that. President Byro asked if that sounded all right to everyone. Everyone agreed. President Byro asked for a second. Trustee Hibshman seconded the motion. Trustees Hibshman, Hopkins, Elliot and Ward all voted yes. Trustees Kerns and Katzman were not present.

President Byro asked about the rust issues. Kevin said he was behind on that. He said he had a map made up and he is 2/3 of the way through the analysis. He said he would have it by the January meeting. President Byro asked if anyone had heard about any issues. Mr. Loyd said he hadn't had any complaints at all. Trustee Hopkins said that his water was fine. Trustee Hibshman said his water was really bad at that time. Trustee Hibshman said his was good for a long time and about 3 days before, it got bad. Kevin took the addresses of both Trustee Hopkins and Trustee Hibshman so he can do further analysis for those properties. The apartments on Ridge have one apartment that has terrible rust issues, and the other 3 units do not. Kevin said he has a map with elevations of the systems, and he is trying to find a correlation between dips in the main and where the rust issues are. Trustee Hibshman said that the guy that lives behind him in one of the Kerns properties is always complaining about his water, and Trustee Hibshman said the complaints are legitimate. Trustee Ward said that his mother, who lives on E North St has sediment in her water, not rust. He said the sediment clogs up the aerator. Kevin believes that some of the problems are bellies in the water main. Trustee Hibshman said he thinks there is something to that as his water will be bad for a couple of days, and then it will be crystal clear for a couple of days and then the rust is back.

President Byro circled back to the property condemnations and the realtor who is trying to sell the home at 224 E Depot St reached out to him and said that she had someone that was interested buying it. The realtor asked if the property was condemned, and he told her that right now it was. She wanted to know what the owner would have to do, and President Byro stated that he would have to sign an agreement with the Village to have the property fixed up within 6 months. He said he had not heard back from the realtor.

President Byro stated that the Village was doing well with the Lead Line Replacement Survey. He said that he needed people to realize that the village needs to get this done. If residents have problems with lead coming into their homes, the Village must pay to replace those lead lines. The burden is not on the homeowner: it is on the Village. The survey lists what people need to look at to determine if they have lead or not. President Byro asked how far along the Village was. Clerk Payton said that they had received 129 residential surveys and 9 commercial surveys for a total of 138. President Byro said that more are still needed. He said the Village doesn't need 100%, but needed to get as many as possible. Clerk Payton said that they figured the subdivision would be okay as that construction is post 1983. The area in Kaye Lane is probably okay as well. Clerk Payton asked President Byro if he wanted to extend the deadline. President Byro stated that they would extend the survey 2 more weeks. Trustee Ward thinks that the issue is that residents were ignoring the cross connect survey, not realizing that part of it was the Lead Line Replacement Survey required by the EPA. He suggested clarifying in future posts that the information is required by the EPA. Clerk Payton said she had mentioned in previous posts that the information was needed for the EPA, but she would clarify that more. She also said she had suggested to President Byro that residents could be told that if they didn't want to answer any of the other questions, they needed to answer the

service line questions. Trustee Ward asked if the next step was to go door to door. President Byro said he was told they didn't need 100%. The problem is there are a lot of older houses in town. President Byro said that if it was his house and he had lead service lines coming into his house, he would want them replaced. Trustee Ward asked how many water services the Village has. President Byro estimated 212. Kevin stated 220. Clerk Payton said she sends out about 300 bills but a lot of them are duplicates as the landlords get duplicate bills. Trustee Ward said that he felt the Village had received a little more than half. President Byro said that didn't count the homes in the subdivision. Clerk Payton said she was going to mark those as okay, but she had 5 residents from the subdivision submit surveys. Trustee Ward said quite a few new homes have been built in the last 15 years. She also said that Kerns turned in surveys for his properties, as did Lori Dunn, Jeff Holder and Mike Mudge.

President Byro said he has not heard anything back from Comcast regarding the building they want to put up by the water tower. He thought they would get back to him after Thanksgiving, but they did not.

Treasurer's Report – President Byro introduced the bills. He stated that the Village needed to get a hold of Mr. Lockard as the man he had mowing the lawn for Village Hall would no longer do it after the end of the year. Trustee Elliot asked what Creston Drainage was. Kevin answered that it was the Storm Sewer Project. Trustee Hibshman made a motion to pay the bills. Trustee Hopkins seconded the motion. Roll call vote taken. Trustees Elliot, Hibshman, Hopkins, and Ward voted yes. Trustees Katzman and Kerns were not present. Bills were approved.

President Byro said he had nothing else. President Byro thanked Mr. Loyd for getting the Christmas decorations up. Trustee Ward made a motion to adjourn. Trustee Hibshman seconded the motion. All voted in favor. The meeting adjourned at 7:49:39 pm.