

Village of Cordova
Committee Meeting
Thursday, November 10, 2011

Roll Call- Trustees in attendance were Larry Dhooge, Dean Moyer, John Myers, Patsy Fidler, John Haan and Bruce Wood (Bruce arrived a few minutes late but had called to say he was in traffic).

Citizens in attendance- Sue Muirhead, Amy Haan, Candy Moyer, Lori Knight, Shelley Strombach, Gabelmann & Assoc- Bill Gabelmann and Tom Dryg, Arlan McCool, John Peterson, Jon Noland, Bill Somers, Alvin Barber, Andrew Beall and Perry Barber.

The purpose of this Committee meeting is to form the Agenda for the regular Board meeting of November 17, 2011. Any item on this Agenda could result in possible action at the regular Board meeting.

Gabelmann & Associates gave a brief presentation on the audit for the fiscal year ending April 30,2011. Bill Gabelmann thanked the Village for hiring his firm and he was glad to be back on board. I complement the office staff for their participation and the Village audit has always been good. The numbers are tight. We will be taking a quick look at this 48 page document.

Pg 2 is a representation of our product. I feel the last 2 sentences are the most important: These Financial statements are the responsibility of the Village of Cordova, Illinois management. Our responsibility is to express an opinion on there financial statements based on our audit. The 4th paragraph is our opinion and the financial statements do represent fairly.

Pg 4 shows the cash balances-

General showed an increase from the previous year- \$109,000 > \$149,000

Specialty (TIF, Motor Fuel, Prop taxes) shows a decrease from the previous year
\$349,000 < \$340,000

Proprietary (Water, Sewer, Garbage) shows a decrease due to the pay off of the bond. \$209,000 < \$124,000.

Pg 7 is a current to previous year comparison.

Pg 8 shows the change in assets with a significant increase in court fines and the cellular tower revenues have been removed from Park & Recreation and are now shown in the Water Fund. Also shown is the Genesis Outdoor fitness equipment-\$23,905. The total expenses were down this fiscal year.

Pg 11 is the net assets

Pg 12 & 13 are GASB compliance. It also shows the charges for service are not adequate to support the expenses.

Pg 14- you should have a 6 month operating reserve and you are right in there.

I would also like to note that at the end of April is your lowest cash on hand time due to the receipt of property taxes being payable in June.

Pg 17 Reflects a positive increase in State revenues.

Pg 22 shows the net cash provided by operating activities.

Pg 34 shows the due to and due froms. These are carry over items from the previous year or years. I see you have some of this on the Agenda to clean this up. It

is good practice to clean this up annually and not carryover.

Pg 38 shows the comparison to budget. Your expected revenues were real close, within 1%- \$5,000 off. Compliments go out for the tight figures.

Pg 40 refers to IMRF and the percentage of funding. IMRF was hit hard just like all investors with the market fall. You are not as bad as some that I have seen that are only 35-40% funded.

Pg 45 Internal control- you have always been noted for lack of segregation due to the size of your community and you are not alone-this is standard for the small communities but it is our job to point this out. You do have several controls in place. With the staff working together you have oversight and interaction as well as mitigation control. We tested for compliance and have no non-compliance.

Pg 48 The sampling of TIF- both the Village and our auditing firm depend on the Village's TIF Attorney Kathy Orr. This is a required communication.

The journal entries are mainly housekeeping entries and Fund Balances. Sharon, they have divided the former retained earnings, which was one account into Fund Balances for all account.

Bill noted there were no disagreements and the staff was very helpful. The audit went very smooth.

If the Board has any questions on the audit they were invited to contact the auditor for answers and explanations. We are always available if other issues shall arise that we can be helpful with.

Bob noted he liked the Agenda that had been furnished for the presentation- it lets you know where specific items are located in the audit and that you are paying attention to the Village of Cordova.

Bill our audit consists of samplings and if any of you came in while we were here you would had seen a table full. Larry questioned if there was anything the Village could do to streamline the audit process? Tom, this was our first year back and taking over someone else's work product takes time as well as things we reorganized. Bill the formatting and grouping has been done and it will go faster next time. The Village is probably one of our cleaner audits and I again would like to compliment Sharon and Michele.

Jon Noland questioned the auditors for their opinion on the office hours and if the separation of the staff presents any problems? Bill you need mitigation. We see it all the time in the newspapers-embezzlement. With one person there is no one watching. I can't really address the hours but I can address mitigation control and I will go on my platform and say 2 people working together are mitigation control for a community of your size.

Pat Fidar noted we could hire a 3rd person. Bill questioned if that was needed-you actually have a nice segregation of duties but not completely. Is it worth paying another person? Tom, the 3rd person is already on staff with the oversight of the Board. What is needed is control and understanding of the environment and the staff has that for the organization of your size. Bill, if you pull the staff apart you will need more control.

Bob, if funds are missing it will be caught. You can never hire enough. A bank can have 50 employees and not have enough.

The auditors were thanked for their presentation.

Rate increase-water and sewer we have managed to keep our head above water and the bonds have been paid off. Bob noted TIF Funds were used to pay off the bond and have not been repaid and if the customer deposits were removed the water fund is not holding itself. We have aging infrastructure and need to replace meters. Sewer has done pretty good but water is not holding its own. Sharon, reference page 12 of the audit report. Bob we have had leaks here as well as other locations and the lines are aging. We need to have a reserve also. We have maintained rates with the oversight of the Board and proper budgeting.

Dean, we need to do something. Larry noted Dean inherited the problem from Kenny and he inherited it from Lynn. This has been going on for years.

Bob we need to look at the numbers- infrastructure improvements, meters, vehicles- and be proactive than reactive. We don't need a \$50,000 surplus but we do need a 6 month reserve.

John Haan questioned the number of bills generated monthly? Bob, approximately 320. John Haan, \$1 would be \$320 per month or \$4,000 for the year. Bruce, per the audit it looks like we went in the hole last year \$13,000. Bob, historically sewer has held its own. Sharon noted the sewer rate is higher. Larry, we need to look at the numbers. Bob questioned how difficult it would be to pull last years numbers. Sharon, they can be pulled from the April 30th statements. John Haan, I don't want to be compared to other communities. We need to be able to justify our rates.

8th Avenue East of 4th Street- Larry I have looked at it and told Austin to get it fixed and thought this would have been taken care of by tonight and now I have a note that we need gravel. I told him to use grindings. Arlan no one has a drivers license to operate the big truck. Sharon, Austin just told us he had his license. Andrew, both Austin and I took the written test for CDL but we still need the driving test. Larry, before the Board meeting I will get prices for rock. Larry, I think the grinding we have are solid. Arlan I am just guessing but I think they are still usable and we need to try to get the roller from Port Byron. Dean, Austin called Rick and he has not returned his calls Bob I don't think rock will hold and the grinding will pack better and hold the street until spring. Larry, I told Austin I wanted it taken care of before tonight. Bill Somers suggested cutting the bad edge and use cold patch so there is a foundation for future repair- we may need to rent a saw and compactor.

Realtor agreement (s)- John Haan passed Bob the completed documents which he had signed with Craig Wainwright. The lots are listed for \$15,000 each and he will get \$1,000 commission if sold and the school is listed for \$120,000 with 7% commission. He also gave us more than the one month without a commission if the property is purchased by another government entity.

Bruce questioned if the Library had been contacted? Bob, I just had conversation with Sue and she indicated the Board does not meet till December. Bruce suggested we sent a

letter to the Library. John Haan if they are interested they need to talk to us. The Board said list the property and that is what I did. I signed the documents.

2nd Street ditches- Larry, I called Curnyn after the last meeting I gave them Bob and John Myers phone numbers as I am not available in the daytime. There is flow and the water will seep away. He did bill us less footage than the original estimate. We agreed to pay \$8,000 and get him back but I have not had any further contact.

Bruce questioned how thing went yesterday with the rain? John Myers-terrible. Adrian had a foot of water in his ditch. I don't know why they didn't dig the last 30-40'. The vast majority is pretty descent but there are areas visible by eye with high points.

Sue Muirhead the problem on my end is the culvert at Cain's old drive needs to be lowered. The water is running into the creek by the quarry.

John Myers, the problem is the north end, not the south end. The culverts are in line but some are too high and the water backs up.

Larry, Curnyn had marks on the street and yet they only replaced one culvert.

John Myers, I don't know why he didn't use the Engineer. Larry, the engineer wanted Curnyn to give him the numbers and he said no.

Annual Insurance premium-we will need someone to make the motion to pay the annual insurance premium.

12th Avenue (Passig) water line progress- Dean I have a call into Tim DeCook and if I don't get a call back. I will be looking for a licensed plumber. Bob questioned why he had not called the Village Plumbing Inspector-Willow Creek Plumbing?

Note at 1st Trust & Savings Bank (Albany)- Larry, I was asked how much land is there? Bob approximately 39 acres. John Myers questioned if TIF Funds can be used to pay off the loan. Bob the note is 4.6% interest and we are not making anything for the funds on deposit. Bob noted he would make a call to Kathy Orr to confirm we can use TIF Funds. John Myers questioned borrowing additional money when we get the loan for the well to water plant connection and lift station upgrades to pay off the due to/ due from to clear up the water fund. Bob, that would be foolish-we would be paying interest if we borrow money.

Office Hour Survey- John Myers, I have not looked at them. Pat Fidler commented what great mind did that. Sue Muirhead noted she had not received one. Pat questioned if she had got her water bill that was enclosed in the newsletter-it's on the back. I got several phone calls and the Board did not approve sending the survey out. Sharon, John Myers told us to ask people when they come in. I told him it would be politicking and we can't do that so he said include it in the newsletter. That is what was done. The newsletter was proof read by John Myers and Bob before it went out.

Well and Lift Station upgrade process- for the most we are on track. The lift station on Route 84 will need a new elbow to adapt to new rail sizing from ¾ " to 1 ½" stainless steel rails. Bob, our current situation calls for manually lifting the pump out the last 4 feet and they will be making the rails go to the top to eliminate this.

They are waiting for connectors and will then be closing up the excavation area. There is also a wait on the controls for the lift stations. They are also working on the insulation of the pipes. With the installation of check valves the water will not drain back like it previously did and will need to be insulated.

The 50,000 gallon high water tower will last 24 hours but the water will also need to be checked before we can distribute it. We can't let the pressure go below 20 pounds either so those are the concerns we are looking at for the switch over period. We are trying to avoid the need for a boil order.

Bruce questioned if we knew when the switch over would be occurring? Dean, probably January. MSA and Brown Construction will be in contact with the IEPA to confirm the right procedures are followed. Bruce, it looks certain that we may have a problem. Bob we will have more information by the December Construction Meeting. Bruce we can use the website and a newsletter to inform the residents to conserve water and what is going on. Dean, we don't want to drain the tower as the lines are old and it would mean we are taking a chance on collapsing a water line. Arlan, the vales can be turned to bypass. Dean the water would not be chlorinated. Bob, the chlorination may not be a problem as the bacteria levels are lower in cold weather but we are waiting for the IEPA recommendations.

John Myers noted the invoices in question for time and expenses from MSA Professional Services have been resolved.

Due to and due from- we will move the repayment for \$9,111.06 from the Water Fund to the Sewer Fund to January.

Tax Levy 2011 payable 2012- a 4.9% increase will be wiped out if we increase the actual cost of the audit line item thus we need an increase in excess of 5% and we will need to have a hearing. Sharon there are line items that have not been changes since they were implemented-at least 5 years. Bruce questioned John Myers what his recommendation is? John we need to cut corners and stay where we are at. Bob the IMRF line item should be matching what the Village is paying.

Jon Noland, I have heard no discussion on where we can save money? Do we need to be spending money on Park & Recreation-what are the goals and visions? With the environment and the economy other communities are not raising taxes. We need to look at where we can be saving. Bruce, that is my question also.

John Myers we need to know where we are at with the Police Department. Bob it is a know fact a Rock Island County deputy would be \$67,000.

John Haan forget about the Police Department. I am for budgeting to avoid an increase.

Bob we already have given numbers that we need to work with. Sharon the expenses are already incurred January 1, 2011-December 31, 2011.

Bruce noted the Police Fund has a deficit balance and thus owes money to the other funds which are supporting the Police Department and just like Sharon said these are expenses already on the books. Bob the money has been spent.

Bob the revenues were well projected for the Board to prepare their budget thanks to Sharon. The auditor just told us they were missed by \$5500 or 1%.

Dean it looks like we may need a special meeting. The process was explained that the tax levy amount must be announced to the public at least 20 days before the Tax Levy Ordinance is passed and if the amount is or exceeds the 5% a Public Hearing would be required before the passage of the Ordinance. Pat, we need to announce the number Thursday. Bruce, the next logical time for a hearing may be the December Committee meeting. Bob, we need to announce the number to the public by November 25th in order to hold the Public Hearing at the December Committee meeting.

Larry questioned who would be crunching the numbers? John Haan, I will put my 2 cents in. John Myers, Sharon knows more than any of us.

Bruce noted he had not had the chance to talk to Port Byron and the Mayor is now gone until November 21st. John Haan, I have talked to him. Pat, it was on the Agenda at the meeting in Port Byron Monday and they are in favor of selling us coverage.

John Haan, Pat and I went to Port Byron knowing the Mayor would be going on vacation and they are willing to sell Cordova police protection. Bob, we don't have Cordova Township anymore-only the Village. That reduction will bring the cost down.

1/3 of their 80 hours would be 26-27 hours for \$50,000.

Bruce we can have our own officer at \$15 per hour for 40 hours a week for \$31,200 and with the additional cost of IMRF, insurance, gas and operating supplies we can have 40 hours of protection for what they want for 26-27 hours. \$32.41 is the fully burden hourly rate if we purchase directly from Rock Island County and at \$50,000 they would be charging us in excess of \$35 per hour. Do we want 27 hours of County protection of 40 hours of local protection for \$50,000 seems to be the question?

John Haan, I am willing to look at the numbers but with the problems we have we need to weigh it all as well as going from what we had to nothing.

Bob, I don't think we can contract with Port Byron. We would have to be a 3rd party in the contract between County and Port Byron.

John Haan what we have is not working.

Bob if I am correct I do believe there is something in the Illinois Statutes about the protection area if a partnership is formed must be contiguous and if that is so the contract will need to be with Rock Island County modifying Port Byron's contract.

John Haan, Bustos didn't seem to have any problem with us partnering with Port Byron. When we left the last meeting the Board was wanting someone to go talk to Port Byron. Bob that was not the way it was left. John Haan, I wanted to hear their opinion. We were not leaving anyone out. Bruce asked John Haan what his job is and what John's job is. John Haan, he will talk to you the same as he talked to us. Bruce, you owe me the courtesy to perform my own job and yet you went and then did not even report that you had gone. When did you go? John-2 weeks ago. Bruce, there is a vendetta with a group of people against the Police Department and there has been a very clear pattern since April and it is not pretty and there may be litigation. You need to read the last 2 years worth of the minutes and see what has been going on.

Dean, you can't sue us for voting. Pat questioned what litigation Bruce was talking about? Bruce, we have a wrongful termination case and Goossens case pending. John Haan that is why I want to try something else. The whole town is sick of it.

Bruce, the majority of this Board refused to send out the Police survey. John Haan, the majority of the people I talk to are sick of the Police Department. Bruce so your

solution is to wipe out the Police Department even if it cost more and we have less police protection? Dean, we have talked about this long enough.

Sue Muirhead, the contract the Village previously had with Cordova Township- would a new contract be with the Village of Cordova and Port Byron Township? Bob, Port Byron Township does not provide police protection so any contract with Port Byron would be the Village of Port Byron . Bruce the contract would be a modification to the contract Port Byron has with Rock Island County.

Alvin Barber we are already paying for protection from Rock Island County.

Jon Noland asked that the term “protection” be defined? Are you saying that the physical presence of an officer deters crime? The Police Department investigates after a crime has occurred- how effective are our officers as opposed to Rock Island County’s that have a much higher level of training. We could save money if we rely on Rock Island County. What is the advantage of having our own officers and what do we get for our investment?

Dean, I don’t believe if we eliminated all protection the crime rate would change.

Bob we recently had a citizen concerned about a suspicious vehicle parking in the vicinity. The officer ran the license plate and worked the case. That citizen was glad we had someone here.

Pat we would have the same thing if we contract with Port Byron.

Bob I would hate to see us go on with no protection.

Pat told Bob he had not presented his reason for the veto. Bob, it is not required until next week. Pat you will be giving it to us.

Bob, we have to remember to compare apples to apples.

John Haan, what I asked was if there were a possibility. We can save some money and avoid the law suites. The Village would get fine revenues for Village tickets. Pat, all you do is argue and don’t know what you are talking about!

Bruce I had conversation with Scott Sidor and no there is no revenue from tickets. John Haan that is not the information we got from the Mayor. We don’t need to get Port Byron upset with us.

Larry we need to confirm if we can contract with Port Byron or does it need to be Rock Island County. Bob it would take a modification of the contract. Bruce I think it can be a 3-party contract or a parallel document. I am fed up with everyone on this Board thinking they run the Police Department.

Dean I will be making a motion that we purchase one-third of Port Byron’s police protection contract from Port Byron.

Complaint form review and procedures to be followed- Clay has some concerns with the procedures. Pat, I would hope so! Bruce questioned Pat if she had a problem with the procedure why she had not talked to him instead she goes to Clay. Thank you for not sharing it with me.

Parliamentary procedures- Pat noted she had not got that done. Bruce commented she was to busy doing other people jobs! Pat, I am not a nice person when I get irritated and we don’t need the sarcasm. Bob, if there is going to be any action next week now is the time to discuss the matter or move it to next month’s committee meeting.

Larry suggested putting it on the Agenda and if the Board doesn't like it they can vote no. Bob the purpose of this meeting is discussion and next week's Agenda are the items we will be taking action on. Pat, move it to next month's Committee meeting.

Bob asked that the discussion at the other end of the table cease or the rest of the us need to be included. My job is to run the meeting. John Haan, it is hard to shut me up and that's why I got elected.

Misconduct charges- John Myers it is in progress, not ready to take action yet.

Surveillance signage- Clay is working on this.

Department of Labor- Bruce noted he had sent his written response and Sharon did the Form 300. Dean the Board should had got a copy of the written response.

No smoking to be posted in vehicles and on Maintenance building- Bob I have requested that the signage for the vehicles and to replace the one on the Maintenance building. We now have a red line painted and we park the company truck on the line so we can sit on the rear and smoke. The vehicles will be posted no smoking or within 15 feet of this vehicle. Bruce questioned who gave the authorization to paint the red line? Bob it looks pretty tacky. I said we may need a line and the next day it appeared.

John Haan it is the law. Bruce, signs or no signs!

Flammable cabinet- Larry, this is an OSHA regulation and I have priced the cabinet at Grainger. We are looking at \$900. Arlan, when Ken was on the Board it was discussed. Bruce, the discussion was a fireproof safe and it is in the office. Bob questioned if Larry was sure we needed to get the cabinet from Grainger? Larry I am positive.

Employee Evaluation- Larry I was looking at increasing the 2 new Maintenance personnel's wages by 50 cents. Bruce is there any performance evaluations? I have a form used by the Police Department if you need one. Larry, I would like to increase their hours also to 25 hours per week. John Haan, we need to have people available for winter conditions. Bob, with the cooler weather this is the time to work on the park also.

John Myers we need to set up a barrier yet to protect the outdoor fitness equipment and I know where we may be able to get something.

Time clock- John Haan I have looked at several time clocks on line. Bob, I think the placement should be in the Maintenance Building and we are looking at a magnetic type time clock at Sam's for \$229. Additional keys are available at \$39.95 for 10. Sharon we will still need the current time sheets for departmental breakdown of time. Bob the girls will need to have a key to the Maintenance Building to have access to the time clock. We will also need a written policy. Dean requested a copy of the response. Larry my motion will be to spend up to \$300.

Announcement- Wednesday, November 30, 2011 at 5:30PM we will have Kathy Orr here for a TIF presentation and she will be answering questions. We will also be holding a TIF Annual meeting and inviting all of the entities on the TIF Review Board as well as

the TIF Committee, Village Board and citizens. Cordova Pioneer Village will also be discussed and the possibility of a Redevelopment Agreement and letter of support for the project. Riverdale School TIF agreement is on the Agenda also. It may be necessary to hold a Board meeting to take action.

It was recommended that the Cordova Township Civic Center be used for the meeting if it is available.

John Haan requested the Village check into a copyright agreement for the Cordova Boosters to show movies. Would the Village pay for the agreement? Amy Haan, the Library has one. Sharon was asked to get more information.

Candy Moyer questioned if the Village had to pay for the usage of the Cordova Civic Center? Yes. Larry noted they charge the Fire Department too no matter how good they cleanup.

Bruce we need to send a thank you letter to Genesis and organize a dedication for the outdoor fitness equipment.

Candy Moyer questioned if the Village does a scholarship or safe driver award program anymore? We haven't for years. Pat, the safe driver award was through the DARE Program.

Larry asked that Sharon call to get an additional bid for the tree removal at Bennett's. We have a bid from Wilkey. Bob we need to get the bid total clean-up and drop only.

Larry, I got a call from Larry Molitor and the residents on Main Avenue Court are questioning their addresses-are the Main Avenue or Main Avenue Court? Pat, the court is Olga. Larry ask that Sharon check on the addresses and follow up with him. Bruce questioned what the Fire Department has for addresses? Larry suggested putting up a "Dead End" sign. Pat, there is also a problem with 104 North and 104 South Route 84. Larry he has also requested a 20MPH zone. Bruce, I am in favor of the "Dead End" signage. Larry questioned if an Ordinance would be needed?

John Myers I have been looking around just in case we disband the Police Department and we can sell the equipment on the Illinois Municipal League website.

It was questioned where we are at with the Maintenance Supervisor ad? John Haan, leave it alone for the winter. Bruce the position needs to be advertised. Sharon, it was listed with both Illinois and Iowa Job Service offices as well as an ad ran in the Review and we have no response. Larry questioned if there were any place to post the opening on the computer? John Myers you can post it in the Illinois Municipal League magazine for 90 days at \$30.

Bruce we have a situation with the laptop computer and we need to make sure the computer does not leave here with confidential information in it available.

John Myers, Ken McCool is not happy with the response to his complaint. Bruce, we listened to the recording and the minutes reflect what was on the recorder. Bob, no name was mentioned. Pat Ken did ask that it be put in the minutes. Sharon I responded with the track location and time to document I had the minutes right-no name.

John Haan last month I asked if anything was on the laptop computer that no one should be seeing and was told nothing valid. We bought the computer to record the meetings. When I took the computer to resolve the recording issue Sharon called John Myers and he called me about confidential information in the computer so I shut it down and we did nothing. I wasted my trip!

Sharon noted the laptop computer was purchased with an IEMA grant and not by the Village nor was it purchased for recording meeting but it is capable of doing such. Bruce I will be working with Sharon to password protect the documents with sensitive information content.

Bob when we have a computer problem we get it fixed so I seen no problem with the computer leaving the office. Bruce we may need to purchase another system for the recording of meetings but we will be password protecting files.

John Haan I don't want to touch the computer with the information that is sensitive and we shouldn't be using the same piece of equipment if that is the case.

Arlan questioned if the sensitive information should even be in the computer?

John Haan, I know it can be done but it would cost us a little more money.

John Myers we said we were going to have the items read back at the end of the Committee meeting that would be placed on the Agenda for the Board meeting and we have not been doing it.

John Myers questioned if the lease agreement with Leisure Harbor had been taken care of? Bob, it is paid in full.

John Myers, I will be requesting a closed session.

Pat Fidlal we need to put a reminder on the water bills for the people to get their trash cans in off the streets. Sharon, it was just in the newsletter that went out. There is also an open house at the recycle center on Tuesday, November 15th but you need to RSVP by Monday if you are planning to attend.

John Haan, we will be working on the Christmas lights but that does not need to be on the agenda.

Pat, someone has been marking telephone poles-are they replacing the ones that have been marked? Bob, that is the intention.

A motion was made by Bruce Wood and 2nd by John Myers to go into a closed session for personnel at 9:30PM

CLOSED SESSION

A motion was made by Patsy Fidler and 2nd by John Myers to reopen the meeting at 10:08PM.

Bob the closed session was discussion on personnel matter and they may be action at the actual Board meeting next week.

A motion was made to adjourn the meeting at 10:09PM by Larry Dhooge and 2nd by John Haan. Meeting adjourned.