

STATE OF ILLINOIS,)
 Lake County,) } SS.
 Town of Shields)

THE TOWN BOARD OF SHIELDS TOWNSHIP met at the Shields Township office for its regular monthly meeting on September 16, 2010 at 6:30 p.m.

PRESENT: <u>Gale Strenger Wayne</u>	Supervisor
<u>David Barkhausen</u>	Town Clerk
<u>Lynn Baehr</u>	Town Trustee
<u>Cele Bull</u>	Town Trustee
<u>Mary Woodson</u>	Town Trustee

Trustee Laura Carney was absent. Highway Commissioner Bill Goodman and Assessor Teresia Yakes were also present.

I. Meeting Called to Order

Supervisor Strenger Wayne called the meeting to order at 6:30 p.m. and requested an attendance roll call. All Board members were present other than Trustee Carney.

II. Pledge of Allegiance

Supervisor Strenger Wayne opened the meeting with the Pledge of Allegiance.

III. Consideration of Minutes from the Previous the Town Board Meeting

A motion by Trustee Baehr, seconded by Trustee Bull, to approve the minutes of the monthly meeting of the Board held on August 19th was unanimously approved on a voice vote.

IV. Payment of Bills

Town Fund Bills: Trustee Woodson made a motion, seconded by Trustee Bull, to approve the payment of Town Fund expenses in the amount of \$122,470.31. When Trustee Woodson questioned the much higher amount than the monthly average of about \$75,000 and noted the \$50,000 transfer from the Town Fund to the General Assistance (“GA”) Fund, Supervisor Strenger Wayne mentioned the amount of the GA budget for the year and the need for transfers from the Town Fund to the GA Fund because of the absence of a separate property tax levy for the GA Fund. The motion was then approved on a 4-0 roll call vote.

Road & Bridge Bills: A motion by Trustee Baehr, seconded by Trustee Bull, to approve the payment of Road Fund expenses in the amount of \$12,994.72 passed 4-0 on a roll call vote.

General Assistance Bills: A motion by Trustee Bull, seconded by Trustee Baehr, to approve the payment of General Assistance expenses in the amount of \$6,769.11 passed 4-0 on a roll call vote.

V. Public Comment – Non-Agenda Items

Jan Schnobrich of Lake Bluff referred to the part of the presentation from Mother’s Trust at the August meeting where the coat drive for North Chicago children organized by “Mother’s Trust “ was mentioned. She suggested that the Township help to promote and publicize this activity by a private organization that the Township characterizes as a “partner” and that the Township, as a government agency, should not feel the need to duplicate this private activity.

VI. Presentation by Daisy’s Resource Center

Dr. Daisy Brooks of Daisy’s Resource Center in North Chicago had been expected at the meeting, but did not appear.

VII. Old Business

a. Discussion and Decision re. \$155,000 outstanding Town Fund Loan to Road District

The Board continued the discussion from the August monthly meeting about the outstanding Town Fund loan to the Road district. Supervisor Strenger Wayne again explained the history of the loan from the Town Fund to the Road District.

Trustee Bull suggested forgiving it in stages, with consideration given to forgiving one-third of it this year, or \$50,000. Supervisor Strenger Wayne asked about including any interest with the payment and raised the question of its impact on the reserves of the Town Fund.

Trustee Baehr asked how much had been spent on General Assistance so far this year. Supervisor Strenger Wayne said somewhere around \$49,000. Trustee Woodson agreed that \$50,000 of the loan should be forgiven. Trustee Baehr said she was also in agreement with forgiving \$50,000 of the loan and not worrying about the interest right now.

Supervisor Strenger Wayne explained the respective balances of township funds if the loan were to be forgiven, using as exhibits sheets showing a calculation of the respective balances of the Town and Road Funds. She said that if the Board were to forgive the entire loan, the Town Fund balance would fall to 66% of annual expenditures, adding the point that there is no separate levy for the General Assistance (GA) Fund. She further noted that full loan forgiveness would give the Road Fund a balance of 104% of its annual expenses.

Trustee Baehr observed that the largest expenses of the GA Fund are for personnel. Supervisor Strenger Wayne responded by noting the potential expenses of one or more GA medical claims, for which the Township has insurance but with a deductible of \$25,000 per person. Even though that loss has not been experienced in the past, it is possible that it could be incurred, she said. Trustee Baehr said she still favored reducing the loan by \$50,000 at this point and again addressing the issue next year.

Trustee Bull moved to reduce the loan by \$50,000, which motion was seconded by Trustee Woodson.

Supervisor Strenger Wayne said she was concerned that Town Fund reserves will go down. She said forgiving \$50,000 of the loan would take Town Fund reserves down to \$700,000, a level below that recommended by the Township's auditor. Trustees Baehr and Woodson said they were comfortable with reserves of \$700,000. Trustee Bull said that handling loan forgiveness incrementally protects the interests of the Township.

Supervisor Strenger Wayne said she would prefer to see the Road District go after grant money and that even as a resident of the unincorporated area familiar with the need to upgrade the condition of local roads, she could not support forgiving the loan as a short-term solution with potential longer term adverse consequences.

Without further discussion, the previous motion passed 3-1 on a roll call vote with Supervisor Strenger Wayne voting no.

VIII. New Business

Supervisor Strenger Wayne mentioned the terms of the intergovernmental agreement between the Town Fund and the Road District for the expected \$50,000 grant from the State for drainage work to be performed by the Road District, now that it appeared that the money will be coming from the State as a "reimbursement grant" for money advanced by the Township to do this work. Highway Commissioner Bill Goodman explained that the grant would go to the Township and that the Road District has just 30 days to do the work. He proposed letting the contract and having the Road District paying bills as they come due and then submitting the bills to the State for reimbursement. Upon questioning by Trustee Bull, Commissioner Goodman said that the money had to funnel through the Township for the benefit of the Road District.

When Trustee Baehr raised the point she had made at the prior meeting about conditioning the contract on actual receipt of the money from the State, Commissioner Goodman explained that the point was somewhat academic in that the grant is a "reimbursement grant" for work that has been undertaken and paid for by the Road District. Trustee Baehr said that it was her understanding that the contract was conditioned upon the State paying the money. Commissioner Goodman said that he would not "want to gamble with taxpayers' money," but he was confident that it would be received and, when asked by Trustee Bull, said it was a gamble worth taking. Trustee Baehr expressed her concern that this was not the understanding of the proposed arrangement at the time the contract was approved by the Board. Commissioner said he did not want to lose the \$50,000, that he was confident the money would come through, and that he was up against deadlines to do the work. He also pointed out that there is another \$5,000 coming from Lake County to help with this work.

Commissioner Goodman said that the Township would have to enter into the contract to do the work. He also said that he would probably have to amend the Road District budget to work out this transaction.

Supervisor Strenger Wayne said the matter would have to be brought up again next month. Commissioner Goodman said money should be received within two weeks of the point that the money is spent. Supervisor Strenger Wayne said West Deerfield Township had undertaken a project with a similar grant arrangement.

Trustee Baehr asked if the grant had been approved in writing, and both Supervisor Strenger Wayne and Commissioner Goodman said no.

Supervisor Strenger Wayne said that money had already been spent for “soft costs” of \$4,800 relating to engineering which appeared in the Road District expenses approved this month, and these have already been submitted to the State for reimbursement. Supervisor Strenger Wayne concluded the discussion by saying that the Board would be asked to vote on the intergovernmental agreement between the Township and the Road District for this project at its next monthly meeting.

IX. Public Comments – Agenda Items

Dan Rogers of the Knollwood neighborhood said he was glad to note the Board’s concern about the conditions of the roads in the Road District. He said the only real way to address the situation is for the Road District property tax levy to be increased, that the Road District could not survive on grants, and that the levy is too low to provide the resources needed. He observed that the levy was set too low 20 years ago before the tax cap went into effect and said the roads will be reduced to gravel in some areas. He said the need for a higher Road District levy needs to be explained to all parts of the Township.

X. Township Officials’ Reports

a. Highway Commissioner’s Report

Highway Commissioner Goodman said that there was a recent bid opening for road patching amounting to \$34,000 of work done by Peter Baker & Son and that the work should be done in the next 30 days. He then referred to recent the discussions of the cost of health insurance over a period of time for the Road District. He said it had increased up to almost \$6,900 in 2009, and he was not sure why it was quite at that level. However, he noted that, back in 2004, it was \$9,800 before he took office in 2005. Because he chose not to take the health insurance as part of his compensation, the health insurance expenses for the Road District declined to less than \$3,000. He said he thought the increase since then was perhaps due to a change in carriers. An exchange followed between Commissioner Goodman and former Highway Commissioner Dan Rogers, who explained that when he and Road District employee Rob Beake were insured under a two-person group policy separate from other Township employees, the cost went down. Trustee Bull then asked Commissioner Goodman for clarification that he is not insured by the Road District. Commissioner Goodman not only confirmed that point but also said that Rob Beake is now covered on his spouse’s health insurance, thus eliminating health insurance costs for the Road District altogether.

b. Trustees’ Report - None

c. Supervisor’s Report

In her Supervisor’s Report, Supervisor Strenger Wayne mentioned the following items:

- Regarding the Shields Township Food Pantry, a partnership with Elawa Farms in Lake Forest to provide fresh vegetables and fruit with the food delivered by the CROYA youth group. .
- As was mentioned last month and covered in those minutes, the Health and Education Fair to be held from 9-12 a.m. on Saturday, September 19 on the grounds next to the Township office under the theme of “Navigating through Turbulent Times” with all services and activities being provided free and many donations helping to make the event possible.
- The Knollwood Neighbors Annual Picnic from 12-5 on Sunday as well as the first Annual Fun Run organized by Knollwood Neighbors taking place in the morning beforehand.

XI. Adjournment

A motion to adjourn by Trustee Bull, seconded by Trustee Baehr, was approved unanimously on a voice vote at 7:23 p.m..

Attest

David N. Barkhausen, Town Clerk