

MINUTES OF THE REGULAR MONTHLY MEETING  
OF THE VILLAGE OF SLEEPY HOLLOW  
November 6, 1967

The following are the minutes of the regular monthly meeting of the Village of Sleepy Hollow, November 6, 1967. The meeting was called to order at 7:45 PM by Mayor Falese. Roll call was taken and answered as follows:

Mr. Shields - present	Mr. Baugh - present
Mr. Hills - present	Mr. Fischer - present
Mr. Quaine - present	Mr. Knott - absent
Mr. Falese - present	

The minutes of the October 2 meeting were read by the clerk. Mr. Baugh made a motion they be accepted as read. Mr. Shields seconded. Roll call 5-0, 1 absent.

The treasurer's report for November was read by Mr. Quigley. Mr. Shields made a motion that the report be accepted as read. Mr. Fischer seconded. Roll call 5-0, 1 absent.

Mr. Shields motioned that \$877.69 be transferred from the Working Cash Fund to General Fund. Mr. Hills seconded. Roll call 5-0, 1 absent.

Mr. Shields made a motion that the Treasurer pay village payroll, notes on village equipment, and notes on bonds. Mr. Fischer seconded. Roll call 5-0, 1 absent.

Mr. Fischer read the Police Report for the month. Mr. Fischer made a motion to accept the report. Mr. Baugh seconded. Roll call 5-0, 1 absent.

Mr. Quaine read the report on building permits issued -- total \$1,110.

Mr. Koesche reported that 5 citations were issued against houses under construction.

Mr. Baugh summoned up the meeting held with our Village Engineer

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and read the resolution on MFT Funds for January 1968 which amounted to \$7,500.

Mr. Quaine moved that the Resolution on MFT Appropriations be adopted as read. Mr. Hills seconded. Roll call 5-0, 1 absent. Mr. Hills gave a report on the insurance and bonding of the board. He noted that the board was not adequately insured and that no one was bonded. The insurance agent will be present at the November meeting to answer questions.

Insurance claim report tabled to December meeting.

Mr. Strass summoned up the purchase of the water company. Mr. Shields gave the following report:

"After meeting with several people who are experts in the fields of water company finance and accounting, it was determined that the criteria used in determining the value of a water company's property is the net plant and equipment figure on the balance sheet. By taking this figure and dividing it by the number of users, we can determine the cost to the water company for each installation they have made.

The first thing I did was to make a study using Moody's Public Utility Manual, which showed that the average cost per installation of a group of new water companies was \$500.

The average cost per installation of the Sleepy Hollow Water Company was \$1,150.00 based on the net plant and equipment figure of \$184,000.00 as stated in the 1966 annual report.

Now, because the land developer bears the cost of water main installation, it is my opinion that the net plant and equipment figure on the Sleepy Hollow Water Company balance sheet has been inflated. However, I next met with Jerry Kessler to look over the financial statements and during our discussion he mentioned that the water company was currently undergoing an audit by the Illinois Commerce Commission which is the state regulatory commission responsible for all public utilities.

Therefore, on Friday, November 3, 1967, I went to the offices of the I.C.C. to determine the results of their audit.

I talked to the Chief Accountant who told me that they were engaged in making an original cost study to determine what the Sleepy Hollow Water Company could substantiate they had actually invested in our water company. SK

In summart, if we were to believe that the Sleepy Hollow Water Company actually has \$184,000.00 invested in the property, which I doubt, by paying the asking price of \$250,000.00, we would be paying a premium of \$66,000.00. However, it would be my recommendation to wait until the Illinois Commerce Commission cost study is completed so that we will have available the true cost of the water company's investment in the property.

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In any event, I do not believe we could purchase the water company under any circumstances at this time because of a long term note in the amount of \$51,846.98 issued to F.R. Joint Account which I have identified as Floyd Falese and Ruffwards, Inc. This possible indirect interest would represent a violation of the conflict of interest laws as stated under Chapter 24 of the Illinois State Statutes.

In the opinion of several attorneys with whom I have consulted, the conflict began when the note was executed in 1963, and, should our Village Board agree to purchase the water company with the full knowledge that a possible violation of the conflict of interest laws exists, they could become involved as defendants should any court action be instituted as a result of purchasing the Sleepy Hollow Water Company."

Mayor Falese noted that Citizens Utility was interested in the purchase of the water company and he asked the Board to take action on the matter before anyone else should purchase it.

Floor opened to discussion.

Mr. Fischer made a motion that a prospectus on the water company be prepared and sent to every villager. Mr. Hills seconded. Roll call:

Mr. Shields - aye

Mr. Baugh - aye

Mr. Hills - aye

Mr. Fischer - aye

Mr. Quaine - nay

Mr. Knott - absent

Mr. Fischer opened the sealed bids for the 1968 Police Pursuit Wagon. Schmerler Ford - \$2,844.23, Highland Motors - \$2,900, Hoarce Motors \$2,857.

Mr. Fischer made a motion that Schmerler Ford be awarded the contract for the 1968 Ranchwagon as outlined in their bid and also add a factory installed air-conditioning unit. Mr. Baugh seconded. Roll call: 5-0, 1 absent.

Mr. Fischer read a Citation for a Safety Award to Chief Sabatino and a letter from the State's Attorney regarding the new traffic code. He also noted that the village is going to need its own jail cells.

Mr. Strass read a letter on the resolution of accepting Hillcrest and Locust.

Mr. Baugh motioned to adopt the Resolution as read by Mr. Strass. Mr. Quaine seconded. Roll call 5-0, 1 absent.

Mr. Shields tabled any action at this meeting regarding Ord. 67-11 and 67-12. Mr. Hills seconded. Roll call 5-0, 1 absent.

Mr. Fischer motioned to accept the permit for a gas line to cross Rt. 72. Mr. Baugh seconded. Roll call 5-0, 1 absent. (SK)

The clerk read a letter from Kane County stating that maps have been

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bought up to date regarding 88 acres of land. She also wanted to go on record as having incomplete minute and ordinance books and missing documents pertinent to that office since assuming the position. She also asked to have her duties and obligations outlined by the board. Mr. Fischer asked that an inventory be made of the books.

Mr. Rogers, Mr. Fischer, and Mr. Strass are to prepare the prospectus for the water company.

Mayor Falese noted that Chief Sabatino should be reimbursed for the radio equipment he owns and uses for the village. It amounts to almost \$4,000. Mr. Shields stated he would work with the Chief to arrive at some decision.

Mr. Griffiths submitted his report from the Park and Safety Commission and also gave a report on the Las Vegas nite.

Floor opened for discussion.

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A question was raised regarding the maintenance of Willow Lane to Rt. 31. It was noted that the Chateau Louise, Sinclair Oil, Mr. Falese, and Mr. Melahn were presently responsible for maintaining the road as they owned the adjacent property.

Mr. Hills made a motion to adjourn. Mr. Fischer seconded.

Respectfully submitted,

*LaVerne Koshman*

LaVerne Koshman  
Village Clerk