

STATE OF ILLINOIS
Kendall County
Seward Township

The board of trustees met at the office of the Town Clerk at Seward Town Hall on August 21st, 2025 for a special board meeting. The meeting started at 7:00 p.m.

Present:

Tim O'Brien, Supervisor
Jim Martin, Trustee
Fran Miller, Trustee
Dan Roberts, Trustee
Sharleen Smith, Trustee
Michelle Salato, Clerk

4 members of the public

The pledge of allegiance was said.

Discussion : Performance Bond Alternatives

Roberts - Do we have a letter of credit?

White - Yes.

Roberts - Where is it?

White - I don't have it.

Pete Brummel - Haven't worked on it - waiting to see if the board will accept a letter of credit.

Roberts - He doesn't have it but is it available? If the board says yes, can you generate it?

Brummel - Talked to the people at the bank - should have a letter of credit within a week.

Martin - Are we sure bonding is not available? What's the limit for the letter of credit?

Brummel - Hoping that \$900,000 letter of credit can be secured which you guys could draw against to complete the project if need be.

Martin - That is less than the project.

Brummel - Maybe not pay until each job is done?

Martin - Is that available?

White - Yes. Don't pay me - just pay subcontractors.

Roberts - If we do each phase like that, we aren't at any risk.

Miller - Who pays the bank back?

Brummel - White & Sons

Martin - If he defaulted we would still have additional costs.

Roberts - Anything completed is paid.

Brummel - Typically a letter of credit can be reduced from time to time. Say all concrete was done and you are happy. The letter of credit can be reduced. This continues lowering his risk as he completes things.

Roberts - So you would be the one to issue checks?

O'Brien - Yes.

White - Deal with bank instead of bond company.

Brummel - Each time you send money to the title company, they should issue the title.

Miller - Letter of credit for \$900,000 would guarantee if White cannot finish that the funds are available?

Brummel - Up to that dollar amount.

Miller - What if White can't finish because he declares bankruptcy?

Brummel - You haven't paid him a dime, only paid the subcontractors.

Miller - Could have project started and not finished.

Martin - Have to pay more to have it finished.

White - It could go wrong or could go smooth.

Martin - We are in a grey area because of the statute - not worried about you defaulting - that's the long and short of it - we have a decision to make.

Smith - I supposed we need a motion one way or another.

Miller - If we go with letter of credit, what is the time line?

Brummel - Probably a week.

Martin - Meeting on the 3rd.

Brummel - Letter of credit should be done.

Roberts - Motion that we go with letter of credit for \$900,000 and we are only going to pay as the projects have been completed and approved.

Smith - 2nd.

Martin - If we run into a snag, we won't get this job done for \$900,000.

Roberts - Alternative is to have it rebid.

Votes - 4 yes - 1 no - motion carries.

O'Brien - You think you can have that by September 3rd.

Brummel - Yes.

Public Comments

Ron Miller - If the building is delivered, will it be paid for?

Ann Vickery - The township building in 1974 had a bond. I'm shocked no one knew you needed to have a bond.

Smith - Are we still meeting on September 3rd at 7:30?

Roberts - If he gets the letter before that, we can reschedule.

O'Brien - Yes.

Roberts - If you get it done before that, we will call a special meeting.

Martin - We do have a meeting set.

Motion to adjourn by Trustee Smith, second Trustee Roberts, motion carried 5 yes.

The meeting ended at 7:54 p.m.