Dear Friends and Neighbors,

On April 30, 2011, we ended our fiscal year and began a new fiscal year on May 1. I realized that two years have now flown by, marking the mid-point for me as your Mayor. Being your Mayor for the last two years has been an honor. It causes me to reflect on the challenges the Board and I faced as we started working together: two lawsuits, a court order to pay $1.06 million for a sewer, a disconnection threat from a property owner, a budget deficit of $300,000, and three years of audits that had not been completed as stipulated by State statute—not to mention my own steep learning curve as a new Mayor and that of several new Trustees!! You elected us because you felt there were a number of things within Mettawa that needed correction and change; and we have worked hard on many of these issues.

As I reviewed those issues we faced and our accomplishments over the past two years, I must admit that I humbly felt proud of what we have achieved. Most of the issues, but not all, have been corrected, improved, or resolved. We still have more work to do and will continue to manage the Village, consistent with residents’ opinions, as you are the people who put your trust in us when you elected us!

SEE SCHEDULE A…. which summarizes our accomplishments over the past two years.

The Board and a number of volunteer residents who make up the many Village commissions worked very hard for you last year. Collectively, these volunteers make decisions to operate the Village with the intent of helping you, the residents, of our Village. We had a number of new, dedicated volunteers and professionals working in Village roles who had to learn their positions very quickly in the face of many challenges. For these efforts, I first want to thank all the Trustees, Village Clerk, Village Administrator, Treasury, Deputy Treasurer, Resident Volunteers, the Village Attorney and Engineer for their time and efforts in supporting Mettawa. Residents and other officials are often surprised to learn that the Mettawa Trustees, Commissionaires and Mayor receive no compensation for the many hours they donate working on Village issues. This no-compensation model greatly depends on residents being willing to invest their time in support of the Trustees, Commissionaires and Mayor when residents are asked to serve the Village. Please let me know if you are interested in volunteering your time to aid us in managing the Village for the good of all.

At the first Board meeting of the new fiscal year in May, we said “Thank You” to three trustees who had served on the Board or other Village Commissions from twenty-six to seven years. This is an admirable investment of personal time. Those Trustees ending their terms in April were Jack Tindall, Bill Nicholson, and Larry Falbe.

Jack had served as Trustee and Chief Administrative Officer for the past sixteen years; Bill Nicholson served first as Village Treasurer for ten years and then as Village Trustee for sixteen years. Larry Falbe served on our Zoning Board of Appeals for three years followed by three and one-half years as Village Trustee. In addition to giving each retiring Trustee a customary plaque commemorating their service to the Board, we instituted a new custom of presenting each person with an Indian-made “talking stick” (see Figure 1) used in Indian tribal council meetings. The talking stick was customized with our Village logo and provides an unusual Village gift befitting Mettawa’s Indian heritage.
At the same meeting in May, three new Trustees were sworn in and thus began their four-year terms: these new Trustees, elected by you, are Jeff Clark, who lives on West Old School Rd., Roger Lane who lives on Westwood Lane, and Tim Towne, who lives on Old School Rd. Please congratulate these gentlemen when you see them next; and thank them for volunteering their time to Mettawa.

Last year at this time we went into the new fiscal year with a designed governance approach listed below. This approach worked well for us; and it continues to reflect your Board’s operating style going forward.

**FY 2010 GOVERNANCE APPROACH**

- **Key operating style**
  - Collaborative...involve more residents in the process of local government
  - Thorough...considering multiple positions on each issue yet being creative to resolve issues fast
  - Transparency...keep residents informed with Village decisions
  - Frugal...find better, less expensive ways to manage the Village while improving delivered services to benefit residents
  - Success measurements...be accountable to ourselves and residents for what we spend and decisions we make
  - Desirability of the Village...always working to make this a better place to live for residents

- **Key operating guidelines**
  - Keep costs down...do more work ourselves with volunteers
  - Manage major legal and engineering challenges to successful conclusions
  - Find best operating structure which is effective yet efficient for long-term
  - Build for a stronger fiscal budget

Overall, your Village is financially strong and working to provide services and support to make Mettawa one of the best places to live in Lake County.

**VILLAGE FINANCIAL STANDING**

The Village Finance Committee, chaired by Trustee John Maier, was again aggressive in looking at cost savings all year. At the same time, we looked to strengthen our financial organization to improve financial operations for future years. Key accomplishments:

- Finished the fiscal year almost $500,000 under a budget that had been taken back to levels seen three-four years ago.
- No current debt.
- We now have several years worth of operating budget reserves invested, which allows us to deal with any legal, zoning or other issue which may compromise the Village’s Goals and Objectives
- Audits now up-to-date...previously three years behind
- Used zero-based budgeting for 2012 fiscal year to control costs

**PLAN FOR THE VILLAGE**

While it has been a longer process to finalize this plan than any of us had imagined, you should now be in receipt of the first-ever Mettawa Strategic Plan. This plan was recently approved by the Board as a directional document for the Village. It was developed in conjunction with residents in two meetings held for the specific purpose of generating a strategic plan for the Village.

Thank you to all who got involved in the planning and production of this important document. Your time and effort made us all think hard about Mettawa’s future. This new document will serve as a guideline for your Board as we take on new projects. The Strategic Plan will be updated periodically and refreshed to ensure it represents the will of the residents of Mettawa.

**PUBLIC WORKS: Stormwater Management**

Stormwater management is a problem for much of Mettawa and many surrounding communities who have heavy clay soil coupled with historic wetlands. When the rain patterns reach historical levels as we have experienced recently, it is an option to do nothing or take some remedial steps to help ourselves. The long-term answer may be the installation of sewers as was discussed as part of our Strategic Planning process. Not only is this an expensive
proposition for the Village it also would change the appearance (curbs and gutters) of Mettawa from a rural community to one more consistent to an urban setting. The new Public Works Committee, chaired by Trustee Bill Armstrong, will investigate the subject of sewers in time; but first they and the Board need to address Lake Michigan water connection for all Village residents and roadway improvements. So without sewers what can be done in the short term to help you and the Village with the problem of stormwater mitigation?

World scientists recently have said that the amount of rain and weather we have experienced this year will only increase next year and beyond. They cite the current 4% temperature increase of world waters which leads, they say, to increase evaporation and...yep, you guessed it, more volume of water in the atmosphere and storms.

To understand how water does damage, you only need to look at the mess that has occurred with our development of the new leg of the Mettawa Trail along Old School between St. Marys and the railroad tracks.

We were first disappointed that site-grading was not completed in the fall as agreed-upon with the contractor. Further complications arose when the engineering calculations and planning proved to be unsuccessful in managing the challenging stormwater drainage issues.

One of our objectives for this site was the removal of the dangerous ditch that previously existed along the road to handle the stormwater run-off. Even after grading of the site and installing some drain pipes, the surface water run-off from the property to the north and from the swales along the railroad created more volume of water than normal-sized pipes and swales could handle...what more can be done? Bigger sewer pipes and swales are two answers we are now evaluating, along with a landscaping concept used more and more by municipalities and homeowners know as “rain gardens.”

A “Rain Garden” is a landscaping concept whereby specific native plants known for their deep roots are planted in areas which receive high volumes of water. These deep roots help to infiltrate, absorb and clean the stormwater which helps keep water off our roads and simultaneously cleans the water in the wetland and our underground aquifers that supply well water for many residents. An example of this stormwater management technique is the rain-garden retrofit completed last summer on the pond at the corner of Bradley Rd. and Riverwoods Blvd. The re-development and installation of the rain garden was underwritten by HSBC at the suggestion of the Village; and this year the new concept is beginning to take hold and is performing as expected. Not only does the rain garden help drain water better but the pond’s flora and fauna installed to help infiltrate excess water are becoming home to new birds and butterflies.

To help our community use this concept more widely, our Village Administrator has submitted our needs for a grant. If we are funded, the grant will allow us to set up a “Rain Garden” program for Village residents. While it is too soon to know if we will receive the grant and how we will allocate the funds, we hope that we may, with the help of MOLA, set-up a program whereby grant monies are available to underwrite a portion of the cost for residents to install rain gardens on their property. Until we get approval of the grant, MOLA is a Village-based organization which has expertise in rain gardens and other solutions that may help you with your properties. So I encourage you to think about how a rain garden may solve some of the stormwater problems you may be experiencing on your property.
PUBLIC SAFETY

Hopefully, by now, you have seen a white pick-up truck and officer in the Village with our new “public-safety” logo on the doors and their direct telephone number painted on the truck. The Board took action to establish this security service to help better deter criminals and defend you, the residents, against the “ruse” break-in attempts that we have been experiencing of late. This service has already proven useful for residents for other things as they make their constant surveillance rounds though the Village. One resident was recently helped when she was found unconscious; in another case, a motorist was assisted with a flat tire on our roads. The Board will be evaluating this service to determine the benefit and service it can add versus the expense to the Village. Let us know what you think about the service and if we should continue with this sort of public safety.

Soon you will see the “Neighborhood Watch” signs installed in key locations in the Village along with the availability to add a no-solicitation sign at your driveway entrance or door, more details to follow. These are just two other ways we are instituting programs that increase public safety in the Village.

OASIS TREE PLANTINGS

I previously have written about the additional trees that the Tollway Authority will be installing inside the sight-fence along the Oasis’ in and out ramps. These may already be installed at this writing; but in addition to these plantings, the Village has assisted the Enclave in financing, through taxes their homeowners pay, the installation of additional Spruce trees along the back of their development near the Oasis exit ramp. These trees will in time shield these residents better from traffic views and noise and fumes.

VILLAGE PROPERTY ALONG ROUTE 60

Recently, the previous home of Mrs. Korhumel was gifted to the Village under prior agreement. We were sorry to learn of Mrs. Korhumel’s passing late last year. She and her Husband Newt were an integral part of Mettawa for a number of years. As part of the agreement, at the time of Mrs. Korhumel’s passing, the home and site transferred control to the Village.

When all of this was planned so many years ago, it was thought that once this property was in the possession of the Village it could be converted to be used as Mettawa’s Village Hall. Several current trustees and other Officers of the village have reviewed the home and out-buildings and realize that to use any of these buildings for the Village will take considerable expense and on-going maintenance.

On the one-hand, the Village could benefit from having a central location where we could store our files, hold meetings, receive visitors, and conduct other activities; but this arrangement would add to our base expense for the Village. With the advent of additional revenue this year from Costco, we can afford an increase in expense, but we all know that expenses never stay flat; rather, they tend to grow over time.

So, as we have done in the past...any time we are about to make a major decision for the Village we want to poll your opinion: **What do you think we should do with the newly owned Village Property?** We want your input.

METTAWA....A GREAT PLACE TO LIVE!

With all of your help, we have accomplished much these past two years to improve Mettawa.

Once again, I ask that you consider giving the Village Clerk your email address for purposes of our sending you occasional alerts and news/newsletters. Using emails as a communication technique is a low-cost way for us to communicate with you. Further, it provides a quick way for us to contact residents should any safety alert need to be issued. We currently have nearly 60% of the residents on our list, so if you are not on our email distribution list, you are not getting these alerts due to the time delay and cost necessary to use the traditional mail method. This email list is protected and used only by the clerk and Mayor to communicate to residents and neighbors of the Village.
At the end of the day, all of us want Mettawa to remain a wonderful place to live and enjoy life. Many residents volunteer and serve the Village because they believe this little community is something special and worthwhile to protect. An active and proud Mettawa spirit shows when people attend meetings, volunteer their time, stop and pick-up litter on our roads, remove illegal advertising signs, trim their grass on Village roadways and plant attractive vegetation on their property that makes our Village look beautiful. Ultimately, these efforts coupled with Village programs will increase the desirability of Mettawa as a great place in which to live. In keeping with Mettawa’s Indian heritage, here is one of the seven philosophies follow by Native American Indians:

I will give back to my community by donating my time and talents when I am able.
I will cultivate friendships with other Indians (Neighbors) for mutual support and strength. I will consider the effects of our decisions on behalf of the next seven generations; in this way, our children and grandchildren will inherit healthy communities. If each of us can do all these things, then others will follow; ours will be a proud community.

Many of you have taken the time to accomplish some or all of these things, and we thank you for your interest in keeping Mettawa a beautiful and serene place to live in Lake County. Keep the Mettawa Spirit alive!

In closing, we encourage your feedback and comments. Please complete the included Resident Survey and return it to us so we know your opinions.

Kind regards,

Jess D. Ray
Mayor
Village of Mettawa
jray@mettawa.org
1-847-482-1630

Schedule A

<table>
<thead>
<tr>
<th>Financial</th>
<th>Administration</th>
<th>Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Established year $300K deficit turned-around to a cash positive position of $100,000</td>
<td>• Established the Hilton hotel as our new base for meetings. This location also serves as the Village address in Mettawa.</td>
<td>• Changed notice policy from using telephone poles to posting notices of meetings to a Village web-site and notices from Village clerk.</td>
</tr>
<tr>
<td>• Established year budget using zero-based budgeting and a move to accrual accounting principles. Established year budget lowered to the rate of three years earlier</td>
<td>• Consolidated Village files from five locations into one central storage location where fire-protection and security is offered for all Village files.</td>
<td>• Change where the Village placed notices for public hearings and other communication from the Waukegan Sun to the Libertyville based Daily Herald...also negotiated for Village-wide delivery of paper.</td>
</tr>
<tr>
<td>• Installed a comprehensive bidding system to ensure we are receiving the best value for our expenditure of Village funds.</td>
<td>• Hired a part-time Village Administrator to assist in the professional management of the Village. She has been asked to secure Grants where possible to aid the Village and residents.</td>
<td>• Negotiated a settlement of one law suit that recaptured all legal fees paid by the Village, as well as an increase by 1/3 the amount of landscaping materials used on the Costco site.</td>
</tr>
<tr>
<td>• Ended year nearly $500,000 under budget despite adding a part-time Village Administrator, new garbage services, and security patrols</td>
<td>• Significantly enhanced the then-existing web-site to a full-functioning site for residents and people/companies looking to do business in the Village or find information about the Village</td>
<td>• Assisted in the sale of 5 acres of Church property to one resident, thereby stopping the threat of disconnection by the Church.</td>
</tr>
<tr>
<td>• Established a retainer agreement with Village Counsel to reduce legal fees to Village.</td>
<td>• Set-up from scratch a new Village office of the Clerk with telephone numbers, a computer, and copier</td>
<td>• Paid Lake County $1.06 million for a sewer along route 60 for Costco.</td>
</tr>
<tr>
<td>• Maintained tax-rebate program year at 1X and year at 4X</td>
<td>• Created a new logo and stationery design for the Village producing an new image for Mettawa</td>
<td>• Established a new policy of receiving 3-bids on all substantial Village expenditure</td>
</tr>
</tbody>
</table>

Resident Services

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Created and performed a resident survey on views of the Village...a new one soon to be out for your feedback</td>
<td>• Completed repaving of the road on the Bradley Rd. Bridge, along with replacement of guard rails leading to bridge.</td>
</tr>
<tr>
<td>• Established quarterly newsletters to residents to update and communicate Village activities to residents.</td>
<td>• Installed three new road culverts that had failed, and new culverts off Bradley road</td>
</tr>
<tr>
<td>• Negotiated with Illinois Tollway authority to fix a number of problems with noise and lights at the Oasis. Shields were put on the lights and trees and evergreens were planted to shield residents.</td>
<td>• Reduced speed-limit of roads from 35 to 25mph, while completing two traffic studies to ensure we are dealing most appropriately with traffic on Village roads</td>
</tr>
<tr>
<td>• Established a new free Garbage collection service for Village residents</td>
<td>• Established an ordinance to restrict right and left hand turns at various times to control peak traffic</td>
</tr>
<tr>
<td>• Petitioned to have JAWA annex the balance of the Village to access Lake Michigan water</td>
<td>• Established a new policy of cutting the weeds along Village roads twice a year</td>
</tr>
<tr>
<td>• Included the residents in a four-year Strategic Planning process that culminated in producing the very first Strategic Plan for the Village</td>
<td>• Patched and painted Village roads to increase road wear. Hired engineering firm to develop a road maintenance program for the Village.</td>
</tr>
<tr>
<td>• Held the first Village Picnic for residents to celebrate our 50-year anniversary</td>
<td>• Apprved a new Village trail along Old School Rd...with others to come along Bradley Rd.</td>
</tr>
<tr>
<td>• Generated with the aid of Linda Phillips the first-ever published Village history</td>
<td>• Negotiated State-Buying program to reduce expenditures of salt.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>