



PUBLIC MEETING NOTICE AND AGENDA
COMMITTEE OF THE WHOLE MEETING

AUGUST 20, 2019
7:30 P.M.

AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Sergeant Promotion – Adam Carson
4. Audience Participation
The public is invited to make an issue-oriented comment on any matter of public concern not otherwise on the agenda. The public comment may be no longer than 3 minutes in duration.
5. Staff Presentations
 - A. Administration
 1. Request for Waiver of Sign Regulations and Enforcement from the Algonquin Rotary Club for their Harvest Fest
 2. Request for Raffle License from Lake in the Hills Property Owners Association
 3. Ordinance Amending Chapter 33, Liquor Control & Licensing, Section 33.31 “Video Gaming Terminals” of the Municipal Code
 4. Ordinance Amending Appendix B ‘Comprehensive Fine & Fee Schedule’ of the Municipal Code
 - B. Finance
 1. Ordinance Ratifying the Establishment of Special Service Area #51 and an Ordinance Issuing a General Obligation Bond for Special Service Area #51
 - C. Public Works
 1. Reach 10 Task Order for Construction Observation
 2. Ordinance approving an Airport Ground Lease for Hangar PAP-45 with Daniel Shipner
 3. Final Payment for Airport Taxiway Project 3CK-4404
 - D. Community Services
 1. Ordinance Amending Chapter 24, Building Code, Sections 24.01 “Adoption of Building Code” & 24.02 “ Amendments” of the Municipal Code
6. Board of Trustees
 - A. Trustee Harlfinger
 - B. Trustee Huckins
 - C. Trustee Bogdanowski
 - D. Trustee Dustin
 1. Planning and Zoning Commission Liaison Report
 - E. Trustee Bojarski
 - F. Trustee Murphy
 1. Parks and Recreation Board Liaison Report

7. Village President
 - A. Re-Appointment – Parks & Recreation Board – Michael Cairns (Thursday)
 - B. Re-Appointment – Parks & Recreation Board – Brad Wackerlin (Thursday)
8. Audience Participation
9. Adjournment

MEETING LOCATION
Lake in the Hills Village Hall
600 Harvest Gate
Lake in the Hills, IL 60156

The Village of Lake in the Hills is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations so that they can observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the Village's facilities, should contact the Village's ADA Coordinator at (847) 960-7410 [TDD (847) 658-4511] promptly to allow the Village to make reasonable accommodations for those persons.

Posted by: _____ Date: _____ Time: _____



REQUEST FOR BOARD ACTION

MEETING DATE: August 20, 2019

DEPARTMENT: Administration

SUBJECT: Request for Waiver of Sign Regulations and Enforcement from the Algonquin Rotary Club

EXECUTIVE SUMMARY

Attached please find a letter from Bob Huckins with the Algonquin Rotary Club, requesting enforcement activities be suspended to allow the erection of temporary signage in the right-of-way at the intersections listed below, within the Village boundaries, from September 7, 2019 until September 22, 2019 for their Annual Harvest Fest on Saturday, September 21, 2019.

Intersections:

- Algonquin Road – North side at Square Barn Road
- Algonquin Road – North East corner at Randall Road
- Algonquin Road – North West corner at Pyott Road
- Pyott Road – East side at E. Oak
- Randall Road – South East corner of Acorn
- Randall Road – South East corner of Miller

FINANCIAL IMPACT

None

ATTACHMENTS

1. Letter from Algonquin Rotary Club

RECOMMENDED MOTION

Motion to suspend enforcement activities from September 7, 2019 until September 22, 2019 to allow the installation of temporary signage at the intersections referenced above for their Annual Harvest Fest on September 21, 2019.

Algonquin Rotary Club

Village President

Village Board

Algonquin Rotary respectfully requests a waiver to the LITH sign ordinance and allow our club to place several signs promoting our annual fundraiser "Harvest Fest" on Saturday, September 21, 2019.

We are requesting to place signs at the following locations:

Algonquin Rd – North side at Square Barn Rd.

Algonquin Rd – North East corner at Randal Rd.

Algonquin Rd – North West corner at Pyott Rd

Pyott Rd – East side at E. Oak.

Randal Rd – South East corner of Acorn

Randal Rd – South East corner of Miller

Thank you,

Bob Huckins



REQUEST FOR BOARD ACTION

MEETING DATE: August 20, 2019

DEPARTMENT: Administration

SUBJECT: Raffle License Request for Lake in the Hills Property Owners Association

EXECUTIVE SUMMARY

The Lake in the Hills Property Owners Association is requesting a Raffle License for Friday, August 30, 2019, Saturday, August 31, 2019 and Sunday, September 1, 2019. The raffle will be a 50/50 raffle.

All provisions of Section 31.02 of the Village Code have been met. Lake in the Hills Property Owners Association unanimously voted to request a waiver of the fidelity bond requirement associated with the Raffle Application form.

FINANCIAL IMPACT

None.

ATTACHMENTS

1. Raffle License Application

RECOMMENDED MOTION

Motion to approve the Raffle License Request and waive the fidelity bond requirement for the Lake in the Hills Property Owners Association.



Village of Lake in the Hills
Raffle Application Form

Date of Application 8-15-19

(The Village President, with the advice and consent of the Board of Trustees, shall have 30 days in which to approve or disapprove the license applied for.)

Application Information:

Name of Organization: LITH Property Owners' Association

Date of incorporation or formation of Organization (minimum of 5 years in existence is required to qualify for license): 1952

Does this organization fulfill the requirement of operating without profit to its members: Yes No

Purpose for which club/ organization was formed: Betterment of the community

Presiding Officer's Name: Paul Mulcahy

Presiding Officer's Address: 410 Village Creek
Lake in the Hills IL 60156

Secretary's Name: Christian Velazquez

Secretary's Address: 1353 Cunat Ct 1B
LITH IL 60156

Raffle Manager's Name: Paul Mulcahy

Raffle Manager's Address: _____

Raffle Manager's Phone #: 630 740 6406

Raffle Manager's Date of Birth: 1-21-1952

Names & Addresses of any other individual directly involved with the administration of the raffle.

Raffle Information:

Dates raffle chances will be sold or issued: Aug 30 - Sep 1, 2019

Date/Time raffle is to take place: During Summer Sunset Festival

Location or Description of Premises and Address of raffle: Sunset Park
SS Festival grounds

Location or areas within the Village where the raffle chances will be sold or issued:
Method by which the winning chance will be determined:

Ticket drawing

Total number of chances to be sold:

Up to 2500

Maximum price of each raffle chance:

\$100

Item(s) to be raffled:

50% of ticket sales

Maximum Retail Value of Each Prize:

\$
\$
\$
\$
\$
\$

Retail dollar value of all prizes:

\$ 1250

Assertions:

- Yes No Does the raffle manager reside in Lake in the Hills?
- Yes No Is the raffle manager a US Citizen?
- Yes No Has the raffle manager ever been convicted of a felony under any federal or state law?
- Yes No Has the raffle manager ever been convicted of pandering or other crimes or misdemeanor opposed to decency and morality?
- Yes No Has the organization ever had a raffle license previously revoked for cause?
- Yes No Is the presiding officer, secretary, raffle manager or other individuals directly involved in the administration of the raffle, a law enforcing public official, President, Trustee, or member of the Village Board or commission, or any president or member of a County Board?
- Yes No Is there interest in the raffle for any law enforcing public official, President, Trustee, or member of the Village Board or commission, or any president or member of a County Board?
- Yes No Has the organization or raffle manager ever been convicted of a gambling offense as proscribed by either local, state or federal law?
- Yes No Has the organization or raffle manager ever been issued a federal gambling device stamp or a federal wagering stamp for the current tax period?
- Yes No Has the premises of the raffle ever been issued a federal gambling device stamp or a federal wagering stamp for the current tax period?

Bond and Fee Requirements:

- Yes No Is a waiver of the fidelity bond provision being requested of the Board of Trustees?
- Yes No If yes, has the organization provided evidence of unanimous vote in favor of the fidelity bond waiver?
- Yes No If no, is the fidelity bond attached to this application?



Village of Lake in the Hills Raffle Affirmation Page

I (we) swear (or affirm) that our organization/club is not-for-profit and that I (we) have never been convicted of any felony and are not disqualified to receive a license by reason of any matter or thing contained in this Section 31.02 of the Lake in the Hills Municipal Code or any other Ordinances of the Village, laws of the State of Illinois or of the United States of America. I also swear that no previous license issued by any state or subdivision of Federal Government has been revoked. I will not violate any of the laws of the State of Illinois or of the United States or any Ordinances of the Village of Lake in the Hills in the conduct of the raffle. I will not allow gambling devices or gambling on the premises where the drawing will be held.

I (we) understand that a fidelity bond in an amount not less than the anticipated gross receipts is needed from the manager unless notice is attached to the application that the club/organization voted, by unanimous vote, to waive such provision.

At the conclusion of the raffles, a report shall be made to the Village of Lake in the Hills as to the gross receipts, expenses and net proceeds from the raffles.

I swear that the statements contained in the application are true and correct to the best of my knowledge and belief.

Paul Mikalby

Presiding Officer

and/or

Secretary



Sworn to before me this 15 day
of August, 2019
Judith Hoaglin

Notary Public

MUNICIPAL CODE SECTION 31.02 TO BE REVIEWED BY APPLICANT

I have read and will comply with Section 31.02 of the Village of Lake in the Hills Municipal Code.

Paul Mikalby

Signature

8-15-19

Date





Village of Lake in the Hills Bond Waiver Request Page

The Village Code requires that the raffle manager shall give a fidelity bond in an amount not less than the anticipated gross receipts for each raffle. The bond shall be in favor of the organization and conditioned upon his/her honesty in the performance of his/her duties. The bond shall also provide that notice is given in writing to the Village of Lake in the Hills not less than thirty (30) days prior to its cancellation.

The Village president and Board of Trustees is authorized to waive the requirement for a bond by including a waiver provision the license issued, provided that by a unanimous vote of the members of the licensed organization, such a waiver is requested. Such a request does not guarantee that a waiver will be granted by the Village of Lake in the Hills; however, if your organization would like to request a waiver of the bonding requirement, please complete the following Bond Waiver Request. Please be sure to have both signatures notarized.

On the 16 day of July, 2019, the membership of POA
(Name of Organization)

by unanimous vote requested that the Village of Lake in the Hills waive the fidelity bonding requirement for its raffle to be conducted on the attached raffle application.

Signed: Paul Mulcahy 8-15-19
Presiding Officer

Signed: M. Velazquez 8-15-19
Secretary

Subscribed and sworn to before me this

15 day of August, 2019
Judith Hoaglin
Notary Public



NOT FOR PROFIT STATEMENT

We, the undersigned Presiding Officer and secretary, do hereby attest that WIM POA (name of organization) is a bona fide religious, charitable, labor, fraternal, educational, or veteran organization that operates without profit to their members and which have been in existence continuously for a period of five (5) years immediately before making application for a license, and which have been during that entire five (5) year period, a bona fide membership engaged in carrying out their objectives as described on the attached raffle application.

Signed: Paul Mulcahy 8-15-19
Presiding Officer

Signed: M. Velazquez 8-15-19
Secretary

Subscribed and sworn to before me this

15 day of August, 2019
Judith Hoaglin
Notary Public





REQUEST FOR BOARD ACTION

MEETING DATE: August 22, 2019

DEPARTMENT: Administration

SUBJECT: Ordinance Amending Chapter 33, Section 33.31 of the Village's Municipal Code

EXECUTIVE SUMMARY

Chapter 33 of the Lake in the Hills Municipal Code sets forth video gaming licensing requirements. The Village's regulations have been in place since 2009, when an ordinance was first passed permitting gaming within the Village. The ordinance was subsequently revised in 2016, putting into place minimum square footage requirements for establishments seeking gaming licenses. In June of 2018 and again in July of 2019, the Village Board approved two separate business requests for variations to the square footage requirements, allowing four gaming machines each in establishments permitted only two under the Village's ordinance.

At the direction of the Village Board and in collaboration with the Village attorney, staff completed an analysis of the Village's regulations and fees pertaining to video gaming. This analysis took into consideration recent changes to state legislation, the Village's decisions pertaining to local business variation requests and the practices of comparable communities. The results of staff's comparative research are attached.

Multiple possible approaches to amend the Village's current video gaming regulations were considered. Staff is recommending the Village Board adopt the following revisions to its ordinance:

1. Increase the maximum number of terminals permitted per establishment from 5 to 6. This would mirror the state's legislation established by the passage of SB690, which amended the Video Gaming Act. Currently, 7 of the Village's 14 gaming establishments have the maximum allowance of 5 machines.
2. Simplify the Village's square footage requirements to allow up to three machines for establishments with 1,500 to 2,000 square feet and up to six machines for establishments with 2,001 square feet or more requesting licensing. This would resolve the two exceptions that have been made to date while continuing to address the Village Board's interest in authorizing video gaming that serves only as compliment to a business establishment, rather than its sole purpose.
3. Implement an annual terminal operator fee of \$500 per establishment. This fee would cover the administrative costs associated with the administering the Village's video gaming licensing program.

FINANCIAL IMPACT

The implementation of an annual terminal operator fee of \$500 per establishment would generate \$7000 of revenue to the General Fund in FY 2020 based on the 14 businesses currently operating video gaming terminals in the Village.

ATTACHMENTS

1. Video Gaming Research Results
2. Proposed Ordinance

RECOMMENDED MOTION

Motion to pass an ordinance amending Section 33.31, Video Gaming Terminals, of the Village's Municipal Code.

VIDEO GAMING

1. State Level Update
2. Video Gaming in Lake in the Hills
3. Comparable Communities Results
3. Other Communities & Restriction Methods
4. Media Coverage and Other Resources

1. State Level

On June 2nd, 2019, SB690 passed both Illinois chambers and was signed into effect by Governor Pritzker on June 28th, 2019. The legislation includes an increase in the maximum amount of video gaming terminals permitted in an establishment. Previously, businesses were permitted up to five video gaming terminals on the premises. This has been increased to six:

230 ILCS 40/25) Restriction of Licenses
e) Licensed establishment. ...A licensed establishment, licensed truck stop establishment, licensed veterans establishment, or licensed fraternal establishment may operate up to 6 video gaming terminals on its premises at any time.

As a home rule municipality, Lake in the Hills may set stricter restrictions than the State permits, but it cannot be more lenient. The change in terminal restrictions went into effect on June 28th, 2019. Maximum wagers are also increased from \$2 to \$4, and the maximum jackpot (excluding the progressive \$10,000 bonus) is increased from \$500 to \$1,199 (to avoid W2G issuance).

2. Video Gaming in Lake in the Hills

Chapter 33 of the Lake in the Hills Municipal Code sets forth video gaming licensing requirements. The Village currently has 14 businesses with gaming licenses for an annual revenue of \$30,500 based on license fees.

Video gaming first became permitted in Lake in the Hills when the Village Board passed Ordinance 2009-42 on September 10, 2009. In April of 2016, in order to deter video gaming café establishments, the Village established square footage restrictions in order that only allowed a certain number of video gaming terminals based on the size of the business. Any business that had applied for or previously received video gaming licenses prior to the establishment of the square footage restrictions was grandfathered in. The square footage restrictions are as follows:

1500-1874 square feet: maximum 1 terminal; 1875-2249 square feet: maximum 2 terminals; 2250-2624 square feet: maximum 3 terminals; 2625-2999 square feet: maximum 4 terminals; 3000+ square feet: maximum 5 terminals;

Video Gaming license holders in Lake in the Hills include:

Business	Terminal Operator	Number of Video Gaming Terminals	Sq. Ft. Waiver /Grandfathered
Alfredo's Pizza & Pasta	Gold Rush Amusements	4	Waiver
Bistro Wasabi	Tap Room Gaming	3	Grandfathered
Butcher on the Block	Tap Room Gaming	4	

Dino's Pizza & Pasta	Gold Rush Amusements	4	Waiver
DM Prime Burgers	Tap Room Gaming	5	Grandfathered
Dotty's	Midwest SRO, LLC	5	Grandfathered
Lake in the Hills POA	Awesome Hand Services	4	Grandfathered
Lake in the Hills American Legion Post #1231	Awesome Hand Services	4	Grandfathered
Joga, LLC JJ's	Awesome Hand Services	5	
Moretti's	Gold Rush Amusements	5	Grandfathered
Stella's	Gold Rush Amusements	5	Grandfathered
The Grove Mart	Accel Entertainment	5	Grandfathered
Tacos El Norte	Illinois Gaming Systems	3	Grandfathered
Woods Creek Tavern	Tap Room Gaming	5	Grandfathered

In 2019, the Village took in \$103,108 in revenue from video gaming in Lake in the Hills (January to June).

Since 2009, the Lake in the Hills Police Department has responded to three calls/complaints regarding video gaming and the Village has not issued any citations. The Illinois Gaming Commission was called regarding one of the calls/complaints. The individual claimed that when they redeemed their \$500 voucher, they did not receive the money.

3. Comparable Communities Results

Just three of our comparable communities have elected to ban video gaming altogether.

Municipality	1 st VGT	Add'l VGT	Total Bus.	Total VGTs	Restrictions	Annual License	Terminal Operator's License	Ordinance
Lake in the Hills	\$500	\$500	13	61	By Square Footage	None	None	Chp. 33
LITH Non-Profit	\$300	\$300	2	8	By Square Footage	None	None	Chp. 33
Algonquin	\$500	\$500	18	81	Cafes Prohibited; Visibility regulations; Video Surveillance and Responsible Gaming Policy Requirements	None	\$1,000	Chp. 43
Barrington	All Video Gaming Prohibited							T. 3-4D-1
Bartlett	\$250.00 first year \$500.00 subsequent years	\$250.00 first year \$500.00 subsequent years	15	69	None	None	None	Chp. 31
Carpentersville	\$750	\$750	27	131	None	None	None	T. 5-1-265
Carpentersville Non-Profit	\$250	\$50			None	None	None	T. 5-1-265
Fox Lake	\$25	\$25	25	117	None	None	None	Chp. 1
Geneva	All Video Gaming Prohibited							T. 4-2-25
Huntley	\$500	\$500	15	71	10 customer seats per video gaming terminal & 6' barrier	None	\$1,000	Chp. 110
McHenry	\$500	\$500	38	180	None	None	\$1,000	Chp. 9
McHenry Non-Profits	\$100	\$100			None	None	\$1,000	Chp. 9
Mundelein	\$1,000	\$1,000	15	74	None	None	None	Chp. 5.98

Roselle	\$25	\$25	10	49	Liquor License Class Limits	None	None	Chp. 3
Round Lake Beach	\$50	\$50	15	71	None	None	None	Chp. 9
South Elgin	\$25	\$25	17	80	None	None	None	Chp. 113
Streamwood	\$150	\$150	14	69	None	None	None	T. 3-4-21
Vernon Hills	All Video Gaming Prohibited							Chp. 11-2
Woodstock	\$500	\$500	25	96	Not to exceed one license per 1,000 population	\$1,000	\$1,000	T. 3-3-5
Woodstock Non-Profit	\$100	\$100			Not to exceed one license per 1,000 population	None	\$1,000	T. 3-3-5

3. Other Communities & Restriction Methods

Village staff reached out to the Municipal Clerk Trunk Line to inquire about restriction methods currently in use by other municipalities. The Village of Elk Grove Village restrictions are no more than a total of 25 businesses shall be licensed, only one gaming location allowed per strip mall, no more than six terminals, but require a minimum of 2,000 sq.ft., and a wall surrounding the machines must be approximately 42” in height with the entrance in view of the manager.

The Village of Homer Glen was found to utilize square footage requirements to prohibit video gaming café business models from establishing themselves in their community. Additionally, Homer Glen requires that all businesses have held a liquor license for 6 months prior to being issued a video gaming license:

[§ 83-46 License required.](#)

[Amended 6-28-2017 by Ord. No. 17-042]

No person shall have or keep a video gaming terminal or device in any public place or place of public resort unless the Village license fees as set forth herein are paid and a valid license is issued and maintained in force by the State of Illinois. In order to be eligible for a video gaming license issued by the Village of Homer Glen, the applicant must have held a Village liquor license for at least six months. Any establishment that has been issued a Village liquor license less than six months prior to applying for a video gaming license shall be deemed ineligible until the six-month period has concluded. All establishments shall meet the definition of "restaurant" as provided herein and contain a minimum area of 1,500 square feet in order to be eligible for a Village video gaming license.

The City of Woodstock also limits the number of licensed businesses to 25 with a maximum of five video gaming terminals.

The City of Crystal Lake limits video gaming to 16 establishments with a maximum of 3 terminals per establishment, and there is a 12 month operating requirement prior to obtaining video gaming.

4. Media and Other Coverage

The following table includes media coverage, minutes, and other resources related to video gaming in Illinois.

Date	Title/URL
2019-02-26	McHenry City Council Considering Tighter Video Gaming Restrictions
2018-11-06	Mundelein hikes video gambling fees, looks to limit new licenses
2018-06-25	Bartlett Village Board Minutes – Discussion on Restrictions
2018-02-03	Woodstock Tightens Restrictions on Video Gaming

VILLAGE OF LAKE IN THE HILLS

ORDINANCE NO. 2019- _____

**An Ordinance Amending Chapter 33, Liquor Control and Licensing,
Section 33.31 "Video Gaming Terminals",
of the Lake in the Hills Municipal Code**

WHEREAS, the Village of Lake in the Hills, McHenry County, Illinois, is a home rule municipality as contemplated under Article VII, Section 6, of the Constitution of the State of Illinois, and the passage of this Ordinance constitutes an exercise of the Village's home rule powers and functions as granted in the Constitution of the State of Illinois.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois, as follows:

SECTION 1: That Chapter 33, Liquor Control and Licensing, Section 33.31 "Video Gaming Terminals", of the Lake in the Hills Municipal Code shall be amended to read as follows:

33.31 VIDEO GAMING TERMINALS

A. In addition to those terms defined in Appendix A, Definitions, of this Code, the following definition is applicable to this Section:

Video gaming terminal ("terminal"): Any electronic video game machine that, upon insertion of cash, is available to play or simulate the play of a video game, including but not limited to video poker, line up and blackjack, authorized by the Illinois Gaming Board utilizing a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash or tokens or is for amusement purposes only.

B. PROHIBITIONS: Unless otherwise provided for in Section 33.31-C:

1. It is unlawful to keep, place, maintain or operate any gambling device in and upon the premises used or occupied as a place where alcoholic liquor is sold or given away.
2. It shall be unlawful for any licensee, or his agent and/or employee, to give or award a cash prize or equivalent to any person playing any gambling device.

C. Notwithstanding Section 33.31-B, terminals shall be permitted in and upon the premises where Video Gaming is licensed and allowed by state law if each of the following conditions is first met:

1. The use and placement thereof is in compliance with the provisions of the Video Gaming Act (230 ILCS 40/1 et seq.), as amended; and
2. The use and placement thereof is in compliance with the provisions of all rules promulgated by the Illinois Gaming Board pursuant to the Illinois Administrative Procedures Act; and
3. Any establishment that is eligible to operate Video Gaming must have a minimum of 1500 square feet of total interior space, and otherwise is limited to the number of terminals as follows:

1500-~~1874~~-2000 square feet: maximum 1-3 terminals;
~~1875-2249 square feet: maximum 2 terminals;~~
~~2250-2624 square feet: maximum 3 terminals;~~
~~2625-2999 square feet: maximum 4 terminals;~~
~~3000~~2001+ square feet: maximum 5-6 terminals;

Exceptions: (a) the premises of any business holding one or more terminal licenses issued by the Village as of ~~April 24, 2016~~August 1, 2019 and ~~which continuously maintains some or all of the same terminal license(s) (but no more) for the same premises~~may maintain up to as many terminal licenses as it had as of August 1, 2019 so long as all of its terminal licenses are continuously maintained; or (b) ~~any establishment which, as of April 24, 2016, has already obtained a Village liquor license and presented the Board with a proposal which includes video gaming terminals;~~ and

4. The licensee or agent of the licensee:
 - (a) Files with the Village Clerk a copy of the licensee's written use agreement with the terminal operator for placement of the video gaming terminals and a copy of the license issued by the Illinois Gaming Board; and
 - (b) Pays to the Village an annual fee of \$500.00 for each terminal upon the premises. The annual fee for establishments with a Class C liquor license shall be \$300.00 for each terminal. The annual fee shall be due and payable on the first day of March of each year in order to have a license issued on a timely basis by May 1 of that year. All issued licenses shall expire on the 30th day of April of the following year. This fee is not in lieu of any fee or payment payable to the State or the Illinois Gaming Board

5. Each Terminal Operator will pay an annual fee of \$500.00 per establishment. The annual fee shall be due and payable on the first day of March of each year.

~~5.6.~~ The position of any part of a terminal is allowed within five feet of an exterior window and/or door only if any applicable window or door is screened or tinted so as to not allow direct visibility of the terminal from outside the building on the licensed premises.

~~6.7.~~ No Truck Stop, as defined in the Video Gaming Act, shall have exterior signs, or interior signs visible from the exterior of the premises, advertising or advising of the presence of video gaming.

SECTION 2: If any section, paragraph, subdivision, clause, sentence or provision of this Ordinance shall be adjudged by any Court of competent jurisdiction to be invalid, such judgment shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4: This Ordinance shall be in full force and effect upon its passage, approval and publication in pamphlet form (which publication is hereby authorized) as provided by law.

Passed this 22nd day of August 2019 by roll call vote as follows:

	Ayes	Nays	Absent	Abstain
Trustee Stephen Harlfinger	_____	_____	_____	_____
Trustee Ray Bogdanowski	_____	_____	_____	_____
Trustee Bob Huckins	_____	_____	_____	_____
Trustee Bill Dustin	_____	_____	_____	_____
Trustee Suzette Bojarski	_____	_____	_____	_____
Trustee Diane Murphy	_____	_____	_____	_____
President Russ Ruzanski	_____	_____	_____	_____

APPROVED THIS 22ND DAY OF August, 2019

Village President, Russ Ruzanski

(SEAL)

ATTEST: _____
Village Clerk, Cecilia Carman

Published: _____



REQUEST FOR BOARD ACTION

MEETING DATE: August 20, 2019
DEPARTMENT: Administration
SUBJECT: Fee Schedule Update

EXECUTIVE SUMMARY

As part of the updates to the Municipal Code amended by the Board of Trustees in consideration of the formation of SSA 51, Appendix B, the Comprehensive Fine and Fee Schedule, must be updated as well to reflect the new language of the Municipal Code. These changes include the elimination of the 150% fee rate for all water customers located outside the Village corporate boundaries.

With the addition of a Terminal Operator Fee in Chapter 33, Section 33.31 Video Gaming, Appendix B must be updated to reflect the new fee of \$500.00 per establishment.

FINANCIAL IMPACT

Eliminating the requirement to charge unincorporated customers 150% of the regular water rate will result in a loss of approximately \$9,500 in water sales revenue per year.

Adding the Terminal Operator Fee of \$500 per establishment will add approximately \$7,000 in revenue to the General Fund per year.

ATTACHMENTS

1. Draft Ordinance

RECOMMENDED MOTION

Motion to amend Appendix B of the Municipal Code to eliminate any reference to the 150% water rate fees to customers outside the corporate limits of the Village and to add the Terminal Operator Fee of \$500.00 per establishment.

VILLAGE OF LAKE IN THE HILLS

ORDINANCE 2019 - _____

**An Ordinance Amending Appendix B,
"Comprehensive Fine and Fee Schedule"
of the Lake in the Hills Municipal Code**

WHEREAS, the Village of Lake in the Hills, McHenry County, Illinois, is a home rule municipality as contemplated under Article VII, Section 6, of the Constitution of the State of Illinois, and the passage of this Ordinance constitutes an exercise of the Village's home rule powers and functions as granted in the Constitution of the State of Illinois.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois, as follows:

SECTION 1: That Appendix B, Comprehensive Fine and Fee Schedule, of the Lake in the Hills Municipal Code shall be amended to read as follows:

Chapter 33 Liquor Control and Licensing		
Section 33.03.F	Liquor License Manager Background Check	Varies
Section 33.07.C	Liquor License Application Fee	500.00
Section 33.07.C	Liquor License Transfer Fee for Conveyance of Corporate Stock/Shareholder Change	250.00
Section 33.07.C	Liquor License Change Of Manager Fee	50.00
Section 33.08.A.10	Class G - Wine Off Premises, No Signs	500.00
Section 33.08.A.1a	Class A - Restaurants, Hotels, Country Clubs	2,000.00
Section 33.08.A.1b	Class A-1 -Restaurants, Serve Until 3:00am	2,500.00
Section 33.08.A.1c	Class A-2 - Cafés	2,500.00
Section 33.08.A.2a	Class B - Sale, Not Consumption	1,000.00
Section 33.08.A.2b	Class B-1 - Sale Of Wine, Not Consumption	1,000.00
Section 33.08.A.3	Class C - Not-For-Profit, On-Site Consumption	300.00
Section 33.08.A.4	Class D - Beer & Wine Only Restaurants, Hotels, Country Clubs	1,000.00
Section 33.08.A.5	Class E - Beer & Wine Only, Not Consumption	1,000.00
Section 33.08.A.6	Class E-1 - Beer & Wine, On and Off Premises	2,000.00

Section 33.08.A.7a	Class BWT - Tasting License, Twice Per Week	1,000.00
Section 33.08.A.7b	Class BWT-1 - Wine Tasting, Daily	1,000.00
Section 33.08.A.8	Class F - Beer & Wine Off Premises, No Signs	1,000.00
Section 33.08.A.9	Class MBP - Micro Brew Pub	2,500.00
Section 33.08.C, D	Daily/Event - Not-For-Profit and Rentals	25.00
Section 33.08.E	Auxiliary, Special Event Or Exception For License Holders	100.00
Section 33.31.C.4b	Terminal, Fee Per Machine	500.00
Section 33.31.C.4b	Terminal, Fee Per Machine, Not-For-Profit	300.00
Section 33.31.H	Terminal, Transfer of License To Replaced Terminal	2.00
Section 33.31.C.54b	Terminal <u>Operator</u> , Fee Per <u>EstablishmentMachine</u>	500.00
Section 33.31.C.4b	Terminal, Fee Per Machine, Not-For-Profit	300.00
Section 33.31.H	Terminal, Transfer Of License To Replaced Terminal	2.00

CHAPTER 45, POTABLE WATER		
Section 45.09.A	Late Payment, 20% Of The Bill Not Paid Within 21 Days	Varies
Section 45.11.A.3.a	Water Service Reinstatement, First Termination Event	50.00
Section 45.11.A.3.b	Water Service Reinstatement, Each Additional Reinstatement Event Within Eight Billing Cycles	100.00
Section 45.17.E	Meter Test, 1" Or Smaller Complaint Test, Refunded If Not Within +/- 2% Range	100.00
Section 45.17.E	Lien Recording, Payment Not Received Within 41 Days, Delinquent	50.00
Section 45.31.A	Usage ≤ 800 Cubic Feet, Quarterly	44.75
Section 45.31.A	Usage Exceeding 800 Cubic Feet, Per 100 Cubic Feet, Quarterly	3.49
Section 45.31.B	Usage ≤ 267 Cubic Feet, Monthly	14.91
Section 45.31.B	Usage Exceeding 267 Cubic Feet, Per 100 Cubic Feet, Monthly	3.49
Section 45.31.C	Outside Village Limits, ≤ 800 Cubic Feet, Quarterly At 150%	67.13
Section 45.31.C	Outside Village Limits, Exceeding 800 Cubic Feet, Per 100 Cubic Feet, Quarterly At 150%	5.24
Section 45.31.C	Outside Village Limits, ≤ 267 Cubic Feet, Monthly At 150%	22.37

Section 45.31.C	Outside Village Limits, Exceeding 267 Cubic Feet, Per 100 Cubic Feet, Monthly At 150%	5.24
CHAPTER 45, POTABLE WATER		
Section 45.31. DC	Construction Water, Temporary Service Fee	25.00
Section 45.31. ED	Meter Charge, Less Than And Including One-Inch Meters, For Entire Meter	680.00
Section 45.31. ED	Meter Charge, Partial Meter Consisting Of Meter Body Only Or Meter Head/Register Only	340.00
Section 45.31. EE	Meter Inspection/Re-Inspection, Per Unit	100.00
Section 45.31. GF.1	Water Tap-In, Single-Family Equivalent Dwelling, Includes Townhouses, Per Unit	11,800.00
Section 45.31. GF.2.a	Water Tap-In, One Bedroom Unit, Per Unit	6,500.00
Section 45.31. GF.2.b	Water Tap-In, Two Bedroom Unit, Per Unit	9,740.00
Section 45.31. GF.2.c	Water Tap-In, Three Or More Bedrooms Unit, Per Unit	11,800.00
Section 45.31. GF.3	Water Tap-In, 1" Connection	11,800.00
Section 45.31. GF.3	Water Tap-In, 1 1/4" Connection	16,650.00
Section 45.31. GF.3	Water Tap-In, 1 1/2" Connection	22,650.00
Section 45.31. GF.3	Water Tap-In, 2" Connection	34,380.00
Section 45.31. GF.3	Water Tap-In, 3" Connection	67,260.00
Section 45.31. GF.3	Water Tap-In, 4" - 6" - And 8" Connection TBD By Staff Recommendation	Varies
Section 45.31. GF.4	Water Tap-In, Fire Service Connections, No Fees	0.00
Section 45.31. GF.5	Reconnection, Cross-Section Violations	250.00
Section 45.31. HG	Service, Non-Emergency Holiday And After-Hours Service Calls, Per Hour	75.00
Section 45.31. IH.1	Hydrant Meter Use, 5/8" Meter Assembly Each Day, Plus Cost Of Water Current Rates	50.00
Section 45.31. IH.2	Hydrant Meter Use, 2" Meter Assembly Each Day, Plus Cost Of Water Current Rates	200.00
Section 45.31. JI.1	Returned Payment, If Notified Prior To Financial Institution Returns Payment	5.00
Section 45.31. JI.2	Returned Payment, If Notified After The Financial Institution Returns Payment	25.00

SECTION 2: If any section, paragraph, subdivision, clause, sentence or provision of this Ordinance shall be adjudged by any Court of competent jurisdiction to be invalid, such judgment shall

not affect, impair, invalidate, or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4: This ordinance shall be in full force and effect on January 1, 2020. Publication in pamphlet form is hereby authorized, as provided by law.

Passed this 22nd day of August 2019 by roll call vote as follows:

	Ayes	Nays	Absent	Abstain
Trustee Stephen Harlfinger	_____	_____	_____	_____
Trustee Ray Bogdanowski	_____	_____	_____	_____
Trustee Bob Huckins	_____	_____	_____	_____
Trustee Bill Dustin	_____	_____	_____	_____
Trustee Suzette Bojarski	_____	_____	_____	_____
Trustee Diane Murphy	_____	_____	_____	_____
President Russ Ruzanski	_____	_____	_____	_____

APPROVED THIS 22ND DAY OF AUGUST, 2019

Village President, Russ Ruzanski

(SEAL)

ATTEST: _____
Village Clerk, Cecilia Carman

Published: _____



REQUEST FOR BOARD ACTION

MEETING DATE: August 20, 2019

DEPARTMENT: Finance

SUBJECT: **Ordinance Ratifying the Establishment of Special Service Area #51 and Ordinance Issuing a General Obligation Bond for Special Service Area #51**

EXECUTIVE SUMMARY

Ordinance Ratifying the Establishment of Special Service Area #51

The Village Board adopted an Ordinance proposing the establishment of Special Service Area (SSA) #51 within, as well as outside of, the Village of Lake in the Hills on April 11, 2019. The required public hearing on the proposed SSA was then held on June 11, 2019 at 7:30 pm. The public hearing was published in the newspaper and sent to the taxpayers within the SSA. The SSA Tax Law provides a 60-day period for objections to the SSA if a petition is signed by 51% of the voters and owners of record within the proposed SSA. The 60-day period ended on August 10, 2019 and no objections were filed. As such, the Village Board is authorized to adopt an ordinance establishing the Special Service Area #51. The attached ordinance was prepared by the Village Attorney and reviewed by Bond Counsel.

Ordinance Issuing a General Obligation Bond for Special Service Area #51

At the August 6, 2019 Committee of the Whole Meeting, the Village Board gave direction to issue a 20-year General Obligation Bond to finance the replacement of the unincorporated water distribution system located in Special Service Area #51. As such, Bond Counsel prepared the attached Bond Ordinance which states the maximum parameters for the bond when issued. The maximum parameters match what was included in the proposing ordinance that was adopted on April 11, 2019, which are the high-end, conservative numbers. Although, Speer Financial provided estimated numbers and interest rates that were lower at the last Committee of the Whole Meeting based on the current environment, it was recommended by Bond Counsel to keep the maximum parameters the same in these Ordinances since the bonds won't be issued until later in the year when final construction numbers are received through the RFP process. The attached bond ordinance was prepared by Bond Counsel and reviewed by the Village Attorney.

FINANCIAL IMPACT

None.

ATTACHMENTS

1. Ordinance Ratifying the Establishment of Special Service Area Number 51 Within, as well as Outside of, the Village of Lake in the Hills
2. Ordinance Providing for the Issuance of not to exceed \$2,000,000 General Obligation Bonds

3. April 9, 2019 Committee of the Whole Agenda Item as reference
4. August 6, 2019 Committee of the Whole Agenda Item as reference

RECOMMENDED MOTION

Motion to adopt the ordinance ratifying the establishment of Special Service Area Number 51 within, as well as outside of, the Village of Lake in the Hills.

Motion to adopt the ordinance providing for the issuance of not to exceed \$2,000,000 General Obligation Bonds.

VILLAGE OF LAKE IN THE HILLS

ORDINANCE NO. 2019- _____

**An Ordinance Ratifying the Establishment of
Special Service Area Number 51
Within, as well as Outside of, the Village of Lake in the Hills**

BE IT ORDAINED by the President and Board of Trustees of the Village of Lake in the Hills (the "Village"), McHenry County, Illinois, that the Village is a home rule municipality as contemplated under Article VII, Section 6 of the Constitution of the State of Illinois, and the passage of this Ordinance constitutes an exercise of the Village's home rule powers and functions as granted in the Constitution of the State of Illinois, as follows:

WHEREAS, the constitutional authority for special service areas is set forth in Article VII, Section 6 of the Constitution of the State of Illinois in force July 1, 1971, which provides in relevant part as follows:

§ 6 Powers of Home Rule Units

1. The General Assembly may not deny or limit the power of home rule units ...
 - (2) to levy or impose additional taxes upon areas within their boundaries in the manner provided by law for the provision of special services to those areas and for the payment of debt incurred to provide those special services.

Special service areas are statutorily authorized pursuant to the provisions of Public Act 88-455 and the Special Service Area Tax Law, 35 ILCS 200/27-5 *et seq* (the "Law"), which provides the manner of levying or imposing taxes for the provision of special services to areas within, as well as outside of, the boundaries of home rule municipalities and non-home rule municipalities and counties as well as the establishment of special service areas;

WHEREAS, the Village's President and Board of Trustees (together, the "Corporate Authorities") have found that it is in the public interest that Special Service Area No. 51, for the purposes set forth herein, be established for territory within the Village and the unincorporated territory contiguous to the Village legally described and depicted in Exhibit A attached hereto (the "Area"). McHenry County has consented to the establishment of the special service area relative to the portion of the Area which is

in unincorporated McHenry County.

The Area is located south and west of West Algonquin Road and includes parcels on both sides of Scotty Avenue, Rosemarie Street, Dennis Avenue, Craig Street, Roger Street, Willy Avenue, Joan Street, Nevin Avenue, Ethel Avenue, Marie Avenue and Isabel Avenue;

WHEREAS, the Area is contiguous within, as well as outside of, the corporate boundaries of the Village of Lake in the Hills; the Area will benefit specially from the special services to be provided and as hereinafter described; and it is therefore in the best interests of the Village and the Area that the levy of special taxes against the Area to finance the special services to be provided be considered.

The special services to be provided in and to Special Service Area No. 51 will include the construction and installation of potable water distribution facilities and related improvements as well as the payment of required tap on fees to pay for improvements to the Village's water treatment facility to draw and treat water for distribution to the Area and related engineering, surveying, construction observation, soil testing and appurtenant work, grading and demolition, site clearing and tree removal, final restoration and paving and the equipment and materials necessary for same, and other associated costs including those of consultants (collectively, the "Special Services").

WHEREAS, on April 11, 2019, the Village adopted *An Ordinance Proposing the Establishment of Special Service Area Number 51 Within, as well as Outside of, the Village of Lake in the Hills, Setting a Public Hearing Date and Providing for Other Procedures in Connection Therewith*;

WHEREAS, a public hearing was held on Tuesday, the 11th day of June, 2019, at 7:30 p.m. in the Lake in the Hills Village Hall, 600 Harvest Gate, Lake in the Hills, IL 60156 to consider the creation and establishment of a Special Service Area 51 of the Village of Lake in the Hills for the Area;

WHEREAS, notice of the public hearing was published at least once not less than 15 days prior to the public hearing in one or more newspapers of general circulation in the Village of Lake in the Hills, Illinois, specifically the *Northwest Herald*, as set forth in Exhibit B hereto. In addition, notice by mailing was given by depositing said notice in the United States mail addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract or parcel of

land lying within the proposed Special Service Area, among others, in the manner set forth in Exhibit C hereto. Said notice was mailed not less than 10 days prior to the time set for the public hearing. The public hearing was adjourned by the President and Board of Trustees of the Village of Lake in the Hills, without any oral or written objection to the establishment or creation of Special Service Area No. 51 for the Area or the imposition or levy of taxes to finance the provision of Special Services to the Special Service Area;

WHEREAS, no petition containing the signatures of at least 51 percent of the electors residing within the Area and by at least 51 percent of the owners of record of the land included within the Area was filed with the Village of Lake in the Hills Village Clerk within 60 days following the final adjournment of the public hearing which objected to the creation of the Special Service Area No. 51, or the levy or imposition of a tax thereon to finance the provision of Special Services to the Special Service Area;

WHEREAS, all persons affected by the proposed formation of the Village of Lake in the Hills Special Service Area No. 51 were given the opportunity to be heard regarding the proposed formation of and the boundaries of the Special Service Area No. 51 and were given the right to object to the formation, establishment and creation of the proposed Special Service Area, the boundaries of the proposed Special Service Area and/or the levy of an annual tax sufficient to pay for the Special Services to the Special Service Area in the maximum amount set forth herein; and

SECTION 1: The recitals, definitions and findings set forth above are hereby incorporated into this Ordinance by this reference as if fully set forth herein. All defined terms herein shall have the same meaning and definition as those defined terms set forth in the recitals.

SECTION 2: That Special Service Area No. 51 is hereby established and consists of the Area. The nature of the Special Services is for new construction.

SECTION 3: The provision of the Special Services, as determined by the Village in its sole discretion without any obligation whatsoever to do so, and as defined above, to the Area shall be financed by the issuance of special tax bonds (including bonds issued to refund such bonds) in an aggregate principal amount not to exceed \$2,000,000, and for which the Village may, in its sole discretion, pledge general obligation status, at an interest rate of not to exceed eight percent (8%) per annum (the "Bonds"), and which would be the maximum interest rate the Bonds will bear,

to be retired and paid in full no later than thirty (30) years from the date of their issuance. At the conclusion of the thirty-year interval, Special Service Area No. 51 shall terminate. Thus, the maximum amount of the Bonds proposed to be issued will be \$2,000,000. Thirty years shall be the maximum period of time over which the Bonds will be retired. The Bonds will be retired by the levy of an annual special service area tax levied against each "Taxable Parcel", defined and as set forth in Exhibit B, within Special Service Area No. 51 to pay the interest on such Bonds as it falls due and to discharge the principal thereof at maturity and to pay the costs of the Special Services for the Area.

The collective total maximum amount of special service area taxes to be extended within the entire special service area consisting of the Area in any year would be \$185,000 and the maximum number of years special service area taxes would be levied against the Area would be 30 years.

For each "Taxable Parcel" within the proposed Special Service Area 51, as set forth in Exhibit B, the special service area tax would be a flat rate not to exceed \$2,891 on an annual basis. This would be the maximum rate and amount of special service area taxes to be extended within Special Service Area No. 51 in any year as to each of the "Taxable Parcels" in the Area.

In the event a vacant parcel assigned a property identification number presently identified as part of a "Taxable Parcel" as set forth in Exhibit A, or an "Undeveloped Parcel" as defined in Exhibit B, is connected to the water distribution system within Special Service Area No. 51, such parcel shall become a "Taxable Parcel" and be subject to the special service area tax levy of an amount not to exceed \$2,891 per year thereafter for the remainder of the term of Special Service Area No. 51. The Village reserves the right to add parcels to Special Service Area No. 51 in accordance with the SSA Law and/or the Village's home rule authority.

The Village agrees to pay for any SSA levy imposed on those parcels within Special Service Area No. 51 situated within the Village's corporate boundaries.

SECTION 4: If any section, paragraph, subdivision, clause, sentence or provision of this Ordinance shall be adjudged by any Court of competent jurisdiction to be invalid, such judgment shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

SECTION 5: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 6: This Ordinance shall be in full force and effect upon its passage, approval and publication in pamphlet form, which is hereby authorized, as provided by law.

Passed this 22nd day of August 2019 by roll call vote as follows:

	Ayes	Nays	Absent	Abstain
Trustee Stephen Harlfinger	_____	_____	_____	_____
Trustee Ray Bogdanowski	_____	_____	_____	_____
Trustee Bob Huckins	_____	_____	_____	_____
Trustee Bill Dustin	_____	_____	_____	_____
Trustee Suzette Bojarski	_____	_____	_____	_____
Trustee Diane Murphy	_____	_____	_____	_____
President Russ Ruzanski	_____	_____	_____	_____

APPROVED THIS 22ND DAY OF AUGUST, 2019

Village President, Russ Ruzanski

(SEAL)

ATTEST: _____
Village Clerk, Cecilia Carman

PUBLISHED: _____

Exhibit List

Exhibit A: Legal Description and Map of the Area

Exhibit B: Certificate of publication of the public hearing on Special Service Area No. 51 in the *Northwest Herald* and form of notice of hearing published in such newspaper

Exhibit C: Service list of taxpayers and other persons receiving the notice of the public hearing on the proposed establishment of Special Service Area No. 51 and the levy of taxes therefore and form of public hearing sent to taxpayers

EXTRACT OF MINUTES of a regular public meeting of the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois, held in the Village Hall of the Village Hall, located at 600 Harvest Gate, in said Village, at 7:30 p.m., on the 22nd day of August, 2019.

The President, Russ Ruzanski, called the meeting to order and directed the Village Clerk to call the roll. Upon roll call, the President and following Trustees were physically present at said location: _____

The following Trustees were allowed by a majority of the members of the President and Board of Trustees in accordance with and to the extent allowed by rules adopted by the President and Board of Trustees to attend the meeting by video or audio conference: _____

No Trustee was not permitted to attend the meeting by video or audio conference.

The following Trustees were absent and did not participate in the meeting in any manner or to any extent whatsoever: _____

Trustee _____ presented and made available to the Trustees and interested members of the public complete copies of an ordinance entitled:

AN ORDINANCE providing for the issuance of not to exceed \$2,000,000 General Obligation Bonds, in one or more series, of the Village of Lake in the Hills, McHenry County, Illinois, for the purpose of financing the costs of certain capital projects in as well as outside of the Village, providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on said Bonds, and authorizing the proposed sale of said Bonds to the purchaser thereof.

(the "Bond Ordinance").

A Board discussion of the matter followed. During the Board discussion, _____ gave a public recital of the nature of the matter, which included a reading

of the title of the Bond Ordinance and statements that (1) the Bond Ordinance provides for the issuance of not to exceed \$2,000,000 General Obligation Bonds to finance the costs of capital projects in as well as outside of the Village, (2) said Bonds are issuable without referendum pursuant to the home rule powers of the Village, (3) the Bond Ordinance provides for the levy of taxes sufficient to pay the principal of and interest on said Bonds, and (4) the Bond Ordinance sets forth the parameters for the issuance of said Bonds and the sale thereof by designated officials of the Village and (5) summarized the pertinent terms of said parameters, including the manner of sale, length of maturity, rates of interest, purchase price and tax levy for said Bonds.

The President directed that the roll be called for a vote upon the motion to adopt the Bond Ordinance.

Upon the roll being called, the following Trustees voted AYE: _____

and the following Trustees voted NAY: _____

WHEREUPON, the President declared the motion carried and the Bond Ordinance adopted, and henceforth did approve and sign the same in open meeting, and did direct the Village Clerk to record the same in full in the records of the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois.

Other business was duly transacted at said meeting.

Upon motion duly made and carried, the meeting adjourned.

Village Clerk

ORDINANCE NUMBER 2019 - _____

AN ORDINANCE providing for the issuance of not to exceed \$2,000,000 General Obligation Bonds, in one or more series, of the Village of Lake in the Hills, McHenry County, Illinois, for the purpose of financing the costs of certain capital projects in as well as outside of the Village, providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on said Bonds, and authorizing the proposed sale of said Bonds to the purchaser thereof.

Adopted by the President and Board
of Trustees on the 22nd day of August
2019.

VILLAGE OF LAKE IN THE HILLS

ORDINANCE NO. 2019 - _____

AN ORDINANCE providing for the issuance of not to exceed \$2,000,000 General Obligation Bonds, in one or more series, of the Village of Lake in the Hills, McHenry County, Illinois, for the purpose of financing the costs of certain capital projects in as well as outside of the Village, providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on said Bonds, and authorizing the proposed sale of said Bonds to the purchaser thereof.

WHEREAS, by virtue of its population, and pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois (the “Constitution”), the Village of Lake in the Hills, McHenry County, Illinois (the “Village”), is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt; and

WHEREAS, pursuant to the provisions of said Section 6, the Village has the power to incur debt payable from ad valorem property tax receipts or from any other lawful source and maturing within 40 years from the time it is incurred without prior referendum approval; and

WHEREAS, The Village established Special Service Area Number 51 (the “Special Service Area”) pursuant to Ordinance No. _____ adopted on August 22, 2019 (the “Establishing Ordinance”), the provisions of the Special Service Area Tax Law, 35 ILCS 200/27-5 et seq., as amended (the “Special Service Area Act”) and the provisions of Section 6 of Article VII of the Constitution, and has otherwise complied with all other conditions precedent required by the Special Service Area Act.

WHEREAS, the President and the Board of Trustees of the Village (collectively, the “Corporate Authorities”) have heretofore determined and do hereby determine that it is advisable, necessary and in the best interests of the residents of the Village to issue its general obligation

bonds in the aggregate issued amount not to exceed \$2,000,000 to (i) pay for costs of certain capital projects in as well as outside of the Village (collectively, the “Project”), and (ii) pay certain costs of issuance of the Bonds (as such term is hereinafter defined), all for the benefit of the inhabitants of the Village, as well as certain inhabitants outside of the Village; and

WHEREAS, the estimated cost of the Project, including engineering, legal, financial, bond discount, printing and publication costs, capitalized interest, if any, and other expenses (collectively, the “Project Costs”), is not more than \$2,000,000, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, this Ordinance adopted pursuant to Section 6 of Article VII of the Constitution and the Municipal Code of the Village, provides authority for the Village acting by the Corporate Authorities to issue the Bonds:

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF LAKE IN THE HILLS, MCHENRY COUNTY, ILLINOIS, IN EXERCISE OF ITS HOME RULE POWERS, AS FOLLOWS:

Section 1. Incorporation of Preamble. The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are full, true and correct and do hereby incorporate such recitals into this Ordinance by this reference.

Section 2. Findings; Issuance of Bonds. (a) The Corporate Authorities hereby find and determine that it is necessary and in the best interest of the Village and necessary for the welfare of the government and affairs of the Village, and that it is a proper public purpose and is in the public interest to issue general obligation bonds of the Village in an amount not to exceed \$2,000,000 for the purpose of funding the costs of the Project and the costs of the Village in connection with the issuance of such bonds.

Section 3. Bond Details. There shall be borrowed on the credit of and for and on behalf of the Village, an aggregate principal amount not to exceed \$2,000,000 for the purpose aforesaid and that the Village shall issue in the name of the Village its “General Obligation Bonds” (the “Bonds”).

The Bonds shall be issued in the form of a separate single authenticated fully registered bond for the aggregate principal amount of each separate maturity of the Bonds. The Bonds shall bear the date of authentication; shall be in denominations of Five Thousand Dollars (\$5,000) each or integral multiples thereof, numbered consecutively from 1 upward and dated as set forth in the hereinafter described Bond Notification; and interest on the Bonds shall be payable semiannually on each June 15 and December 15 of each year or such other date as provided in a Bond Notification (as hereinafter defined), commencing not earlier than June 15, 2020 (such interest computed upon the basis of a 360-day year of twelve 30-day months). The Bonds shall become due and payable (subject to prior redemption as set forth in the Bond Notification) on December 15 over a period ending not later than December 15, 2049 and in an amount not exceeding \$160,000 per year, all as further detailed in the Bond Notification executed by the Designated Representatives (as hereinafter defined); provided, however, that no Bond shall bear interest at a rate per annum in excess of eight percent (8.00%). The Designated Representatives are hereby given full authority to execute and deliver a Bond Notification for and on behalf of the Village as herein provided. The Bond Notification shall be made a part of the transcript of the proceedings related to the issuance of the Bonds.

Interest on the Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date of the Bonds unless the Bonds are authenticated after the fifteenth (15th) day next preceding an interest payment date and on or before such interest

payment date in which case they shall bear interest from such interest payment date, or unless the Bonds are authenticated on or before the fifteenth (15th) day next preceding the first interest payment date, in which case they shall bear interest from the original date of the issuance of the Bonds, until the principal shall be fully paid. All payments of interest on the Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners thereof as the names appear as of the fifteenth (15th) day next preceding the interest payment date and at the addresses as they appear on the registration books kept by the Registrar (as hereinafter defined) or at such other address as is provided to the Paying Agent (as hereinafter defined) in writing by such registered owner.

The principal of the Bonds shall be payable at the principal corporate trust office of the Paying Agent. All payments on the Bonds shall be made in any coin or currency of the United States of America that on the date of such payment shall be legal tender for the payment of public and private debts. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time).

Section 4. Registrar and Paying Agent.

(a) *General.* The Village Treasurer, the Purchaser (as hereinafter defined) or a bank or trust company with an office located in the State of Illinois, the State of Minnesota or the State of Missouri, as set forth in the Bond Notification (the “Registrar” or “Paying Agent”) is hereby appointed to serve as registrar and paying agent for the Bonds. The Registrar is hereby charged

with the responsibility of authenticating the Bonds. The President, the Treasurer of the Village (the "Village Treasurer"), and the Village Clerk of the Village (the "Village Clerk") are hereby authorized to enter into such agreements or understandings with the Registrar as will enable the institution to perform the services required of a registrar and paying agent. The President and Village Treasurer are further authorized to pay such fees as the Registrar may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the fund established to pay the principal of and interest on the Bonds.

Each Bond shall be transferable or exchangeable only upon the books of the Village kept for that purpose at the principal corporate trust office of the Registrar by the registered owner in person, or by its attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or its attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the fifteenth (15th) day next preceding an interest payment date on such Bond and ending on such interest payment date, or after notice calling such Bond for redemption has been mailed, or during the fifteen (15) day period next preceding mailing of notice of redemption of any Bonds. The costs of such transfer or exchange shall be borne by the Village except for any tax or governmental charge required to be paid with respect to the transfer or exchange, which taxes or governmental charges are payable by the person requesting such transfer or exchange. The Village, Registrar and Paying Agent for the Bonds may treat and consider the person in whose name such Bonds are registered as the absolute owner

thereof for all purposes, including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

The Registrar and Paying Agent may at any time resign as registrar and paying agent upon giving 30 days' notice in writing to the Village and by first class mail to each registered owner of the Bonds then outstanding, and such resignation will take effect at the end of such 30-day period or upon the earlier appointment of a successor registrar and paying agent by the Village. Any such notice to the Village may be served personally or sent by registered mail. The Registrar and Paying Agent may be removed at any time as registrar and paying agent by the Village, in which event the Village may appoint a successor registrar and paying agent for the Bonds. The Village shall notify each registered owner of the Bonds then outstanding by first class mail of the removal of the registrar and paying agent. Notices to the registered owners of the Bonds shall be deemed to be given when mailed by first class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar.

Upon the appointment of any successor registrar and paying agent by the Village, the President, the Village Treasurer or the Village Clerk are authorized and directed to enter into such agreements and understandings with such successor registrar and paying agent as will enable the institution to perform the services required of a registrar and paying agent for the Bonds. The President and Village Treasurer are further authorized to pay such fees as the successor registrar and paying agent may charge for the services it provides as registrar and paying agent and such fees may be paid from the fund established to pay the principal and interest on the Bonds as fiscal agency charges.

Any predecessor registrar and paying agent shall deliver all of the Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

(b) *Book Entry System.* The Village has determined that it is beneficial to the Village to have the Bonds held by a central depository system pursuant to an agreement between the Village and The Depository Trust Company, New York, New York (“Depository Trust Company”) and have transfers of the Bonds effected by book-entry on the books of the central depository system (“Book Entry System”). The Bonds shall be initially issued in the form of a separate single authenticated fully registered Bond for the aggregate principal amount of each separate maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company.

With respect to the Bonds registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, the Village and the Paying Agent shall have no responsibility or obligation to any other holders or owners (including any beneficial owner (“Beneficial Owner”)) of the Bonds with respect to (i) the accuracy of the records of the Depository Trust Company, CEDE & CO., or any Beneficial Owner with respect to ownership questions, (ii) the delivery to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any amount with respect to the principal of, or premium, if any, or interest on the Bonds except as otherwise provided herein.

So long as the Bonds are registered in the name of CEDE & CO., as nominee of the Depository Trust Company, no person other than the Depository Trust Company shall receive an authenticated Bond evidencing an obligation of the Village to make payments of the principal of and premium, if any, and interest on the Bonds pursuant to this Ordinance. The Village and the Registrar and Paying Agent may treat as and deem the Depository Trust Company or CEDE & CO. to be the absolute bondholder of each of the Bonds for the purpose of (i) payment of the principal of and premium, if any, and interest on such Bonds; (ii) giving notices of redemption and other notices permitted to be given to bondholders with respect to such Bonds; (iii) registering transfers with respect to such Bonds; (iv) obtaining any consent or other action required or permitted to be taken of or by bondholders; (v) voting; and (vi) for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the order of the Depository Trust Company, and all such payments shall be valid and effective fully to satisfy and discharge the Village's and the Paying Agent's obligations with respect to principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by the Depository Trust Company to the Village of written notice to the effect that the Depository Trust Company has determined to substitute a new nominee in place of CEDE & CO., and subject to the provisions herein with respect to consents, the words "CEDE & CO." in this Ordinance shall refer to such new nominee of the Depository Trust Company. Notwithstanding any other provision hereof to the contrary, so long as any Bond is registered in the name of CEDE & CO., as nominee of the Depository Trust Company, all payments with respect to the principal of and premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to the Depository Trust Company as provided

in a representation letter from the Village to the Depository Trust Company (the “Blanket Village Letter of Representations”).

Upon receipt by the Village of written notice from the Depository Trust Company to the effect that the Depository Trust Company is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of the Depository Trust Company hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Bonds shall no longer be restricted to being registered in the register of the Village kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, but may be registered in whatever name or names the bondholders transferring or exchanging the Bonds shall designate, in accordance with the provisions of this Ordinance.

If the Village determines that it is in the best interest of the bondholders that they be able to obtain certificates for the fully registered Bonds, the Village may notify the Depository Trust Company and the Registrar, whereupon the Depository Trust Company will notify the Beneficial Owners of the availability through the Depository Trust Company of certificates for the Bonds. In such event, the Registrar shall prepare, authenticate, transfer and exchange certificates for the Bonds as requested by the Depository Trust Company and any Beneficial Owners in appropriate amounts, and whenever the Depository Trust Company requests the Village and the Registrar to do so, the Registrar and the Village will cooperate with the Depository Trust Company by taking appropriate action after reasonable notice to (i) make available one or more separate certificates evidencing the fully registered Bonds of any Beneficial Owner’s Depository Trust Company account or (ii) arrange for another securities depository to maintain custody of certificates for and evidencing the Bonds.

If the Bonds shall no longer be restricted to being registered in the name of the Depository Trust Company, the Registrar shall cause said Bonds to be printed in blank in such number as the Registrar shall determine to be necessary or customary; provided, however, that the Registrar shall not be required to have such Bonds printed until it shall have received from the Village indemnification for all costs and expenses associated with such printing.

Section 5. Redemption.

(a) *Optional Redemption.* If so provided in the Bond Notification, the Bonds may be subject to redemption prior to maturity at the option of the Village, from any available funds, in whole or in part, in integral multiples of \$5,000, in any order of their maturity as determined by the Village (less than all of the Bonds of a single maturity to be selected by the Registrar and within any maturity by lot), on the date (not later than December 15, 2029) of redemption provided in the Bond Notification and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

(b) *Mandatory Redemption.* The Bonds may be subject to mandatory redemption as set forth in the Bond Notification.

(c) *General.* For any such redemptions, the Bonds shall be redeemed only in the principal amount of \$5,000 and integral multiples thereof. The Village shall, at least thirty (30) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than sixty (60) days prior to the redemption date by the Registrar, by such method of lottery as the Registrar shall deem fair and appropriate; provided that such

lottery shall provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof.

The Registrar shall promptly notify the Village in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 6. Redemption Procedure. For any such redemptions, unless waived by the registered owner of Bonds to be redeemed, official notice of the call for any such redemption shall be given by the Registrar on behalf of the Village by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address as it appears on the registration books kept by the Registrar or at such other address as is furnished in writing by such registered owner to the Registrar.

All official notices of redemption shall state:

- (i) the redemption date,
- (ii) the redemption price,
- (iii) the identification by CUSIP numbers, if applicable, and maturity dates (and, in the case of partial redemption of Bonds within a maturity, the respective principal amounts) of the Bonds to be redeemed,
- (iv) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (v) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Registrar, and
- (vi) such other information then required by custom, practice or industry standard.

Prior to any redemption date, the Village shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on such redemption date.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption shall be conditioned upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Village shall not redeem such Bonds, and the Registrar shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Neither the failure to mail such redemption notice, nor any defect in any notice so mailed to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Upon surrender of such Bonds for redemption in accordance with

said notice, such Bonds or portions being redeemed shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for the payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal, of like tenor, of authorized denominations, and bearing the same rate of interest.

If any Bond or portion of a Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal and premium, if any, shall, until paid or duly provided for, bear interest from the redemption date at the rate borne by the Bond or portion of a Bond so called for redemption. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Registrar on behalf and at the expense of the Village as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (a) the CUSIP numbers of all Bonds being redeemed; (b) the date of issue of the Bonds as originally issued; (c) the rate of interest borne by each Bond being redeemed; (d) the maturity date of each Bond being redeemed; and (e) any other descriptive information needed to identify accurately the Bonds being redeemed.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 7. Execution and Negotiability. Each of the Bonds shall be executed in the name of the Village by the manual or facsimile signature of the President, and the seal of the Village shall be affixed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Village Clerk. In case any officer whose signature or facsimile signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature of such officer shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

The Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Illinois, subject to the provisions for registration herein.

The Bonds shall also be authenticated by the manual signature of the Registrar and no Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed.

Section 8. Form of Bonds. The form and tenor of the Bond shall be substantially as follows, all blanks to be filled in properly prior to delivery:

REGISTERED
NO R-__

REGISTERED
\$_____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCHENRY

VILLAGE OF LAKE IN THE HILLS
GENERAL OBLIGATION BOND, SERIES 2019

<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Original</u> <u>Date</u>	<u>Authentication</u> <u>Date</u>	<u>CUSIP</u>
--------------------------------	--------------------------------	--------------------------------	--------------------------------------	--------------

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

The Village of Lake in the Hills, in McHenry County, Illinois (the “Village”), for value received, hereby promises to pay to the Registered Owner named above or registered assigns, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon (computed on the basis of a 360-day year of twelve 30-day months) at the Interest Rate per annum stated above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth (15th) day next preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date or unless this bond is authenticated on or before the fifteenth (15th) day next preceding the first interest payment date, in which case it shall bear interest from the Original Date, until the principal is paid, which interest is payable semiannually on June 15 and December 15 in each year, beginning on _____, 20__.

This bond is one of an authorized issue of “General Obligation Bonds, Series 2019” (the “Bonds”) of the Village of like date, tenor and effect, except as to rates of interest and dates of maturity; aggregating _____ Dollars (\$_____); numbered consecutively from R-1 up; issued for the purpose of paying the costs of the Project (as defined in the hereinafter defined Ordinance) and the costs of issuing the bonds. This bond is issued pursuant to a Bond Ordinance adopted by the President and the Board of Trustees of said Village (collectively, the “Corporate Authorities”) on the 22nd day of August, 2019 and a Notification of Sale (the “Bond Notification”) executed on the ____ day of _____, 2019 (collectively, the “Ordinance”) by the President of said Village pursuant thereto and in accordance with Section 6 of Article VII of the Illinois Constitution of 1970 and the Municipal Code of the Village, the proceeds of which are to be applied solely to pay the costs of the Project and the payment of costs of issuance of the Bonds.

[Optional and mandatory redemption provisions, if applicable.]

This bond is transferable or exchangeable only upon the books of the Village kept for that purpose at the principal corporate trust office of the Registrar by the registered owner hereof in person, or by its attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or its attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The Registrar shall not be required to transfer or exchange this bond during the period beginning at the close of business on the fifteenth (15th) day next preceding an interest payment date on this bond and ending on such interest payment date. The Village, the Registrar, the Paying Agent (as hereinafter defined) and any other registrar or paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes, including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE.

The Village has designated the bonds as qualified tax-exempt obligations to qualify the bonds for the \$10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986 relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.

Bonds maturing in any one year are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof.

The principal of this bond is payable at the principal corporate trust office of _____, _____, _____ (the "Registrar" or "Paying Agent"). All payments of interest on this bond shall be paid by check, mailed one (1) business day prior to the interest payment date to the registered owner hereof as of the fifteenth (15th) day next preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments so such payments are received at the depository by 2:30 p.m. (New York City time). All payments on the bond shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

The Bonds shall be initially issued in a Book Entry System (as defined in the Ordinance). The provisions of this bond and of the Ordinance are subject in all respects to the provisions of the Blanket Village Letter of Representations (as defined in the Ordinance) between the Village and The Depository Trust Company, or any substitute agreement, affecting such Book Entry System.

This bond is a general obligation of the Village payable from ad valorem taxes levied against all taxable property in the Village, without limitation as to rate or amount. The full faith,

credit and resources of the Village are pledged to the punctual payment of the principal of and interest on this bond. This bond is negotiable, subject to registration provisions, pursuant to the laws of the State of Illinois.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law; that the indebtedness of the Village, including the issue of the Bond of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax sufficient to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the Village of Lake in the Hills, McHenry County, Illinois, has caused this bond to be executed by the manual or duly authorized facsimile signature of the President of the Village, the seal of said Village (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or duly authorized facsimile signature of the Village Clerk, all as of the Original Date identified above.

VILLAGE OF LAKE IN THE HILLS,
MCHENRY COUNTY, ILLINOIS

By: _____
President

(SEAL)

Attest:

By: _____
Village Clerk

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the within-mentioned Ordinance.

By: _____
Authorized Representative

[End of Form of Bond]

Section 9. Authorization for Preparation and Sale of the Bonds; Purchase Contract.

The President, the Village Manager or the Finance Director of the Village (the "Designated Representatives") are hereby authorized to proceed no later than six (6) months from the date of the passage of this Ordinance without any further authorization or direction from the Board, to sell the Bonds upon the terms as prescribed in this Ordinance. The Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the delivery of the Bond Notification as may be, and thereupon be deposited with the Village Treasurer, and, after authentication thereof

by the Bond Registrar, be by said Treasurer delivered to the purchaser thereof, as hereinafter described (the "Purchaser"), upon receipt of the purchase price therefor, the same being not less than 97% of the principal amount of the Bonds plus any accrued interest to date of delivery. The Purchaser shall be (a) pursuant to a competitive sale conducted by Speer Financial, Inc., Chicago, Illinois, the firm acting as financial advisor to the Village in connection with the sale of the Bonds (the "Financial Advisor"), the best bidder for the Bonds; (b) in a negotiated underwriting, a bank or financial institution listed in the Dealers & Underwriters or Municipal Derivatives sections of the most recent edition of The Bond Buyer's Municipal Marketplace; or (c) in a private placement, (i) a bank or financial institution authorized to do business in the State of Illinois, (ii) a governmental unit as defined in the Local Government Debt Reform Act of the State of Illinois, as amended, or (iii) an "accredited investor" as defined in Rule 501 of Regulation D as promulgated under the Securities Act of 1933, as amended; *provided, however*, that the Purchaser as set forth in either (b) or (c) shall only be selected upon receipt by the Village of the recommendation of the Financial Advisor that the sale of the Bonds on a negotiated or private placement basis to the Purchaser is in the best interests of the Village because of (i) the pricing of the Bonds by the Purchaser, (ii) then current market conditions or (iii) the timing of the sale of the Bonds; and *further provided*, that the Purchaser as set forth in (c) may be selected through the utilization of a placement agent selected by the Designated Representatives after consultation with the Financial Advisor if the use of such placement agent is determined to be in the best interest of the Village.

Prior to the sale of the Bonds, the President or the Finance Director of the Village is hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to further secure the Bonds, as long as the present value of the fee

to be paid for the Municipal Bond Insurance Policy (using as a discount rate the expected yield on the Bonds treating the fee paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Municipal Bond Insurance Policy.

Upon the sale of the Bonds, the Designated Representatives shall prepare a Notification of Sale of the Bonds, which shall include the pertinent details of sale as provided herein (the "Bond Notification"). In the Bond Notification, the Designated Representatives shall find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Bonds does not exceed the maximum rate otherwise authorized by applicable law. The Bond Notification shall be entered into the records of the Village and made available to the Board at the next regular meeting thereof; but such action shall be for information purposes only, and the Board shall have no right or authority at such time to approve or reject such sale as evidenced in the Bond Notification.

Upon the sale of the Bonds, as evidenced by the execution and delivery of the Bond Notification by the Designated Representatives, the President, Village Clerk and Village Treasurer and any other officers of the Village, as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, the contract for the sale of the Bonds between the Village and the Purchaser (the "Purchase Contract"). Prior to the execution and delivery of the Purchase Contract, the Designated Representatives shall find and determine that no person holding any office of the Village, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

The use by the Purchaser of any Preliminary Official Statement or Preliminary Term Sheet and any final Official Statement or final Term Sheet relating to the Bonds (the “Disclosure Document”) is hereby ratified, approved and authorized; the execution and delivery of the Disclosure Document is hereby authorized; and the officers of the Board are hereby authorized to take any action as may be required on the part of the Village to consummate the transactions contemplated by the Purchase Contract, this Ordinance, said Preliminary Disclosure Document, the Disclosure Document and the Bonds.

The Bonds when fully paid for and delivered to the Purchaser, shall be the binding general obligations of the Village. The proper officers of the Village are hereby directed to sell the Bonds to the Purchaser and to do whatever acts and things which may be necessary to carry out the provisions of this Ordinance.

Section 10. Bond Insurance. In the event the Purchaser certifies to the Village that it would be economically advantageous for the Village to acquire a municipal bond insurance policy for the Bonds, the Village hereby authorizes and directs the Village Treasurer or the Village Manager to obtain such an insurance policy. The acquisition of a municipal bond insurance policy is hereby deemed economically advantageous if the difference between the present value cost of (a) the total debt service on the Bonds if issued without municipal bond insurance and (b) the total debt service on the Bonds if issued with municipal bond insurance, is greater than the cost of the premium on the municipal bond insurance policy. In the event the payment of principal and interest on the Bonds is insured pursuant to a municipal bond insurance policy issued by a bond insurer (the “Bond Insurer”), and as long as such municipal bond insurance policy shall be in full force and effect, the Village and the Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the

Bondholders to the Bond Insurer upon payment of the Bonds by the Bond Insurer, amendment hereof, or other terms, as approved by the President of the Village on advice of counsel, his or her approval to constitute full and complete acceptance by the Village of such terms and provisions under authority of this Section.

Section 11. Continuing Disclosure. The Continuing Disclosure Undertaking (the “Undertaking”) in substantially the form which has been presented to and is hereby approved by the Corporate Authorities, and the President and the Village Clerk are hereby authorized and directed to complete, execute and attest the same on behalf of the Village. Notwithstanding any other provisions of this Ordinance, failure of the Village to comply with the Undertaking shall not be considered an event of default under the Bonds or this Ordinance.

Section 12. Tax Levy. For the purpose of providing funds to produce sums necessary to pay the interest on the Bonds as it falls due and also pay and discharge the principal thereof at maturity, there shall be levied upon all the taxable property within the Village a direct annual tax (the “Pledged Taxes”) for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, and that there be and there is hereby levied upon all of the taxable property in the Village, in each of the years 2019 to 2048, a maximum direct annual tax in the amount of \$185,000, such amount to be finalized in the Bond Notification.

Principal or interest coming due at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from current funds on hand of the Village, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall be collected.

The Village covenants and agrees with the Purchaser and the holders of the Bonds that so long as the Bonds remain outstanding, the Village will take no action or fail to take any action

which in any way would adversely affect the ability of the Village to levy and collect the foregoing tax levy, unless the abatement of any particular tax levy amount has been provided for through the deposit of moneys, including, but not limited to moneys from the tax levied in connection with the Special Service Area, in a segregated account, and the Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues will be available and the Pledged Taxes will be levied, extended and collected as provided herein and deposited in the Bond Fund established to pay the principal of and interest on the Bonds.

The funds derived from the tax levy be and the same are hereby appropriated and set aside for the sole and only purpose of paying principal of and interest on said Bonds when and as the same become due. The funds from the sale of said Bonds be and they are hereby appropriated and set aside for the purpose hereinbefore set out.

If the Village deposits funds from any lawful source into the Bond Fund, the Village Clerk shall file written direction with the County Clerk of McHenry County, Illinois (the "County Clerk"), to abate the taxes by the amount so deposited, and such deposits shall be made prior to any such abatement being filed with the County Clerk. No Pledged Taxes may be abated unless and until the proper amount of such abatement has been deposited irrevocably into the Bond Fund and dedicated to the payment of the Bonds.

Section 13. Filing of Ordinance. Forthwith upon this Ordinance becoming effective, the Village Clerk is hereby directed to file a certified copy of this Ordinance, which certificate shall recite that this Ordinance has been passed by the Corporate Authorities and published, with the County Clerk, and it shall be the duty of said County Clerk in and for the years 2019 to 2048 while the Bonds or any of them are outstanding (as set forth in the Bond Notification), inclusive, to annually ascertain the rate necessary to produce the tax herein and therein levied, and extend

the same for collection on the tax books against all of the taxable property within the Village in connection with other taxes levied in said years, in order to raise the respective amounts aforesaid and in said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general corporate purposes of the Village, and when collected, the taxes hereby levied shall be used only for the purpose of paying the principal of and interest on the Bonds.

Section 14. Costs of Issuance. Costs of issuance of the Bonds not otherwise paid shall be paid from the remaining proceeds by the Village. When all the costs of issuance of the Bonds have been paid, the Village shall then transfer any amount then remaining from the proceeds of the Bonds to the Bond Fund as herein provided.

Section 15. Bond Fund. There is hereby created and established a special fund of the Village known as the “Bond Fund, Series 2019” (the “Bond Fund”) to be held by the Village Treasurer, which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by this Ordinance. The Bond Fund shall be the fund for the payment of the principal of and interest on the Bonds at maturity or on interest payment dates or redemption. Any capitalized interest included in the proceeds of the sale of the Bonds shall be deposited in the Bond Fund for the payment of interest on the Bonds, and the Pledged Taxes shall be deposited into the Bond Fund, as received, and shall be used solely and only for the payment of principal of and interest on the Bonds when due (including any redemption). The Bonds are secured by a pledge of all moneys on deposit in the Bond Fund, and such pledge is irrevocable until the Bonds have been paid in full or until the obligations of the Village are discharged under this Ordinance. Accrued interest and premium received at the time of delivery of the Bonds, if any, shall be deposited in the Bond Fund.

The Village directs that the Village Treasurer deposit the following amounts received from the collection of the Pledged Taxes into the Bond Fund: (a) an amount equal to one-half of the total principal and interest due on the Bonds in such year (the “Debt Service Requirement”) shall be deposited into the Bond Fund from collections of the first installment of property taxes and (b) an amount equal to the other half of the Debt Service Requirement shall be deposited into the Bond Fund from collections of the second installment of property taxes.

Section 16. Project Fund. There is hereby created and established a special fund of the Village known as the “Project Fund, Series 2019” (the “Project Fund”) to be held by the Village Treasurer. Proceeds of the Bonds shall be deposited in the Project Fund, and the Project Fund shall be used for the purpose of paying for the costs of the Project, and costs of issuance of the Bonds. For the purpose of paying first interest due on the Bonds, an amount necessary for that purpose may be loaned from the Project Fund to the Bond Fund. Said amount shall be reimbursed to the Project Fund from the Bond Fund as Pledged Taxes are received and available therefor. Additional loans from the Project Fund to the Bond Fund to pay debt service on the Bonds may be made upon further direction by the Corporate Authorities so long as provision is made to reimburse the Project Fund with Pledged Taxes.

Interest received from deposits in the Project Fund shall, at the discretion of the Corporate Authorities, either be transferred for the payment of the principal of and interest on the Bonds on the interest payment date next after such interest is received or be retained in the Project Fund.

In the event that any moneys remain in the Project Fund upon completion of the Project, the Village shall deposit the remaining moneys in the Project Fund into the Bond Fund and shall cause such moneys to be used to pay the interest on the Bonds on the earliest possible date.

Section 17. Additional Funds and Accounts. In addition to the funds established hereunder, the President is hereby authorized and directed to establish, and the Village Treasurer is further authorized to hold, any and all funds and/or accounts they deem necessary or convenient to the accomplishment of the purposes set forth in this Ordinance.

Section 18. Defeasance of the Bonds. If, when the Bonds or a portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or a portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds or a portion thereof then outstanding shall be paid; or (i) sufficient moneys or (ii) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury), the principal of and the interest on which when due will provide sufficient moneys for such purpose, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds or any designated portion thereof issued hereunder shall no longer be deemed outstanding or entitled to any pledge of the Pledged Taxes made herein.

Section 19. Investment of Moneys. Moneys in the Bond Fund and Project Fund may be invested by the Village Treasurer in lawful investments for the Village. All income earned or losses sustained on such investments shall be credited to the Fund or Account from which the investments were made.

Section 20. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) in aggregate principal amount of the Bonds issued pursuant to this

Ordinance and then outstanding shall have the right from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Village of such ordinance or ordinances supplemental hereto or amendatory hereof, as shall be deemed necessary or desirable by the Village for the purpose of modifying, altering, amending, adding to or rescinding in any particular manner any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

- (a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this Ordinance; or
- (b) A reduction in the principal amount of any Bond or the rate of interest thereon; or
- (c) A preference or priority of any Bond or Bonds issued pursuant to this Ordinance over any other Bond or Bonds issued pursuant to the provisions of this Ordinance; or
- (d) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance.

If the owners of not less than sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Village Clerk, no owner of any Bond issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Village from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and

shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the Village and all owners of Bonds then outstanding, shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the Village and of the owners of the Bonds authorized by this Ordinance, and the terms and provisions of the Bonds and this Ordinance, or any supplemental or amendatory ordinance, may be modified or altered in any respect with the consent of the Village and the consent of the owners of all the Bonds then outstanding.

Section 21. General Covenants. The Village covenants and agrees with the registered owners of the Bonds, so long as any such Bonds remain Outstanding, as follows:

A. The Village will punctually pay or cause to be paid from the sources provided for in this Ordinance, the principal of and interest to become due on the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

B. The Village will pay and discharge, or cause to be paid and discharged, from the Bond Fund, any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Taxes, or any part thereof, or upon any such funds in the hands of the Bond Registrar, or which might impair the security of the Bonds. Nothing herein contained shall require the Village to make any such payment so long as the Village in good faith contests the validity of said claims.

C. The Village will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries will be made of all transactions relating to the Pledged Taxes and the Bond Fund. Such books of

record and accounts will at all times during business hours be subject to the inspection of the holders of not less than ten percent (10%) of the principal amount of the outstanding Bonds or their representatives authorized in writing.

D. The Village will preserve and protect the security of the Bonds and the rights of the registered owners of the Bonds, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the Village, to the extent lawful the Bonds shall be incontestable by the Village.

E. The Village will adopt, make, execute and deliver any and all such further ordinances, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance, and for the better assuring and confirming unto the owners of the Bonds of the rights and benefits of this Ordinance.

F. As long as any Bonds are outstanding, the Village will continue to deposit the Pledged Taxes into the Bond Fund. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes will be levied, extended and collected as provided in this Ordinance and deposited in the Bond Fund.

G. Once issued and while outstanding, the Bonds shall be and forever remain until paid or defeased the general obligation of the Village, for the payment of which its full faith and credit are pledged, and shall be payable from the levy of the Pledged Taxes.

Section 22. Tax Covenants. In order to preserve the exclusion of interest on any Bonds, the interest on which is exempt from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of the Bonds (the "Code"), and as an inducement to purchasers of the Bonds, the Village represents, covenants and agrees that:

(a) The facilities financed with the Bonds are available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity, other than the Village or another state or local governmental unit, will use more than 10% of the proceeds of the Bonds or property financed by Bond proceeds other than as a member of the general public. No person or entity other than the Village or another state or local governmental unit own property financed by Bond proceeds or have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or output contract or any other type of arrangement that conveys other special legal entitlements and differentiates that person's or entity's use of such property from the use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Bonds.

(b) No more than ten percent (10%) of the payment of principal of or interest on the Bonds will be (under the terms of the Bonds, this Ordinance or any underlying arrangement), directly or indirectly, (i) secured by any interest in property used or to be used for a private business use or payments in respect of such property or (ii) derived from payments (whether or not to the Village) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than five percent (5%) of the Bond proceeds will be loaned to any entity or person other than a state or local governmental unit. No more than five percent (5%) of the Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond proceeds.

(d) The Village reasonably expects, as of the date hereof, that it will comply with the covenants described in paragraph (a), (b) and (c) above during the entire term of the Bonds.

(e) No more than five percent (5%) of the proceeds of the Bonds will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) The Village will not take any action nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes nor will the Village act in any other manner which would adversely affect such status, and it will not make any investment or do any other act or thing during the period that the Bonds are outstanding which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(g) The Village certifies that to the extent necessary to preserve the tax-exempt status of the Bonds it will rebate any arbitrage profits to the United States of America in accordance with Section 148(f) of the Code and the Regulations promulgated thereunder.

It shall be not an event of default under this Ordinance if interest on any Bond is not excludable from gross income for federal income tax purposes pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds.

(h) The Village represents that the Bonds are not private activity bonds as defined in Section 141 of the Code.

(i) These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds.

The Village hereby authorizes the officials of the Village responsible for issuing the Bonds, the same being the President, the Village Clerk and the Village Treasurer, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be excludable from gross income for federal income tax purposes. In connection therewith, the Village further agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds as required pursuant to Section 148 of the Code and the regulations promulgated thereunder; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

Section 23. Noncompliance with Tax Covenants. Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance (the “Tax Sections”) which are designed to preserve the exclusion of interest on the Bonds from gross income under federal law (the “Tax Exemption”) need not be complied with if the Village receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 24. Qualified Tax-Exempt Obligations. Unless otherwise set forth in a Bond Notification, this Section 24 shall apply to the Bonds. The Village recognizes the provisions of

Section 265(b)(3) of the Code which provide that a “qualified tax-exempt obligation” as therein defined may be treated by certain financial institutions as if it were acquired on August 7, 1986, for certain purposes. The Village hereby designates the Bonds under Section 265(b)(3) of the Code as “qualified tax-exempt obligations” as provided therein to the extent each such Bond is tax-exempt under Section 103 of the Code.

(a) The Village acknowledges that a “qualified tax exempt obligation” means a bond which is not a “private activity bond” as defined in Section 141(a) of the Code.

(b) The Village represents that including the Bonds, the Village (including any entities subordinate thereto) does not reasonably expect to issue in excess of \$10,000,000 in “qualified tax-exempt obligations” (other than non-501(c)(3) “private activity bonds”) (as such terms are defined in the Code) during the calendar year of issuance of the Bonds.

In determining whether the Bonds are “qualified tax-exempt obligations” certain obligations are not taken into account in aggregating the applicable \$10,000,000 limit of the small issuer exception under Section 265(b)(3) of the Code, including under Section 265(b)(3)(C)(III):

(c) (an obligation issued to refund (other than to advance refund within the meaning of section 149(d)(5)) any obligation to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation.

Section 25. Registered Form. The Village recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon is exempt from federal income taxation for the Bonds. In this connection, the Village agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 26. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 27. Publication. The Village Clerk is hereby authorized and directed to publish this Ordinance in pamphlet form and to file copies thereof for public inspection in his/her office.

Section 28. Conflicting Ordinances. All ordinances, resolutions and parts of ordinances and resolutions, in conflict herewith are hereby repealed.

Section 29. Headings. The headings or titles of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Ordinance.

Section 30. Effective Date. This Ordinance shall be in full force and effect from and after its adoption and publication.

ADOPTED this 22nd day of August, 2019 by a roll call vote as follows:

AYES: _____.

NAYS: _____.

ABSENT: _____.

APPROVED this 22nd day of August, 2019.

President

ATTEST:

Village Clerk

Trustee _____ moved and Trustee _____ seconded the motion that said Ordinance as presented by the Village Clerk be adopted.

After a full discussion thereof, the President directed that the roll be called for a vote upon the motion to adopt said Ordinance as presented.

Upon the roll being called, the following Trustees voted AYE: _____
_____.

and the following Trustees voted NAY: _____.

Whereupon the President declared the motion carried and said Ordinance adopted, approved and signed the same in open meeting and directed the Village Clerk to record the same in full in the records of the Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois, which was done.

Other business not pertinent to the adoption of said Ordinance was duly transacted at said meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF MCHENRY)

CERTIFICATION OF MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Lake in the Hills, McHenry County, Illinois (the “Village”), and as such official am the keeper of the official journal of proceedings, books, records, minutes and files of the President and the Board of Trustees (collectively, the “Corporate Authorities”).

I further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Corporate Authorities held on the 22nd day of August, 2019, insofar as the same relates to the adoption of Ordinance No. _____ entitled:

AN ORDINANCE providing for the issuance of not to exceed \$2,000,000 General Obligation Bonds, in one or more series, of the Village of Lake in the Hills, McHenry County, Illinois, for the purpose of financing the costs of certain capital projects in as well as outside of the Village, providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on said Bonds, and authorizing the proposed sale of said Bonds to the purchaser thereof.

a true, correct and complete copy of which said Ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said regular public meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of said ordinance were conducted openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all newspapers, radio or television stations and other news media requesting such notice; that an agenda for said meeting was posted at the principal office of the Corporate Authorities and at the location where said meeting was to be held on a day which was not a Saturday, Sunday or legal holiday for Illinois municipalities and at least 48 hours in advance of holding said meeting; that said agenda described or made specific reference to said ordinance; that a true, correct and complete copy of said agenda as so posted is attached hereto; and that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities has complied with all of the provisions of said Act and said Code, except as said Act and said Code are validly superseded by the home rule powers of the Village, and with all of the procedural rules of the Corporate Authorities in the adoption of said ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and seal of said Village, this 22nd day of August, 2019.

Village Clerk

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF MCHENRY)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of McHenry County, Illinois, and as such official I do further certify that on the ____ day of _____, 2019, there was filed in my office a duly certified copy of Ordinance No. _____ entitled:

AN ORDINANCE providing for the issuance of not to exceed \$2,000,000 General Obligation Bonds, in one or more series, of the Village of Lake in the Hills, McHenry County, Illinois, for the purpose of financing the costs of certain capital projects in as well as outside of the Village, providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on said Bonds, and authorizing the proposed sale of said Bonds to the purchaser thereof.

duly adopted by the Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois, on the 22nd day of August, 2019, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this ____ day of _____, 2019.

County Clerk of McHenry County, Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF MCHENRY)

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Lake in the Hills, McHenry County, Illinois (the “*Village*”), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the Village and of the President and Board of Trustees (the “*Board*”) of the Village.

I do further certify that on the ____ day of _____, 2019, there was published in pamphlet form, by authority of the Board, a true, correct, and complete copy of Ordinance No. ____ of the Village entitled:

AN ORDINANCE providing for the issuance of not to exceed \$2,000,000 General Obligation Bonds, in one or more series, of the Village of Lake in the Hills, McHenry County, Illinois, for the purpose of financing the costs of certain capital projects in as well as outside of the Village, providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on said Bonds, and authorizing the proposed sale of said Bonds to the purchaser thereof.

and providing for the issuance of said bonds, and that the ordinance as so published was on that date readily available for public inspection and distribution, in sufficient number so as to meet the needs of the general public, at my office as Village Clerk located in the Village.

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of the Village this 22nd day of August, 2019.

Village Clerk

(SEAL)



REQUEST FOR BOARD ACTION

MEETING DATE: April 9, 2019

DEPARTMENT: Public Works

SUBJECT: Ordinance Proposing the Establishment of a Special Services Area in Unincorporated Lake in the Hills

EXECUTIVE SUMMARY

Last year, the Village Board considered the sale of a portion of the Village's water system situated in unincorporated McHenry County. In light of concerns expressed by water system customers, the Village made the decision to not sell the system, and instead chose to consider a Special Service Area (SSA) to finance the installation of a new water system. In November of 2018, the County of McHenry consented to the Village of Lake in the Hills' establishment of an SSA in its incorporated jurisdiction in response to the Village's desire. Subsequently, in December of 2018, the Village Board adopted the Fiscal Year 2019 budget, which included expenditures from the Water Fund for the engineering necessary to design the infrastructure improvements as well as for associated legal expenses. Most recently, in February of 2019, the Village Board was presented with a conceptual timeline for the project and authorized staff to proceed with its initiation. Also in February, the Village awarded preliminary design engineering services for the new water system.

To that end, staff and the Village Attorney have prepared an ordinance proposing the establishment of a Special Service Area to encompass the unincorporated area, as well as one parcel within the Village's corporate boundaries. The SSA Tax Law provides that the Village establish maximum parameters regarding financing of the special services. This is due to the fact that there are certain unknown factors within the project which include:

- The actual construction costs, which will not be determined until the project is awarded in late fall of 2019. The engineer's not-to exceed estimate includes a very conservative 25% contingency;
- The type of bond, the interest rate at which it is issued, and the term of the debt service. These will require future consideration by the Village Board.

The maximum amount included in the proposed ordinance is \$2,891 annually for each parcel within the SSA. If the SSA is adopted, the Village will agree to pay the SSA levy imposed on those parcels situated within the corporate boundaries of the Village. This includes the property currently occupied by the American Legion. The rationale is that the Village does not charge residents for repair and reinstallation of the water main system. At the same time too, the Village staff believes that this is the fair and appropriate course of action because this property would benefit from the new water main system.

If the Board adopts the proposing ordinance, a public hearing on the proposed SSA would be held on June 11 before the Village Board with notice of same published in the newspaper and sent to the taxpayers within the special service area. Besides such public notice, it is anticipated that other means of communicating information regarding the SSA would be provided to customers in the meantime.

The SSA Tax Law provides that within 60 days of the adjournment of such public hearing, if an objection petition signed by 51% of the voters and 51% of the owners of record within the proposed SSA is filed objecting to the SSA, the SSA will not be established. If an objection petition is not filed, or if a petition is filed but does not meet each of two criteria necessary to "veto" the SSA, the Village Board is authorized to adopt an ordinance establishing the SSA after such potential objection period.

ATTACHMENTS

1. Timeline regarding the SSA 51 process
2. Ordinance Proposing the Establishment of Special Service Area Number 51 Within, as well as Outside of, the Village of Lake in the Hills, Setting a Public Hearing Date and Providing for Other Procedures in Connection Therewith

RECOMMENDED MOTION

Motion to adopt the ordinance proposing the SSA 51 Water Main Project.

Unincorporated Water Main Project



TASK	START	ANTICIPATED DURATION	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
1. McHenry County approved Village formation of SSA	Oct-18	Oct-18	Complete																			
2. Staff budgeted for engineering in FY 19 budget	Oct-18	Oct-18	Complete																			
3. Issue preliminary and design engineering RFP - February 4, 2019	Feb-19	Feb-19					Actual Start															
4. Re-engage with unincorporated residents, then ad-hoc committee on February 19, 2019	Feb-19	May-20					Actual Start	Actual Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start
5. Award Phase I and Phase II Engineering - February 28, 2019	Feb-19	Feb-19					Actual Start															
6. Obtain rough engineer's estimate - March 25, 2019	Mar-19	Mar-19						Actual Start														
7. Obtain high-end cost & tax levy information through Speer - March 30, 2019	Mar-19	Mar-19						Actual Start														
8. SSA Proposing Ordinance presented to Board for action - April 9, 2019	Apr-19	Apr-19							Anticipated Start													
9. 60-day review and objection period for proposing SSA ordinance	Apr-19	Jun-19							Anticipated Start	Anticipated Start	Anticipated Start											
10. Retain bond counsel - April 30, 2019	Apr-19	Apr-19							Anticipated Start													
11. Public hearing on SSA formation following 60 day notice period - June 11, 2019	Jun-19	Jun-19									Anticipated Start											
12. 60-day objection period for establishing ordinance for SSA	Jun-19	Aug-19									Anticipated Start	Anticipated Start	Anticipated Start									
13. After objection period, adopting/establishing ordinance for SSA presented to Board for action at August 22, 2019 meeting	Aug-19	Aug-19											Anticipated Start									
14. Award construction - October 22, 2019	Oct-19	Oct-19													Anticipated Start							
15. Adopt bond ordinance - October 22, 2019	Oct-19	Oct-19													Anticipated Start							
16. 30 day review period	Oct-19	Nov-19													Anticipated Start	Anticipated Start						
17. After 30 day review period, bond issuance, assuming action approved by Board - December 1, 2019	Dec-19	Dec-19															Anticipated Start					
18. Issue tax levy for year 1 of debt service at Board meeting - December 12, 2019	Dec-19	Dec-19															Anticipated Start					
19. Construction begins February 2020	Feb-20	May-20																	Anticipated Start	Anticipated Start	Anticipated Start	Anticipated Start

VILLAGE OF LAKE IN THE HILLS

ORDINANCE 2019 - ____

AN ORDINANCE PROPOSING THE ESTABLISHMENT OF SPECIAL SERVICE AREA NUMBER 51 WITHIN, AS WELL AS OUTSIDE OF, THE VILLAGE OF LAKE IN THE HILLS, SETTING A PUBLIC HEARING DATE AND PROVIDING FOR OTHER PROCEDURES IN CONNECTION THEREWITH

BE IT ORDAINED by the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois, as follows:

Section 1. **Authority to Establish Special Service Areas.** The Village of Lake in the Hills, an Illinois home rule municipal corporation located in McHenry County, Illinois (the “Village”) is authorized pursuant to Article VII, Section 7(6) of the Constitution of the State of Illinois, and pursuant to the provisions of the Illinois Special Service Area Tax Law, 35 ILCS 200/27-5 *et seq.* (the “SSA Law”), to provide for, inter alia, the manner of levying or imposing taxes and issuing bonds for the provision of special services to areas within a municipality and the unincorporated county when the county consents to the creation of the special service area and the passage of this Ordinance constitutes an exercise of the Village’s home rule powers and functions as granted in the Constitution of the State of Illinois.

Section 2. **Findings.** The President and Board of Trustees of the Village (together, the “Corporate Authorities”) find and determine as follows:

a. That the territory within the Village and the unincorporated territory contiguous to the Village described and depicted in Exhibit A attached hereto and made a part hereof (the “Area”) would benefit from the construction and installation of potable water distribution facilities and related improvements as well as the payment of required tap on fees to pay for improvements to the Village’s water treatment facility to draw and treat water for distribution to the Area; and

b. That McHenry County has consented to the establishment of a special service area relative to that portion of the Area which is in unincorporated McHenry County; and

c. It is in the public interest that the Corporate Authorities consider the creation of a special service area for the Area; and

d. The special service area proposed for consideration for the Area is contiguous; and

e. The proposed special service area will benefit specially from the special services to be provided to the Area.

Section 3. **Proposal.** The Corporate Authorities propose the establishment of Village of Lake in the Hills Special Service Area Number 51 for the construction and installation of potable water distribution facilities and related improvements as well as the payment of required tap on fees to pay for improvements to the Village’s water treatment facility to draw and treat water for distribution to the Area.

Section 4. **Public Hearing.** A public hearing shall be held on the 11th day of June, 2019, at 7:30 p.m., at the Village of Lake in the Hills Village Hall, 600 Harvest Gate, Village of Lake in the Hills, Illinois 60156, to consider the creation and establishment of the Village of Lake in the Hills Special Service Area Number 51 for the Area.

At the public hearing, the following method of financing improvements for the proposed special service area and the construction and installation of potable water distribution facilities and related improvements as well as the payment of required tap on fees to pay for improvements to the Village's water treatment facility to draw and treat water for distribution to the Area will be considered: the borrowing of an amount not to exceed an aggregate principal amount of \$2,000,000 to be evidenced by special tax bonds (including bonds issued to refund such bonds) of such Area (the "Bonds"), the proceeds of which shall be used to pay the cost of providing special services to the proposed special service area, to fund certain reserves for, and interest on, the Bonds and initial administrative expenses relating to the proposed special service area, and to pay the cost of issuing the Bonds and to re-pay the principal associated with the Bonds. Thus, the maximum amount of the bonds proposed to be issued would be \$2,000,000. The special services to be provided to the proposed special service area will include the construction and installation of potable water distribution facilities and related improvements as well as the payment of required tap on fees to pay for improvements to the Village's water treatment facility to draw and treat water for distribution to the Area and related engineering, surveying, construction observation, soil testing and appurtenant work, grading and demolition, site clearing and tree removal, final restoration and paving and the equipment and materials necessary for same, and other associated costs including those of consultants (collectively, the "Special Services"). The Bonds shall be retired over a period not to exceed thirty (30) years from the date of their issuance and shall bear interest at a rate not to exceed eight percent (8%) per annum and which would be the maximum interest rate the Bonds will bear. Thus, 30 years would be the maximum period of time over which the Bonds would be retired. The collective total maximum amount of special service area taxes to be extended within the entire special service area in any year would be \$185,000 and the maximum number of years taxes would be levied for the proposed special service area would be 30 years. The Bonds shall be retired by the levy of an annual special tax levied against each "Taxable Parcel" of property as set forth in Exhibit 1 of Exhibit B within the special service area to pay the interest on the Bonds as it falls due and to discharge the principal thereof at maturity and to pay the costs of administration for the special service area. This tax is to be levied upon all taxable property within the proposed special service area.

For each "Taxable Parcel" within the proposed Special Service Area 51 as set forth in Exhibit 1 to Exhibit B hereto, the special service area tax shall be a flat rate not to exceed \$2,891 on an annual basis. This would be the maximum rate of special service area taxes to be extended within the proposed special service area in any year as to each of the Taxable Parcels in the proposed special service area.

If the special service area is adopted, the Village agrees to pay for any SSA levy imposed on those parcels situated within the Village's corporate boundaries.

The proposed amount of the tax levy for the proposed Special Services to be provided for the initial year for which taxes will be levied within the proposed special service area would not exceed \$185,000.

The nature of the Special Services to the Area is for new construction as more fully described above.

In the event a vacant parcel assigned a property identification number presently identified as part of a "Taxable Parcel" as set forth in Exhibit 1 of Exhibit B, or an "Undeveloped Parcel" as defined in Exhibit 1 of Exhibit B, is connected to the water distribution system within the Area constituting a portion of the Special Services, such parcel shall become a "Taxable Parcel" and be subject to the special service area tax levy of \$2,891 per year thereafter for the remainder of the term of the special service area. The Village reserves the right to add parcels to the proposed special service area in accordance with the SSA Law and/or the Village's home rule authority.

Section 5. **Notice of Public Hearing.** Notice of the public hearing shall be published of the public hearing on June 11, 2019 at least once not less than fifteen (15) days prior to the public hearing specified in Section 4 above, in a newspaper of general circulation in the Village. In addition, notice shall be given by depositing the notice in the United States mail addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the proposed special service area. This notice shall be mailed not less than fifteen (15) days prior to the time set for the public hearing. In the event taxes for the last preceding year were not paid, the notice shall be sent to the person last listed on the tax rolls prior to that year as the owner of record of the property. The notice shall be in substantially the form set forth in Exhibit B to this Ordinance.

Section 6. **Supersede Conflicting Ordinances.** All ordinances or parts of ordinances in conflict with the provisions of this ordinance are repealed to the extent of such conflict.

Section 7. **Effective Date.** This Ordinance shall be in full force and effect from and after its passage and approval in the manner provided by law.

Passed this 11th day of April 2019, pursuant to a roll call vote as follows:

	Ayes	Nays	Absent	Abstain
Trustee Stephen Harlfinger	_____	_____	_____	_____
Trustee Ray Bogdanowski	_____	_____	_____	_____
Trustee Bob Huckins	_____	_____	_____	_____
Trustee Bill Dustin	_____	_____	_____	_____
Trustee Suzanne Artinghelli	_____	_____	_____	_____
Trustee Suzette Bojarski	_____	_____	_____	_____
President Russ Ruzanski	_____	_____	_____	_____

APPROVED THIS 11TH DAY OF APRIL 2019

Village President, Russ Ruzanski

(SEAL)

ATTEST: _____
Village Clerk, Cecilia Carman

Published: _____

Exhibit A
Legal description of the Area, street addresses within the Area as well as
permanent tax index numbers of parcels within the Area

The legal description of the Area is as follows:

That part of Lake in the Hills Estates Unit 12, being a subdivision of part of the South half of Section 28, Township 43 North, Range 8 East of the Third Principal Meridian, according to the plat thereof recorded April 4, 1953 as Document No. 264707, in McHenry County, described as follows:

Beginning at the Northwest corner of Lot 2 in Block 1 in said Lake in the Hills Estates Unit 12; thence Southerly along the West line of said Lot 2 to the Southwest corner thereof, said point being on the North line of Lot 3 in Block 1 in said Lake in the Hills Estates Unit 12; thence Westerly along said Northerly line to the Westerly line of said Block 1; thence Southerly along said Westerly line and also the Westerly lines of Blocks 10, 15 and 16 and the Westerly lines of Craig Street and Roger Street in said Lake in the Hills Estates Unit 12, to the Southwest corner of Lot 1 in said Block 16; thence Easterly along the Southerly line of said Block 16 to the Southeast corner of Lot 8 in said Block 16; thence Northerly along the Easterly line of said Blocks 16 and 13 in said Lake in the Hills Estates Unit 12 to the Southwest corner of Lot 1 in Block 12 in said Lake in the Hills Estates Unit 12; thence Easterly along the Southerly line of said Blocks 12 and 7 and the Southerly line of a drainage easement per said Lake in the Hills Estates Unit 12, to a bend point in the Southerly line of Lot 9 in said Block 7; thence Southeasterly along the Southwesterly line of Blocks 7, 6 and 5 and the Southwesterly lines of Ethel Avenue and Isabel Avenue in said Lake in the Hills Estates Unit 12 to the Southeast corner of Lot 9 in said Block 5; thence Northeasterly along the Southeasterly line of said Blocks 5 and 4 and the Southeasterly line of vacated Rosemarie Street in said Lake in the Hills Estates Unit 12 to the Northeast corner of Lot 3 in said Block 4, said point being on the Southwesterly line of W. Algonquin Road as shown on said Lake in the Hills Estates Unit 12; Thence Northwesterly along said Southwesterly line and the Northerly line of said Lake in the Hills Estates Unit 12 to the Point of Beginning, EXCEPTING therefrom all of Lot 5 in Block 3 in said Lake in the Hills Estates Unit 12, all in McHenry County, Illinois.

The Area is located south and west of West Algonquin Road and includes parcels on both sides of Scotty Avenue, Rosemarie Street, Dennis Avenue, Craig Street, Roger Street, Willy Avenue, Joan Street, Nevin Avenue, Ethel Avenue, Marie Avenue and Isabel Avenue.

The parcels within the Area by Permanent Tax Index Numbers and street location are as follows:

Taxable Parcels by Parcel Number	Site Address
1. 19-28-326-001, 19-28-326-002	705 Scotty Avenue, Algonquin, IL 60102
2. 19-28-327-015, 19-28-327-014	815 Dennis Avenue, Lake in the Hills, IL 60156
3. 19-28-334-002	902 Nevin Street, Algonquin, IL 60102
4. 19-28-405-024	1111 Isabel Street, Algonquin, IL 60102
5. 19-28-405-019	1113 Isabel Street, Algonquin, IL 60102
6. 19-28-405-009	1117 Isabel Drive, Algonquin, IL 60102
7. 19-28-329-001	10514 Dennis Avenue, Algonquin, IL 60102
8. 19-28-329-011, 19-28-329-012, 19-28-329-003	905 Craig Street, Algonquin, IL 60102

Taxable Parcels by Parcel Number	Site Address
9. 19-28-329-018	901 Craig Street, Algonquin, IL 60102
10. 19-28-327-001	704 Scotty Avenue, Algonquin, IL 60102
11. 19-28-327-002	804 Rosemarie Street, Algonquin, IL 60102
12. 19-28-327-003, 19-28-327-011	806 Rosemarie Street, Algonquin, IL 60102
13. 19-28-327-007, 19-28-327-006	814 Rosemarie Street, Algonquin, IL 60102
14. 19-28-327-016	10516 Scott Avenue, Algonquin, IL 60102
15. 19-28-330-006, 19-28-330-007	5708 Roger Street, Lake in the Hills, IL 60156
16. 19-28-330-008, 19-28-330-009, 19-28-330-010	809 Roger Street, Algonquin, IL 60102
17. 19-28-331-001, 19-28-331-002	901 Roger Street, Algonquin, IL 60102
18. 19-28-329-016	1114 Ethel Street, Algonquin, IL 60102
19. 19-28-334-012, 19-28-334-015, 19-28-334-013, 19-28-334-014	904 Roger Street, Algonquin, IL 60102
20. 19-28-334-001	900 Roger Street, Algonquin, IL 60102
21. 19-28-334-003	10904 Nevin Street, Algonquin, IL 60102
22. 19-28-334-004, 19-28-334-005	908 Nevin Street, Algonquin, IL 60102
23. 19-28-334-006	910 Nevin Avenue, Algonquin, IL 60102
24. 19-28-334-007	10714 Nevin Avenue, Lake in the Hills, IL 60156
25. 19-28-334-008	10716 Nevin Avenue, Algonquin, IL 60102
26. 19-28-333-001, 19-28-333-002	702 Roger Street, Algonquin, IL 60102
27. 19-28-333-009	10701 Nevin Street, Algonquin, IL 60102
28. 19-28-333-010	5703 Nevin Street, Algonquin, IL 60102
29. 19-28-333-003, 19-28-333-011, 19-28-333-004	10706 Willy Avenue, Algonquin, IL 60102
30. 19-28-333-006	10712 Willy Avenue, Algonquin, IL 60102
31. 19-28-333-017	10714 Willy Avenue, Algonquin, IL 60102
32. 19-28-333-015, 19-28-333-014, 19-28-333-016	813 Nevin Avenue, Lake in the Hills, IL 60156
33. 19-28-332-002, 19-28-332-003	10703 Willy Avenue, Algonquin, IL 60102
34. 19-28-332-007, 19-28-332-006, 19-28-332-005, 19-28-332-004	10711 Willy Avenue, Lake in the Hills, IL 60102
35. 19-28-405-008	1115 Isabel Drive, Algonquin, IL 60102
36. 19-28-332-008, 19-28-332-009	10715 Willy Avenue, Algonquin, IL 60102
37. 19-28-180-002	1301 W. Algonquin Road, Algonquin, IL 60102
38. 19-28-327-004, 19-28-327-013, 19-28-327-005, 19-28-327-012	808 Rosemarie Street, Algonquin, IL 60102
39. 19-28-181-006	1207 W. Algonquin Road, Algonquin, IL 60102
40. 19-28-330-002, 19-28-330-001, 19-28-330-003, 19-28-330-004	701 Roger Street, Algonquin, IL 60102
41. 19-28-333-013	809 Nevin Street, Lake in the Hills, IL 60156
42. 19-28-333-012	807 Nevin Street, Algonquin, IL 60102
43. 19-28-332-010, 19-28-332-012, 19-28-332-011	10800 Willy Avenue, Algonquin, IL 60102
44. 19-28-403-001, 19-28-403-005, 19-28-403-002	1001 Ethel Avenue, Algonquin, IL 60102
45. 19-28-332-017	5713 Joan Street, Lake in the Hills, IL 60102
46. 19-28-403-003, 19-28-403-004	1005 Ethel Street, Algonquin, IL 60102
47. 19-28-334-010	10720 Nevin Street, Algonquin, IL 60102
48. 19-28-403-006	1104 Isabel Drive, Algonquin, IL 60102

Taxable Parcels by Parcel Number	Site Address
49. 19-28-405-022	1101 Isabel Drive, Algonquin, IL 60102
50. 19-28-405-023	1103 Isabel Drive, Algonquin, IL 60102
51. 19-28-405-004, 19-28-405-021	1107 Isabel Drive, Algonquin, IL 60102
52. 19-28-403-013, 19-28-403-011	1108 Isabel Drive, Algonquin, IL 60102
53. 19-28-180-003	703 Scotty Avenue, Algonquin, IL 60102
54. 19-28-334-011	902 Roger Street, Algonquin, IL 60102
55. 19-28-334-009	10718 Nevin Street, Algonquin, IL 60102
56. 19-28-332-001	10701 Willy Avenue, Algonquin, IL 60102
57. 19-28-182-007	1201 W. Algonquin Road, Algonquin, IL 60102
58. 19-28-182-008	1129 W. Algonquin Road, Algonquin, IL 60102
59. 19-28-404-010	1075 W. Algonquin Road, Algonquin, IL 60102
60. 19-28-404-015	1045 W. Algonquin Road, Algonquin, IL 60102
61. 19-28-182-003	1127 W. Algonquin Road, Algonquin, IL 60102
62. 19-28-182-005, 19-28-182-004	1123 E. Algonquin Road, Algonquin, IL 60102
63. 19-28-401-001, 19-28-401-002	1111-1117 W. Algonquin Road, Algonquin, IL 60102
64. 19-28-404-016	1065 W. Algonquin Road, Algonquin, IL 60102
65. 19-28-181-004, 19-28-181-003	1211 E. Algonquin Road, Algonquin, IL 60102
66. 19-28-181-002	1217 W. Algonquin Road, Algonquin, IL 60102
67. 19-28-401-003	1101 W. Algonquin Road, Lake in the Hills, IL 60156

Undeveloped Parcels Within the Special Service Area

19-28-330-005	803 Roger Street, Lake in the Hills, IL 60156
19-28-335-004	No Site Address
19-28-335-003, 19-28-335-006, 19-28-335-007	No Site Address
19-28-181-005	1234 S. Main Street, Algonquin, IL 60102
19-28-181-001	No Site Address
19-28-329-004	902 Rosemarie Street, Lake in the Hills, IL 60156
19-28-326-003, 19-28-326-004	No Site Address
19-28-331-003	No Site Address
19-28-329-005	No Site Address
19-28-181-007, 19-28-181-008	No Site Address
19-28-403-012	No Site Address
19-28-329-014, 19-28-329-015, 19-28-329-013	No Site Address
19-28-329-017	No Site Address
19-28-333-005	No Site Address
19-28-329-002	No Site Address
19-28-329-008	No Site Address

EXHIBIT B
NOTICE OF PUBLIC HEARING
ON THE PROPOSED VILLAGE OF LAKE IN THE HILLS
SPECIAL SERVICE AREA NUMBER 51

NOTICE IS HEREBY GIVEN that on the 11th day of June, 2019 at 7:30 p.m. at the Village of Lake in the Hills Village Hall, 600 Harvest Gate, Village of Lake in the Hills, Illinois 60156, a public hearing will be held by the Village of Lake in the Hills (the "Village") to consider forming a special service area, to be called the "Village of Lake in the Hills Special Service Area Number 51," consisting of the territory described in Exhibit 1 to this public notice (the "Area").

The general purpose of the formation of the proposed Village of Lake in the Hills Special Service Area Number 51 is to provide special services to the Area which will include construction and installation of potable water distribution facilities and related improvements as well as the payment of required tap on fees to pay for improvements to the Village's water treatment facility to draw and treat water for distribution to the Area and related engineering, surveying, construction observation, soil testing and appurtenant work, mass grading and demolition, site clearing and tree removal, final restoration and paving and the equipment and materials necessary for the maintenance thereof, and other associated costs including those of consultants (collectively, the "Special Services"). The nature of the Special Services is new construction.

There will also be considered at the public hearing the following method of financing the Special Services for the proposed special service area: the issuance of special tax bonds (including bonds issued to refund such bonds) in an aggregate principal amount not to exceed \$2,000,000 at an interest rate of not to exceed eight percent (8%) per annum ("the Bonds"), and which would be the maximum interest rate the Bonds will bear, to be retired and paid in full no later than thirty (30) years from the date of their issuance. Thus, the maximum amount of the Bonds proposed to be issued would be \$2,000,000. Thirty years would be the maximum period of time over which the Bonds would be retired. The Bonds would be retired by the levy of an annual special service area tax levied against each parcel of property within the Area to pay the interest on such Bonds as it falls due and to discharge the principal thereof at maturity and to pay the costs of the Special Services for the Area.

The collective total maximum amount of special service area taxes to be extended within the entire proposed special service area consisting of the Area in any year would be \$185,000 and the maximum number of years special service area taxes would be levied against the Area would be 30 years.

For each "Taxable Parcel" within the proposed Special Service Area 51 as set forth in Exhibit 1, the special service area tax would be a flat rate not to exceed \$2,891 on an annual basis. This would be the maximum rate and amount of special service area taxes to be extended within the proposed special service area in any year as to each of the parcels in the Area.

If the special service area is adopted, the Village agrees to pay for any SSA levy imposed on those parcels situated within the Village's corporate boundaries.

The proposed amount of the tax levy for the proposed Special Services to be provided for the initial year for which taxes will be levied within the proposed special service area would not exceed \$185,000.

In the event a vacant parcel assigned a property identification number presently identified as part of a "Taxable Parcel" as set forth in Exhibit 1 of Exhibit B, or an "Undeveloped Parcel" as defined in Exhibit 1 of Exhibit B, is connected to the water distribution system within the Area constituting a portion of the special services area, such parcel shall become a "Taxable Parcel" and be subject to the special service area tax levy of \$2,891 per year thereafter for the remainder of the term of the special service area. The Village reserves the right to add parcels to the proposed special service area in accordance with the SSA Law and/or the Village's home rule authority.

At the public hearing, all interested persons affected by the proposed formation of such special service area, including all persons owning taxable real property therein, may file written objections to and be heard orally regarding the formation of and the boundaries of the special service area, the issuance of Bonds and the levy of taxes affecting the Area. The public hearing may be adjourned by the President and Board of Trustees without further notice other than a motion to be entered upon the minutes of its meeting fixing the time and place of its adjournment. The question of the creation of the special service area for the Area, the levies or imposition of a tax against the special service area and the issuance of the Bonds for the provision of the Special Services proposed for the Area, will be considered at the public hearing.

If a petition signed by at least 51% of the electors residing within the proposed Village of Lake in the Hills Special Service Area Number 51 and by at least 51% of the owners of record of the land included within the boundaries of the proposed Village of Lake in the Hills Special Service Area Number 51 is filed with the Village Clerk of the Village of Lake in the Hills within 60 days following the final adjournment of the public hearing objecting to the creation of the special service area, the issuance of Bonds for the provision of Special Services to the Area or the levy or imposition of taxes affecting the Area, no such special service area for the Area may be created and no such bonds may be issued or taxes levied or imposed.

A map of the Area is on file at the Village of Lake in the Hills Village Hall at 600 Harvest Gate, Village of Lake in the Hills, Illinois 60156 and which may be viewed during its regular business hours.

/s/ Cecilia Carman
Village Clerk
Village of Lake in the Hills
600 Harvest Gate
Lake in the Hills, Illinois 60156

Exhibit 1 to Notice
Legal description of the Area, street addresses within the Area as well as
permanent tax index numbers of taxable parcels within the Area

The legal description of the Area is as follows:

That part of Lake in the Hills Estates Unit 12, being a subdivision of part of the South half of Section 28, Township 43 North, Range 8 East of the Third Principal Meridian, according to the plat thereof recorded April 4, 1953 as Document No. 264707, in McHenry County, described as follows:

Beginning at the Northwest corner of Lot 2 in Block 1 in said Lake in the Hills Estates Unit 12; thence Southerly along the West line of said Lot 2 to the Southwest corner thereof, said point being on the North line of Lot 3 in Block 1 in said Lake in the Hills Estates Unit 12; thence Westerly along said Northerly line to the Westerly line of said Block 1; thence Southerly along said Westerly line and also the Westerly lines of Blocks 10, 15 and 16 and the Westerly lines of Craig Street and Roger Street in said Lake in the Hills Estates Unit 12, to the Southwest corner of Lot 1 in said Block 16; thence Easterly along the Southerly line of said Block 16 to the Southeast corner of Lot 8 in said Block 16; thence Northerly along the Easterly line of said Blocks 16 and 13 in said Lake in the Hills Estates Unit 12 to the Southwest corner of Lot 1 in Block 12 in said Lake in the Hills Estates Unit 12; thence Easterly along the Southerly line of said Blocks 12 and 7 and the Southerly line of a drainage easement per said Lake in the Hills Estates Unit 12, to a bend point in the Southerly line of Lot 9 in said Block 7; thence Southeasterly along the Southwesterly line of Blocks 7, 6 and 5 and the Southwesterly lines of Ethel Avenue and Isabel Avenue in said Lake in the Hills Estates Unit 12 to the Southeast corner of Lot 9 in said Block 5; thence Northeasterly along the Southeasterly line of said Blocks 5 and 4 and the Southeasterly line of vacated Rosemarie Street in said Lake in the Hills Estates Unit 12 to the Northeast corner of Lot 3 in said Block 4, said point being on the Southwesterly line of W. Algonquin Road as shown on said Lake in the Hills Estates Unit 12; Thence Northwesterly along said Southwesterly line and the Northerly line of said Lake in the Hills Estates Unit 12 to the Point of Beginning, EXCEPTING therefrom all of Lot 5 in Block 3 in said Lake in the Hills Estates Unit 12, all in McHenry County, Illinois.

The Area is located south and west of West Algonquin Road and includes parcels on both sides of Scotty Avenue, Rosemarie Street, Dennis Avenue, Craig Street, Roger Street, Willy Avenue, Joan Street, Nevin Avenue, Ethel Avenue, Marie Avenue and Isabel Avenue.

The parcels within the Area by Permanent Tax Index Numbers and street location are as follows:

Taxable Parcels by Parcel Number	Site Address
1. 19-28-326-001, 19-28-326-002	705 Scotty Avenue, Algonquin, IL 60102
2. 19-28-327-015, 19-28-327-014	815 Dennis Avenue, Lake in the Hills, IL 60156
3. 19-28-334-002	902 Nevin Street, Algonquin, IL 60102
4. 19-28-405-024	1111 Isabel Street, Algonquin, IL 60102
5. 19-28-405-019	1113 Isabel Street, Algonquin, IL 60102
6. 19-28-405-009	1117 Isabel Drive, Algonquin, IL 60102
7. 19-28-329-001	10514 Dennis Avenue, Algonquin, IL 60102

Taxable Parcels by Parcel Number	Site Address
8. 19-28-329-011, 19-28-329-012, 19-28-329-003	905 Craig Street, Algonquin, IL 60102
9. 19-28-329-018	901 Craig Street, Algonquin, IL 60102
10. 19-28-327-001	704 Scotty Avenue, Algonquin, IL 60102
11. 19-28-327-002	804 Rosemarie Street, Algonquin, IL 60102
12. 19-28-327-003, 19-28-327-011	806 Rosemarie Street, Algonquin, IL 60102
13. 19-28-327-007, 19-28-327-006	814 Rosemarie Street, Algonquin, IL 60102
14. 19-28-327-016	10516 Scott Avenue, Algonquin, IL 60102
15. 19-28-330-006, 19-28-330-007	5708 Roger Street, Lake in the Hills, IL 60156
16. 19-28-330-008, 19-28-330-009, 19-28-330-010	809 Roger Street, Algonquin, IL 60102
17. 19-28-331-001, 19-28-331-002	901 Roger Street, Algonquin, IL 60102
18. 19-28-329-016	1114 Ethel Street, Algonquin, IL 60102
19. 19-28-334-012, 19-28-334-015, 19-28-334-013, 19-28-334-014	904 Roger Street, Algonquin, IL 60102
20. 19-28-334-001	900 Roger Street, Algonquin, IL 60102
21. 19-28-334-003	10904 Nevin Street, Algonquin, IL 60102
22. 19-28-334-004, 19-28-334-005	908 Nevin Street, Algonquin, IL 60102
23. 19-28-334-006	910 Nevin Avenue, Algonquin, IL 60102
24. 19-28-334-007	10714 Nevin Avenue, Lake in the Hills, IL 60156
25. 19-28-334-008	10716 Nevin Avenue, Algonquin, IL 60102
26. 19-28-333-001, 19-28-333-002	702 Roger Street, Algonquin, IL 60102
27. 19-28-333-009	10701 Nevin Street, Algonquin, IL 60102
28. 19-28-333-010	5703 Nevin Street, Algonquin, IL 60102
29. 19-28-333-003, 19-28-333-011, 19-28-333-004	10706 Willy Avenue, Algonquin, IL 60102
30. 19-28-333-006	10712 Willy Avenue, Algonquin, IL 60102
31. 19-28-333-017	10714 Willy Avenue, Algonquin, IL 60102
32. 19-28-333-015, 19-28-333-014, 19-28-333-016	813 Nevin Avenue, Lake in the Hills, IL 60156
33. 19-28-332-002, 19-28-332-003	10703 Willy Avenue, Algonquin, IL 60102
34. 19-28-332-007, 19-28-332-006, 19-28-332-005, 19-28-332-004	10711 Willy Avenue, Lake in the Hills, IL 60102
35. 19-28-405-008	1115 Isabel Drive, Algonquin, IL 60102
36. 19-28-332-008, 19-28-332-009	10715 Willy Avenue, Algonquin, IL 60102
37. 19-28-180-002	1301 W. Algonquin Road, Algonquin, IL 60102
38. 19-28-327-004, 19-28-327-013, 19-28-327-005, 19-28-327-012	808 Rosemarie Street, Algonquin, IL 60102
39. 19-28-181-006	1207 W. Algonquin Road, Algonquin, IL 60102
40. 19-28-330-002, 19-28-330-001, 19-28-330-003, 19-28-330-004	701 Roger Street, Algonquin, IL 60102
41. 19-28-333-013	809 Nevin Street, Lake in the Hills, IL 60156
42. 19-28-333-012	807 Nevin Street, Algonquin, IL 60102
43. 19-28-332-010, 19-28-332-012, 19-28-332-011	10800 Willy Avenue, Algonquin, IL 60102
44. 19-28-403-001, 19-28-403-005, 19-28-403-002	1001 Ethel Avenue, Algonquin, IL 60102
45. 19-28-332-017	5713 Joan Street, Lake in the Hills, IL 60102

Taxable Parcels by Parcel Number	Site Address
46. 19-28-403-003, 19-28-403-004	1005 Ethel Street, Algonquin, IL 60102
47. 19-28-334-010	10720 Nevin Street, Algonquin, IL 60102
48. 19-28-403-006	1104 Isabel Drive, Algonquin, IL 60102
49. 19-28-405-022	1101 Isabel Drive, Algonquin, IL 60102
50. 19-28-405-023	1103 Isabel Drive, Algonquin, IL 60102
51. 19-28-405-004, 19-28-405-021	1107 Isabel Drive, Algonquin, IL 60102
52. 19-28-403-013, 19-28-403-011	1108 Isabel Drive, Algonquin, IL 60102
53. 19-28-180-003	703 Scotty Avenue, Algonquin, IL 60102
54. 19-28-334-011	902 Roger Street, Algonquin, IL 60102
55. 19-28-334-009	10718 Nevin Street, Algonquin, IL 60102
56. 19-28-332-001	10701 Willy Avenue, Algonquin, IL 60102
57. 19-28-182-007	1201 W. Algonquin Road, Algonquin, IL 60102
58. 19-28-182-008	1129 W. Algonquin Road, Algonquin, IL 60102
59. 19-28-404-010	1075 W. Algonquin Road, Algonquin, IL 60102
60. 19-28-404-015	1045 W. Algonquin Road, Algonquin, IL 60102
61. 19-28-182-003	1127 W. Algonquin Road, Algonquin, IL 60102
62. 19-28-182-005, 19-28-182-004	1123 E. Algonquin Road, Algonquin, IL 60102
63. 19-28-401-001, 19-28-401-002	1111-1117 W. Algonquin Road, Algonquin, IL 60102
64. 19-28-404-016	1065 W. Algonquin Road, Algonquin, IL 60102
65. 19-28-181-004, 19-28-181-003	1211 E. Algonquin Road, Algonquin, IL 60102
66. 19-28-181-002	1217 W. Algonquin Road, Algonquin, IL 60102
67. 19-28-401-003	1101 W. Algonquin Road, Lake in the Hills, IL 60156

Undeveloped Parcels Within the Special Service Area

19-28-330-005	803 Roger Street, Lake in the Hills, IL 60156
19-28-335-004	No Site Address
19-28-335-003, 19-28-335-006, 19-28-335-007	No Site Address
19-28-181-005	1234 S. Main Street, Algonquin, IL 60102
19-28-181-001	No Site Address
19-28-329-004	902 Rosemarie Street, Lake in the Hills, IL 60156
19-28-326-003, 19-28-326-004	No Site Address
19-28-331-003	No Site Address
19-28-329-005	No Site Address
19-28-181-007, 19-28-181-008	No Site Address
19-28-403-012	No Site Address
19-28-329-014, 19-28-329-015, 19-28-329-013	No Site Address
19-28-329-017	No Site Address
19-28-333-005	No Site Address
19-28-329-002	No Site Address
19-28-329-008	No Site Address



REQUEST FOR BOARD ACTION

MEETING DATE: August 6, 2019

DEPARTMENT: Finance and Public Works

SUBJECT: Special Services Area 51 Considerations

EXECUTIVE SUMMARY

In anticipation of the August 22 date for the formation of the unincorporated special services area ("SSA 51") that will serve to finance the replacement of the unincorporated water distribution system located south of the Algonquin Road and Pyott Road intersection, staff requires final direction from the Board of Trustees on four remaining matters. They are as follows:

1. **Bond Type:** Should the bond that is issued through SSA 51 be a general obligation bond, or should it be a special services area bond? Should the bond be for 20 or 30 years?
2. **Water Rate:** Should the unincorporated customers continue to pay 1.5 times the resident water rate, or should the Village charge them the same rate as incorporated customers?
3. **Water Main Size:** Should the contractor be required to use 8" water mains, or should they be allowed to use 6" water mains to reduce the cost of the project while still meeting IEPA design standards?
4. **Water Main Material:** Should the contractor awarded the work to replace the system be allowed to use alternative building materials, or should they only be allowed to utilize ductile iron?

Bond Type

There are two options on the type of bond to issue to fund the unincorporated water main project; 1.) General Obligation (G.O) or 2.) Special Service Assessment (SSA). Additionally, the Village can issue either type of bond for a 20 or 30 year period. The Village's Financial Advisor, Speer Financial Inc., put together a summary stating the pros and cons to issuing a G.O vs. SSA bond. Speer also projected the estimated cost of issuing each type of bond based on current interest rates. A G.O bond at 20 years would be at 3% and a 30 year would be at 3.5%. An SSA bond at 20 years would be at 5% and a 30 year would be at 5.5%. The estimated cost savings, per parcel, of issuing a G.O bond is roughly over \$500 per year which could result in \$10,000 - \$15,000 savings per tap over the life of the bond, depending on if a 20 or 30 year bond is issued.

General Obligation Bond (G.O.)

One benefit to a G.O bond includes that the bond would most likely be rated, resulting in a lower interest rate. Another benefit is the bond is more marketable, resulting in more potential purchasers. However, a G.O bond would require the Village property tax to be pledged on the bonds if the SSA taxes are insufficient to pay the debt service.

Special Service Area Bond (SSA)

The benefit to an SSA Bond is that the bond is solely backed by the Special Service Area, so the Village would not be required to pledge its property tax as part of the bond issue. However, SSA bonds would not be rated and the interest rate will be significantly higher than a G.O bond. This could likely result in few purchasers (if any), given the approximate size and length of bond issue, and could delay the project timeline. Finally, a debt service reserve will likely be required, resulting in a greater amount issued and borrowing cost.

Water Rate

Currently, Chapter 45 of the Municipal Code requires that all water supplied outside the corporate limits of the Village shall be billed at 150% of the charges set forth for residential customers. In an effort to be consistent with previous discussions between elected officials and the unincorporated water customers, staff recommends charging these customers the same rate as incorporated customers. Of the budgeted \$3,700,000 of annual water sales revenue, this change would reduce water sales revenue by approximately \$9,500 a year.

Water Main Size

The Subdivision Control Ordinance stipulates that the minimum pipe size for all water mains shall be eight inches in diameter. However, this section of the water system can be served by six-inch diameter water main, which is 5-6% less expensive than eight-inch diameter water main and still be well within IEPA specification standards. Staff recommends an edit to the design requirement to allow for this change in design to reduce the cost of the project.

Water Main Material

The Subdivision Control Ordinance mandates that all new water main must be made of Class 52 ductile iron pipe. Over the past twenty years, HDPE, PVC, and other poly material has become industry standard, and can be considerably less expensive. The Village Engineer has identified that these materials are an acceptable alternative to the more costly ductile iron, and in some cases can be advantageous over traditional ductile iron water main. Plastic resists corrosion caused by organic soils, and is lighter and therefore easier to install. PVC is currently 6-7% less expensive than ductile iron. Staff recommends an edit to the Subdivision Control Ordinance to allow the Director of Public Works to allow for materials other than Class 52 ductile iron to be considered acceptable for future water main construction.

FINANCIAL IMPACT

Eliminating the requirement to charge unincorporated customers 150% of the regular water rate will result in a loss of approximately \$9,500 in water sales revenue per year.

ATTACHMENTS

1. Speer Bond Comparison
2. Ordinance amending Chapter 23, the Subdivision Control Ordinance, and Chapter 45 of the Municipal Code

RECOMMENDED MOTION

Motion to authorize staff to issue the SSA 51 bond as discussed at the Tuesday, August 6 Committee of the Whole meeting.

Motion to amend Chapter 45 of the Municipal Code to eliminate the 150% water rate fees to customers outside the corporate limits of the Village.

Motion to amend Chapter 23, the Subdivision Control Ordinance, of the Municipal Code to allow the Director of Public Works to allow for exceptions to the minimum water pipe size and for materials other than Class 52 ductile iron to be used as water main pipe.

Village of Lake in the Hills- 2019 Financing Options for SSA #51

Based on current interest rates, we estimate the Village would receive approximately a 3% interest rate on a 20 year G.O. Bond issue and a 3.5% on a 30 year G.O Bond issue. For a SSA Bond issue, it is estimated that the Village would receive a 5% rate on a 20 year term and a 5.5% on a 30 year term. Below are the estimated costs based on these interest rates:

General Obligation Bonds, Series 2019				
	Estimated		Estimated	
Years	Total Debt Service	Average Annual Debt Service	Annual Tax Per Household(64)	
20	\$ 2,553,550	\$ 127,678	\$ 1,995	
30	\$ 3,099,975	\$ 103,333	\$ 1,615	

Special Service Area Bonds, Series 2019				
	Estimated		Estimated	
Years	Total Debt Service	Average Annual Debt Service	Annual Tax Per Household(64)	
20	\$ 3,208,750	\$ 160,438	\$ 2,507	
30	\$ 4,122,725	\$ 137,424	\$ 2,147	

General Obligation Bonds

Pros:

- Bonds would most likely be rated, resulting in a lower interest rate
- Greater marketability, resulting in more potential purchasers

Cons:

- Village property tax is pledge on the Bonds if SSA taxes are insufficient to pay debt service

Special Service Area Bonds

Pros:

- The Village would not be pledging its property tax as part of the bond issue

Cons:

- Bonds would not be rated, and the interest rate will be significantly higher than a G.O Bond
- Very few purchasers (if any) will be interested given the approximate size and length of bond issue, which could delay the project timeline
- A debt service reserve will likely be required, resulting in a greater par amount and borrowing cost



REQUEST FOR BOARD ACTION

MEETING DATE: August 20, 2019

DEPARTMENT: Public Works

SUBJECT: Reach 10 Task Order for Construction Observation

EXECUTIVE SUMMARY

Lake in the Hills has a Master Agreement with HR Green for engineering services. On August 8, the Village Board awarded the Reach 10 Woods Creek streambank restoration project to Applied Ecological Services, Inc. for construction of the project. The attached task order is for construction oversight engineering services from HR Green in the amount of \$39,930. This expense is eligible for 60% reimbursement from the State of Illinois through the Village's 319 grant award for this project. The Village's share of this expense after reimbursement will be \$15,972.

FINANCIAL IMPACT

The FY 19 Lake Restoration Fund includes \$40,000 for construction observation for the Reach 10 project.

ATTACHMENTS

1. HR Green Task Order

RECOMMENDED MOTION

Motion to approve the task order for construction oversight services to HR Green in the amount of \$39,930.



**TASK ORDER
BETWEEN
THE VILLAGE OF LAKE IN THE HILLS
AND
HR GREEN, INC.
FOR**

**WOODS CREEK REACH 10 STREAMBANK RESTORATION
CONSTRUCTION OBSERVATION**

HR GREEN PROJECT

NO. 180926.01

FORM OF TASK ORDER

In accordance with Section 1.1 of the Master Contract between the Village of Lake in the Hills (“Owner”) and HR Green, Inc. (“Consultant”) for Calendar Year 2019 Professional Engineering Services, dated January 10, 2019 (the “Contract”), Owner and Consultant agree as follows:

1. **Project:**

Woods Creek Reach 10 Streambank Restoration
Construction Observation

2. **Services of Consultant:**

A. Basic Services:

See Attachment A – Scope of Services

B. Additional Services:

none

3. **Approvals and Authorizations:** Consultant shall obtain the following approvals and authorizations:

As listed in scope of services.

4. **Commencement Date:**

the date of execution of this Task Order by Owner.

5. **Completion Date:**

____ July 31, 2019, plus extensions, if any, authorized by a Change Order issued pursuant to Section 2.1 of the Contract.

6. **Submittal Schedule:**

Submittal: Due Date:

As indicated in the scope of services.

7. **Key Project Personnel:**

Names:	Telephone:
Chad J. Pieper, PE	815-759-8346

8. **Contract Price:**

For providing, performing, and completing all Services, an amount equal to Consultant's Direct Labor Costs for all Services rendered by principals and employees engaged directly on the Project, plus an amount equal to the actual costs of all Reimbursable Expenses.

Notwithstanding the foregoing, the total Contract Price shall not exceed \$__39,930.00_____, except as adjusted by a Change Order issued pursuant to Section 2.1 of the Contract.

9. **Payments:**

PREFERRED METHOD--BILLING RATE TASK ORDER

For purposes of payments to Consultant, the value of the Services shall be determined as follows:

Direct Labor Costs shall mean the billing rates assigned to all Consultant personnel as set forth on the list supplied by Consultant attached hereto as Attachment A-1, including all professionals whether owners or employees, engaged directly on the Project.

Reimbursable Expenses shall mean the actual expenses incurred by Consultant directly or indirectly in connection with the Project, including expenses for transportation, telephone, postage, computer time and other highly specialized equipment, reproduction and similar Project related items.

10. **Modifications to Contract:**

None

11. **Attachments:**

Attachment A

Attachment A-1

Approval and Acceptance: Acceptance and approval of this Task Order, including the attachments listed above, shall incorporate this Task Order as part of the Contract.

The Effective Date of this Task Order is _____, 2019

VILLAGE OF LAKE IN THE HILLS

By: _____
Russ Ruzanski
Village President

DESIGNATED REPRESENTATIVE FOR TASK ORDER:

HR GREEN, INC.



Timothy J. Hartnett
Vice President

DESIGNATED REPRESENTATIVE FOR TASK ORDER:

Name: Chad J. Pieper, PE.

Title: Project Manager

Address: 420 Front Street, McHenry, IL 60050

E-mail Address: cpieper@hrgreen.com

Phone: 815-759-8346

**Construction Observation
Scope of Services**

Woods Creek Reach 10 Streambank Restoration

Presented to:

Village of Lake in the Hills

Presented by:



HR Green Project No.: 180926.01

August 22, 2019

TABLE OF CONTENTS

- 1.0 PROJECT UNDERSTANDING
- 2.0 SCOPE OF SERVICES
- 3.0 DELIVERABLES INCLUDED IN THIS AGREEMENT
- 4.0 ITEMS NOT INCLUDED IN AGREEMENT/SUPPLEMENTAL SERVICES
- 5.0 SERVICES BY OTHERS
- 6.0 CLIENT RESPONSIBILITIES
- 7.0 PROFESSIONAL SERVICES FEE

1.0 PROJECT UNDERSTANDING

In August of 2017, HR Green, Inc. (COMPANY) and the Village of Lake in the Hills (CLIENT) submitted a grant application to the Illinois Environmental Protection Agency (IEPA) for funding through the Section 319 grant program. The Woods Creek Reach 10 Streambank Restoration project is anticipated to receive grant funding through this program. The grant program is a 60/40 split with the CLIENT being responsible for 40% of the design, permitting and construction costs.

The project was identified in the Woods Creek Watershed (WCW)–Based Plan, Section 3.11.1, stating that 49% of the Woods Creek Watershed is highly channelized and 37% of Woods Creek itself is experiencing high levels of erosion. Overall, erosion in the watershed is estimated to contribute 2,175 tons of sediment per year to the waterways. The 303(d) list of impaired waters has designated Woods Creek Lake in Lake in the Hills as impaired by Total Suspended Solids (TSS) and Total Phosphorus, a sediment bound nutrient. The impairments to Woods Creek Lake are likely caused by the high levels of erosion in the upstream watershed.

COMPANY has prepared plans, specifications and permitted the design for stabilizing approximately 1,817 linear feet of Woods Creek and improving the adjacent wetlands. This reach of Woods Creek is referred to as Reach 10 in the WCW Based Plan and is located within Ken Carpenter Park. The streambanks will be stabilized using bio-technical methods including stone toe protection, native vegetation and/or two-stage channel geometry. The adjacent wetlands will be improved through management of the vegetation. No earthwork will be completed outside of the immediate stream corridor.

The project is expected to be constructed in the Fall of 2019 and completed by the end of the year. CLIENT is requesting COMPANY complete part-time observation during construction.

Assumptions

This contract is based upon the following details:

- a. Construction will take place in the fall of 2019 and will not deviate from the proposed construction plans prepared by COMPANY. The project will be substantially completed by December 31, 2019.
- b. No utility relocation is anticipated to be necessary to complete the project.
- c. All work will be completed on CLIENT owned property and/or CLIENT right-of-way. It is assumed that no easements or landowner agreements will need to be established to access the site or for the completion of the project.

2.0 SCOPE OF SERVICES

This project will include the design of the following items:

- Project management
- Part-time construction observation

2.1 PROJECT ADMINISTRATION AND MEETINGS

Project Administration and Coordination will involve the management oversight of the project which will include the on-going review of the project execution, documentation, schedule and budget, contract file management, and general correspondence between COMPANY, the CLIENT and contractors. Project coordination work will include:

1. Attendance at one pre-construction meeting. Within 7 days of the Notice to Proceed, COMPANY will schedule and conduct a pre-construction kickoff meeting. COMPANY shall invite the McHenry-Lake County Soil and Water Conservation District to the meeting. COMPANY will prepare an agenda which shall include items pertaining to

- Project schedule;
 - Roles and responsibilities of the parties;
 - Points of contacts;
 - Key milestones and deliverables;
 - Communication plan;
 - Site restrictions, permit requirements, working hours
 - Other items as deemed necessary and requested by the Village
2. Attendance at bi-weekly (assumed six meetings) construction status meetings to review the project status, schedule and remaining work COMPANY will prepare a meeting agenda and sign-in sheet.
 3. COMPANY will prepare/distribute meeting minutes of all meetings attended which will detail the discussions of attendees along with the action required of the attendees.
 4. General correspondence between COMPANY and CLIENT as well as the contractor.

The labor-hours required for project administration are based on the assumption of anticipated project duration and that the contractor will complete the project on time in accordance with the contract plans and special provisions. This contract includes 38 hours to be spent on project administration and meetings. This time includes:

- 10 hours for a pre-construction meeting
- 20 hours for status meetings
- 8 hours for project schedule management

2.2 CONSTRUCTION OBSERVATION

The scope for the duration of the contract will include weekly observation of key construction activities including tree removal, erosion control measures, streambank grading and restoration on a part-time basis, preparing construction progress reports, coordination of shop drawing review as well as consultation of field conflicts and changes with the design engineer, and review and preparing pay estimates. It is assumed that one pay estimate will be processed per month for the duration of the project followed by one final pay estimate at the project's completion. Documentation of the contractor's weekly activities is part of the construction engineer's tasks. Weekly reports will track the contractor's activities in relation the approved progress schedule and the amount of workable days.

Upon notice of substantial completion of the project, COMPANY construction engineer will conduct a pre-final inspection of the project and preparing a list of punchlist items, to develop pre-final documentation and balancing change orders, to exchange documentation with the contractor and the CLIENT, and contract close out. A final walk-through will be held with the contractor and CLIENT representatives to obtain final acceptance and initiate warranty periods. Final project records will be completed. The records will be delivered to the client in an electronic format. No as-built survey will be completed under this agreement.

The labor-hours required for construction observation are based on the assumption of anticipated project duration and that the contractor will complete the project on time in accordance with the contract plans and special provisions. This contract includes 246 hours to be spent on construction observation. This time includes:

- 20 hours per week for 12 weeks (240 hours total) to complete the following tasks:
 - Tree removal observation and quantity verification
 - erosion and sediment control inspections
 - streambank grading and earthwork observation
 - restoration observation
 - completing pay requests
 - construction progress reports

- 6 hours for coordination with CLIENT and adjacent residents

Any additional work due to an extended schedule dictated by the contractor's performance, unanticipated work due to differing site conditions or a significant change in scope of the project shall be considered out of scope work requiring an amendment to this contract.

3.0 DELIVERABLES INCLUDED IN THIS AGREEMENT

ENGINEER shall provide electronic copies of weekly reports, meeting minutes, photographs and other construction associated documentation to the CLIENT.

ENGINEER shall review pay requests from the contractor and provide recommendations of payment to CLIENT.

4.0 ITEMS NOT INCLUDED IN AGREEMENT/SUPPLEMENTAL SERVICES

The following items are not included as part of this agreement:

1. Sewer Televising/Inspections
2. Flow monitoring
3. Cultural/Environmental Surveys including but not limited to bat surveys, orchid surveys, bee and/or turtle searches, etc.
4. Permitting and/or regulatory agency fees in excess of the ones discussed in the PERMITTING section of this scope.
5. Easement Documents / Easement Exhibits
6. Geotechnical investigation
7. CCDD determinations and certifications
8. As-built survey
9. Construction staking and layout

Supplemental services not included in the agreement can be provided by COMPANY under separate agreement, if desired.

5.0 SERVICES BY OTHERS

Not Applicable

6.0 CLIENT RESPONSIBILITIES

The following items are required from the CLIENT:

1. Access to the site during construction
2. Access to Conference Room for meetings

7.0 PROFESSIONAL SERVICES FEE

COMPANY will complete the previously described work for the not to exceed fee amount of \$39,903.00.

Task	Labor Fee	Sub-Consultant	Direct Costs	Total Fee
Project Administration	\$5,520	\$0	\$202	\$5,722
Construction Observation	\$33,376	\$0	\$832	\$34,208
Total	\$38,896	\$0	\$1,034	\$39,930

TENTATIVE SCHEDULE

±

Task	Tentative Schedule
Construction (Begin)	August 2019
Construction (Substantial Completion)	December 31, 2019
Final Completion (Grant Completion Date)	June 1, 2020
Monitoring and Maintenance Period	June 2020 – October 2023

**Standard Charges for Professional Services
(For Billing Rate Task Orders Only)**

PRINCIPAL	\$195 to \$ 280.00/HR
<i>Akram Chaudhry</i>	<i>\$265/HR</i>
SENIOR PROFESSIONAL	\$160 to \$ 250.00/HR
<i>Bob Davies</i>	<i>\$250/HR</i>
<i>Steve Bicking</i>	<i>\$240/HR</i>
<i>Todd Destree</i>	<i>\$220/HR</i>
PROFESSIONAL	\$110.00 to \$180.00.00/HR
<i>Chad Pieper – Village Eng.</i>	<i>\$180/HR</i>
<i>Ben Hartman</i>	<i>\$160/HR</i>
<i>Chris Caldarella</i>	<i>\$148/HR</i>
<i>Katie Snyder</i>	<i>\$108/HR</i>
<i>Logan Gilbertsen</i>	<i>\$153/HR</i>
<i>Mike Hastings</i>	<i>\$130/HR</i>
JUNIOR PROFESSIONAL	\$85.00 to \$135.00/HR
SENIOR TECHNICIAN	\$90.00 to \$ 125.00/HR
TECHNICIAN	\$45.00 to \$ 105.00/HR
SENIOR FIELD PERSONNEL	\$100.00 to \$ 165.00/HR
FIELD PERSONNEL	\$60.00 to \$ 145.00/HR
JUNIOR FIELD PERSONNEL	\$50.00 to \$ 90.00/HR
ADMINISTRATIVE COORDINATOR	\$65.00 to \$100.00/HR
ADMINISTRATIVE	\$60.00 to \$110.00/HR
CORPORATE ADMIN	\$70.00 to \$120.00/HR
<i>2019 Rate for all Administrative Staff</i>	<i>\$90.00/HR</i>
PRINTS/IN HOUSE*	\$0.45/SQ FT
MILEAGE (Personal Vehicle)*	\$0.54/MILE
MILEAGE (Survey or Construction vehicle)	\$0.85/MILE
PROPERTY IRONS*	\$2.00/EA
HUB/LATH*	\$0.75/EA
MAILING/SHIPPING*	VARIABLE

*Indicates Reimbursable Items



REQUEST FOR BOARD ACTION

MEETING DATE: August 20, 2019

DEPARTMENT: Public Works

SUBJECT: Airport Ground Lease for Hangar PAP-45

EXECUTIVE SUMMARY

The Lake in the Hills Airport Rules and Regulations require airport tenants to enter into applicable leases, licenses, or storage agreements for Village owned hangers. Daniel Shipner is requesting a new ground lease on Hangar PAP-45. This lease is for the period of August 23, 2019 to August 23, 2039. The lease includes an option to renew for four additional five-year terms.

Mr. Shipner has signed the appropriate lease form and submitted acceptable proof of insurance. A background check was completed and no issues were found by the Lake in the Hills Police Department.

FINANCIAL IMPACT

The Airport Fund will receive \$2,390.04 annually from the ground lease and another \$216 from electrical fees, subject to annual increases approved by ordinance.

ATTACHMENTS

1. Proposed Ordinance
2. PAP-45 Ground Lease

RECOMMENDED MOTION

Motion to approve the ordinance and authorize the Village President and Village Clerk to sign the ground lease for Hangar PAP-45 with Daniel Shipner of Palatine, IL.

VILLAGE OF LAKE IN THE HILLS

ORDINANCE NO. 2019-_____

**An Ordinance Authorizing the Approval of a Ground Lease
between the Village of Lake in the Hills and Daniel Shipner
for PAP-45**

WHEREAS, the Village of Lake in the Hills, McHenry County, Illinois, is a home rule municipality as contemplated under Article VII, Section 6, of the Constitution of the State of Illinois, and the passage of this Ordinance constitutes an exercise of the Village's home rule powers and functions as granted in the Constitution of the State of Illinois.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois, as follows:

SECTION 1: That the President is hereby authorized to enter into a Ground Lease between the Village and Daniel Shipner for PAP-45 at the Lake in the Hills Airport:

SECTION 2: If any section, paragraph, subdivision, clause, sentence or provision of this Ordinance shall be adjudged by any Court of competent jurisdiction to be invalid, such judgment shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4: This Ordinance shall be in full force and effect upon its passage, approval and publication in pamphlet form (which publication is hereby authorized) as provided by law.

Passed this 22nd day of August, 2019 by roll call vote as follows:

	Ayes	Nays	Absent	Abstain
Trustee Stephen Harlfinger	_____	_____	_____	_____
Trustee Ray Bogdanowski	_____	_____	_____	_____
Trustee Bob Huckins	_____	_____	_____	_____
Trustee Bill Dustin	_____	_____	_____	_____
Trustee Suzette Bojarski	_____	_____	_____	_____
Trustee Diane Murphy	_____	_____	_____	_____
President Russ Ruzanski	_____	_____	_____	_____

APPROVED THIS 22ND DAY OF AUGUST, 2019

Village President, Russ Ruzanski

(SEAL)

ATTEST: _____
Village Clerk, Cecilia Carman

Published: _____

VILLAGE OF LAKE IN THE HILLS
LAKE IN THE HILLS AIRPORT GROUND LEASE

THIS GROUND LEASE (this “Lease”) made and entered into at Lake in the Hills, Illinois, this 23rd day of August, 2019 by and between the Village of Lake in the Hills, an Illinois municipal corporation (the “Lessor”) and Daniel Shipner (the “Lessee”).

WITNESSETH:

WHEREAS, the Lessor does hereby let and lease to the Lessee the parcel of property depicted on Exhibit A attached to and by this reference incorporated into this Lease at the Lake in the Hills Airport (the “Airport”), which parcel of property is commonly known as:

[PAP-45]

Lot dimensions: 42’3” X 18’ by 16’5’ X 20’7” (The “Premises”).

ARTICLE 1: TERM; RENEWAL

1.01 This Lease shall commence on August 23, 2019, and shall continue for a period of 20 years and shall terminate August 23, 2039 (the “Initial Term”) unless sooner terminated as hereinafter provided.

1.02 The Lessee shall have the option to renew this Lease for four (4) additional terms of five years (the “Extension Terms”), which Extension Terms shall commence on the day immediately following the last day of the then existing Term, provided (i) that the Lessee notifies the Lessor in writing (the “Extension Notice”) at least 60 days prior to the expiration of the existing Term that the Lessee intends to renew this Lease for one of the Extension Terms; (ii) that the Lessee is not in default of any obligation or duty imposed upon it by this Lease; and (iii) that the Lessor may increase, modify, or otherwise alter, for the Extension Terms, the amount of rent paid by the Lessee. The Lessor shall notify the Lessee in writing of any rent increase (the “Rental Increase Notice”) within 30 days of receipt of the Extension Notice. In the event the Lessee determines that the rental increase is unreasonable, the Lessee shall have 10 days after Lessor’s delivery of the Rental Increase Notice to elect to terminate this Lease. In the event the Lessee elects to terminate this Lease pursuant to the terms of this Article 1.02, then the Lessee shall provide the Lessor with written notice (the “Termination Notice”) of its intention to do so no later than 10 days after the Lessor’s delivery of the Rental Increase Notice. In the event the Lessor does not receive the Termination Notice within the 10-day period of time, it shall be conclusively presumed that the Lessee has elected not to terminate this Lease

ARTICLE 2: USE

2.01 The Premises shall be used, occupied, and maintained by the Lessee for the sole purpose of supporting an Aircraft Hangar/Storage facility (the “Hangar”) for aircraft owned or leased by the Lessee and for lease for storage of other aircraft, and uses reasonably incidental thereto, and for no other purpose (the “Approved Uses”).

2.02 The Lessee shall not conduct any business activities or aviation-related activities other than the Approved Uses, unless the Lessee shall also have a separate and valid commercial activity agreement with the Lessor. The Lessee shall comply with (a) all applicable governmental laws, ordinances, codes, rules, and regulations and applicable orders and directions of public officers thereunder and (b) all requirements of carriers of insurance on the Premises respecting all matters of occupancy, condition, maintenance, and use of the Premises, whether any of the foregoing shall be directed to the Lessee or the Lessor, including but not limited to any environmental laws or regulations by any local, state, or federal government and the Airport rules and regulations.

2.03 The Lessee agrees to occupy the entire Premises and to properly maintain and operate the Approved Uses at all times during the term(s) of this Lease.

2.04 The Lessee shall be entitled to the non-exclusive use, in common with other users, of the public facilities of the Airport solely for the purpose of ingress and egress to and from the Premises. The Lessee shall not use the public areas for the transient or permanent tie-down of aircraft or for any purposes other than as expressly permitted by this Lease.

2.05 The Lessee shall, at the Lessee's own expense, comply with all present and hereinafter enacted environmental laws, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6941 et seq., Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., Safe Drinking Water Act, 42 U.S.C. Section 300 et seq., the Clean Air Act, 42 U.S.C. Section 7401 et seq., and the regulations promulgated thereunder and any other laws, regulations, and ordinances (whether enacted by the local, state or federal governments) now in effect or hereinafter enacted, that deal with the regulation or protection of the environment and hazardous materials. The Lessee shall not cause or permit any hazardous material to be used, generated, manufactured, produced, or stored on, under, or about the Premises. The Lessee shall not keep on the Premises any inflammables, such as gasoline, kerosene, naphtha, or benzine or other volatile chemicals or compounds or explosives or any other articles of intrinsically dangerous nature, except such materials and equipment commonly related to airplane maintenance. The Lessee further shall indemnify, defend, and hold harmless the Lessor from and against any and all liability, loss, damage, expense, penalties, and legal and investigation fees or costs arising from or related to any claim or action for injury or liability brought by any person, entity or governmental body, alleging or arising in connection with contamination of, or adverse effects on, the environment of the Premises.

ARTICLE 3: RENT

3.01 The amount of rent payable to the Lessor (the "Rent") is set forth on the rent schedule ("the Rent Schedule") attached to and by this reference incorporated into this Lease as Exhibit B. The Rent, during the Initial Term and any Extension Term, is subject to an increased adjustment by the Lessor on an annual basis based on the following: the current year's Rent multiplied by the Consumer Price Index (the "CPI") for the Chicago Metropolitan Area, up to a maximum 10 percent increase over the current year's rent. The CPI to be used for the preceding calculation shall be the CPI available for the most recent 12 month period. The first month's Rent shall be paid upon the execution of this Lease and each month's Rent thereafter shall be paid in advance on or before the first day of a calendar month during the term(s) of this Lease.

Rent for any partial calendar month within the Term shall be prorated on a per diem basis assuming a 30-day month.

3.02 The Lessee agrees to pay all rent and any other amount owing hereunder on the due date thereof to the Lessor at its office at 600 Harvest Gate, Lake in the Hills, Illinois, or to such other person at such other address as the Lessor may from time to time designate in writing. The Lessee hereby agrees that the Lessee's obligation to pay such rent and other amounts shall be absolute and unconditional under all circumstances, including, without limitation, the following circumstances: (a) any setoff counter-claim, recoupment, defense, or other right that the Lessee may have against the Lessor, or anyone else for any reason whatsoever; (b) any damage to, loss, or destruction of the Premises or any interruption or cessation in the use or possession thereof by the Lessee for any reason whatsoever, unless directly caused by the negligent acts of Lessor; (c) any insolvency, bankruptcy, reorganization, or similar proceedings by or against the Lessee; and (d) any other event or circumstance whatsoever, whether or not similar to any of the foregoing. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statutes or otherwise, to terminate, cancel, quit, or surrender any portion of the Premises hereunder except in accordance with the expressed terms hereof. If for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise, except in the event of termination without the fault of Lessee or termination upon change of ownership in accordance with Article 12 of this Lease, or dis-affirmed by the Lessee, all remaining rent payments which would have become due and payable in accordance with the terms hereof had this Lease not been terminated or dis-affirmed in whole or part shall become immediately due and payable. Each rent or any other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

3.03 The Lessee shall also pay the Lessor a late charge upon payment of Rent after the tenth day of any month in the amount of 10 percent of the amount owed. Payment of a late charge to the Lessor shall in no way interfere with the Lessee's obligation to pay Rent on the first day of each month. Payment by the Lessee of a late charge shall not be deemed a waiver of or otherwise limit the Lessor's remedies under this Lease.

ARTICLE 4: LESSOR'S RIGHT TO RELOCATE LESSEE

4.01 The Lessee acknowledges that at any time during the term(s) of this Lease, the Lessor may need to relocate the Hangar to another comparable location at the Airport (the "Relocation"). In the event the Lessor determines in its sole and absolute discretion that Relocation is necessary, the Lessor shall provide the Lessee with 30 days written notice of its intention to relocate. The Hangar will be relocated to another location that, in the sole discretion of the Lessor, is comparable to the Premises, and the definition of the "Premises" shall be revised to reflect the new location. The Lessor will pay for the following costs of Relocation: preparation of the new site, relocation of the Hangar and hangar facilities onto the new site, and all costs directly associated with the Relocation. The Lessee shall have no right to reimbursement from the Lessor for any costs incurred by the Lessee as a result of the Relocation, except for reasonable costs incurred by the Lessee as a result of Lessor's Relocation actions.

4.02 The Lessor shall not be responsible for theft, loss, injury, damage, or destruction of the Hangar or of any aircraft or other property on the Premises during the Relocation. The Lessee hereby releases and discharges the Lessor for the loss of or damage to the Lessee's property, except for that loss or damage arising out of the Lessor's negligence during the Relocation.

ARTICLE 5: CONDITION OF PREMISES; REPAIR

5.01 The Lessee has inspected the Premises and accepts the Premises in an "as is" condition. The Lessee acknowledges that its decision to enter into this Lease was based on its own knowledge and analysis and not on any representations by the Lessor, and the Lessee waives any and all claims against the Lessor in connections therewith. At the termination of this Lease, the Lessee shall, at Lessee's sole expense, remove the Hangar, including any foundation, and restore the Premises to a natural state, including grading and grass seeding.

5.02 The Lessee agrees, at its sole cost and expense, to repair, replace, or reconstruct the Hangar and other improvements located on the Premises that are damaged or destroyed by fire or other casualty, or required to be repaired, removed, or reconstructed by any governmental or military authority. Such repair, replacement, or reconstruction shall be accomplished within such time as may be reasonable under the circumstances after allowing for delays caused by strikes, lockouts, acts of God, fire, extraordinary weather conditions, or any other cause or casualty beyond the reasonable control of Lessee (the "Reasonable Time Period"). The design and specifications of such repair, replacement, or reconstruction shall be as determined by Lessee; but such work shall restore the Premises to not less than its condition prior to said need for repair.

ARTICLE 6: COVENANTS

The Lessee agrees to all of the following covenants:

(a) The Lessee shall not commit, suffer, or allow to be committed or suffered any acts of waste on the Premises, or commit or permit to be committed any acts which will in any way constitute a public or private nuisance or an unlawful or immoral act. Only the Approved Uses shall be permitted.

(b) All maintenance to the Hangar (b) other improvements or any repair of damages to same from any cause shall be the sole responsibility of the Lessee and shall be made in the Reasonable Time Period and at the Lessee's expense (unless such damage was caused by the negligence of the Lessor) and same shall comply fully with all applicable laws, ordinances, and other government regulations, codes, and directions.

(c) The Lessee shall not erect or install any sign of any kind anywhere in or on the Premises without the specific prior written consent of the Lessor. In addition, the Lessee shall not use any broadcast or audio advertising media, including but not limited to loudspeakers, phonographs, or radio or television broadcasts, in a manner visible or audible outside of the Hangar.

(d) The Lessee shall not install any exterior lighting or plumbing fixtures, shades, or awnings or exterior decoration or paintings or build any enclosures or audio or television antenna, loudspeakers, sound amplifiers, or similar devices on the roof or exterior walls of the Hangar without the specific prior written consent of the Lessor.

(e) The Lessee shall store all trash and garbage within proper receptacles in the Hangar and around the Premises. The Lessee shall not burn any trash or garbage of any kind in or about the Premises.

ARTICLE 7: REMEDIES

7.01 In the event of any default by the Lessee with respect to any of the events below and the Lessee's failure to cure said default within 10 days after written notice thereof by the Lessor, the Lessor may immediately terminate this Lease and/or the Lessee's right to possession hereunder, and pursue any other remedy available to the Lessor at law or in equity and including, without limitation, those remedies set forth at the end of this Article, upon the happening of one or more of the following events:

- (a) The making by the Lessee of an assignment for the benefit of the creditors without the written consent of the Village Administrator;
- (b) The operation or supervision of any business other than the Approved Uses conducted in the Premises by the Lessee, or by anyone else, except only with the prior specific written consent of the Lessor;
- (c) The levying of a writ of execution or attachment on or against the property of the Lessee;
- (d) The doing, or permitting to be done, by the Lessee of any act which creates a mechanic's lien or claim therefor against the Premises or any part of the Premises;
- (e) The failure of the Lessee to pay any Rent when due, which shall not be in lieu of any statutorily prescribed remedies for the Lessee's failure to pay Rent but shall be in addition thereto;
- (f) If the estate created hereby shall be taken in execution or by other process of law or if proceedings are instituted in a court of competent jurisdiction for the reorganization, liquidation, or voluntary or involuntary dissolution of the Lessee or composition for the benefit of a creditor or for its adjudication as a bankrupt or insolvent, or for the appointment of a receiver of the property of the Lessee for any purpose and said proceedings are not dismissed, and any receiver, trustee, or liquidator appointed therein discharged within 10 days after the institution of said proceedings;
- (g) Any failure of the Lessee to keep and perform fully any of its covenants under this Lease;

- (h) The abandonment of the Premises by the Lessee or the discontinuance by the Lessee of the proper maintenance and operation of the Approved Uses for a consecutive period of three months or longer;
- (i) If the Lessee is a corporation, the sale of any of the Lessee's stock pledged for any purpose, whether by virtue of execution or otherwise.

7.02 Upon the event of a default hereunder by the Lessee, the Lessor shall have the right to cure the default, at its option, by any means reasonably necessary. In such event, the Lessee shall reimburse the Lessor for all reasonable costs incurred by the Lessor in curing the default.

7.03 Upon the termination of this Lease or the Lessee's right to possession hereunder, the Lessor may re-enter the Premises using such force as may be necessary and in compliance with applicable law and remove all persons, fixtures, property and equipment therefrom and the Lessor shall not be liable for damages or otherwise by reason of re-entry or termination of possession of the term of this Lease. Upon termination of either the Lessee's right to possession or the Lease, the Lessor shall be entitled to recover immediately an amount equal to the minimum rent for the balance of the term less the amount of any minimum rental obtained from any other lessee for the balance of the term in the event the said premises are re-let. Upon and after entry into possession without termination of this Lease, the Lessor may, but need not, re-let the Premises or any part thereof for the account of the Lessee for such rent, for such time and upon such terms as the Lessor in its sole discretion shall determine.

ARTICLE 8: TAXES

The Premises is owned by the Lessor and is currently tax-exempt. Therefore, in the event the Lessee's operations on the Premises cause a tax to be assessed against, levied upon, or otherwise become payable in respect of the Premises or the use thereof, the Lessee shall pay all taxes relating to the Premises or to this Lease, including all real estate taxes, personal property taxes and leasehold taxes, unforeseen as well as foreseen, that are assessed against, levied upon and become payable in respect of the Premises or the use thereof during the term(s) of this Lease; provided, however, that in the event such taxes are imposed as a result of Lessor's actions under the Lease, then the Lessee shall not be responsible for said taxes. Such payment of taxes by Lessee shall be in addition to the payment of Rent.

ARTICLE 9: INSURANCE; INDEMNIFICATION

9.01 The Lessee shall, at Lessee's sole cost, during the entire term hereof, keep in full force and effect a policy of airport liability and property damage insurance with respect to the Hangar and the Premises or any other occupant of the Premises, in which the limits of public liability shall not be less than \$1 million per occurrence. The policy shall name the Lessor and its trustees, officers, employees, attorneys, legal representatives, and agents as additional insureds and shall contain a clause that the insurer will not cancel or change the insurance without first giving the Lessor 30 days prior written notice thereof. The insurance shall be with companies licensed to do business in the State of Illinois. The insurance shall be in a form reasonably acceptable to the Lessor and a copy of the policy and a certificate of insurance shall be delivered

to the Lessor prior to the commencement hereof. In the event the Lessee shall fail to procure said insurance, the Lessor may, but shall be under no obligation to, procure such insurance in which event the Lessee agrees to pay to the Lessor, as additional rent, the amount of premium therefore on the first day of the month following the month in which the Lessor notifies the Lessee of the amount of premium due hereunder.

9.02 The Lessee, shall at the Lessee's sole cost, during the entire term hereof, keep in full force and effect a policy for fire and property damage insurance with respect to the Hangar and all other Lessee property contained on the Premises, as well as all other improvements on the Premises, in such amount and form, and with such companies, as the Lessor may reasonably determine. The Lessee shall, from time to time, as requested by the Lessor, deliver certificates of such insurance verifying coverage to the Lessor.

9.03 Except only to the extent otherwise prohibited by law, the Lessee covenants and agrees to indemnify and hold harmless the Lessor and its trustees, officers, employees, attorneys, legal representatives, and agents from any and all losses, claims, damages, costs, or expenses, including attorney's fees, the Lessor may be required to pay as a result of acts and/or omissions of the Lessee or any agent of the Lessee.

ARTICLE 10: SUBORDINATION

The parties to this Lease desire that this Lease be prior in lien to all other documents, including mortgages, trust deeds, or other encumbrances that may hereafter be recorded against the Premises. Lessee agrees to subordinate any mortgage, trust deed, or other encumbrance that may hereafter be placed on the Premises, or to any advances to be made thereunder and to interest thereon and all renewals, replacements, and extensions thereof, to this Lease; and the Lessee agrees to execute any instrument or instruments which the Lessor may reasonably, at the Lessor's sole and complete discretion, require to effect such subordination, provided that the Lessee and its successors and assigns shall have the right to freely, peaceably, and quietly occupy and enjoy the full possession and use of said premises as long as the Lessee shall not be in default under this Lease, and subject to the Lessor's right to relocate the Lessee as set forth in Article 4 of this Lease. In the event of any mortgagee, trustee, or encumbrancer notifying the Lessee to that effect, this Lease shall be deemed prior in lien to said mortgage, trust deed, or encumbrance whether or not this Lease is dated prior to or subsequent to the date of said mortgage, trust deed, or encumbrance.

ARTICLE 11: IMPROVEMENTS; MECHANIC'S LIENS

11.01 This Section 11.01 is applicable if the Premises are unimproved as of the effective date of this Lease. During the term of this Lease, unless this Lease shall be sooner terminated in accordance with the terms hereof; the Lessee, at its sole cost and expense, shall construct or place on the Premises the Hangar and related improvements in accordance with the Lessee's plans and specifications as set forth in Exhibit C attached to and by this reference incorporated into this Lease (the "Plans"). The Hangar and related improvements shall be constructed in accordance with all applicable federal, state and local laws, codes, ordinances, and regulations and shall have the specific prior written approval of the Lessor.

11.02 All repairs, construction, modifications, alterations, or changes made by the Lessee to the Premises shall be done or contracted for only with the Lessor's specific prior written consent, which the Lessor may withhold for any reason that the Lessor deems sufficient. Notwithstanding anything to the contrary herein, no alterations to the Premises are allowed during the term(s) of this Lease except for the construction of the Hangar and related improvements. Any of the foregoing that the Lessee undertakes shall be done at the Lessee's sole cost and expense and none of the foregoing nor any other act shall be allowed or suffered which may create any mechanic's lien or claim for lien against the Premises. In the event any lien or claim for lien upon the Lessor's title or the Premises results from any act or neglect of the Lessee, and the Lessee fails to remove said lien or dismiss such claim for lien within 10 days after the Lessors notice to do so, the Lessor may, but need not, remove the lien or satisfy such claim for lien by paying the full amount thereof without any investigation or contest of the validity or amount thereof and the Lessee shall pay the Lessor promptly upon demand, and as additional rent, the amount paid out by the Lessor, including the Lessor's costs, expenses, and counsel fees.

ARTICLE 12: ASSIGNMENT OR SUBLETTING

The Lessee agrees not to assign, encumber, or in any manner transfer this Lease or any interest hereunder and not to permit the use or occupancy of the Premises, whether by license, concession or otherwise by anyone other than the Lessee without the specific prior written consent of the Lessor (which consent shall not be unreasonably denied); provided, however, that the Lessee may sublet the Premises for the remainder of the then existing Term with the prior written consent of the Lessor (which consent shall not be unreasonably denied) and subject to the terms of this Lease. Any assignment or subletting permitted hereunder shall not be deemed to relieve the Lessee of its obligation to pay rental and perform its other obligations hereunder. Consent by the Lessor of one assignment or one subletting or one use or occupancy of the Premises shall not constitute a waiver of the Lessor's rights under this Article as to any subsequent assignments, subletting, or use or occupancy. If the Lessee is a corporation or partnership, and if, during the term of this Lease, the ownership of the shares of stock or partnership interests which constitute control of the Lessee changes by reason of sale, gift, death, or otherwise, the Lessee shall provide the Lessor with written notice and confirmation of the new owner's intent to be bound by the terms of the Lease, along with evidence of the new owner's financial information to insure that the new owner is capable of performing the obligations set forth in this Lease. In the event the Lessor concludes, in the exercise of its discretion, that the new owner is not capable of performing the obligations under this Lease, the Lessor may at any time thereafter terminate this Lease by giving the Lessee written notice of such termination at least 30 days prior to the date of termination stated in the notice. Receipt of rent after such change of control shall not affect the Lessor's rights under the preceding sentence.

ARTICLE 13: UNTENANTABILITY

In the event that the Hangar shall be destroyed or so damaged by fire, explosion, windstorm, or other casualty as to be untenable, the Lessee shall within the Reasonable Time Period secure the Hangar and restore it in accordance with the terms of this Lease and rents due hereunder shall not be abated.

ARTICLE 14: SURRENDER OF PREMISES; HOLD OVER

14.01 At the expiration of the tenancy hereby created, whether by lapse of time or otherwise, or upon termination of the Lessee's right of possession, the Lessee shall immediately surrender possession of the Premises to the Lessor in good condition, and shall remove the Hangar and all other improvements therefrom. If such possession is not immediately surrendered, then the Lessor may immediately enter the Premises and possess itself thereof and remove all persons and effects therefrom using such force as may be necessary and in compliance with applicable law. If the Lessee shall fail or refuse to remove all of the Lessee's property from the Premises, then the Lessee shall be conclusively presumed to have abandoned the same, and title thereto shall thereupon pass to the Lessor without any cost either by set-off; credit, allowance, or otherwise, and the Lessor may at its option accept title to such property, or at the Lessee's expense may remove the same or any part thereof in any manner that the Lessor shall choose and store the same without incurring liability to the Lessee or any other person.

14.02 It is agreed and understood that any holding over by the Lessee of the Premises at the expiration or cancellation of this Lease shall operate and be construed as a tenancy from month to month at a rental of three times the current monthly rental, and in addition the Lessee shall be liable to the Lessor for all loss or damage on account of any holding over against the Lessor's will after the expiration or cancellation of this Lease, whether such loss or damage may be contemplated at this time or not. No receipt or acceptance of money by the Lessor from the Lessee after the expiration or cancellation of this Lease or after the service of any notice, after the commencement of any suit, or after any judgment for possession of the Premises, shall reinstate, continue or extend the terms of this Lease, or affect any such notice, demand, or suit or imply consent for any action for which the Lessor's consent is required or operate as a waiver of any right of the Lessor to retake and resume possession of the Premises and remove the structures.

ARTICLE 15: COSTS AND FEES

The Lessee shall pay upon demand all of the Lessor's costs, charges, and expenses, including fees of attorneys, agents, and others retained by the Lessor, incurred in enforcing any of the obligations of Lessee under this Lease or in any litigation, negotiation, or transaction in which the Lessor shall, without the Lessor's fault, become involved through or on account of this Lease. In the event it becomes necessary for either party hereto to file suit to enforce this Lease or any provision contained herein, the prevailing party in such suit shall be entitled to recover, in addition to all other remedies or damages provided for in this Lease, reasonable attorneys' fees and costs incurred in such suit at trial or on appeal or in connection with any bankruptcy or similar proceeding.

ARTICLE 16: SUCCESSORS AND ASSIGNS

The terms, covenants, and conditions hereof shall be binding upon, apply and inure to the benefit of the heirs, executors, administrators, successors in interest and assigns of; the parties hereto. No rights, however, shall inure to the benefit of any assignee or sub-lessee of the Lessee except only if such assignment or sublease has been specifically consented to by the Lessor in writing as provided herein.

ARTICLE 17: REMEDIES CUMULATIVE

All rights and remedies of the Lessor enumerated in this Lease shall be cumulative and none shall exclude any other right or remedy allowed by law, and said rights and remedies may be exercised and enforced concurrently as often as occasion therefor arises.

ARTICLE 18: ESTOPPEL CERTIFICATE

Each party agrees at any time and from time to time, upon not less than 20 days prior written request by the other, to execute, acknowledge, and deliver to the other a statement in writing certifying that this Lease is unmodified and in full force and effect and the date to which the rental and other charges have been paid in advance, if any, it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser of this leasehold or the fee, or mortgagee or assignee of any mortgage upon this leasehold or the fee of the Premises.

ARTICLE 19: MISCELLANEOUS

19.01 The necessary grammatical changes required to make the provisions of this Lease apply to the past, present, and future and in the plural sense where appropriate and to corporations, associations, partnerships, or individuals, male or female, shall in all instances be assumed as though in each case fully expressed.

19.02 The laws of, but not the conflicts of law rules of, the State of Illinois shall govern the validity, performance, and enforcement of this Lease.

19.03 The headings of several articles contained herein are for convenience only and do not limit or construe the contents of the articles.

19.04 All of the covenants of this Lease are independent covenants. If any provisions of this Lease are found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, then the remainder of the Lease will not be affected, and in lieu of each provision which is found to be illegal, invalid, or unenforceable, there will be added as part of this Lease a provision as similar to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

19.05 Notwithstanding any other provision to the contrary herein, either Lessor or Lessee may, in its sole discretion, terminate this Lease upon 30 day's written notice to the other party.

ARTICLE 20: NOTICES

Any notices required or desired to be given under this Lease shall be in writing and (i) personally served, (ii) given by certified mail, return receipt requested, (iii) given by overnight express delivery, or (iv) given by facsimile transmission, with any such facsimile transmission confirmed by next business day overnight express delivery. Any notice shall be addressed to the party to receive it at the following address or at such other address as the party may from time to time direct in writing:

To the Lessee at:

Daniel Shipner
541 Cunningham Dr.
Palatine, IL 60074

and to the Lessor at:

Village of Lake in the Hills
600 Harvest Gate
Lake in the Hills, Illinois 60156
Attention: Village Administrator

with a copy to:

Village of Lake in the Hills
600 Harvest Gate
Lake in the Hills, Illinois 60156
Attention: Airport Manager

Express Delivery notices shall be deemed to be given upon receipt. Postal notices shall be deemed to be given three days after deposit with the United States Postal Service. Facsimile notices shall be deemed given upon the date of transmission, provided that compliance is made with the remaining obligations of this Article 20.

ARTICLE 21: PRIOR AGREEMENTS

This Lease replaces and supersedes any other written or oral prior agreement, arrangement, or understanding between the Lessee and the Lessor or its agent, which prior agreement(s) shall be considered null and void and of no further effect whatsoever as of the date hereof.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year above.

[LESSOR] VILLAGE OF LAKE IN THE HILLS

By: _____
Village President

Attest: _____
Village Clerk

[LESSEE] Daniel Shipner

By: _____
Daniel Shipner

Title: _____

EXHIBIT A

Premises

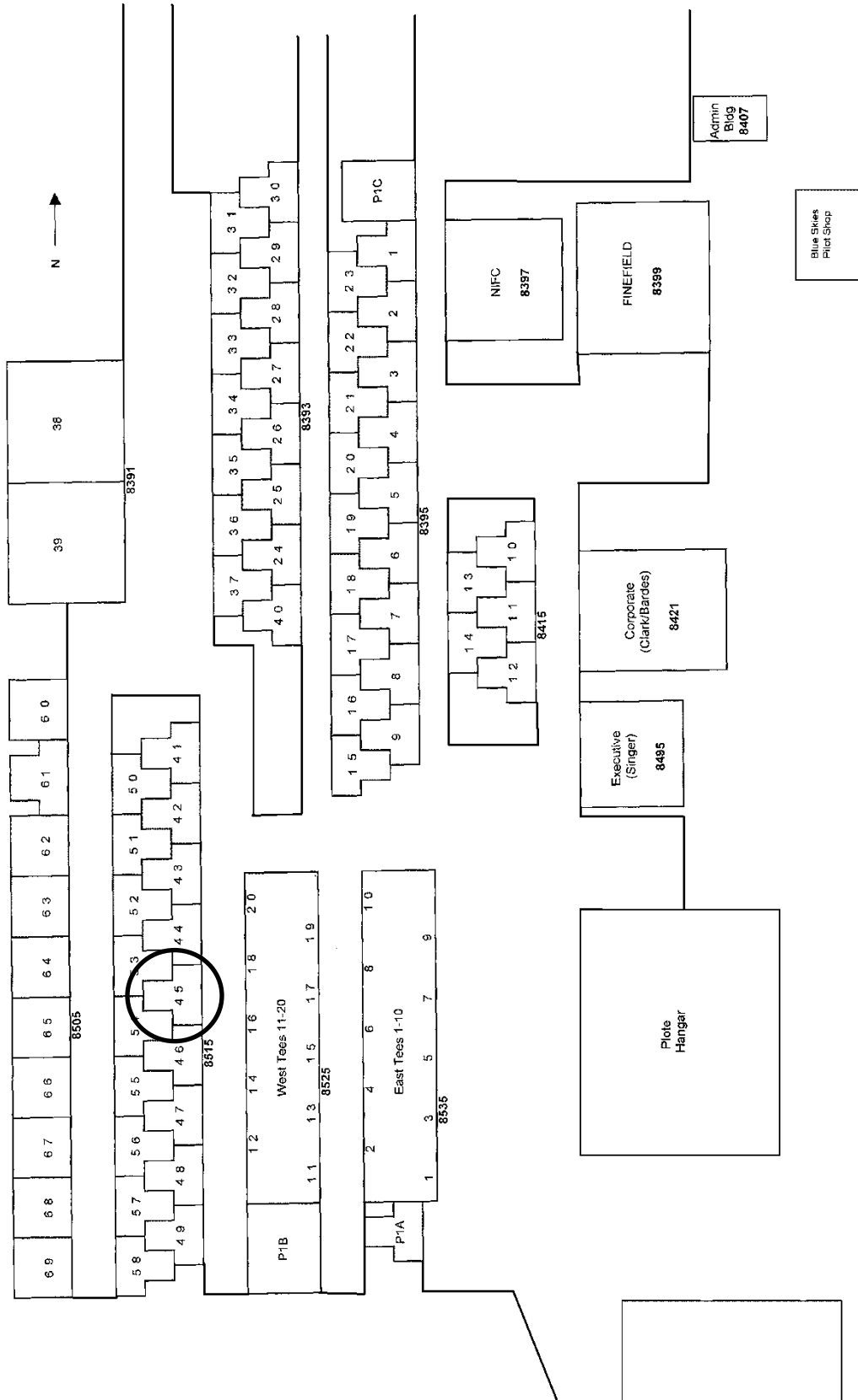


EXHIBIT B

EXHIBIT C

Plans

Not applicable.



REQUEST FOR BOARD ACTION

MEETING DATE: August 20, 2019

DEPARTMENT: Public Works

SUBJECT: Final Payment for Airport Taxiway Project 3CK-4404

EXECUTIVE SUMMARY

In 2016, the Village completed the last of a three phase project to improve the parallel taxiway at the airport. Crawford, Murphy, and Tilly, Inc. (CMT) was the design engineer for the project. The final total of the project was \$2,177,588.27 of which the Village was responsible for \$108,879.66. Although the work was substantially completed in 2016, several pay items were disputed by the contractor and the closeout took much longer than anticipated. Those issues have been resolved and the State Treasurer released the final retainage payment to the Village in the amount of \$40,703.57. This amount matches the outstanding balance on the books and has been set aside for payment in an escrow account since the project began.

FINANCIAL IMPACT

The budgeted amount of the project was \$2,365,000.00 overall. The Airport Fund will pay the remaining retainage fee owed to CMT in the amount of \$40,703.57.

ATTACHMENTS

None.

RECOMMENDED MOTION

Motion to approve final payment in the amount of \$40,703.57 to Crawford, Murphy, and Tilly, Inc. for engineering work on the Airport Taxiway project # 3CK-4404.



REQUEST FOR BOARD ACTION

MEETING DATE: August 20, 2019

DEPARTMENT: Community Services

SUBJECT: Updates of Building Codes Pertaining to Pools and Spas

EXECUTIVE SUMMARY

To promote and protect the safety and welfare of the residents of Lake in the Hills, staff proposes the following changes related to pools and spas, at the request of the Village President. The changes included adoption of the 2018 International Code Council Swimming Pool and Spa Code, plus local amendments pertaining to increasing safety. Specifically, proposed code amendments which will apply to new installations of pools and spas include:

- Reducing the depth definition of a swimming pool from 24 inches deep to 12 inches deep so that even shallow pools and decorative ponds require safety protection measures.
- Requiring a 66 inch high barrier fence around a pool or spa where there is no yard fence.
- Not permitting natural barriers, such as bushes, to be used in lieu of providing fencing.
- Requiring a combination of two methods of protection, such as fencing, door alarms, locking and motorized covers at all installations for barrier prevention measures to entering the water.
- Pools and spas existing at time of adoption are not subject to new standards unless permitted work is undertaken.

Current Codes and Comparable Communities:

The Village's currently adopted swimming pool and spa regulations are contained within the 2012 International Residential and Building Codes, and 2012 International Property Maintenance Code. The codes state pools must be protected by a minimum of a 4 foot high fence, or the side wall of a pool that is a minimum of 4 feet in height can be counted as the barrier to the water with no additional yard fencing needed. Spas with a safety locking cover complying with ASTM standards require no additional barrier protection measures such as fencing around the spa itself or yard.

A survey of communities in the immediate area and our comparable communities is summarized in the following table and shows the Villages of Lake Zurich, Bartlett, Roselle, Bloomingdale, Lakewood, and Algonquin have requirements above model code standards:

IRC is International Residential Code

IBC is International Building Code (Commercial)

VILLAGE OR CITY	SWIMMING POOL REGULATIONS	4 FOOT HIGH YARD FENCE OR 4 FOOT HIGH POOL SIDE WALL ACCEPTED	BARRIER REQUIRED MATCHES MODEL CODE	LOCAL AMENDMENTS
LAKE IN THE HILLS (current code)	2012 IRC/ IBC	✓	✓	
CARY	2003 IRC/IBC	✓	✓	
MCHENRY	2009 IRC/IBC	✓	✓	
GRAYSLAKE	2009 IRC/IBC	✓	✓	
ROLLING MEADOWS	2009 IRC/IBC	✓	✓	
CARPENTERSVILLE	2012 IRC/IBC	✓	✓	
HUNTLEY	2012 IRC/IBC	✓	✓	
CRYSTAL LAKE	2018 IRC/IBC	✓	✓	
GENEVA	2015 POOL AND SPA CODE	✓	✓	
WOODSTOCK	2015 POOL AND SPA CODE	✓	✓	
SOUTH ELGIN	2018 POOL AND SPA CODE	✓	✓	
BARRINGTON	2018 POOL AND SPA CODE	✓	✓	
ALGONQUIN	2006 IRC/IBC			1. When a minimum of 4 foot high yard fencing is not present, a above ground pool must have a 5-1/2 foot side wall barrier.
LAKE ZURICH	2012 IRC/IBC			1. A 5 foot high yard fence is required at all pools and spas. 2. Natural barriers are not permitted in lieu of fencing.
BARTLETT	2012 IRC/IBC			1. A pool is defined as starting at 24 inches minimum depth and 250 s.f. minimum surface area. 2. A 5 foot high yard fence is required at all pools and spas with a surface area of 250 sq. ft. or greater.
ROSELLE	2006 IRC/IBC	✓		1. Fencing is required on all sides of a pool or spa. A house wall with alarms on windows and doors is not sufficient as a barrier.
BLOOMINGDALE	2015 POOL AND SPA CODE	✓	✓	1. A pool is defined as starting at 12 inches deep (all other towns start at 24 inches deep). 2. A storable pool must be emptied each day. 3. A storable pool must have an adult of at least 18 years of age be in clear sight of the pool at all times when it is holding water.
LAKWOOD	2006 IRC/IBC	✓		1. A pool is defined as holding 1,000 gallons or more. 2. Natural barriers are accepted. 3. Moats are accepted in lieu of 4 foot high pool side walls that provide a 48 inch minimum separation to the water's edge. 4. Pools and spas located more than 500 feet from a neighbor and in existence prior to 9-14-93 are exempt. 5. Other variances permitted with certain conditions.

All codes contain additional provisions for the protection of individuals who could enter an above ground pool from an adjacent elevated deck, or an in-ground pool where the walls of the home serve as a portion of the barrier. In these instances, doors and certain windows that lead from the home into the pool area must be equipped with audible alarms, or the pool must have a powered safety cover.

Historical Data:

Our building permit electronic records, which date back to 2009, indicate there have been 1,181 swimming pools and 61 spas installed throughout the Village.

Statistical information provided by the International Code Council (ICC), The Association of Pool and Spa Professionals (APSP), and the Consumer Product Safety Commission (CPSC) contains the following information:

- Drowning is the leading cause of accidental death for children ages 1-4, and the second leading cause of accidental death for children under the age of 14.
- In the United States between Memorial Day and Labor Day of 2017, 163 children fatally drowned in swimming pools and nearly 70 percent were children under the age of 5.
- 65 percent of the accidents occurred in a pool owned by the victim's immediate family, and 33 percent of the accidents occurred in pools owned by relatives or friends.
- A lack of proper barriers is the second leading cause of accidental drowning for children under the age of 5. (The leading cause is not having learned how to swim).
- Drowning accidents per year across the nation have remained rather steady over the past 19 years since detailed records have been kept.

Locally, over the past 10 years, there have been no drownings or recorded accidents at swimming pools in the Village of Lake in the Hills. There was one drowning of a toddler in a decorative pond in a front yard. We currently treat water features with a depth of 24 inches or greater as a swimming pool, and therefore by the Zoning Ordinance, they are not permitted in a front yard and would not be permitted without barrier fencing.

FINANCIAL IMPACT

None

ATTACHMENTS

1. Ordinance

RECOMMENDED MOTION

Motion to approve an ordinance to adopt the 2018 International Pool and Spa Code with local amendments that increase safety barrier provisions of the code, and coordinate the currently adopted 2012 ICC Codes with the new Code and the Village of Lake in the Hills Municipal Code.

VILLAGE OF LAKE IN THE HILLS

ORDINANCE NO. 2019-_____

**An Ordinance Amending Chapter 24, Building Code,
Sections 24.01 "Adoption of Building Code" and
Sections 24.02.8 and 24.02.14 "Amendments",
of the Lake in the Hills Municipal Code**

WHEREAS, the Village of Lake in the Hills, McHenry County, Illinois, is a home rule municipality as contemplated under Article VII, Section 6, of the Constitution of the State of Illinois, and the passage of this Ordinance constitutes an exercise of the Village's home rule powers and functions as granted in the Constitution of the State of Illinois.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois, as follows:

SECTION 1: That Chapter 24, Building Code, Section 24.01, of the Lake in the Hills Municipal Code shall be amended to read as follows:

24.01 ADOPTION OF BUILDING CODE

The following list of codes are hereby adopted and amended as part of the Village Building Code ("Building Code or Building Codes") for the control of buildings and structures as therein provided in each code. Each and all of the regulations, provisions, penalties, conditions and terms contained in each code described below are hereby referred to, adopted and made a part hereof as if fully set forth in this chapter:

1. 2012 International Building Code ("IBC")
2. 2012 International Property Maintenance Code ("IPMC");
3. 2012 International Mechanical Code ("IMC");
4. 2012 International Fire Code ("IFC");
5. 2012 International Residential Code ("IRC") including Appendices A, B, C, ~~G~~-K and;
6. National Electric Code, 2011 edition ("NEC");

7. State of Illinois Plumbing Code, 2004 edition and subsequent amendments published by the Illinois Department of Public Health.
8. International Energy Conservation Code, 2012 edition.
9. International Swimming Pool and Spa Code, 2018 edition.

SECTION 2: That Chapter 24, Building Code, Section 24.02.8 and Section 24.02.14, of the Lake in the Hills Municipal Code shall be amended to read as follows:

24.02 AMENDMENTS

8. The following sections shall be deleted from the 2012 IRC in their entirety:
 - Section 105.2 "Work exempt from permit"
 - Section 105.5 "Expiration"
 - Section 110.3 "Certificate issued"
 - Section 111.1 "Connection of service utilities"
 - Section 111.2 "Temporary connection"
 - Section 112 "Board of appeals"
 - Section 309.5 "Fire sprinkler systems in garage"
 - Section 313 "Automatic fire sprinkler systems"
 - Section 403.2 "Footings for wood foundations"
 - Section 404.2 "Wood foundation walls"
- Chapter 11
- Chapters 25 through 33 Plumbing Code
- Chapters 34 through 43 Electrical Code
- Appendices D through FJ
- ~~Appendices H through J~~

14. The Building Codes shall be further amended as follows (the text in the "Code Requirement" column replaces the applicable text in the "Code(s) Section/Table" column:

Code Requirement	Code(s) Section/Table
Basement foundation walls shall be a minimum height of 7'10" measured from the top of the footing.	IRC R305
Soil bearing capacity for foundation footings shall have a minimum of 3,000 pounds per square foot test capacity.	IRC R401.4
A minimum 8" x 16" spread footing for all new residential construction. (10" x 20" with brick finish)	IRC R403
A Minimum of 8" concrete walls for all new residential construction. (10" with brick finish)	IRC R404
8" trench walls are allowed for new residential single story additions.	IRC R404
Any 3-season room, patio cover, or attached roof to an existing house requires a foundation with a frost depth minimum of 42 inches per Chapter 24.02.10.	IRC R404
A 3' by 3' (minimum) solid landing shall be installed on the outside of every door on all residential buildings.	IRC R311
There shall be two rows of #4 rebar at top and bottom of foundation walls (basement walls only). Rebar splices shall not be placed within 18" of corners.	IRC R404
All structural steel shall be primed. Steel columns shall be concrete filled. Adjustable columns, wood foundation walls and wood columns are prohibited.	IRC R407
Every basement shall have at least one emergency escape and rescue opening. Any basement 2000 sq. ft. or more in gross area requires an additional emergency escape and rescue opening for every 1000 sq. ft. of area or any increment thereof. Such openings shall be remote from one another.	IRC R310.1
All framing shall be 16" on center. Standard grade 2 x 4 studs minimum.	IRC Table R602.3(5)
Wind bracing shall be 1" by 4" let-in in each corner, or one-half inch plywood as	IRC R602.10

Code Requirement	Code(s) Section/Table
per IRC.	
All exterior walls shall have a minimum of 15 pound felt or other approved sheathing paper.	IRC R703.2
All garage walls and ceiling require 5/8 inch gypsum board.	IRC 302.6
All doors between a garage and the house shall be self-closing	IRC R302.5.1
Any subdivision platted prior to August 9, 2012 shall be exempt	IRC R501.3
All garage floors and patios shall be reinforced with #10 6" by 6" wire mesh.	IRC R506
Garage shall be backfilled with granular fill, i.e., pea gravel or approved stone.	IRC R506.2.1
All ceilings, framed or trussed, shall have stiff back 8' on center, maximum.	IRC R802.8
Roof sheathing shall be fir plywood or oriented strand board, minimum ½" in thickness for 16" on center.	IRC Table 803
The maximum size for a roof repair shall be two square.	IRC R905
Exterior wall sheathing shall be a minimum of ½" in thickness.	IRC Table R602.3(4)
Prefab fireplace chases shall have a minimum of 5/8" drywall on all walls common to the main building.	IRC R1004
All furnaces shall be blocked up off the basement floor a minimum of 1".	IRC M1301.1.1
There shall be a return air vent in every habitable room except bathrooms and kitchens.	IRC M1602
Gas valves for fireplaces shall be located within 3' of the fireplace opening.	IRC G2420
Combination smoke and carbon monoxide detectors shall be installed in locations where smoke alarms are required.	IRC R315
The minimum depth of any water service shall be 5 feet.	890.1150.a.3 of the 77 Illinois Plumbing Code
The installation and location of the water meter shall be in accordance with	Section 890.1190.b of the 77 Illinois

Code Requirement	Code(s) Section/Table
Chapter 45 of the Lake in the Hills Municipal Code.	Plumbing Code
The minimum size of a water service shall be 1 inch.	890.1200-a of the 77 Illinois Plumbing Code
Vent terminals 3" in diameter or less shall be increased one pipe diameter.	Section 890.1440-A of the 77 Illinois Plumbing Code
Approved materials for water distribution pipe are limited to brass pipe, copper/copper alloy pipe, copper/copper alloy tubing, galvanized steel pipe, welded copper water tube and solder.	Section 890 Appendix A Table A of the 77 Illinois Plumbing Code
Approved materials for water service pipe are limited to brass pipe, cast iron (ductile iron) water pipe, copper/copper alloy pipe, copper/copper alloy tubing, galvanized steel pipe, Welded copper water tube and solder.	Section 890 Appendix A Table A of the 77 Illinois Plumbing Code
Water supplies shall not be placed on any outside wall.	Section 890.1150-A.4 of the 77 Illinois Plumbing Code
All underground drainage piping shall be a minimum of 4" diameter.	Section 890.1320 of the 77 Illinois Plumbing Code
Service location: all location of service entrance equipment shall be at the closest entry point of the principal structure to the electrical utility source. The most direct route along the property lines or within the prescribed easements shall be utilized for the installation of the service lateral. Diagonal installation across the lot is strictly prohibited.	NEC 230.70(A)(1)
A minimum of 200 ampere electrical service shall be required for all new single family detached dwelling units.	NEC Article 230-42
EMT conduit shall be used in all buildings. Whips, when necessary, shall not exceed 6' in length.	NEC Article 300 and 358
All power circuits shall be #12 copper wire. Dedicated lighting circuits may be #14 copper wire. Back-stabbing shall	NEC Article 220

Code Requirement	Code(s) Section/Table
not be permitted.	
Electrical service shall be bonded and grounded directly to the street side of the water service, each with its own approved clamp. (where water meters are accessible)	NEC Article 250
A jumper ground wire shall be installed across the water meter.	NEC Article 250
Guards for decks, balconies or raised floor surfaces shall be no greater than 42" high and a minimum of 2" spacing between boards. Fencing shall not be used as guards.	IRC R312
Open-Flame Cooking Devices: Charcoal burners and other open-flame cooking devices shall not be operated near or adjacent to combustible construction.	IFC 308.3.1
Liquefied-Petroleum-Gas-Fueled Cooking Devices: LP-gas burners having an LP-gas container with a water capacity greater than 2.5 pounds [nominal 1 pound (0.454 kg) LP-gas capacity] shall not be operated near or adjacent to combustible construction.	IFC 308.1.4
The storage of explosive materials is prohibited unless otherwise approved by the applicable Fire Protection District.	IFC 5601.1
Prior to issuing permits for fireworks displays, plans for the display, inspections of the display site, and demonstrations of the display operations shall be submitted to the applicable Fire Protection District per their requirements.	IFC 5601.2.3
A person shall not possess, manufacture, store, offer or expose for sale, sell at retail or discharge any fireworks within the Village of Lake in the Hills with the exception of approved supervised display of fireworks in accordance with Section 3308 of this code.	IFC 5601.1.3

Code Requirement	Code(s) Section/Table
<u>Reference the 2018 International Swimming Pool and Spa Code as amended and adopted for all new public swimming pools, spas and hot tubs.</u>	<u>IBC 3109.1</u>
<u>These regulations shall be known as the Swimming Pool and Spa Code of the Village of Lake in the Hills.</u>	<u>IPSC 101.1</u>
<u>The provisions of this code shall apply to pools, spas, and decorative water features such as constructed ponds and fountains.</u>	<u>IPSC 101.2</u>
<u>Refer to Section 24.03 and 24. for permit requirements.</u>	<u>IPSC 105</u>
<u>Refer to Section 24.19 for violation penalties.</u>	<u>IPSC 107</u>
<u>Refer to Section 24.04 for means of appeals.</u>	<u>IPSC 108</u>
<u>Public Swimming Pool (Public Pool). A pool, other than a residential pool, that is intended to be used for swimming or bathing and contains water more than 12 inches in depth.</u>	<u>IPSC 202</u>
<u>Residential Swimming Pool (Residential Pool). A pool or decorative water feature intended for use that is accessory to a residential setting and available only to the household and its guests, and contains water more than 12 inches in depth.</u>	<u>IPSC 202</u>
<u>Refer to the current State of Illinois Plumbing Code for plumbing requirements.</u>	<u>IPSC 302.2</u>
<u>Refer to the current State of Illinois Energy Code for energy conservation requirements.</u>	<u>IPSC 303</u>
<u>Spas and hot tubs shall be provided with lockable covers and a second means of barrier to the water as listed in 305.4.</u>	<u>IPSC 305.1</u>
<u>The top of the barrier shall not be less than 66 inches above grade.</u>	<u>IPSC 305.2.1(1)</u>

Code Requirement	Code(s) Section/Table
<u>Where the wall of a dwelling serves as part of the barrier and where doors or windows provide direct access to the pool or spa through that wall, a minimum of (2) methods of protection from entering the water shall be provided including alarmed windows and doors, an ASTM F1346 safety cover, barrier fencing that is a minimum of 48 inches in height, or self-closing and self-latching doors.</u>	<u>IPSC 305.4</u>
<u>Where only the pool wall serves as a barrier, or there is a pool wall with mounted safety fencing per code, the barrier shall be a minimum of 66 inches above grade for the entire perimeter of the pool.</u>	<u>IPSC 305.5(1),(2)</u>
<u>The edge of a lake or other natural body of water shall not take the place of required barrier fencing.</u>	<u>IPSC 305.6</u>
<u>Natural topography or landscaping shall not take the place of required barrier fencing.</u>	<u>IPSC 305.7</u>
<u>Public swimming pools shall also comply with all applicable county and state requirements.</u>	<u>IPSC Chapter 4</u>
<u>Public Spas shall also comply with all applicable county and state requirements.</u>	<u>IPSC Chapter 5</u>
<u>Aquatic recreation facilities shall also comply with all applicable county and state requirements.</u>	<u>IPSC Chapter 6</u>
<u>Walk around decks shall have a level walking surface not less than 20 inches in width.</u>	<u>IPSC 703.6</u>

SECTION 3: If any section, paragraph, subdivision, clause, sentence or provision of this Ordinance shall be adjudged by any Court of competent jurisdiction to be invalid, such judgment shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

SECTION 4: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 5: This Ordinance shall be in full force and effect upon its passage, approval and publication in pamphlet form (which publication is hereby authorized) as provided by law and following the 30-day posting period, as required by State law.

Passed this 22nd day of August, 2019 by roll call vote as follows:

	Ayes	Nays	Absent	Abstain
Trustee Stephen Harlfinger	_____	_____	_____	_____
Trustee Ray Bogdanowski	_____	_____	_____	_____
Trustee Bob Huckins	_____	_____	_____	_____
Trustee Bill Dustin	_____	_____	_____	_____
Trustee Suzette Bojarski	_____	_____	_____	_____
Trustee Diane Murphy	_____	_____	_____	_____
President Russ Ruzanski	_____	_____	_____	_____

APPROVED THIS 22ND DAY OF AUGUST, 2019

Village President, Russ Ruzanski

(SEAL)

ATTEST: _____
Village Clerk, Cecilia Carman

Published: