



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

Committee of the Whole Meeting

April 23, 2019

Call To Order

The meeting was called to order at 7:30 p.m.

Roll call was answered by Trustees Harlfinger, Huckins, Dustin, Bogdanowski, Bojarski, Artinghelli and President Ruzanski.

Also present were Village Administrator Jennifer Clough, Assistant Village Administrator/Finance Director Shane Johnson, Chief of Police Dave Brey, Community Service Director Fred Mullard, Water Superintendent Ryan McDillon, Village Attorney Brad Stewart, Village Clerk Cecilia Carman and HR Manager Anita Neville.

Pledge of Allegiance was led by President Ruzanski

American Legion Post # 679 presentation: Dwayne Foss stated The Wall that Heals will be at Randall Oaks Park in West Dundee, IL from July 4-7th 2019. He asked for the Village's help with advertisement and fill volunteer positions. July 2nd the truck will be passing through Lake in the Hills and the Police Department will be notified for assistance. Donations are accepted at the website.

Audience Participation: None at this time.

Administration:

Raffle License Request for LA Jr. Golden Eagles Cheer- Presented by Village Administrator Jennifer Clough - The LA Jr. Golden Eagles Cheer is requesting a Raffle License for August 31, 2019, September 7, 2019, September 14, 2019, September 21, 2019 and September 28, 2019. The raffle will be a cash prize and there will be three winners at each drawing. The prize amounts will be \$100, \$150, & \$250. Section 31.02 of the Village Code regulates organizations that conduct raffles in the Village. Organizations desiring to conduct a raffle must apply to the Village for a raffle license. All provisions of Section 31.02 of the Village Code have been met. LA Jr. Golden Eagles Cheer unanimously voted to request a waiver of the fidelity bond requirement associated with the Raffle Application form.

Staff recommends a motion to approve the raffle license request and waive the fidelity bond requirement for LA Jr. Golden Eagles. Motion was made to place this item on the Agenda.

Personnel Rules & Regulations- Presented by HR Manager Anita Neville - The Administration department recommends the proposed changes to the Personnel Rules & Regulations. Areas of this document were revised in response to changes in state law. Improvements are being proposed to vacation leave for new hires and PT employees, based on recommendations made by McGrath Consulting. Clarifying language has been added to existing policies, along with the recommendation of consolidation or elimination of policies and supporting documents that no longer serve their purpose.

Staff recommends a motion to approve adopting changes to the Personnel Rules & Regulations. President Ruzanski asked about the policy for employees with controlled substances.

HR Manager Anita Neville explained the policy for an employee who volunteers this information and if a manager suspects usage.

Trustee Dustin asked for clarification on the accrualment of vacation time.

HR Manager Anita Neville explained the new prorated program.

Motion was made to place this item on the Agenda.

Finance

Fiscal Year Ending December 31, 2018 Financial Results- presented by Administrator/Finance Director Shane Johnson - A presentation will be given outlining and reviewing the FY 18 financial results. This will include:

- Revenues and expenses compared to the FY 18 budget
- Revenues and expenses compared to the FY 18 estimate that were established during the FY 19 budget presentation
- An update on fund balances and fund reserves
- An update on the FY 18 annual audit that is currently in progress

President Ruzanski complimented Director Johnson on his presentation.

Trustee Bogdanowski asked if the Village will budget for new staff next year.

Director Johnson stated yes as they look at next year's budget the hope is to add staff.

Ordinance approving Budget Amendments for Fiscal Year Ending December 31, 2018- presented by Administrator/Finance Director Shane Johnson - Per the Village code, the legal level of budgetary control is established at the department level. The only fund that currently utilizes department levels is the General Fund (Executive, Administration, Finance, and so on). Therefore, all other funds operate at the fund level because there are no defined departments within these funds.

The annual audit for the fiscal year (FY) ending December 31, 2018 (18) is in progress and final field work has been completed by the auditors. The financial statements are not 100% complete at this time, but staff doesn't foresee any further changes to the financials for FY 18. As such, an ordinance needs to be approved to account for any Department/Fund expenses that have exceeded the budget in order to comply with our code requirement.

In total for all funds the Village's total expenses for FY 18 were \$2.2 million under budget (**Exhibit A**). However, the following fund's expenses exceeded the legal level of budgetary control:

Justifications for over budget Departments/Funds:

- **General Fund**
 - Finance - \$724.03 over budget due to:
 - Compensation changes from the classification and compensation study
 - Reorganization of hiring two customer service specialists to replace an accounts receivable position and an administrative assistant position that was previously budgeted in Parks and Recreation
- **Special Service Area 2**

- \$8,969.15 over budget due to:
 - Addition of musical instruments at Sunset Park from LITH Rotary donation
- **Special Service Area 4B**
 - \$954.82 over budget due to:
 - Increased detention maintenance
- **Special Service Area 7**
 - \$239.73 over budget due to:
 - Increased tree removal costs
- **Special Service Area 8B**
 - \$1,316.36 over budget due to:
 - Tree trimming and pruning costs
- **Special Service Area 8C**
 - \$667.24 over budget due to:
 - Tree trimming and pruning costs
- **Special Service Area 10**
 - \$5.46 over budget due to:
 - Interest income of \$5.46 being transferred out to the General Fund
- **Special Service Area 24**
 - \$1,018.36 over budget due to:
 - Increased detention maintenance

Also, attached is **Exhibit A** that presents the proposed budget amendments between funds. The total expense budget will remain the same amount as the originally adopted budget amount of \$26,377,059. This is accomplished by transferring “unused” budget money in one fund to another fund that has consumed and exceeded its budget money.

A reconciliation of these transfers can be found below to show the Department/Fund that the budget amount will transfer out of and the Department/Fund where the budget amount will transfer into.

Staff recommends a motion to approve an ordinance amending the Fiscal Year 2018 budget. Motion was made to place this item on the Village Board Agenda.

Resolution Amending Resolution 2018-14 for Committed Fund Balance- presented by Administrator/Finance Director Shane Johnson - The Village Board directed staff to research both short-term and long-term solutions for the MFT Fund, as the current financial projection estimates that the fund will only be able to self-sustain through 2021 and will run out of money in 2022 (see first table below). As such, a resolution to commit fund balance for maintenance of roadways was presented at the December 11, 2018 Committee of the Whole Meeting and was passed by the Village Board on December 13, 2018 with the amount to be determined after yearend and finalized through the annual audit process. The Request for Board Action from the December 11th meeting and Resolution is attached for reference and more detail.

The estimated amount to be committed was \$1.0 million back in December 2018 as this would allow the MFT Fund to operate an additional two years through 2023. The \$1.0 million amount was based on the estimated increase in fund balance expected for the General Fund that was determined at the end of October through the completion of the FY 2019 annual budget.

However, now that the audit is almost complete and the financial statements aren’t expected to change, the General Fund ended the year with a larger increase to fund balance than expected. The increase in fund balance is due to a combination of revenues exceeding budget expectations, as well as significant savings

on expenditures due to a dedicated revenue source in the Capital Improvement Planning (CIP) Fund, personnel savings from re-organizations and other departmental operating savings. Therefore, the actual amount being recommended to commit for maintenance of roadways is being increased to \$1,500,000. This would allow the MFT Fund to operate an additional year through 2024 and maintain a positive fund balance for the next 6 years.

Financial Impact: Staff will continue to research and evaluate long-term solutions for roadway maintenance funding. This will be a combination of identifying sustainable dedicated revenue sources and the continued practice of applying new approaches to help extend the life of roadways, such as the use of asphalt rejuvenator that started in 2018.

Staff recommends a motion to approve the attached Resolution Amending Resolution 2018-14 for Committed Fund Balance in the amount of \$1,500,000. Motion was made to place this item on the Village Board Agenda.

Amending Chapter 32, Section 32.03 Electronic or Mechanical Amusement Devices, of the Municipal Code- presented by Administrator/Finance Director Shane Johnson - Attached please find an Ordinance amending Chapter 32, Section 32.03 “Electronic or Mechanical Amusement Devices” of the Municipal Code. In total, there are approximately 9 electronic or mechanical amusement devices due for renewal from Steak N’ Shake, American Legion Post #1231 and the Lake in the Hills Property Owners Association. The fee is \$30 per device for Steak N’ Shake and \$1.00 per device for American Legion Post #1231 and the Lake in the Hills Property Owners Association, up to five devices, and each additional device is \$30.

Currently, the annual revenues are just under \$100, while the expenses associated with these few machines consists of staff time budgeting and reminding businesses to renew, collecting and processing the fees, and purchasing permit stickers. Historically, enforcement on these devices has not been a high priority of the Village. Staff feels that the time and costs far outweigh the benefit and revenue generated. In alignment with the Strategic Plan, it is being recommended to amend Chapter 32 and remove the requirement of permitting these few devices within the Village. This will also alleviate the burden placed on two of our not-for-profit organizations in the Village.

Financial Impact: In 2018, the Village received \$96.00 in revenue from electronic or mechanical amusement device licenses. The 2019 Budget estimates \$97.00 could be collected this fiscal year.

Staff recommends a motion to approve the ordinance amending changes to Chapter 32, Section 32.03 Electronic or Mechanical Amusement Devices of the Municipal Code.

Discussion ensued concerning the removal of the registration. Trustee Huckins and Bojarski both shared a concern the removal would allow any type of amusement device in the Village.

Attorney Stewart clarified the ordinance is only for the fee to be removed. It does not regulate the types of amusement devices allowed in the Village. The only devices similar that are regulated would be gaming devices.

Trustee Dustin commented if there are any safety concerns with the machines and the change in the ordinance.

Director Mullard stated the machines are not inspected.

Trustee Harlfinger stated getting rid of the license will allow business to bring in many types of machines. He understands the burden that the ordinance has placed on staff.

Trustee Huckins stated he now understands how the removal of fee as a good idea however it may allow any type of machine in the Village.

Trustee Bogdanowski asked how the fee is collected.

Director Johnson stated most business have auto pay in place.

Trustee Artinghelli commented there could be machines in the Village that the administration is unaware of.

Director Johnson discussed there are two approaches to this issue. The Village can be proactive and regulate which can take a lot staff time and money or allow businesses to have any type of machine in without over sight.

Attorney Stewart commented that this code does not stop a business from having a type of entertainment machine that the Board does not like.

Trustee Harlfinger asked what defines an entertainment device.

President Ruzanski asked about vending machines in the Village.

Director Mullard explained how many machines are in the Village and how ensuring they are registered takes more time from staff than revenue that can be generate. Many machines are in non-profits who do not pay for registration.

Trustee Bogdanowski asked how businesses are notified to register machines.

Administrator Clough stated normally by business insider and other village newsletters.

Motion was made to place this item on the Village Board Agenda.

Public Works:

Award a Contract for the 2019 Indian Trail Beach Parking Lot Replacement- Presented by Superintendent Ryan McDillon - As part of the Village's parking lot replacement schedule, the southeast portion of the Indian Trail Beach Parking Lot was approved in the 2019 budget for replacement. Village staff authored a Request For Proposal (RFP) and on March 25, 2019, the RFP was sent to 30 resurfacing companies, posted on the Village's website, and published in the Northwest Herald. On April 8, 2019, eleven RFP submittals were received and pricing ranged from a low of \$23,622.00 from Chadwick Contracting of Lake in the Hills, IL, to a high of \$48,476.25. Chadwick's low price of \$23,622.00 is \$1,378.00 under the budgeted amount of \$25,000.00. Chadwick has worked on similar projects for the Village in the past and staff have been pleased with their performance. As such, Village staff recommend awarding this project to Chadwick Contracting of Lake in the Hills, IL.

Financial Impact: The Village's 2019 budget includes \$25,000.00 for this project in the Capital Improvement Fund and Chadwick's low price of \$23,622.00 is \$1,378.00 under the budgeted amount of \$25,000.00.

Staff recommends a motion to award a contract to Chadwick Contracting of Lake in the Hills, IL, for the 2019 Indian Trail Beach parking lot replacement contract in the amount of \$23,622.00. Motion was made to place this item on the Village Board Agenda.

Board of Trustees:

Trustee Harlfinger – None at this time

Trustee Dustin – None at this time.

Trustee Huckins thanked Water Superintendent McDillon and his crew for their work on Easter Sunday. He also stated the Friends of the Park donated a new PA system to Parks and Recreation Department.

Trustee Bojarski-None at this time

Trustee Bogdanowski-None at this time

Trustee Artinghelli-None at this time

President Ruzanski:

President Ruzanski stated he will have the Arbor Day and Building Safety Month Proclamations to read on Thursday. Also, our Village will be hosting the monthly MCCG meeting at Boulder Ridge Country Club on May 22nd 2019. He lastly encouraged everyone to attend the Founder's Day Brunch.

Audience Participation: None

Motion to enter into executive session to Motion to enter into Closed Session for Approval/Semi-Annual Review of Closed Session Minutes (5 ILCS 120/2 (c)) was made by Trustee Huckins and seconded by Trustee Harlfinger. On Roll call vote Trustee Artinghelli, Bojarski, Bogdanowski, Huckins, Dustin and Harlfinger voted Aye. No Nays. Motion Carried

Motion to reconvene and adjourn the Committee of the Whole Meeting was made by Trustee Huckins and Seconded by Trustee Dustin. All Trustees in favor.

Adjournment: There being no further business to discuss, the Committee of the Whole meeting was adjourned at 8:50 pm

Submitted by,

Cecilia Carman
Village Clerk