



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

Committee of the Whole Meeting

May 21, 2019

Call To Order

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

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

Motion to allow Trustee Huckins to attend telephonically was made by Trustee Harlfinger and seconded by Trustee Dustin. On roll call vote Trustee Bogdanowski, Murphy, Dustin, Bojarski and Harlfinger vote Aye. No Nays. Motion carried.

Also present were Village Administrator Jennifer Clough, Assistant Finance Director Matt Rossi, Chief of Police Dave Brey, Public Works Director Dan Kaup, Community Service Director Fred Mullard, HR Manager Anita Neville, Village Attorney Brad Stewart and Village Clerk Cecilia Carman

Pledge of Allegiance was led by President Ruzanski

Audience Participation: None at this time.

Administration:

Raffle License Request for Lake in the Hills Youth Athletic Association (YAA)- Presented by Village Administrator Jennifer Clough- The Lake in the Hills YAA is requesting a Raffle License for June 1, June 8, June 15, and June 22, 2019 at Noon at Sunset Park. There will be three winners on each Saturday. The prizes will be \$1,000, \$500 & \$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. Lake in the Hills YAA 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 Lake in the Hills YAA. Motion was made to place this item on the Agenda.

Raffle License Request for Algonquin Lioness Club- Presented by Village Administrator Jennifer Clough- The Algonquin Lioness Club is requesting a Raffle License for June 22, 2019 at the Lake in the Hills Property Owners Association. There will be three winners on each Saturday in June. The prizes will be various baskets and gift cards. 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. The Algonquin Lioness Club 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 Algonquin Lioness Club.

Trustee Murphy recused herself from the discussion due to conflict of interest. She left the Committee of Whole Meeting @ 7:32pm.

Motion was made to place this item on the Agenda.

Trustee Murphy re-entered room @ 7:33pm.

Request for Waiver of Sign Regulations and Enforcement for Joanna Krzepkowska/Keller Williams Success Realty- Presented by Village Administrator Jennifer Clough- Attached please find a letter from Joanna Krzepkowska, resident and realtor for Keller Williams Success Realty, 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 May 31, 2019, until June 17, 2019, to advertise participation in a neighborhood garage sale to take place from June 14 through June 16, 2019, in the Meadowbrook subdivision.

1. Lakewood Road and Princeton Lane
2. Lakewood Road and Miller Road
3. Miller Road and Haligus Road

Staff recommends a motion to suspend enforcement activities from May 31, 2019, until June 17, 2019, to allow the installation of temporary signage at the intersections referenced above for the neighborhood garage sale to take place from June 14 to June 16, 2019, in the Meadowbrook subdivision.

Trustee Murphy stated she has seen a sign for the garage sale on the corner of Algonquin and Square Barn Road.

Village Administrator Clough stated she will investigate.

Trustee Harlfinger stated we have a sign moratorium.

Community Service Director Mullard stated the moratorium does not include garage sale signs.

Motion was made to place this item on the Agenda.

Insurance Plan Renewals: Medical, Dental, Vision, and Life- Presented by Finance Assistant Matt Rossi and HR Manager Anita Neville- As part of the comprehensive benefit package, the Village provides employees and their families with medical, dental, vision, and life insurance plans and coverage. Currently, these benefits are provided by BlueCross BlueShield of Illinois (medical), Guardian (dental), and MetLife (vision and life). There are no changes being recommended to providers during this renewal period.

Again this year is a point of emphasis on incorporating the Village's wellness program into our culture by directly tying participation to employee insurance premium contributions. This approach is progressive and the new norm being implemented across industries as a proven tool to help manage increasing healthcare costs and improve employee productivity. The 2019 wellness program began in early April 2019 and included greater opportunity for employees to partner and invest in their own wellbeing. Employees who met certain participation requirements could take advantage of the wellness incentive of locking in their

current 2018 employee contribution percentages for the 2019 plan year. As such two different employee rates will once again be utilized: Wellness Rates and Non-Wellness Rates.

FY 19 Renewal and Provider Overview

The FY19 budget includes a 10% increase in total insurance costs effective with the July 1, 2019 renewal. The Village initially received a renewal rate increase of 5.4% for the medical plan. After soliciting and receiving quotes from other insurance carriers through our insurance broker, and further discussions with BlueCross BlueShield, they provided an initial rate relief down to a 2.1% increase. Our broker, Gallagher Williams-Manny, made one final attempt and was able to bring the final rate relief down to a 0.2% increase.

Medical Insurance – The Village currently has five components to its medical insurance program. Employees have the choice to participate in four different types of plans – a PPO plan, a High Deductible/Health Savings Account (HDHP/HSA), an HMO plan, or a waiver program. The additional component is the partially self-funded portion of the PPO and HDHP/HSA plans.

The BlueCross BlueShield PPO plan offers the widest choice of network providers. The Village purchases a \$3,500 deductible (single coverage) and \$10,500 deductible (family coverage) medical plan with 80% coinsurance from BlueCross BlueShield and then self-funds the difference between this plan and the plan design offered to employees which is a \$500 deductible for single coverage and a \$1,500 deductible for family coverage.

The BlueCross BlueShield High Deductible/HSA plan offers the same wide network as the PPO plan. The Village purchases a \$5,000 deductible (single coverage) and \$10,000 deductible (family coverage) plan and then self-funds the difference between this plan and the plan design offered to employees which is a \$1,350 deductible for single coverage and a \$2,700 deductible for family coverage.

The HMO is a network plan with co-pays for primary care, specialists, other services and prescriptions. In the past it was the least costly plan but now has been replaced by the HDHP/HSA plan as the least costly plan.

Competitive quotes were solicited from several other carriers to ensure that we were receiving competitive renewal rates. Because of the lag time in processing health insurance claims, new carriers will typically quote the first year for a prospective client as an immature claims year based on ten months of payments instead of twelve months. Therefore, a rate increase of 15%-20% can be expected in the second year with a new carrier. Cigna provided a quote with a -1.8% decrease and United Health Care provided a quote with a -5.0% decrease. However, the process of changing providers and the claims catch up in the subsequent years could result in more costs and administration difficulties than the difference in increases.

Based upon the quotes the Village received from alternate carriers, BlueCross BlueShield responded with a final rate relief quote that lowered their rate increase from a 5.4% increase to a 0.2% increase.

Partially Self-Funded Medical Plan – Both the PPO and HDHP/HSA plans have a partially self-funded component to them whereby the Village purchases a higher deductible/higher out-of-pocket plan from BlueCross BlueShield and then self-funds the difference down to the plan designs offered to employees. Funding is proposed at a level sufficient to pay expected claims plus fees for the next plan year but actual costs will depend on the number and severity of claims actually incurred. A new service being recommended during this renewal is adding Envision Healthcare to process all medical claim processing, tracking and reimbursements. Envision Healthcare is BlueCross BlueShield's preferred vendor and has a

direct feed from them to receive the Explanation of Benefits to process the claims. This automatic processing of claims will replace a manual and burdensome process that has been placed on employees and staff. However, with this automatic feed, our broker has advised that we should expect to see an increase around 10% in total claims for this next renewal year. This has been included in the financial premium calculations.

Waiver Option – The Village currently offers a waiver option to all employees if they have other health insurance available. The annual waiver payment is currently \$2,000 and represents a sharing with the employee of the premium savings the Village realizes if the employee is not enrolled in the Village’s health insurance plans. For the 2019-2020 plan year, the net savings to the Village are projected to range from \$4,755 per year for single coverage to \$20,886 per year for employee and family coverage in the HMO plan.

Dental Insurance – Currently, the Village’s dental plan is a partially self-funded insured plan provided by Guardian. The Guardian dental plan was flat at a 0% increase and a total expected cost of \$112,871.

Vision Insurance – MetLife vision insurance renewal rates increased by 5.0% or \$731. The Village has received satisfactory service from MetLife, thus far, and recommends renewing with them again for this renewal period.

Life Insurance – The initial rate increase was a 7.5% increase, but after a final rate relief the increase is 5.3% from the current rates with MetLife for Life & AD&D. This equates roughly to a \$745 increase to the total premium. This benefit is 100% paid for by the Employer (Village) and will not have a significant impact due to the low dollar amount of the total premium at \$14,915.

Employee Contributions – Current contribution rates are 18% for the PPO plan, 6% for the HDHP/HSA plan, and 7% for the HMO plan. As mentioned in the introduction, employees who participated in this year’s wellness program and took advantage of the incentive will remain at these current rates for the PPO and HMO plans. It is being recommended to reduce the HDHP plan by -1% to further incentivize migration to this plan. HDHP plans utilize health savings account where employees are encouraged to save money throughout the year to pay for claims, whereby giving employees a sense of ownership of their medical spend and dollars. The HDHP plan is also less expensive overall than the PPO plan.

However, employees who opted not to participate will pay Non-Wellness rates which will increase by 1% bringing employee contributions levels to 20% for the PPO plan and 9% for the HMO plan. It is also being recommended to keep the HDHP plan flat at a 7% contribution to further incentivize migration to this plan for the same reasons mentioned above. These increases bring the average contribution rate up to 12%; however it is still in line with our comparable communities’ total average employee contribution rates.

Plan Type	Current Wellness Rates	Renewal Wellness Rates	Change	Comments
PPO	18%	18%	No change	
HMO	7%	7%	No change	
HDHP	6%	5%	-1%	Wellness participation and incentivize migration to plan
Plan Type	Non-Wellness Rates	Non-Wellness Rates		
PPO	19%	20%	+1%	No wellness participation

HMO	8%	9%	+1%	No wellness participation
HDHP	7%	7%	No change	Incentivize migration to plan

Flexible Spending Accounts – Employees are provided the opportunity to elect to participate in various other voluntary coverage plans via payroll deduction including flexible spending through Envision.

Financial Impact: The total FY 19 budget for insurance is \$1,953,400, which included a 10% increase in insurance premiums effective with the 7/1/19 renewals. The budget assumes that the number of employees and the plans selected by the employees will remain the same at the time of preparation plus any known or likely changes to come. However, during open enrollment employees have the opportunity to elect different plans and levels of coverage.

Also, new employees throughout the year or new positions that are eligible for insurance coverage will also impact the actual insurance costs and results compared to the budget. As such, the total estimated Village cost for FY 18 is projected to be roughly \$1,845,854, resulting in a budget savings of approximately \$107,000 for FY 19. This number may increase or decrease pending the open enrollment outcomes, as well as, the actual number of employees who qualify for wellness vs. non-wellness rates.

Staff recommends a motion Authorize the Village Administrator to execute all contracts, applications, and other documents necessary to complete the July 1, 2019 renewal with BlueCross BlueShield for medical insurance, with MetLife for vision and life insurance, and with Envision for flexible spending account benefits; continue to offer the health insurance waiver program at \$2,000 per year; and to set employee Wellness Rate contributions for medical, dental, and vision insurance at 18% for employees enrolled in the PPO plan, 7% for employees enrolled in the HMO plan and 5% for employees enrolled in the HDHP/HSA plan, and to set employee Non-Wellness rate contributions for medical, dental, and vision insurance to 20% for employees enrolled in the PPO plan, 9% for employees enrolled in the HMO plan and 7% for employees enrolled in the HDHP/HSA plan.

Trustee Bogdanowski asked for clarification of the premium increases.

Assistant Finance Director and Village Administrator Clough reviewed premiums for wellness and non-wellness participants.

Trustee Dustin asked if the cost for healthcare is averaging \$16,000 per employee.

Finance Director Rossi stated yes on average this is the cost.

Motion was made to place this item on the Agenda.

Public Works:

Award a Contract for the 2019 Village Hall Carpet Project- Presented by Public Works Director Dan Kaup- A village-hired contractor completed the first phase of the Village Hall carpet replacement project in 2018 and the second and final phase of the Village Hall carpet replacement project was approved in the 2019 budget. Village staff released a Request For Proposal (RFP) and last month, 20 carpet replacement vendors were notified of the RFP opportunity, the RFP was posted on the Village website and the RFP opportunity was published in the Northwest Herald. On May 8, 2019, two sealed bids for the 2019 Village Hall carpet project were opened. The bids ranged from a low of \$34,441.35 from Exceed Floor & Home of Crystal Lake, IL, to a high of \$43,580.36. Exceed’s price of \$34,441.35 is \$10,558.65 below the budgeted

amount of \$45,000.00. Exceed performed the phase one Village Hall carpet replacement work in 2018. During the 2018 portion of the carpet replacement project, village staff experienced a few scheduling and installation issues with Exceed; however, Exceed addressed these issues and overall, village staff have been pleased with the carpeting that was replaced by Exceed in 2018. As such, Village staff recommend awarding this project to Exceed Floor & Home of Crystal Lake, IL.

Financial Impact: The Village's 2019 budget includes \$45,000.00 for this project in the Capital Improvement Fund and Exceed's low price of \$34,441.35 is \$10,558.65 under the budgeted amount.

Staff recommends a motion to award a contract to Exceed Floor & Home of Crystal Lake, IL, for the 2019 Village Hall carpet project in the amount of \$34,441.35. Motion was made to place this item on the Village Board Agenda.

Award a Contract for the Demolition of 1111 Pyott Road- Presented by Public Works Director Dan Kaup- The demolition of the village-owned single-family home located at 1111 Pyott Road was approved in the 2019 budget. Village staff authored a Request For Proposal (RFP) and last month, 26 demolition vendors were notified of the RFP opportunity, the RFP was posted on the Village website and the RFP opportunity was published in the Northwest Herald. On May 8, 2019, seven sealed bids for the 1111 Pyott Road demolition project were opened. The bids ranged from a low of \$25,500.00 from Fowler Enterprises of Elgin, IL, to a high of \$76,639.00. Fowler's price of \$25,500.00 is \$1,500.00 above the budgeted amount of \$24,000.00. Although Fowler has not worked on projects for the Village in the past, their references spoke very highly of them and they have experience working on similar projects for public entities. As such, Village staff recommend awarding this project to Fowler Enterprises of Elgin, IL

Financial Impact: The Village's 2019 budget includes \$24,000.00 for this project in the Capital Improvement Fund and Fowler's low price of \$25,500.00 is \$1,500.00 above the budgeted amount. The additional \$1,500.00 in funds will be paid for from the Capital Improvement Fund, which has adequate funding available.

Staff recommends a motion to award a contract to Fowler Enterprises of Elgin, IL, for the demolition of 1111 Pyott Road in the amount of \$25,500.00.

Trustee Dustin asked if the Fire Department was contacted to use property for training.

Director Kaup stated no the SWAT Team has used the building for drills and training.

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

Commercial Activity Agreement with AKC Aviation- Presented by Public Works Director Dan Kaup- The Lake in the Hills Airport Rules and Regulations require commercial activities which operate from the Lake in the Hills Airport to enter into an agreement with the Village. The agreement gives them access to the airport while establishing service standards, insurance requirements, and a commitment to observe the airport rules, regulations and minimum standards. AKC Aviation would like to enter into an agreement with the Village to offer aircraft sales. The new agreement will be in effect from June 1, 2019 through June 1, 2022.

Financial Impact: The Airport Operating and Maintenance Fund will receive an annual payment of \$305.58 per year for aircraft sales from AKC Aviation.

Staff recommends a motion to approve a commercial activity agreement with AKC Aviation from June 1, 2019 through June 1, 2022. Motion was made to place this item on the Village Board Agenda.

Community Service:

Changes to the Sign Ordinance- Presented by Community Service Director Fred Mullard- At the April 9, 2019 Committee of the Whole meeting the Board of Trustees suggested staff look into changes necessary to the sign portion of the Zoning Ordinance to better support our local businesses. Director Mullard provided a plan to discuss possible changes to the ordinance with the public at the May Planning and Zoning Commission meeting with the possibility of having draft changes for Board action by the end of July. During this time, the Village Board placed a moratorium on sign regulation enforcement. Throughout this process, staff has and will continue to rely on Planning Resources, Inc. to provide research, technical assistance and guidance in the development of the revision. The Village has a longstanding relationship with the firm. The FY 2019 budget includes funds for consultant support to planning efforts due to limited in-house resources and the lack of a planner on staff. At the May 13, 2019 Planning and Zoning Commission meeting, the commission reviewed a presentation on the various types of signs contemplated in the Village's ordinance, sign trends, as well as considered the regulations of surrounding communities. Though promoted through the Village's communication channels, released to the press, shared with the chamber of commerce and with the Village Board, no one from the resident or business communities participated in the discussion. Due to this, and based on the broad discussion that took place amongst the commissioners, staff is recommending that the Village Board provide more explicit direction to the Planning and Zoning Commission in order to best direct the extent of their analysis and that additional time be allocated to this process as necessary.

Staff suggests the Village Board provide further guidance on proceeding.

A discussion ensued concerning direction the Planning and Zoning Committee needed. It concluded a seven(7) panel Ad Hoc committee will be formed. The panel will contain Trustee Dustin and Harlfinger, two (2) members of Planning/Zoning Committee, two (2) business representatives and one resident. Trustee Harlfinger stated Mary Mondelli the owner of Dino's Pizza, is interested. President Ruzanski stated he can reach out to the owner of Butcher on the Block. Attorney Stewart advised this committee will be subject to the Open Meetings Act. He also stated that an official recognition will be needed at the next set of Village Board Meetings.

Trustee Harlfinger asked if the Board should extend the 90 day moratorium.

Attorney Stewart stated the moratorium is an informal direction.

Community Service Director Mullard advised not to change the moratorium at this point of time. The Board can wait until the Ad Hoc Committee as met.

Trustee Harlfinger agreed with Director Mullard.

Variation to Table 7.6, Dwelling Standards Chart for Unit Size for Parkside Apartments, 9340 Haligus Road-- Presented by Community Service Director Fred Mullard-The applicant, United Construction Services, Inc., requests a variation to reduce the minimum size of a one-bedroom unit from 850 square feet to 700 square feet, and to reduce the minimum size of a two bedroom unit from 1,000 square feet to 900 square feet. The applicant believes this is necessary to improve costs of construction and rents, thus creating an affordable apartment at a size that has proven to be marketable. The minimum sizes in Table 7.6 are the same for single family attached, multiple family, and two family dwelling units. The

Village Board approved a Development Agreement for Parkside Apartments at this location in July 2015. This agreement provided for rezoning to R-4 and development of no more than 39 units in three separate buildings. The applicant intends to reduce the number of buildings to two. The Planning and Zoning Commission conducted a public hearing on May 13, 2019. There were no public comments on the proposed actions. The Commission recommended approval by a vote of 4-0.

Staff recommends a motion to approve an ordinance granting a variation to Table 7.6, Dwelling Standards Chart for Unit Size, for Parkside Apartments, located at 9340 Haligus Road on Parcel 18-22-200-031.

Trustee Dustin stated he was concerned about the apartment size and recent trends are for larger apartments not smaller.

John Curtis of United Construction Services stated he disagreed with Trustee Dustin and stated trends are for apartments to be smaller in size. He stated construction cost and the use of high end materials would not be profitable with large size apartments.

Trustee Dustin asked what are the proposed rents for the apartments.

John Curtis reviewed the rents proposed.

Joseph Billitteri of United Constructions Service explained his building in East Dundee and the trends they have seen with apartments in the area. He stated the one bedroom apartments are filled before construction.

Trustee Bojarski commented to Director Mullard her concern for allowing this variance. She asked if the Village has allowed variances in the past. The Village has developed standards and they should be upheld.

Director Mullard stated he would need to investigate to ensure accuracy. In the past 5 years there has not been any apartments approved. The Village did approve townhouses but that had been 8 years and they have different regulations.

Mr. Billitteri stated it has been twenty years since the last apartment building was approved.

Trustee Harlfinger stated he is in favor of the apartment building.

President Ruzanski asked what is the demand for apartments in the area.

Mr. Billitteri stated there is a one thousand dwelling deficit.

Trustee Bogdanowski commented does the Board need to keep its building standard or change as needed.

Trustee Harlfinger agrees the Village needs to always review codes to ensure they are up to date with Village's needs.

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

Board of Trustees:

Trustee Murphy-None at this time

Trustee Bogdanowski-None at this time

Trustee Bojarski congratulated Public Works for the Open House. She was very impressed.

Trustee Dustin – None at this time.

Trustee Huckins- None at this time

Trustee Harlfinger asked who will be the liaison for the Parks and Recreation Board. President Ruzanski stated Trustee Murphy will fulfil the role. Trustee Harlfinger also commented he wants the Board to consider an Airport committee in the near future.

President Ruzanski asked Administrator Clough to speak about presentation the staff has been working on.

Administrator Clough explained the staff has been developing an economic development plan for the Village. It will be presented to the Board at a later date. The presentation can be at a Committee Whole Meeting or a separate meeting.

President Ruzanski:

The appointment of Suzanne Artinghelli to the Planning and Zoning Committee and the reading of a Proclamation for Public Works Week will be done at the Village Board Meeting.

Audience Participation: None

Trustee Harlfinger asked if we should schedule the Economic Meeting today. A discussion ensued and it was decided Administrator Clough will email dates to the Trustees and staff to verify everyone's availability.

Adjournment: A motion to adjourn was made by Trustee Murphy and seconded by Trustee Bogdanowski. All in favor in voice vote. There being no further business to discuss, the Committee of the Whole meeting was adjourned at 8:48 pm.

Submitted by,

Cecilia Carman
Village Clerk