



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

Committee of the Whole Meeting

May 7, 2019

Call To Order

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

Roll Call was answered by Trustees Bojarski, Bogdanowski, Artinghelli, Dustin and Harlfinger were present.

A motion to allow Trustee Huckins join telephonically was made by Trustee Harlfinger and seconded by Trustee Dustin. On Roll call Trustees Harlfinger, Dustin, Bojarski, Bogdanowski, and Artinghelli voted Aye. No Nays. Motion carried.

Also present were Village Administrator Jennifer Clough, Assistant Village Administrator/Finance Director Shane Johnson, Chief of Police Dave Brey, Public Works Director Dan Kaup, Community Service Director Fred Mullard, Village Engineer Chad Pieper, Village Attorney Brad Stewart and Village Clerk Cecilia Carman

Pledge of Allegiance was led by President Ruzanski

Audience Participation: None

Administration:

Execution of a Farm Lease Agreement between the Village of Lake in the Hills and Mr. Dan Fruin for a portion of the property commonly referred to as the Sullivan property- Presented by Village Administrator Jennifer Clough - Attached please find the Farm Lease Agreement between the Village of Lake in the Hills and Mr. Dan Fruin, for the portion of PIN #18-22-200-006, commonly referred to as the Sullivan Property. Mr. Fruin has leased and maintained this property since May 26, 2005. Entering into this lease agreement reduces the Village's maintenance costs associated with the mowing and landscaping of the property. The lease will commence on May 9, 2019 for a two year term. An automatic renewal for up to five two-year terms has been added to the lease agreement. A 30-day cancellation notice is required by either party. Mr. Fruin will be responsible for the payment of real estate taxes on the leasehold interest.

Staff recommends a motion to approve the execution of the Farm Lease agreement with Mr. Dan Fruin for a portion of the Sullivan Property.

Trustee Dustin asked if the occupant pays rent and taxes.

Administrator Clough explained he does not pay rent but pays the property taxes.

Motion was made to place this item on the Agenda.

Finance

Investment Policy Update- presented by Assistant Village Administrator/Finance Director Shane Johnson - The Village's Investment Policy was last updated in December 2012 and needed several updates/revisions to bring it in-line with the current market environment and best practices for municipal investments.

One of the pertinent revisions is the addition of Illinois Public Reserves Investment Management Trust (IPRIME) as an authorized and suitable investments. IPRIME is a newly launched investment pool for Illinois Municipal Treasurers through PMA Financial Network, a financial institution already designated as a depository for Village cash and investments. Staff has been working with PMA advisors on updates to our investment policy, as well as, creating a specific investment plan and developing a cash flow projection that ultimately is the backbone for the investment plan. Adding IPRIME will allow staff and PMA to finalize the investment plan for the Village and receive the following benefits:

- Maximize interest income
- Takes advantage of economies of scale
- Ensure all liabilities are properly funded
- Identify future, near-term cash shortfalls
- Provide for continuity in the Finance Department should key staff change in the future

The revisions are summarized below:

- **Entire policy** – updated 'Finance Director' to 'Assistant Village Administrator/Finance Director'
- **Section 4.1 B. Interest Rate Risk** – Changed the word 'general' to 'market'.
- **Section 7.0 Authorized Financial Dealers & Institutions** – Deleted 'National Association of Security Dealers (NASD)' and replace it with 'Financial Industry Regulatory Authority (FINRA)'. FINRA is the new regulatory authority that was created when NASD and NYSE Member Regulation combined to form FINRA.
- **Section 8.0 Authorized and Suitable Investments** – Illinois Public Reserves Investment Management Trust (IPRIME) was added as an authorized and suitable investment Remove the words 'short-term' and changed the days from '270' to '3 years'. Commercial Paper has been expanded in allowable investments per state statute to include corporate notes (commercial paper that goes out 3 years). Removed 'Derivatives', as an allowable investment due to risk.
- **Section 9.0 Collateralization** – Changed Attachment #2 in this section to Attachment #1, and attached the GFOA Best Practices on Collateralizing Public Deposits.
 1. Reduced the amount of collateral that is required to 102% (which is GFOA's recommendation) as 110% is restrictive for many financial institutions.
 2. Changed 'or the Federal Reserve Bank of Chicago' to 'or a Federal Reserve Bank', as there are many different Federal Reserve Banks and don't want to limit to just Chicago.
 3. Deleted Reciprocal Transactions. These are covered under the FDIC section of allowable investments.
- **Section 11.0 Diversification** – Deleted bullet points referencing Investment Pools shall not exceed 50% of the portfolio. Depending on the rate environment, these liquid pools might be the safest alternative and provide the best rate.
 1. Removed the restriction on 'Brokered CD's not exceeding 95% of the portfolio. These are FDIC insured and don't need to limit these types of investments.
 2. Clarified the limit is 30% of the aggregate portfolio.

- **Glossary** – Removed the glossary. Including definitions can potentially conflict with how terms are defined in state statute or this investment policy and thereby cause confusion or uncertainty regarding the policy. Many of the terms listed were not relevant to the policy or found within the policy.

Staff recommends a motion to approve revisions to the Village’s Investment Policy and direction to become a new account with IPRIME and pursue and implement the investment plan through PMA Financial Network.

President Ruzanski asked if Assistant Village Administrator/Finance Director Johnson could explain Section 9 in detail.

Assistant Village Administrator/Finance Director Johnson stated the new best practice is 102% of collateral not 110%.

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

Agreement to provide Bond Counsel Services- presented by Assistant Village Administrator/Finance Director Shane Johnson - At the April 9, 2019 Committee of the Whole Meeting, a request for board action was presented regarding an ordinance proposing the establishment of a special service area in unincorporated Lake in the Hills and was approved by the Village Board on April 11, 2019. Included in the request for board action was a timeline regarding the SSA 51 process. Number 10 on the timeline stated “retain bond counsel.”

As such, on April 23rd the Village issued a Request for Qualifications (RFQ) for Bond Counsel Services and accepted four proposals from Ice Miller LLP, Chapman and Cutler LLP, Miller Canfield and Foley & Lardner LLP. The RFQ requested bond counsel services for the issuance of bonds for SSA 51 for the unincorporated water system infrastructure project. A summary of the cost proposals can be found below:

Firm	G.O Bonds	SSA Bond
Ice Miller LLP	\$ 9,500	\$ 13,500
Chapman and Cutler	\$ 9,500	No Quote Provided
Miller Canfield	\$ 9,750	\$ 15,000
Foley & Lardner LLP	\$ 25,000	\$ 60,000

All firms are qualified to serve as bond counsel. Staff is recommending Ice Miller LLP due to the fact that they submitted the lowest cost proposals for both issuing G.O Bonds or SSA Bonds. Also, Ice Miller LLP served as the Village’s bond counsel in the early 2000’s and assisted the Village with several bond issuances so they have a familiarity and history with the Village.

Financial Impact: The total cost of bond counsel services will be included in the total debt issuance amount and repaid through SSA 51. As you can see the type of bonds issued will have an impact on the cost as more time and work is required with issuing SSA Bonds than G.O Bonds.

Staff recommends a motion to approve the agreement to provide bond counsel services for the issuance of bonds for SSA 51 for the unincorporated water system infrastructure project with Ice Miller LLP for a total cost not to exceed \$9,500 for G.O Bonds or \$13,500 for SSA Bonds.

Attorney Stewart commented the cost will be rolled into the SSA and be no cost to the Village. Motion was made to place this item on the Village Board Agenda.

Public Works:

Resolution Appropriating Funds for the 2019 Motor Fuel Tax (MFT) Road Program and Engineering Services Task Order- Presented by Public Works Director Dan Kaup - To use MFT funds the Illinois Department of Transportation (IDOT) requires that the Village Board of Trustees appropriate the funds by approving an IDOT Resolution. The IDOT Resolution amount of \$1,189,441.26 consists of resurfacing, engineering and material testing work. The resurfacing portion of the work accounts for \$1,134,441.26 and the engineering and material testing portion of the work accounts for the remaining \$55,000.00 (\$15,000.00 for preliminary engineering work and \$40,000.00 for the construction supervision task order).

The Village hired HR Green to perform MFT project preliminary engineering work earlier this year and would now like to contract with HR Green to perform construction supervision services at a cost not to exceed \$40,000.00. Attached is the HR Green task order for Phase III services and IDOT’s Resolution and Maintenance Engineering forms for your review and approval.

Financial Impact: The Village’s 2019 MFT fund budget includes \$1,046,000.00 for resurfacing and \$55,000.00 for engineering design and construction supervision services, for a total project budget of \$1,101,000.00; therefore, the 2019 MFT construction bids came in over budget by \$88,441.26. The Village Engineer contacted construction firms after the bid opening and believes that the higher construction costs are due to an increased cost in asphalt based on the recent increase in fuel costs that may or may not decrease over the next year. As such, Village staff recommend that the Village not reduce the size of the project this year to stay within the 2019 total budget amount of \$1,101,000.00. The additional \$88,441.26 in funds would be paid for from the MFT fund, which has adequate funding available.

Staff recommends a motion to approve the IDOT Resolution and Maintenance Engineering form to appropriate \$1,189,441.26 of MFT funds for the 2019 resurfacing program, and approve the task order with HR Green to perform construction supervision services at a cost not to exceed \$40,000.00. Motion was made to place this item on the Village Board Agenda.

Award a Contract for the 2019 MFT Street Resurfacing Road Project- Presented by Public Works Director Dan Kaup- On April 23, 2019, three sealed bids for the 2019 MFT Street Resurfacing Road Project were opened at the Public Works Department. The three bids ranged from a low of \$1,134,441.26 from Arrow Road Construction to a high bid of \$1,277,677.84. The engineer’s estimate for this project is \$1,045,249.74. The Engineer’s opinion of Probable Costs included a 5% increase in costs over the previous year. Unfortunately, the combination of an increased cost for the raw oil to produce the asphalt and the contractors having plenty of work drove the unit costs higher. The streets designated for resurfacing are as follows:

Street	Beginning Street	Ending Street
Mohican	Trail Council Trail	Willow Street
Impressions Drive	Courtney Drive	Magnolia Lane
Wedgewood Circle	Annandale Drive (South)	Lakewood Road
Geneva Lane	Geneva Court	Danbury Circle
Pawnee Drive	Hilltop Drive	Hiawatha Drive
Banford Circle	Princeton	Lane Margate Court

Moonstone Run	Starwood Pass	Sweetwater Ridge
Council Trail	Mohican Trail	Willow Street
Apache Trail	Menominee Drive	Hiawatha Drive
Walnut Grove Court	Rolling Hills	Drive End
Burr Street	Cedar Street	Oak Street (East)
Council Trail	Seminole Trail	Mohican Trail
Stanton Circle	Wexford Lane	Stanton Court
Muirfield Court	Melbourne	Lane End
Seminole Trail	Council Trail	Willow Street
Shawnee Trail	Council Trail	Pyott Road
Lansbury Court	Lansbury Circle	End
Warwick Lane	Steeplechase	Way Warwick Court
Flowerfield Court	Greenfield	Lane End
Savoy Court	Savoy Drive	End
Litchfield Lane	Brittany Bend	Miller Road
Delaware Dive	Apache Trail	Pocahontas Trail
Magnolia Lane	Impressions Drive	Albrecht Road
Annandale Drive (North)	Baronet Court	Reed Road
Courtney Drive	Impressions Drive	Albrecht Road
Willow Street	Burr Street	Hiawatha Drive
Lansbury Circle	Lansbury Court	Spencer Place
Waterbury Place	Corporate Limits	Warwick Lane
Huron Trail	Navajo Drive	Willow Street
Stanton Circle	Wexford Lane	Raxburg Court
Danbury Circle	Avalon Lane	Worthington Lane
Impressions Drive	Magnolia Lane	Ronan Drive
Willow Street	Mohican Trail	Seminole Trail
Starwood Pass	Moonstone Run	Heaven's Gate
Savoy Drive	Savoy Court	Aurora Drive

Financial Impact: The Village's 2019 MFT fund budget includes \$1,046,000.00 for the resurfacing portion of the project. The low of \$1,134,441.26 from Arrow Road Construction is \$88,441.26 over budget. The Village Engineer contacted construction firms after the bid opening and believes that the higher construction costs are due to an increased cost in asphalt that may or may not decrease over the next year. As such, Village staffs recommend that the Village not reduce the size of the project this year to stay within budget. The additional \$88,441.26 in funds would be taken from the MFT fund, which has adequate funding available.

Staff recommends a motion to award a contract to Arrow Road Construction for the 2019 MFT Street Resurfacing Road Project in the amount of \$1,134,441.26.

Trustee Harlfinger asked Director Kaup to review all streets or neighborhoods being resurfaced.

Director Kaup read all the streets that will be affected.

Trustee Harlfinger asked when Sussex Street will be done. He has residents asking about this street.

Director Kaup stated when the OSI is below 54%.

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

Award a Contract for the Airport Parking Lot Replacement-presented by Public Works Director Kaup - As part of the Village's parking lot replacement schedule, the airport parking lot was approved in the 2019 budget for replacement. Village staff authored a Request For Proposal (RFP) and on April 09, 2019, the RFP was sent to 30 resurfacing companies, posted on the Village's website, and published in the Northwest Herald. On April 24, 2019, eleven RFP submittals were received and pricing ranged from a low of \$46,500.00 from Champion Paving of Hampshire, IL, to a high of \$87,000.00. Champion's price of \$46,500.00 is \$17,190.00 under the budgeted amount of \$63,690.00. Although Champion has not worked on projects for the Village in the past, their references spoke highly of them and they have experience working on similar projects for public and private entities. As such, Village staff recommend awarding this project to Champion Paving of Hampshire, IL.

Financial Impact: The Village's 2019 budget includes \$63,690.00 for this project in the Airport Operating and Maintenance Fund and Champion's low price of \$46,500.00 is \$17,190.00 under the budgeted amount.

Staff recommends a motion to award a contract to Champion Paving of Hampshire, IL for the 2019 Airport parking lot replacement contract in the amount of \$46,500.00. Motion was made to place this item on the Village Board Agenda.

Airport Ground Lease for Hangar PAP-68-presented by Public Works Director Kaup - The Lake in the Hills Airport Rules and Regulations require airport tenants to enter into applicable leases, licenses, or storage agreements for Village owned hangars. John Millikin is requesting a new ground lease on Hangar PAP-68. This lease is for the period of May 10, 2019 to May 9, 2039. The lease includes an option to renew for four additional five-year terms.

Mr. Millikin 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 \$2,712.72 annually from the ground lease and another \$672 from electrical fees, subject to annual increases approved by ordinance.

Staff recommends a motion to approve the ordinance and authorize the Village President and Village Clerk to sign the ground lease for Hangar PAP-68 with John Millikin. Motion was made to place this item on the Village Board Agenda.

Community Service:

Ordinance Authorizing the Disposal of Surplus Property- Presented by Community Service Director Fred Mullard - The Illinois Municipal Code requires adoption of an Ordinance to dispose of surplus property. The Village property listed in Exhibit A is no longer necessary or useful to the Village. In order to allow for disposal or sale, the attached Ordinance declares the property as surplus. The Ordinance authorizes the Village Administrator authority to determine the appropriate means of disposal. Staff will sell items with value and dispose of other items appropriately.

Financial Impact: Any money received from the disposal of these items will be returned to the appropriate fund.

Staff recommends a motion to adopt the ordinance declaring Village property as surplus.

President Ruzanski asked if any the surplus items have ever been sold.

Director Mullard stated they will be put on the auction block and some items in the past have been sold.

Trustee Dustin asked why the Village does not need any of the large file cabinets.

Director Kaup and Director Mullard explained both departments are reducing their paper files and moving to electronic.

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

A Waiver of Section 43.09, Noise, of the Municipal Code for the Lake in the Hills Triathlon- Presented by Community Service Director Fred Mullard - The Parks and Recreation Division of the Community Services Department requests the Village Board waive the provisions of Section 43.09 of the Municipal Code to allow pre-race talk starting at 6:00 a.m. on Sunday, June 16, 2019 as part of the annual Lake in the Hills Triathlon. This waiver will allow announcements to be made on the public address system prior to the start of the triathlon, which starts at 6:00 a.m. at Indian Trail Beach and ends at Ken Carpenter Park at 11:00 a.m. The Municipal Code prohibits excessive noise before 7:00 a.m. on Sunday.

Staff recommends a motion to approve a waiver to Section 43.09, Noise, of the Municipal Code to allow the Lake in the Hills Triathlon staff to make announcements beginning at 6:00 a.m. until 11 a.m. on Sunday, June 16, 2019. Motion was made to place this item on the Village Board Agenda.

Approve Grant Agreement with the State of Illinois Department of Natural Resources for Turtle Island Project- Presented by Community Service Director Fred Mullard - The Illinois Department of Natural Resources (IDNR) provided for approval their grant agreement for the Turtle Island Improvement. This is their standard Open Space Land Acquisition and Development (OSLAD) grant agreement. The key provisions of the agreement include:

- The State will provide up to \$205,100.00 (50 percent) for design and construction of the improvements.
 1. Half will be provided once the agreement is completed.
 2. The remainder will be provided following completion of all work and audit of the final costs.
 3. Any changes in scope must be approved in writing by IDNR to be eligible costs.
- The Village will have 24 months to complete the entire project.
- The Village commits that it has sufficient funds to complete the work.
- The Village agrees to provide full documentation of the work and follow State of Illinois grant guidelines and statutes.
- The Village agrees to maintain all required records for not less than three years following submission of the final expenditure report.
- The Village agrees to indemnify the State against any liability, loss, damage, or expenses related to this project.

IDNR's representative confirmed that the Village can include costs for design work that is already completed.

Financial Impact: The planned timeline is to perform the design work in 2019 and perform all the construction during 2020. The 2019 budget includes \$50,000 for project engineering and \$200,000 for project construction. Only design expenses are anticipated during 2019.

Staff recommends a motion to approve the Grant Agreement with the Illinois Department of Natural Resources for grant funds in the amount of \$205,100 for the Turtle Island Redesign Project.

Logan Ivey of Lake in the Hills asked the timeline of the project and if the Village anticipates any street closings.

Director Mullard explained the project will begin next year. The Village will work with the contractor to minimize road closures and keeping equipment off the streets.

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

Design and Engineering Services Task Order for Turtle Island Park Redevelopment- Presented by Community Service Director Fred Mullard - The Village previously contracted with HR Green to perform preliminary project design and shoreline stabilization for the Turtle Island Park redevelopment project. The task order with HR Green includes final design, letting and construction management services for the project.

Financial Impact: The 2019 Capital Improvement Plans Fund includes \$50,000 for engineering costs related to this budgeted construction project. This task order for engineering services is under budget with a not to exceed cost of \$44,055.50.

Staff recommends a motion to approve the task order with HR Green to provide design and construction management for the Turtle Island Park redevelopment project at a cost not to exceed \$44,055.50. Motion was made to place this item on the Village Board Agenda.

Board of Trustees:

Trustee Artinghelli stated that at the Parks and Recreation Board meeting she informed them about the “Walls that Heals” project passing through Lake in the Hills on July 2nd. She suggested the Village having an event where Algonquin Road is lined with residents with American flags. The Parks and Recreation Board was very receptive. She will work with Parks and Recreation Board to facilitate this event.

Trustee Bogdanowski reported the Chamber of Commerce will not be sponsoring the Car Show at the Sunset Fest. He asked the Board for help finding new sponsors.

Trustee Bojarski - None at this time

Trustee Huckins - None at this time

Trustee Dustin – None at this time.

Trustee Harlfinger – None at this time

President Ruzanski stated he will be re-appointing Sharon Lawson to the Police Commission, Stan Helgerson to the Police Pension Board and Ray Bogdanowski as Budget Officer.

Audience Participation: None

Adjournment: A motion to adjourn meeting was made Trustee Huckins and seconded by Trustee Dustin. All Trustees stated they are in favor. There being no further business to discuss, the Committee of the Whole meeting was adjourned at 7:55p.m.

Submitted by,

Cecilia Carman
Village Clerk