



# Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

## Committee of the Whole Meeting

November 12, 2019

### Call To Order

The meeting was called to order at 7:30p.m. Present were Trustees Harlfinger, Huckins, Dustin, Bogdanowski, Bojarski, Murphy and President Ruzanski.

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 Attorney Brad Stewart, HR Manager Anita Neville, and Village Clerk Cecilia Carman.

Pledge of Allegiance was led by President Ruzanski.

President Ruzanski thanked everyone who helped create and attended Veteran's Day Memorial Celebration.

**Audience Participation:** None

### FGM – Space Needs Analysis

Mr. Ray Lee and Ms. Louise Kowalczyk presented plans for an updated police station. They reviewed plans to keep at the current site and also to build a new station that would be attached to the Village Hall site. Layouts, costs and feasibility were discussed.

A discussion ensued concerning adding the Police Station to the Village Hall. Trustee Huckins asked Administrator Clough if the changes proposed at the Village Hall would disrupt the updates made this year. Administrator Clough stated no and it will enhance the changes. All department employees will be housed in the same area.

Trustee Dustin asked why not build a new separate police station at the Village Hall site. The Village did spend a substantial amount of money to reconfigure the space. Mr. Lee of FGM explained to address all issues with the Village Hall and Police station this is the best solution. Trustee Dustin commented the space being added does not add up to amount of square feet the Police Department states it needs. Chief Brey commented there will be some shared spaces with the Village Hall and Police Department.

Administrator Clough commented the money spent to renovate the Village Hall was the best case scenario at the lowest cost. It did not resolve all issues at the Village Hall. There are still challenges of co-workers and/or manager working on opposite sides of the building and it did not address any safety concerns. The disadvantage of this proposal is some Parks and Recreation programs may have to be moved or alimented. Certain spaces in the Village Hall are used as rental space would also be lost.

A small discussion ensued concerning where Parks and Recreation programs can be housed. Director Mullard commented the other facilities are small and it would be a challenge to increase programs in the future.

Trustee Bogdanowski asked what the next steps are. Administrator Clough stated a schematic study will need to be done. She will need direction from the Board to continue with the study. Trustee Bogdanowski commented he needs more information on the insufficiency of the Police Department and how it is costing the Village. Chief Brey explained the challenges the police department has due to the current space as in processing more than one person at a time, locker room issues and how the small space caused an injury to a policeman. Trustee Bogdanowski and Bojarski commented this is the type of information needed to inform the public. They understand the public will have many questions and the Board needs to be able to show the needs of the Police Department and how it can affect the safety of the Village.

Trustee Bojarski asked if the new configuration addresses the needs for the Village in the future. Administrator Clough stated yes. The Village estimates three new employees could be hired in the future and the space provided would be adequate.

Trustee Harlfinger also commented the Board and Village staff need to develop a plan on how to present this to the Public. It is important the public understand the Village's long term goals.

President Ruzanski commented the Board may need more time to decide and Administrator Clough may need approval from the Board to place in budget. Administrator Clough stated she does not need permission but as for now there is no money allocated in the 2020 budget. The proposal has it being started in 2021 and any delays will increase costs.

Trustee Huckins stated the Board does not need more time. He agrees with the plan to construct new Police Station at the Village Hall site and discussing funding at the budget meeting.

Trustees Dustin, Bojarski, and Bogdanowski stated they are in favor of building the Police Station at the Village Hall. A discussion ensued concerning the need for later conversations concerning the current police station and how all these developments affect the Parks and Recreation Department.

Trustee Bogdanowski asked what the full report will contain. Mr. Lee stated it will have more detailed information on the needs and constraints the Police have.

Assistant Village Administrator/Finance Director Shane Johnson stated the 2021 budget is projected as balanced and the schematic study could be added. If it is added to the 2020 budget there would a deficit of \$185,000 and money in the reserves could be used to cover. The Board agreed to move forward with the proposal to add the Police Station to the Village Hall and add the schematic study to the 2020 budget that will be presented next week.

President Ruzanski asked all Trustees if they are in favor of building a new Police Station at the Village Hall site. They all agreed in a voice vote.

#### **Administration:**

**Request for Waiver of Sign Regulations and Enforcement from Lake in the Hills Youth Athletic Association-** Presented by Village Administrator Jennifer Clough- Attached please find a letter from Lake in the Hills Youth Athletic Association 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 March 14, 2020 until April 12, 2020 to advertise Spring baseball /softball registration, from June 27, 2020 until July 26, 2020 to advertise tryouts for their travel baseball/softball tryouts and from July 26, 2020 until August 16, 2020 for their Fall baseball/softball registration.

Intersections:

Algonquin & Square Barn  
Miller & Haligus  
Pyott & Algonquin  
Within Sunset Park & LeRoy Guy Park  
Presented by Village Administrator Jennifer Clough

Staff recommends a motion to suspend enforcement activities from March 14, 2020 until April 12, 2020, from June 27, 2020 until July 26, 2020, and from July 26, 2020 until August 16, 2020 to allow the installation of temporary signage at the intersections referenced above for the Lake in the Hills Youth Athletic Association Spring baseball/ softball registration, travel baseball/softball tryouts, and Fall baseball/softball registration. Motion was made to place this item on the Agenda.

**Personnel Rules & Regulations-**Presented by Human Resource Manager Anita Neville- The Administration department recommends proposed changes to the Personnel Rules & Regulations. Section X, Drug Free Workplace Act was revised in response to changes in state law regarding the recreational use of cannabis. A sub section has also been added to Section XIII General Rules and Regulations to address Information Technology use in and outside of the workplace. Finally, proposed changes have been made to Section XX, Pay Philosophy, Evaluation Program and Compensation Plan recommending the elimination of the compensation matrix. The compensation matrix was added for illustrative purposes only and may not represent how merit is determined.

Staff recommends a motion to approve adopting changes to the Personnel Rules & Regulations.

Trustee Huckins asked if anything else would be added to address the new philosophy. HR Manager stated philosophy will stay intact and written in text. The matrix was removed to eliminate any confusion. Motion was made to place this item on the Agenda.

**Finance:**

**Agreement – Sikich – Audit Services for fiscal year ending December 31, 2019-** Presented by Assistant Village Administrator/Finance Director Shane Johnson- The Village issued a Request for Proposal (RFP) in 2017 for Professional Audit Services, which was awarded to Sikich for FY 2017 with four optional years of FY 2018 through FY 2021. The professional audit services provided for the 2019 Fiscal Year will be the third year of the agreement. A copy of the engagement letter is attached for your review. An OMB A-133 single audit is not anticipated for 2019, therefore this amount is not included in the proposed 2020 annual budget. A budget amendment would be requested in 2020 if it was later determined that a single audit was required.

**Financial Impact:** The total fee for services will not exceed \$31,130. However, the amount that will be included in the FY 19 budget will be \$25,670, which is \$24,060 for the financial audit of the Village and \$1,610 (50% of \$3,220 total fee) for the Police Pension Fund's audit report that is split between the Village and the Police Pension Fund. The remaining fee of \$3,850 is for the single audit report, which is not anticipated to be required for the audit of FY 19.

Staff recommends a motion Waive competitive bidding and approve the third year Agreement to Provide Professional Audit Services for the Fiscal Year Ending December 31, 2019 with Sikich for a total cost not to exceed \$31,130. Motion was made to place this item on the Village Board Agenda

**Resolution – Estimating the Amount of the Tax Levy for 2019-** Presented by Assistant Village Administrator/Finance Director Shane Johnson- Illinois compiled statutes requires that the corporate authorities of the Village pass a resolution estimating the amount of tax to be levied not less than 20 days prior to the adoption of the final levy which is scheduled to be presented at the December 10th Committee of the Whole Meeting with approval on the December 12th Board Meeting.

For the 10th consecutive year the Village is pleased to propose a no increase or flat property tax levy on behalf of our residents and businesses. The Village Board and staff are keenly aware of our state’s extremely high property tax burden and realize keeping our portion flat for the past ten years has been helpful and appreciated by our constituents.

The projected equalized assessed valuation (EAV) for 2019 is estimated to be \$743,924,519, which represents a 8.0% increase from the 2018 EAV of \$688,569,936. The projected EAV for 2019 is based on the McHenry County Assessor’s estimated EAV report that was provided to the Village.

The estimated amount to be levied for corporate and special purpose property taxes for 2019 is \$5,481,747 which is a 0.0% change from the 2018 tax extension of \$5,481,747. The 2019 tax levies for debt service in the Water Fund for G.O. Bonds Series 2019 (SSA #51) in the amount of \$106,051.67 and in the Airport Fund for G.O. Bonds Series 2012 in the amount of \$68,350 are proposed to be abated entirely for a total of \$174,401.67. The estimated tax rate is expected to decrease by (7.4%) from 0.796106 to 0.736869 due to the projected 8.0% increase in EAV. Each individual property owner’s real estate tax bill will fluctuate based on the percentage change in EAV for each property compared to the percentage change for the entire Village. The proposed 2019 levy of \$5,481,747 can be summarized as follows:

<b>Levy</b>	<b>Amount</b>
Corporate	\$1,840,604
Police Pension	\$1,498,027
Social Security	\$695,988
Police Protection	\$613,535
IMFR	\$359,083
Worker’s Compensation	\$270,000
Liability Insurance	\$191,250
Audit	\$13,260
<b>Total 2019 Tax Levy</b>	<b>\$5,481,747</b>

Following is a justification for each of the levy amounts.

**Corporate Levy** – The \$1,840,604 proposed levy is based on a portion of the FY 19 General Fund budget and will cover a portion of the FY 20 budgeted expenditures in the General Fund that are not covered by one of the specific tax levies mentioned previously.

**Police Pension Levy** – The \$1,498,027 proposed levy is based on the most recent actuarial study of the Police Pension Fund and includes the Village’s normal cost plus the amortization costs of the unfunded accrued liability based on the old method of entry age normal with a 100% funding target by the year 2033. Recent legislation allows for a lower current tax levy based on a 90% funding target by the year 2040 under the projected unit credit method, but that would result in higher long-term costs due to the increased interest component that would be factored in by deferring payments over a longer period of time.

**Social Security Levy** – The \$695,988 proposed levy is based on the FY 19 General Fund budget amount for FICA expenditures and will pay for a portion of the FY 20 General Fund FICA expenditures.

**Police Protection Levy** – The \$613,535 proposed levy is based on a portion of the FY 19 Police Department budget and will cover a portion of the Police Department’s budget in FY 20.

**IMRF Levy** – The \$359,083 proposed levy is based on the FY 19 General Fund budget amount for IMRF expenditures and will pay for FY 20 General Fund IMRF expenditures. The FY 20 budget amount includes the Village’s normal cost as determined by IMRF.

**Workers Compensation Levy** – The \$270,000 proposed levy is based on the FY 19 General Fund budget amount for workers compensation insurance premiums and deductibles and will pay for a portion of the FY 20 General Fund workers compensation insurance related expenditures.

**Liability Insurance Levy** – The \$191,250 proposed levy is based on the FY 19 General Fund budget amount for general insurance premiums and deductibles and will pay for a portion of the FY 20 General Fund general insurance related expenditures.

**Audit Levy** – The \$13,260 proposed levy is based on the FY 19 General Fund budget amount for auditing services and will pay for a portion of the FY 20 General Fund audit expenditures. Pursuant to the Truth in Taxation Act, since the estimated levy for 2019 does not exceed the levy extension or abatement for 2018 by more than 5%, a public hearing is not required prior to the adoption of the levy for 2019. A Resolution Estimating the Amount of the Tax Levy for 2019 is attached along with the 2019 levy distribution and a property tax trend analysis.

Pursuant to the Truth in Taxation Act, since the estimated levy for 2019 does not exceed the levy extension or abatement for 2018 by more than 5%, a public hearing is not required prior to the adoption of the levy for 2019. A Resolution Estimating the Amount of the Tax Levy for 2019 is attached along with the 2019 levy distribution and a property tax trend analysis.

**Financial Impact:** The estimated property tax levy for 2019 that will be collected in FY 2020 of \$5.4 million is approximately 30% of the entire General Fund budgeted revenues of \$17.8 million expected for FY 2020. The \$5,656,148.67 on the attached Resolution is the proposed tax levy amount of \$5,481,747 plus the proposed abatement amounts of \$174,401.67 for debt service.

Staff recommends a motion to approve the attached resolution estimating the Amount of the Tax Levy for 2019. Motion was made to place this item on the Village Board Agenda.

**Public Works:**

**Intergovernmental Agreement with the Village of Algonquin for an emergency water interconnection-** Presented by Public Works Director Kaup-The new SSA 51 water distribution system is adjacent to an existing Village of Algonquin water distribution system. A best practice in water distribution design includes connecting separate but adjacent water distribution systems to allow one system owner to pump water to the other in the event of a water emergency. Therefore, Village staff have been working with Algonquin staff towards the creation of an intergovernmental agreement (IGA) for an emergency water system interconnection (“Interconnection”).

Under the terms of the attached draft IGA, the Village of Lake in the Hills would bear all costs up front for the construction of the Interconnection and the Village of Algonquin would reimburse the Village of Lake in the Hills for 50% of all construction expenses, as well as 50% of all future maintenance and repair costs. The engineer's estimate for the construction of the Interconnection is \$75,000; however, Village staff are requesting spending authority for up to \$100,000 in order to account for any unanticipated expenses. (It should be noted that although the Interconnection would be constructed at the same time the new SSA 51 water distribution system will be constructed, SSA 51 bond funding would not be used to pay for the construction of this Interconnection; the Village's Water Fund will be used to pay for the construction of the Interconnection).

The Village's water distribution system is currently interconnected to Huntley and an additional Interconnection at the southeast corner of the Village would benefit Village water customers in the event of a water emergency. As such, Village staff recommend approval of the attached draft IGA with the Village of Algonquin for an emergency water interconnection.

**Financial Impact:** The Village's FY 2020 Water Fund Budget includes \$100,000 for this project. Staff anticipates the cost of this Interconnection to not exceed that amount.

Staff recommends a motion to approve an Intergovernmental Agreement between the Village of Lake in the Hills and the Village of Algonquin for an emergency water interconnection at Isabel Street and Armstrong Street for a shared cost to not exceed \$100,000, of which the Village would be responsible to pay 50%.

Trustee Dustin asked where in the budget this will be placed. Director Kaup stated it will be in the proposed 2020 budget under water fund.

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

**Award a Contract for Facility Cleaning Services-** Presented by Public Works Director Kaup- Village staff released a Request for Proposal (RFP) for facility cleaning services for 2020, 2021 and 2022 last month. The RFP was posted to the Village's website, a public notice was published in the Northwest Herald and Village staff contacted over thirty vendors to notify them of this opportunity. On October 31, six sealed proposals were submitted and three-year pricing ranged from a low of \$158,415.00 to a high of \$595,989.00. Perfect Cleaning Services ("Perfect Cleaning") of Chicago, Illinois, submitted the low bid of \$158,415.00; however, the Village awarded a facility cleaning services contract to Perfect Cleaning in 2016, but cancelled the contract in 2018, due to numerous performance issues that Perfect Cleaning were unable to correct.

Due to Perfect Cleaning's past performance issues, after the RFP opening, Village staff began calling references submitted by Eco Clean Maintenance ("Eco Clean") of Elmhurst, IL, the second lowest bidder. Village staff were able to verify Eco Clean's service record with other municipalities with similar facility cleaning needs and received very favorable feedback from these municipalities. Therefore, Village staff recommend awarding Eco Clean a three-year contract beginning January 1, 2020.

**Financial Impact:** If the Village Board of Trustees approve the three-year contract with Eco Clean, Village staff will seek spending authority from the Village Board each year of the contract, beginning in January of 2020.

Staff recommends a motion to approve a three-year contract, from January 1, 2020 to December 31, 2022, for facility cleaning services with Eco Clean Maintenance of Elmhurst, IL.

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

**Community Service:**

**Request to increase the 2019 spending authority with Durham School Services, LP, from \$19,096.18 to \$20,959.31-** Presented by Community Service Director Fred Mullard- Community Services Department requests approval to increase spending authority with Durham School Services, LP for school bus transportation for FuntastiCAMP field trips during the summer of 2019.

The original purchase order and bid amount was \$19,096.18. However, unforeseen weather conditions caused field trip modifications resulting in the transportation costs for FuntastiCAMP field trips to increase. Two payments totaling \$16,929.62 have already been paid to Durham for services provided and the final invoice amount of \$4,029.69 will increase the total paid to Durham to be \$20,959.31, exceeding the threshold requiring Village Board approval.

Therefore, before remitting payment on the final invoice, staff is requesting an increase to the 2019 spending authority that was previously authorized through the competitive bid process under \$20,000.

Financial Impact: The Village's 2019 General Fund Budget includes \$20,020 for transportation services. The total expense for 2019 is \$20,959.31, which is \$939.31 over budget.

Staff recommends a motion to increase the 2019 spending authority with Durham School Service, LP, from \$19,096.18 to \$20,959.31, for transportation services for the 2019 FuntastiCAMP field trips. 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 - None at this time

Trustee Bojarski - None at this time

Trustee Bogdanowski - None at this time

Trustee Murphy - None at this time

**President Ruzanski:** None at this time

**Audience Participation:** None

**Adjournment:** There being no further business to discuss, the Committee of the Whole meeting was adjourned at 9:07pm.

Submitted by,

Cecilia Carman  
Village Clerk