



# Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

## Committee of the Whole Meeting

November 10, 2020

### 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 Fred Mullard, Assistant Village Administrator Shannon Andrews, Interim Finance Director Wayde Frerichs, Administrative Services Manager Trish O'Donnell Chief of Police Dave Brey, Public Works Director Tom Migatz, Village Attorney Brad Stewart and Village Clerk Cecilia Carman.

Pledge of Allegiance was led by President Ruzanski.

President Ruzanski reminded everyone the Veterans Day Celebration is virtual this year and to go to the Village website to participate. He thanked Administrative Services Manager Trish O'Donnell for all her hard work on the event.

**Audience Participation:** None

### Administration:

**2020 Resident Satisfaction Survey Results-**Presented by Administrative Services Manager Trish O'Donnell- this fall, the Village saw the return of its resident satisfaction survey. The 2020 survey was conducted in-house to conserve costs. Survey materials were administered to 1,500 random households beginning the first week of September, and responses were collected through October 30. A total of 436 surveys were returned for a response rate of 29%. This rate is just one percent less than the rate received from the 2017 survey conducted in partnership with the National Research Center.

The 2020 survey questions were modeled after the 2016 survey set and included multiple-choice and open-ended questions in four categories: quality of life, government operations, departmental services, and customer service/communications. All acting department heads participated in the creation and review of the survey's questions. Village staff were responsible for the survey's design, assembly, distribution, tabulation, and reporting. Modern AI text recognition technologies were utilized for data extraction to automate portions of the data extraction process.

The results of the survey have been summarized in the report attached, along with the complete data tabulations and responses to open-ended questions. The survey results will be used to inform decisions on municipal programs and services.

Trustee Huckins commented under the quality of life category residents ranked recreational programs as the lowest. He asked if this includes park and recreational programs. Administrative Services Manager Trish O'Donnell stated yes. He also asked if the Village would be able to reach out to residents who had negative comments. Administrative Services Manager Trish O'Donnell stated if the contact information

was given the Village staff will definitely respond. Trustee Huckins also commented the Village needs to communicate better with the community and prioritize getting residents more involved.

Trustee Murphy commented many of our older residents may not be tech savvy and the Village should put more information in the newsletter. She also stated many residents may have placed recreational programs low due to the fact they also have access to other park districts.

Trustee Bojarski commented many residents had concerns about water quality and the Village should look at data to see what areas of the Village have the most concern.

Trustee Harlfinger stated he would like to see more residents involved and suggested to make information more available as in on the marquees.

Trustee Dustin suggested to all the Trustees to read the 23 pages of comments from the survey and asked if the Village can respond to these comments. Administrative Services Manager Trish O'Donnell stated if the contact information was given the Village staff will definitely respond.

Trustee Bogdanowski asked how many surveys were done online and if the staff is reviewing response to where in the Village the resident lives. Administrative Services Manager Trish O'Donnell stated only 81 of the surveys were done online. Also, the Village is definitely looking at the responses compared to where the residents live in the Village.

President Ruzanski stated he has several applications for the Police Pension and Parks and Recreation Boards. He will contact them and invited them to meetings and ask them to get more involved.

**Presentation from Ginger's (Liquor License & Video Gaming)-** Presented by Village Administrator Fred Mullard and Attorney Harlam Powell- Attached please find information regarding a proposed Café. The owner, Gingers LITH LLC, will be seeking a Liquor License and Video Gaming License in order to open up Ginger's at 130 N. Lakewood #107. The standard for Ginger's is to operate an upscale premium 2,001 sq. ft. gaming café offering beer, wine, and a casual food menu including breakfast, appetizers, sandwich's and snacks & treats. They will present their plan for input from the Board.

The location is in the retail space inside Extra Space Storage. They have been unsuccessful trying to lease the space to a retail operation and would like to revisit using part of the space for gaming and the remainder for inside storage lockers. This concept was presented to the Board as an information item in November 2018 and found to be generally favorable.

Trustee Huckins asked if this is the sole retail business in the building. Attorney Powell stated yes. Trustee Murphy stated she had concern this business could take away monies from other local small businesses. Sunny Cardamone stated he believes there is a need for upscale gaming in the area and should not harm other businesses. Trustee Harlfinger stated he did have some reservations but agreed there is a need for more gaming. Trustee Bogdanowski agreed with the concept but disagrees the need for more gaming. He understands he is in the minority and most Trustee want to see more gaming.

Trustee Huckins asked how many machines are allowed. Attorney Stewart stated six. The Trustees all agreed to allow the business and have them apply for a state gambling license.

**Proposal for Buy Local Incentive Program-** Presented by Village Administrator Fred Mullard- In an effort to support Village residents and businesses as they work their way through the increased impacts of the COVID-19 pandemic and its lingering economic impacts, a proposed buy local incentive concept is presented for your consideration. With the transition to Tier 1 restrictions local food service establishments are restricted from indoor food service. Many residents are concerned for the health and welfare of themselves and their families and are limiting their time in public.

On a suggestion by Trustee Bogdanowski, staff has developed a concept to assist residents in helping generate economic activity for local businesses. Under this plan, anyone with a water service account can earn a \$40 credit for spending \$80 at a business within the Village. The credit would be earned by providing copies of receipts from purchases from businesses within the Village. The purchases could be made from more than one business and the Village would provide a 50% credit to their water billing account up to a maximum of \$40.

If everyone participated, the program would generate \$763,200 of sales and cost the Village \$381,600. Staff currently estimates that this year's General Fund budget will result in a \$414,000 surplus instead of the budgeted \$194,000 deficit. This surplus could be used to cover the expenses for the program.

**Financial Impact:** The proposal would allow for a credit of \$40.00 to each of the Village's 9,540 water billing accounts. The total expense would be \$381,600.00. The General Fund would reimburse the Water Operations and Maintenance the value of all credits earned.

A discussion ensued concerning if the Village could afford this expense. Several Trustees wanted to focus on small businesses only. Trustee Harlfinger suggested allowing signage on Randall Road for businesses that are not on the main corridor. Trustee Huckins mentioned other municipalities have carry out signs for all businesses. All trustees agreed to keep developing ideas to help small businesses in the Village.

**Request to reduce tap-in fees - Lakes of Boulder Ridge Development-** Presented by Village Administrator Fred Mullard- Plote Homes, LLC is requesting consideration to receive a tap-in fee discount for the six remaining duplex units to be constructed in their Lakes of Boulder Ridge development. Specifically for the Board's consideration, is to allow for a fee discount for the final six duplex units to be built, of \$1,000.00 per unit in water tap-in fees, resulting in a total discount of \$6,000 for the development. Plote states their request for relief is based on the current economic, political, and medical climate which in turn has caused an exponential increase in building material costs.

**Financial Impact:** \$4,000 reduction in revenue for the Fiscal Year 2020 Water Fund, and \$2,000 reduction in revenue for the Fiscal Year 2021 Water Fund. The reductions will only impact fund reserves and will not have any operational impact.

Staff recommends a motion to approve an Ordinance to allow a reduction of \$1,000.00 per unit in water tap-in fees, for six units in total, yet to be built in the Lakes of Boulder Ridge Development, on Lot 49, Lot 50, and Lot 121.

Trustee Dustin commented the Village was expecting certain amount of revenue from water tap fees and now we are giving some of that revenue away.

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

**Finance:**

**Agreement – Sikich – Audit Services for fiscal year ending December 31, 2020-** Presented by Interim Finance Director Wayde Frerichs - 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 2020 Fiscal Year will be the fourth year of the agreement. A copy of the engagement letter is attached for your review. As a result of CURE Act, an OMB A-133 single audit will be required for 2020, therefore this amount is included in the proposed 2021 annual budget.

**Financial Impact:** The total fee for services will not exceed \$31,990. However, the amount that will be included in the FY 21 budget will be \$30,350, which is \$24,780 for the financial audit of the Village and \$1,640 (50% of \$3,280 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 \$3,930 is for the single audit report, which will be required for the audit of FY 20.

Staff recommends a motion to waive competitive bidding and approve the fourth year Agreement to Provide Professional Audit Services for the Fiscal Year Ending December 31, 2020 with Sikich for a total cost not to exceed \$31,990. Motion was made to place this item on the Village Board Agenda.

**Resolution – Estimating the Amount of the Tax Levy for 2020-** Presented by Interim Finance Director Wayde Frerichs- 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 8th Committee of the Whole Meeting with approval on the December 10th Board Meeting.

For the 11th 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 eleven years has been helpful and appreciated by our constituents.

The projected equalized assessed valuation (EAV) for 2020 is estimated to be \$764,380,389, which represents a 3.63% increase from the 2019 EAV of \$737,600,981. The projected EAV for 2020 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 2020 is \$5,481,747 which is a 0.0% change from the 2019 tax extension of \$5,481,747. The estimated tax rate is expected to decrease by (9.9%) from 0.743190 to 0.717149 due to the projected 3.63% 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 2020 levy of \$5,481,747 can be summarized as follows:

<b>Levy</b>	<b>Amount</b>
Corporate	\$ 1,674,610
Police Pension	\$ 1,634,382
Social Security	\$ 714,582
Police Protection	\$ 544,880
IMRF	\$ 438,403

Worker's Compensation	\$ 270,000
Liability Insurance	\$ 191,250
Audit	\$ 13,640
Total 2020 Tax Levy	\$ 5,481,747

Debt Service Levies are separate from the Corporate Levy. The 2020 tax levies for debt service in the Water Fund for G.O. Bonds Series 2019 (SSA #51) in the amount of \$104,200 and in the Airport Fund for G.O. Bonds Series 2012 in the amount of \$67,700 are proposed to be abated entirely for a total of \$171,900.

Following is a justification for each of the levy amounts.

**Corporate Levy** – The \$1,674,610 proposed levy is based on a portion of the FY 20 General Fund budget and will cover a portion of the FY 21 budgeted expenditures in the General Fund that are not covered by one of the specific tax levies mentioned previously.

**Police Pension Levy** – The \$1,634,382 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 \$714,582 proposed levy is based on the FY 20 General Fund budget amount for FICA expenditures and will pay for a portion of the FY 21 General Fund FICA expenditures.

**Police Protection Levy** – The \$544,880 proposed levy is based on a portion of the FY 20 Police Department budget and will cover a portion of the Police Department's budget in FY 21.

**IMRF Levy** – The \$438,403 proposed levy is based on the FY 20 General Fund budget amount for IMRF expenditures and will pay for FY 21 General Fund IMRF expenditures. The FY 21 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 20 General Fund budget amount for workers compensation insurance premiums and deductibles and will pay for a portion of the FY 21 General Fund workers compensation insurance related expenditures.

**Liability Insurance Levy** – The \$191,250 proposed levy is based on the FY 20 General Fund budget amount for general insurance premiums and deductibles and will pay for a portion of the FY 21 General Fund general insurance related expenditures.

**Audit Levy** – The \$13,640 proposed levy is based on the FY 20 General Fund budget amount for auditing services and will pay for a portion of the FY 21 General Fund audit expenditures.

Pursuant to the Truth in Taxation Act, since the estimated levy for 2020 does not exceed the levy extension or abatement for 2019 by more than 5%, a public hearing is not required prior to the adoption of the levy for 2020. A Resolution Estimating the Amount of the Tax Levy for 2020 is attached along with the 2020 levy distribution and a property tax trend analysis.

**Financial Impact:** The estimated property tax levy for 2020 that will be collected in FY 2021 of \$5.48 million is approximately 30.28% of the entire General Fund budgeted revenues of \$18.10 million expected for FY 2021. The attached Resolution is the proposed tax levy amount of \$5,481,747.

Staff recommends a motion n to approve the attached resolution “Estimating the Amount of the Tax Levy for 2020. Motion was made to place this item on the Village Board Agenda.

**Public Works:**

**319 Grant Agreement and Task Order Approval for the Woods Creek Streambank Reach 11 Project-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval on an agreement to accept an IEPA 319 grant and two task orders with Christopher Burke Engineering (CBBEL) for design engineering for the Reach 11 project and the County initiated compensatory storage project slated for the same area.

Conclusion of Reach 10 Project

The streambank restoration project within the Wood Creek Reach 10 area concluded earlier this year. The final project cost totaled \$706,793.04 with an IEPA 319 grant paying 60% of the cost, and the Village paying for remaining project cost of \$42,500 after receiving a grant from the McHenry County Soil and Water Conservation District. The Reach 10 project was the first of a three-phase plan to improve the surface and ground water quality of the streambank from Algonquin Road to Woods Creek Lake.

Reach 11 Project

The Village applied for a similar IEPA 319 grant for Reach 11, the second phase in the three-phase plan. As shown on Attachment 1, the Reach 11 project area will stabilize 5,226 linear feet of streambank from where the Reach 10 project ended heading east to Randall Road. The Reach 11 phase of the program totals \$1,341,000 with the Village paying \$536,400 (a 40% share) and the IEPA grant covering the remaining \$804,600 (60%) of the project cost. The agreement with IEPA for the 319 grant is included as Attachment 2. Unfortunately, the McHenry County Soil and Water Conservation District does not have grant funds available at this time.

Compensatory Storage Project

As part of the McHenry County Randall Road improvement project, the County is required to include storm water storage in the form of large detention areas along the project route to compensate for the amount of new impermeable surface coverage associated with the project (“Compensatory Storage Project”). Last year, McHenry County staff approached the Village to discuss the feasibility of the County using Village property on the west side of Randall Road for compensatory storm water storage. The Compensatory Storage Project area is west of Randall Road, north of Harvest Gate and south of Starwood Pass, and is adjacent to the Reach 11 project area. The estimated cost of the project is \$550,944 and will consist of creating dry-bottomed natural planting areas for storm water detention during periods of heavy rain. On August 8, 2019, the Village and the County entered into an IGA, in which the Village will oversee the Compensatory Storage Project and the County will pay for 100 percent of the project costs, plus a one-time payment to the Village in the amount of \$200,000. The engineering and construction for the Compensatory Storage Project will occur at the same time as the Reach 11 project.

Task Orders for the Reach 11 Project and the Compensatory Storage Project

Christopher B. Burke Engineering, LTD. (CBBEL) is the Village’s storm water and lakes engineering consultant. Village staff request approval of the attached task orders to hire CBBEL to design and bid the Reach 11 project and the Compensatory Storage Project. Two different orders exist to properly separate

project costs, as the County will reimburse the Village 100 percent of the cost for the Compensatory Storage Project. If approved, CBBEL will begin design work this year so the Village can award the construction portion of both projects next year. This will allow the approved contractor the ability to begin work in the summer of 2021.

**Financial Impact:** The 2020 Lake Restoration Fund includes adequate funding for the engineering task orders. The Reach 11 task order equals \$100,000, of which \$31,120 expends in 2020 and the remaining \$68,880 expending in 2021. The Compensatory Storage Project task order equals \$33,660, of which \$10,165 expends in 2020 and the remaining \$23,495 expending in 2021. If approved, the Village will pay CBBEL for the work that they perform before receiving reimbursement from the County and the IEPA 319 grant. Staff accounted for the 2021 expenditures in the FY21 budget.

Staff recommends a motion to approve the agreement with the Illinois Environmental Protection Agency for the 319 grant for the Woods Creek Streambank Reach 11 Project

Staff recommends a motion to approve the task order with Christopher B. Burke Engineering to provide design and bidding services for the Woods Creek Streambank Reach 11 Project at a cost not to exceed \$100,000 including spending authority in FY20 for \$31,120.

Staff recommends a motion to approve the task order with Christopher B. Burke Engineering to provide design and bidding services for the Compensatory Storage Project at a cost not to exceed \$33,660 including spending authority in FY20 for \$10,165.

Trustee Huckins asked because this is grant money is there a date the project needs to be done. Administrator Mullard stated yes, by fall of 2022.

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

**Building Lease for 8603 Pyott Road-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval to enter into a one-year lease with four optional three-month extensions for 8603 Pyott Road with Jameson Pavement Surfaces, Inc.

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 and buildings. Jameson Pavement Surfaces, Inc. has been a tenant at the airport since 2013, renting the village-owned building formerly occupied by Snelton at 8603 Pyott Road. Jameson's lease ended on October 31, 2020. The lease renewal requested is for the period of November 1, 2020 through October 31, 2021, with four optional three-month extensions.

Mr. White, representing Jameson Pavement Surfaces, Inc., has signed the appropriate lease form and already has acceptable proof of insurance on file.

**Financial Impact:** The Airport Fund will receive \$24,910.92 annually from the building lease. Jameson Pavement is responsible for all utilities associated with the building.

Staff recommends a motion to n to authorize the Village President and Village Clerk to sign the building lease for 8603 Pyott Road with Jameson White representing Jameson Pavement Surfaces, Inc.

Trustee Harlfinger had concerns about the building. Administrator Mullard explained the runway would be done by 2023 and leasing the building will bring extra revenue. Due to the short term leases a tenant could be asked to move very quickly.

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 9:04 pm

Submitted by,

Cecilia Carman  
Village Clerk