



# Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

## Committee of the Whole Meeting

January 12, 2021

### Call To Order

The meeting was called to order at 7:33p.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, Chief of Police David Brey, Deputy Chief of Support Services Mary Frake, Public Works Director Tom Migatz, Community and Economic Development Director Josh Langen, Assistant Community Development Director Ann Marie Hess, Village Attorney Brad Stewart and Village Clerk Cecilia Carman.

Pledge of Allegiance was led by President Ruzanski.

**Audience Participation:** None

### Administration:

**Village Support Request for the 2021 Lake in the Hills Rotary Club Rockin' Ribfest-** Presented by Village Administrator Fred Mullard-The Rotary Rockin' Ribfest is the signature fundraising event for the Lake in the Hills Rotary Club and is a family-oriented event that features nationally renowned professional rib vendors, live entertainment and a carnival. The proposed dates for the 2021 festival are Thursday, July 8 through Sunday, July 11.

Consistent with previous annual requests, the Club is requesting to hold the Rockin' Ribfest at Sunset Park with the flexibility to work with staff to select an ideal layout from previous designs or variations thereof. Furthermore, to successfully host an event of this size and scale, the Club requires the support of Village Public Works and Police staff and exemptions from the Village Code. Included with this item is a letter from the Rotary's festival committee defining this need. In addition, the request contains details of the Rotary Club's reinvestment into Lake in the Hills and surrounding local communities.

The Club is requesting support and the waiver of various requirements for 2021. These are identical to 2019 with the exception of the request for the waiver of all Police Department fees, which were 25% with a cap of \$9,000:

- Waiver of 50% of the fees from the Police Department with a cap of \$6,000 paid by the Rotary Club
- All Public Works staff regular pay rates associated with the event
- Equipment use charges
- Fees associated with the installation and dismantling of fencing, parking lot rope and water Connection
- Deposit and rental fee for Sunset Park
- Liquor License fee
- License or permit fees associated with the carnival

- Section 43.09, Noise, of the Municipal Code to allow announcements and to play music until 11:00 p.m. on Thursday, July 8, through Saturday, July 10, 2021
- Sign regulations to allow for temporary signs, within the Village boundaries, advertising the event from June 24, 2021 until July 12, 2021 at the following intersections:

Miller and Randall  
Lakewood and Algonquin  
Pyott and Rakow  
Pyott and Algonquin  
Hilltop and Algonquin  
Harvest Gate and Algonquin

Miller and Lakewood  
Square Barn and Algonquin  
Crystal Lake and Algonquin  
Virginia and Route 31  
Route 47 and Ackman  
Ackman and Haligus

The intersections of Algonquin and Randall, Acorn and Randall, and Polaris and Randall have not been included in this Request for Board Action. Consistent with other recent requests for the same, staff recommends the Village Board not allow signage in areas of construction along the Randall and Algonquin corridors due to safety concerns. These should be considered contingent on construction at these intersections being substantially completed.

The Club is offering to reimburse the Village for the overtime labor for Public Works employees on an as-needed basis and reimbursement of diesel fuel costs.

**Financial Impact:**

The following is a summary of the financial impact of the event in 2019:

- Police Department - \$13,944.11 in overtime wages
  - The Club reimbursed the Village \$9,000, which was the cap for 2019
- Public Works Department - \$4,813.94 in overtime wages and \$1,584.12 in diesel fuel costs
  - The Club reimbursed the Village \$6,398.06, which is the total cost of overtime wages and diesel fuel costs
  - As a point of information, the non-reimbursable straight-time in 2019 was \$18,780.92. This is twice that of 2018 due to the relocation of the event and is a variable cost depending upon the selected layout in Sunset Park
- The Village’s 25% share of the Carnival profits totaled \$4,098.95

The following is a summary of the financial impact of the event in 2018:

- Police Department - \$11,462.87 in overtime wages
  - The Club reimbursed the Village \$8,597.15, which is 75% of the overtime wages with a \$9,000 cap for 2018
- Public Works Department - \$2,789.53 in overtime wages and \$2,285.12 in diesel fuel costs.
  - The Club reimbursed the Village \$5,074.65, which is the total cost of overtime wages and diesel fuel costs
  - As a point of information, in preparation of the event Public Works spent 251 hours (\$5,817) of non-reimbursable straight-time in 2018

The FY 2021 includes revenue totaling \$16,000 (\$6,000 in PD wages, \$5,000 in PW wages, and \$5,000 in

carnival profits respectively).

Staff recommends a motion to approve Village support and waivers as described in the October 18, 2020 letter from the Lake in the Hills Rotary Club.

Jackie Gappa of the Rotary Club spoke and stated The Rotary wants to have a good relationship with the Village and asked if there are any concerns about the request. A discussion ensued concerning the cost of police overtime and concluded with the Board wanting to have the same agreement as 2020.

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

**Issuance of a Liquor License** - Presented by Village Administrator Fred Mullard- At the November 10, 2020 Committee of the Whole Meeting Ginger's proposed opening a 2,001 sq.ft. Gaming Café at 130 N. Lakewood #107, which is within the retail space at Extra Space Storage. The Village has received their application for a Class A-2 Liquor License with all supporting documentation and fees. The Liquor Commissioner has approved said license. The Village Board now needs to approve the issuance of a Class A-2 Liquor License to Gingers LITH, LLC d/b/a Ginger's. Once approved the Municipal Code will be updated to reflect the increase.

Following are the businesses that currently have a Class A-2 Liquor License:

Stella's  
Dotty's  
Mays

Staff recommends a motion n to approve the issuance of a Class A-2 Liquor License to Gingers LITH, LLC d/b/a Ginger's.

Trustee Huckins asked if May's license can be rescinded. Village Administrator Mullard stated the Village can rescind and make changes in the municipal code for the amount of licenses allowed.

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

**Request to Change Street Name from Marie Avenue to Legion Drive**- License -Presented by Village Administrator Fred Mullard- Lake in the Hills American Legion Post 1231 requests the Village change the name of Marie Avenue, adjacent to their building, to Legion Drive.

The street is within the Village's jurisdiction and the Municipal Code requires Village Board approval to change the name. The street is only one lot long and there are no lots with an address on this street. Staff coordinated with Algonquin Township Highway Department, McHenry County, and Algonquin / Lake in the Hills Fire Protection District to ensure there were no issues with the change.

Financial Impact: New street identification signs will be created and installed by Public Works for \$100 to \$200.

Staff recommends a motion to approve an ordinance to change the name of Marie Avenue to Legion Drive.

Trustee Huckins asked if there is any concern about changing the name. Village Administrator Fred Mullard stated no. The street was named before it became incorporated into the Village.

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

**Change to Insurance Deductible-** Presented by Village Administrator Fred Mullard- Staff recommends changing our worker’s compensation and liability insurance deductible from \$10,000 to \$25,000 per occurrence. Our insurance cooperative, Intergovernmental Risk Management Agency (IRMA), uses fixed deductible amounts of \$2,500, \$10,000, \$25,000, \$50,000, and more. When the Village began with IRMA in 2011 we started at the \$2,500 level. A couple years ago, we raised our deductible to the \$10,000 level. Review of the conditions for the 2021 renewal shows that the Village could save money by further increasing the deductible to \$25,000.

IRMA calculates the contribution rates each year for every participating member but offers a credit for accepting a deductible above the \$2,500 level. This table shows the credit the Village would have earned in each of the last nine years as well as losses due to the actual claims we processed each year. The average value of benefit for the last nine years is approximately \$3,000 better than the \$10,000 deductible. Further increasing the deductible to \$50,000 showed an average net loss of about \$14,000 every year compared to the \$25,000 level.

	<b>\$10,000 Deductible</b>			<b>\$25,000 Deductible</b>				<b>\$50,000 Deductible</b>		
<b>Year</b>	<b>Credit</b>	<b>Losses</b>	<b>Difference</b>	<b>Credit</b>	<b>Losses</b>	<b>Differences</b>		<b>Credit</b>	<b>Losses</b>	<b>Differences</b>
2011	51,017	38,873	12,144	107,702	106,237	1,465		158,718	196,610	(37,892)
2012	43,018	28,634	14,385	90,817	73,634	17,183		133,835	139,519	(5,684)
2013	45,347	42,842	2,505	95,732	102,354	(6,622)		146,118	170,795	(24,677)
2014	45,919	26,007	19,912	96,939	59,995	36,944		147,960	109,995	37,965
2015	52,794	54,188	(1,394)	110,868	129,188	(18,320)		168,942	234,427	(65,485)
2016	42,788	59,677	(16,888)	90,331	134,968	(44,637)		137,873	225,968	(88,095)
2017	52,334	12,458	39,876	104,667	18,408	86,259		162,234	18,408	143,826
2018	46,635	32,347	14,287	102,596	79,335	23,260		153,894	154,335	(442)
2019	48,590	31,838	16,752	102,039	68,167	33,871		155,487	118,167	37,320
<b>Total</b>	<b>428,441</b>	<b>326,863</b>	<b>101,578</b>	<b>901,690</b>	<b>772,287</b>	<b>129,403</b>		<b>1,365,061</b>	<b>1,368,225</b>	<b>(3,163)</b>

Based on these figures, increasing the deductible has the potential of saving the Village money over a period of years. For the years where losses would exceed the credit received from the increased deductible, the Village has access to an excess surplus account from investments made with reserved funds to cover potential losses.

**Financial Impact:** Estimated savings in the range of \$3,000 per year depending on actual claims. The amount can vary depending on the number and size of claims made each year.

Staff recommends a motion to approve changing our worker’s compensation and liability insurance deductible from \$10,000 to \$25,000 per occurrence. Motion was made to place this item on the Village Board Agenda.

**Support Amendment and Pay Request for Financial Software-** Presented by Village Administrator Fred Mullard- In December 2014, the Village awarded a contract to New World Systems for the acquisition of new financial software. The underlying agreement included the necessary licensing and allowed for

maintenance and support for up to five years, ending December 2019. In November 2015, New World Systems merged with Tyler Technologies.

The attached support amendment to the original agreement was entered into on January 21, 2020 and included a one-year term ending December 31, 2020, with an option for automatic renewal upon the same terms and conditions, however the rates adjust each year based on Tyler's current market rates, which would currently be \$48,946.79 based on the Village's existing licensing.

The financial software includes a broad spectrum of financial management tools including general ledger, accounts payable, budgeting, personnel and benefits processing, water billing, and analytics. The maintenance and support of this software is critical to the continuity of many Village services. Staff is recommending that the Board approve the attached support agreement, which will provide continued coverage through December 31, 2021.

**Financial Impact:** The Village's 2021 budget included \$51,463.56 in the General Fund for New World Systems Licensing and Support through Tyler Technologies. The actual expense is \$48,946.79, which is under budget by \$2,516.77.

Staff recommends a motion to approve the Support Amendment between the Village of Lake in the Hills and Tyler Technologies, Inc. and authorize payment in the amount of \$48,946.79 for the term ending December 31, 2021. Motion was made to place this item on the Village Board Agenda.

## **Finance**

**Amendment to the Exempt Entity Listing and Authorization of Electricity Utility Tax Refund-** Presented by Village Administrator Fred Mullard -Due to an error by the Village, the Lake in the Hills Sanitary District ("LITHSD") has been charged utility tax on their electrical usage since 2018 and has requested a refund of this money. In addition, they have asked that the Village submit a revised list of exempt entities that includes LITHSD to the utility providers, Northern Illinois Gas ("Nicor") and Commonwealth Edison ("ComEd").

The Village Board approved Ordinance 2017-42 ("the Ordinance") amending Chapter 34 of the Municipal Code on November 9, 2017, effectively reinstating the Municipal Utility Tax (MUT). The Ordinance stated that MUT shall not be applied to any religious, charitable, labor, fraternal, educational, veterans', 501(c) not-for-profit persons or organizations, park districts, school districts or any unit of government. Despite this, when the Village submitted the list of exempt entities to the utility providers Nicor and ComEd, LITHSD was inadvertently omitted.

When the issue was brought to the Village's attention by LITHSD, we were able to resolve the issue and have the billing corrected with Nicor, however ComEd is requiring Board approval of the change to the exempt listing prior to updating their billing. The refund being requested is expected to be between \$64,800 and \$72,000, depending on the timing of when the billing change is implemented. This amount captures all MUT tax charged and remitted since implementation in January 2018.

Section 34.04.A.1 G states that electrical MUT refunds are required to be requested within a year of remittance in order to be considered for reimbursement. Staff is recommending reimbursement in full due to the Village's oversight and is seeking the Board's approval.

**Financial Impact:** The financial impact would be approximately \$64,800-\$72,000. While the Village budgeted \$705,000 and \$700,000 in revenues for 2020 and 2021 respectively, the Village will see a reduction in future receipts in the amount of \$24,000 annually.

Staff recommends a motion to approve a revision to the exempt listing provided to ComEd to include Lake in the Hills Sanitary District and authorize a refund in an amount not to exceed \$72,000 for electricity utility taxes charged in error. Motion was made to place this item on the Village Board Agenda.

**Police:**

**Purchase of three Ford Utility Interceptor Police Squads-** Presented by Deputy Chief of Support Services Mary Frake- The police department budgeted in fiscal 2021 to replace three patrol squad cars; two assigned to the patrol division and one from the support services division, based upon the vehicles reaching the end of their useful service life. The vehicles scheduled for replacement are:

- 2016 Ford Utility with 108,000 miles and 16,596 engine idle hours
- 2016 Ford Utility will meet the replacement mileage of 100,000 in 2021 and 13,649 engine idle hours
- 2014 Chevrolet Tahoe with 129,772 miles and 26,039 engine idle hours

The 2014 Chevrolet Tahoe was repurposed to the support services division in 2019 as the school resource officer vehicle. In addition to the significant mileage, the vehicle has incurred over \$23,000 in maintenance costs over the last two years. The plan for the fleet will be to put all three new squad cars into the patrol division and reassign one of the higher mileage vehicles from patrol to the school resource officer.

Chapter 9.13 of the Municipal Code allows for the use of purchasing cooperatives to fulfill the requirement for competitive bidding. The Suburban Purchasing Cooperative (SPC) Governing Board, a joint purchasing program, was approved the award of SPC Contract #152 with Currie Motors Fleet for the 2021 Ford Utility Police Interceptor vehicle. The contract price per vehicle with options is \$ 33,544.00.

**Financial Impact:** The 2021 General Fund Capital Budget includes \$ 103,650.00 for the purchase of three police vehicles. The total cost of the three Ford Utility vehicles is \$ 100,632.00, this is \$ 3,018.00 under the budgeted amount. The future financial impact will be to outfit the vehicles at an approximate cost of \$32,850.00.

Staff recommends a motion to approve the purchase through the Suburban Purchasing Cooperative of three Ford Utility Police Interceptor vehicles from Currie Motors Fleet of Frankfort, IL for \$ 100,632.00 Motion was made to place this item on the Village Board Agenda.

**Public Works:**

**Generator Maintenance and Inspection Services Contract 2021 Purchase Order-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval for a purchase order for generator maintenance and inspection services with Rush Power Systems of Belvidere, IL, for fiscal year 2021, in an amount not-to-exceed \$30,505.00.

In 2020, the Village Board awarded Rush Power Systems a four-year contract for generator maintenance and inspection services for the Village's backup generators (2020, 2021, 2022, and 2023). The second year contract costs are \$30,505.00 and are included in the Fiscal Year (FY) 2021 Village Budget. Village staff

were satisfied with the services provided by Rush Power Systems in FY 2020 and recommend approval of a motion allowing the Village to spend \$30,505.00 with Rush Power Systems in FY 2021.

**Financial Impact:** The Village's FY 2021 Budget includes \$30,505.00 for this contract (\$9,745.00 in the General Fund and \$20,760.00 in the Water Fund).

Staff recommends a motion to approve a purchase order for generator maintenance and inspection services with Rush Power Systems of Belvidere, IL, for fiscal year 2021, in an amount not-to-exceed \$30,505.00. Motion was made to place this item on the Village Board Agenda.

**Fuel Purchase Contract 2021 Purchase Order-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval for a purchase order to purchase gasoline and diesel from Avalon Petroleum Company for an amount not-to-exceed \$181,693.00

On February 8, 2018, the Village Board awarded Avalon Petroleum Company a five-year (2018-2022) contract for the purchase of gasoline and diesel for the Village's fleet ("Fuel Contract"). Avalon provided good service to the Village in 2018, 2019 and 2020. As such, Village staff recommends approval of a purchase order allowing the Village to spend \$181,693.00 with Avalon Petroleum in 2021 for the purchase of gasoline and diesel fuel under the previously approved five-year Fuel Contract.

**Financial Impact:** The FY 2021 Village Budget includes \$181,693.00 for the purchase of gasoline and diesel fuel.

Staff recommends a motion to approve a purchase order for gasoline and diesel with Avalon Petroleum Company for fiscal year 2021, in an amount not-to-exceed \$181,693.00. Motion was made to place this item on the Village Board Agenda.

**Tree Purchase Contract 2021 Purchase Order-**Presented by Public Works Director Tom Migatz- Staff seeks Board approval for a purchase order for the purchase of trees from Goodmark Nurseries for fiscal year 2021, in an amount not-to-exceed \$42,000.00.

On February 11, 2020, the Village Board awarded Goodmark Nursery a three-year (2020-2022) contract for the purchase of trees. Village staff were pleased with the service Goodmark provided in 2020. As such, Staff recommends approval of a motion allowing the Village to spend \$42,000.00 with Goodmark Nurseries in 2021 for the purchase of trees under the previously approved three-year contract.

**Financial Impact:** The FY 2021 Village Budget includes \$34,400.00 in the General Fund and \$7,600.00 total across all of the Special Service Area Funds for the purchase of trees. The total expense for 2021 is \$42,000.00.

Staff recommends a motion to approve a purchase order for gasoline and diesel with Avalon Petroleum Company for fiscal year 2021, in an amount not-to-exceed \$181,693.00.

Trustee Huckins asked how many trees will be purchased. Public Works Director Migatz stated he can bring that information on Thursday. Village Administrator Mullard stated he estimates between 170-200 trees would be purchased.

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

**Facility Cleaning Services Purchase Order Request-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval of a purchase order for facility cleaning with Eco Clean Maintenance in an amount not-to-exceed \$65,768.00.

On November 14, 2019, the Village Board awarded Eco Clean Maintenance a three-year contract for facility cleaning services beginning January 1, 2020. Village staffs were satisfied with the services provided by Eco Clean Maintenance in Fiscal Year (FY) 2020 and recommend approval of a motion allowing the Village to spend \$65,768.00 with Eco Clean Maintenance in FY2021 for facility cleaning services.

**Financial Impact:** The Village's FY2021 Budget includes \$65,768.00 for this contract (\$60,584.00 in the General Fund and \$5,184.00 in the Water Fund).

Staff recommends a motion to approve a purchase order for facility cleaning services with Eco Clean Maintenance of Elmhurst, IL, for fiscal year 2021, in an amount not-to-exceed \$65,768.00.

Trustee Huckins asked what facilities are being cleaned and why the monies are allocated from the Water Fund. Village Administrator Mullard gave in detail what facilities are cleaned and how often. Public Works Director Migatz stated due to the Public Works Department use of the cleaning service monies will be used from the Water Fund. Trustee Dustin asked what was the cost of the cleaning for 2020. Public Works Director Migatz stated he will present that information on Thursday.

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

**Randall Road Construction Project Water Infrastructure Relocation Charges Purchase Order Request-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval on an invoice from the McHenry County Department of Transportation (County) for water infrastructure relocation expenses related to construction on Randall Road.

The Village entered into an Intergovernmental Agreement (IGA) with the County on December 13, 2018 to formalize responsibilities related to the Randall Road improvement project. The Village originally relocated water main and related structures at its expense after which the County identified additional relocation needs. At the request of the Village, the County provided a budgetary number for the additional work the County's contractor would perform, which the Village agreed to pay. The attached documentation includes an invoice that represents an increase in that original estimate resulting from the identification of additional relocation needs after work had begun.

Village staff met with the County and its contractor and, while expressing disappointment at the increased cost agrees that the work was necessary and properly represented.

**Financial Impact:** Because the water infrastructure relocation work was performed in 2020, the invoice will be paid from the FY2020 Water Fund. The invoice is in the amount of \$121,487.72 and represents an increase of \$26,487.72 over the original budgeted amount of \$95,000; however, staff does not anticipate that a budget amendment will be required for the overage. The County estimates additional relocation expenses during FY21.

Staff recommends a motion to approve a purchase order to reimburse the McHenry County Department of Transportation in the amount of \$121,487.72 for water infrastructure relocation expenses related to construction on Randall Road.



Trustee Harlfinger asked why this was not addressed earlier. He stated some frustration that the cost keeps changing. Village Administrator Mullard explained due to the water main being in the right of way the Village is required to pay. The original cost was an estimate and after the work was done this is the true cost and bill. Trustee Huckins asked if any of this cost can be put into a grant request. Village Administrator Mullard stated no. Trustee Bojarski asked if there is any recourse and if there is any other funding that can offset the cost. Village Administrator Mullard stated no it would take much time and money to build a water maintenance fund to cover the cost.

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

**Purchase of Three Ford F-250 Pickup Trucks-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval to purchase three Ford F-250 pickup trucks from Currie Motors of Frankfort, IL, through the Suburban Purchasing Cooperative in the amount of \$130,947.00.

The Fiscal Year (FY) 2021 Village Budget includes \$80,000.00 for the replacement of units 88 and 93, pickup trucks used by the Public Works Water Division and \$55,000.00 for the replacement of unit 94, a pickup truck used by the Public Works Public Properties Division. Staff researched different vehicle makes and models and determined that purchasing three Ford F-250's as replacement vehicles for units 88, 93 and 94 would provide the most value to the Village. After identifying the specifications for all three vehicles, staff compared the final cost of each of these vehicles through a local Ford dealership and a number of purchasing cooperatives. The cooperatives are aggregated joint purchasing programs that receive competitive bid prices for vehicles for governmental purchase. Staff determined that the Suburban Purchasing Cooperative's joint bids for these three Ford vehicles, awarded to Currie Motors of Frankfort, IL, offers the lowest pricing for all three vehicles. The total cost for all three vehicles is \$130,947.00, which is \$4,053.00 under the budgeted amount of \$135,000.00.

**Financial Impact:** The Village's FY 2021 Budget includes \$135,000.00 for the purchase of these three vehicles with \$55,000.00 in the Capital Improvement Fund and \$80,000.00 in the Water Fund. The total cost for all three vehicles is \$130,947.00, which is \$3,459.00 under budget in the Capital Improvement Fund and \$594.00 under budget in the Water Fund.

Staff recommends a motion to approve the purchase of three Ford F-250 pickup trucks from Currie Motors of Frankfort, IL, through the Suburban Purchasing Cooperative in the amount of \$130,947.00. Motion was made to place this item on the Village Board Agenda.

**Waive the competitive bidding process for the purchase of ThermaPoint R liquid de-icer for snow and ice control-**Presented by Public Works Director Tom Migatz-Staff seeks Board approval to waive the competitive bidding process and approve the purchase of up to \$32,100.00 of ThermaPoint R from Industrial Systems of Lakemoor, IL, for fiscal year 2021.

Public Works has used ThermaPoint R liquid de-icer ("ThermaPoint") for the past several years during snow and ice control operations. Used as a pre-wetting product applied to salt at the back of the truck, the solution enhances the performance of rock salt. This allows staff to use less rock salt during weather events thereby reducing the amount of chlorides that make their way into local waterways. ThermaPoint is a proprietary product only manufactured by Industrial Systems of Lakemoor, IL. While Lake in the Hills could use other liquid products for snow and ice control, ThermaPoint has proven very effective and environmentally friendly. As such, staff requests Board approval to waive the competitive bidding process

and approve the purchase of up to 30,000 gallons of ThermaPoint R from Industrial Systems of Lakemoor, IL, for fiscal year 2021 for a total cost of \$32,100

**Financial Impact:** Village's 2021 General Fund Budget includes \$32,100.00 for the purchase of Therma Point R liquid. The total expense for 2021 is \$32,100.00.

Staff recommends a motion to waive the competitive bidding process and approve the purchase up to \$32,100.00 of ThermaPoint R from Industrial Systems of Lakemoor, IL, for fiscal year 2021. Motion was made to place this item on the Village Board Agenda.

**Waive Competitive Bidding and Purchase Water Meters-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval to waive the competitive bidding process and purchase water meters and meter parts from Water Resources, Inc. of Elgin.

To support projected growth and necessary maintenance throughout the year, the Village's water system requires new water meters, replacement water meters, and replacement parts. The number of meters, parts, and equipment needed for 2021 was determined based on historical meter replacement information and projected growth estimates from the Community Services Department. Water Resources Inc. is the sole regional supplier of the Neptune E-Coder R900i water meters that are compatible with the Village's water meter reading system. A recommendation memo and 2021 water meter price list are attached for your review and consideration.

**Financial Impact:** The 2021 Village Budget includes \$36,355.00 in the Water Fund for the procurement of new water meters, replacement water meters, and replacement parts.

Staff recommends a motion to waive the competitive bidding process and approve the purchase of new water meters, replacement water meters, and replacement parts from Water Resources Inc. of Elgin, IL, for fiscal year 2021 in an amount not to exceed \$36,355.00. Motion was made to place this item on the Village Board Agenda.

**Waive the competitive bidding process and award a three-year software and services contract with Cartegraph Systems, LLC as well as 2021 contract spending authority-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval to waive the competitive bidding process and award a three-year software and services contract with Cartegraph Systems, LLC as well as 2021 contract spending authority.

The Village began using the Cartegraph Operations Management System (OMS) in 2015 to help manage the Village's assets and resident work order requests. The current three-year software and services contract between the Village and Cartegraph Systems, LLC expires on February 1, 2021. To continue to using this proprietary software the Village needs to execute a new contract with Cartegraph Systems. The Cartegraph OMS software has been an invaluable tool in managing Village assets, inventory, equipment, labor, and training. As such, staff request Board approval to waive the competitive bidding process and award a three-year software and services contract with Cartegraph Systems, LLC as well as 2021 contract spending authority

**Financial Impact:** The Village's Fiscal Year 2021 Budget includes \$40,836.50 for support and use of the Cartegraph OMS work management software (\$25,318.64 in the General Fund, \$4,083.64 in the Airport Fund and \$11,434.22 in the Water Fund).

Staff recommends a motion to waive the competitive bidding process and award a three-year software and services contract starting February 2, 2021 with Cartegraph Systems, LLC as well as 2021 contract spending authority in the amount of \$40,836.50. Motion was made to place this item on the Village Board Agenda.

**Award a Contract for Water Conditioning Bulk Softener Salt-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval to award a contract to Midwest Salt of West Chicago, IL, for the purchase and delivery of water conditioning bulk softener salt in 2021, in an amount not to exceed \$139,414.88.

Village staff released a Request for Proposal (RFP) for the purchase and delivery of water conditioning bulk softener salt for calendar year 2021 on November 02, 2020. The Village has three ion exchange water treatment facilities that require salt to remove barium from the water. The RFP invitation was sent to eight vendors, posted on the Village's website, and published in the Northwest Herald. Public Works received and opened three sealed proposals on November 30, 2020. Midwest Salt of West Chicago, IL was the lowest responsible bidder at \$99.44/ton. The Village has purchased this product from Midwest Salt before and has been satisfied with the product and the company. The RFP results, a recommendation letter, and the bid certification form are attached for your review.

**Financial Impact:** The 2021 Village Budget includes \$139,485.00 for the purchase and delivery of water conditioning bulk softener salt in the Water Fund. Although Village staff anticipate ordering approximately 1,094 tons of salt in 2021 at a cost of \$108,787.36, staff is requesting Board authority to spend up to \$139,414.88 (1,402 tons) in 2021 in case there is a need for additional salt should demand exceed anticipated water sales.

Staff recommends a motion to award a contract to Midwest Salt of West Chicago, IL, for the purchase and delivery of water conditioning bulk softener salt in 2021, in an amount not to exceed \$139,414.88. Motion was made to place this item on the Village Board Agenda.

**Waive the Competitive Bidding Process and Award a Pavement Rejuvenator Contract-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval to award a contract to Corrective Asphalt Materials of Sugar Grove, IL, for the 2021 Pavement Rejuvenator Project in the amount of \$45,500.00.

The Village is in the fifth year of a five-year pilot test program to determine whether there are positive benefits in applying a pavement rejuvenator product to help prolong the life cycle of Village streets. An asphalt rejuvenator is a maltene-based petroleum product designed to penetrate and seal the surface, thereby preventing raveling and stripping. The Village, along with the Village of Algonquin and the Cities of McHenry and Woodstock, have partnered together through the McHenry County Municipal Partnering Initiative since 2017 to jointly procure pavement rejuvenator application services.

The Village applies the product to 100% of all resurfaced roadways from the previous year. After the pilot term, staff will determine whether the product has delayed the pavement failure and decide whether to continue to use the product.

Corrective Asphalt Materials (CAM) is the sole provider of this product. In 2020, CAM provided the McHenry County Partnering Initiative with pricing for 2020, 2021 and 2022. The cost for 2021 is \$0.91 per square yard and includes sweeping, cleanup, traffic control and resident notification. If the contract award is approved, Village staff will hire CAM to apply their pavement rejuvenator product to all sections of pavement that were resurfaced last year, which is estimated to total 50,000 square yards.

**Financial Impact:** The FY 2021 Village Budget contains \$45,500.00 in the General Fund for pavement rejuvenator application services and the total expense for 2021 is \$45,500.00.

Staff recommends a motion to waive the competitive bidding process and award a contract to Corrective Asphalt Materials of Sugar Grove, IL, for the 2021 Pavement Rejuvenator Project in the amount of \$45,500.00. Motion was made to place this item on the Village Board Agenda.

**Award a Contract for the Purchase of Bulk Rock Salt for Village Street Snow and Ice Control-** Presented by Public Works Director Tom Migatz- Staff requests authority to purchase up to 1,440 tons of rock salt during the 2020-2021 winter season through the State bidding process.

The Village purchases rock salt for snow and ice operations each year through the State of Illinois joint purchasing program, a competitively bid road salt program coordinated by the Illinois Department of Central Management Services. The Village's participation in this program is exempt from the normal bidding process as stated in Section 9.13 of the Village Municipal Code.

The Village participated in the State of Illinois Central Management Services' rock salt joint bid for the 2020-2021 snow season again this year. Part of the process allows the requesting agency to purchase as little as eighty percent (80%) up to one-hundred twenty percent (120%) of the initial request. For Lake in the Hills, that corresponds to a range of nine hundred sixty (960) tons to one thousand four hundred forty (1,440) tons on a base request of one thousand two hundred (1,200) tons. The Village is locked in at a price of \$46.48/ton.

**Financial Impact:** The Village's 2021 General Fund includes \$55,776.00 for the purchase of road salt. The total expense for 2021 is \$55,776.00 at a base quantity of 1200 tons.

Staff recommends a motion to approve the purchase of up to 1,200 tons of rock salt in 2021 through the Central Management Services contract, for a total cost not to exceed \$55,776.00. Motion was made to place this item on the Village Board Agenda.

**Approval of a Settlement Agreement and Release pertaining to the installation and servicing of a deep well pumping assembly at Well 14-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval of Settlement Agreement and Release pertaining to the installation and servicing of a deep well pumping assembly at Well 14.

In 2015, the Village hired Layne Christensen ("Layne") to perform a repair to the deep well pumping assembly at Well 14. The repaired pumping assembly failed approximately two months after Layne installed it. The ensuing costs to remove the failed pumping assembly, investigate the cause of failure and repair and reinstall the pumping assemble totaled \$211,718.31.

In 2017, the Village filed a claim with IRMA and was able to recoup \$209,218.31, after accounting for the Village's \$2,500.00 deductible. Later that year, IRMA filed a complaint against Layne with the McHenry County Judicial Circuit Court seeking reimbursement for the claim that it paid to the Village. Last month, an attorney representing IRMA notified Village staff that IRMA and Layne had reached a settlement agreement. The settlement agreement is attached and requires Layne to pay IRMA \$82,000.00. IRMA is requesting that the Village, as plaintiff, sign the attached settlement agreement.

**Financial Impact:** Village Board approval of the Settlement Agreement and Release will not result in a financial impact to the Village. IRMA will receive the \$82,000.00 payment.

Staff recommends a motion to approve a Settlement Agreement and Release pertaining to the installation and servicing of a deep well pumping assembly at Well 14. Motion was made to place this item on the Village Board Agenda.

**Approval of a Funding Agreement and two Resolutions for the Reed Road Resurfacing Project-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval of two Resolutions and Funding Agreement related to resurfacing Reed Road from North Lakewood Road toward Normandy Lane.

The Village plans to resurface a .23 mile section of Reed Road that it owns and maintains in 2021. In anticipation of this project, staff applied for Surface Transportation Program (STP) grant funding through the McHenry County Council of Mayors (MCCOM). On October 30, 2020 MCCOM notified staff that it had approved the Village's STP grant funding request. As shown in the table below, the STP grant award will fund 80 percent of the construction and construction engineering costs, with the Village paying the remaining 20 percent plus 100 percent of the phase 1 and 2 engineering costs.

Phase	Total Cost (Est.)	STP Cost	Village Cost
<b>Phase 1 &amp; 2 - Engineering</b>	\$10,000	n/a	\$10,000
<b>Phase 3 - Construction</b>	\$90,776	\$72,621	\$18,155
<b>Phase 4 – Construction Engineering</b>	\$7,535	\$6,028	\$1,507
<b>Total</b>	<b>\$108,311</b>	<b>\$78,649</b>	<b>\$29,662</b>

Before receiving STP grant funding, the Village must pass a Resolution stating that the required 20 percent local match will be available through the life of the project. The attached Resolution will satisfy the Village's MCCOM Resolution requirement.

Village staff recommends using Motor Fuel Tax (MFT) funds to pay the Village's 20 percent STP grant match for phases 3 and 4 (estimated at \$19,662) as well as the \$10,000 phase 1 and 2 engineering costs. To use MFT monies, the Illinois Department of Transportation (IDOT) requires that the Village Board appropriate funds by approving an IDOT Resolution. That IDOT Resolution in the amount of \$29,662 is included as an attachment to this document.

IDOT also requires the Board approve a Funding Agreement to ensure the Village agrees to fund the Village's 20 percent STP grant match for phases 3 and 4. That IDOT Funding Agreement is included as an attachment to this document

**Financial Impact:** The Village's 2021 Motor Fuel Tax Fund Budget contains adequate funding for all four phases of this project. The Village's financial contribution towards this project is expected to total \$29,662.

Staff recommends a motion to approve a Resolution stating that the required 20 percent local match for the Reed Road Resurfacing Project will be available through the life of the project. Motion was made to place this item on the Village Board Agenda.

Staff recommends a motion to approve an IDOT Resolution and Funding Agreement for the Reed Road Resurfacing Project. Motion was made to place this item on the Village Board Agenda.

**Solar Project Lease Option Agreement Extension-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval to enter into a solar project lease agreement extension with Cenergy Power of Carlsbad, California.

The Village of Lake in the Hills and Cenergy Power, a solar energy company based in Carlsbad, California entered into a lease option agreement in December 2017. The agreement allowed for due diligence engineering and other research necessary for the parties to enter into a proposed twenty-one year lease agreement for the construction and operation of a solar power farm at the Lake in the Hills airport. The original agreement was for one year based on the anticipated lead time necessary for Cenergy to obtain all the necessary State and Federal permits and incentives to proceed with the project.

This included Cenergy securing necessary incentives through the Illinois Adjustable Block Program, the grant funding program for this type of solar project. Originally scheduled for release during the summer of 2018, the Illinois Power Agency delayed release of the initial application block until mid-January of 2019. Cenergy's project with the Village was not among those chosen during the first or second lottery drawings. Cenergy is now awaiting State approval of additional funding to continue constructing solar facilities. Cenergy is requesting an additional one-year extension of the agreement. The terms of the due diligence period are identical to that previously approved by the Board of Trustees with the exception of the term extension.

Staff recommends a motion Motion to approve the Amended and Restated Lease Option Agreement between the Village of Lake in the Hills and LITH CS LLC. Motion was made to place this item on the Village Board Agenda.

**Aviation Fuel Purchase Contract 2021 Purchase Order Request-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval of a purchase order for aviation fuel with Arrow Energy of Saline, Michigan for fiscal year 2021, in an amount not-to-exceed \$278,786.10.

On March 14, 2019, the Village Board awarded Arrow Energy of Saline, Michigan, a three-year contract for the purchase of aviation fuel for resale. Arrow Energy has been providing fuel to the airport since 2014 and their service has been acceptable. As such, staff recommends approval of a motion allowing the Village to spend \$278,786.10 with Arrow Energy in 2021 for the purchase of aviation fuel under the previously approved three-year aviation fuel contract.

**Financial Impact:** The Fiscal Year 2021 Village Budget includes \$278,786.10 in the Airport O&M Fund for the purchase of aviation fuel for resale.

Staff recommends a motion to approve a purchase order for aviation fuel with Arrow Energy of Saline, Michigan for fiscal year 2021, in an amount not-to-exceed \$278,786.10. Motion was made to place this item on the Village Board Agenda.

**Purchase a Ford Escape-** Presented by Public Works Director Tom Migatz- Staff seeks Board approval to purchase one Ford Escape from Currie Motors of Frankfort, IL, through the Suburban Purchasing Cooperative in the amount of \$24,929.00.

The Airport Operating and Maintenance Fund for Fiscal Year 2021 includes \$26,568.00 for the purchase of a second operations vehicle. Staff researched different vehicle makes and models and determined that purchasing a Ford Escape provides the most value to the Village. After identifying the specifications for

the vehicle, staff compared the final cost of the vehicle through a local Ford dealership and a number of purchasing cooperatives. The cooperatives are aggregated joint purchasing programs that receive competitive bid prices for vehicles for governmental purchase. Chapter 17.08 of the Municipal Code recognizes joint purchasing programs as an acceptable to substitute to a formal competitive bid. Staff determined that the Suburban Purchasing Cooperative's joint bid for the Ford Escape, awarded to Currie Motors of Frankfort, IL, offers the lowest pricing for the vehicle that the Village wishes to purchase. The Suburban Purchasing Cooperative website indicates that contract pricing for the Ford Escape extends through the end of the current model year, meaning the contract does not expire in October of 2020 as indicated.

**Financial Impact:** The cost of the Ford Escape from Currie Motors is \$24,929.00. The vehicle will also require an additional \$1,500.00 in outfitting costs for a total acquisition price of \$26,429.00 which is \$139.00 under the budgeted amount.

Staff recommends a motion to approve the purchase of one Ford Escape from Currie Motors of Frankfort, IL, through the Suburban Purchasing Cooperative in the amount of \$24,929.00. Motion was made to place this item on the Village Board Agenda.

**Airport Ground Lease for Hangar PAP-12--** Presented by Public Works Director Tom Migatz-The Lake in the Hills Airport Rules and Regulations require airport tenants to enter into applicable leases, licenses, or storage agreements for Village owned hangers. Mike Carzoli with Blue Skies Flying Services is requesting a new ground lease on Hangar PAP-12. This lease is for the period of January 15, 2021 to January 14, 2041. The lease includes an option to renew for four additional five-year terms.

Mr. Carzoli has signed the appropriate lease form and already has acceptable proof of insurance on file for other hangars he leases. A background check was previously completed and no issues were found by the Lake in the Hills Police Department.

**Financial Impact:** The Airport Fund will receive \$2,390.04 annually from the ground lease, 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-12 with Mike Carzoli of Blue Skies Flying Services. Motion was made to place this item on the Village Board Agenda

**Community Development:**

**104 Deerpath- Variations to Section 7.4, Residential Bulk Chart minimum front yard depth required including footnote number 3; and to Section 4.4-2 Lot Area and Dimension, minimum side yard setback required-** Presented by Interim Director of Community Services Ann Marie Hess- The applicant, Peggy Setter, owner of 104 Deer Path, requested two variations to the Zoning Ordinance in order to construct an attached garage addition. The property currently has a carport with no garage of any kind. The applicant indicates the reasons for seeking the variations are to construct a standard size garage for much needed storage, and seeks to attach it to the structure for the safety of getting in and out of vehicles in inclement weather. In order to accommodate the addition design on the site with the existing configuration of the home and size of lot, the variations are needed.

The first variation requested is to allow a 15'- 1½" front yard depth where the zoning code states the average front yard depth of the existing homes on the block controls this dimension, and is established to be 25'- 11". The second variation needed is to allow for a 5'-4¼" side yard setback where the zoning code states a minimum of a 6'-0" side yard setback is required for this lot.

All other aspects of the garage's intended construction comply with the requirements of the Zoning Code and the Village's building codes. The petitioner developed the design with a licensed architect to achieve the most suitable design for the lot, while minimizing the impact of the variations being sought. The petitioner received written support for multiple neighbors, and the design will help to support property values.

The Planning and Zoning Commission conducted a public hearing for the variations on December 14, 2020. There were no public comments and Commissioners voted 4-0 to recommend approval of the variations as requested by the applicant.

Staff recommends a motion to approve variations to Section 7.4 Residential Bulk Chart, minimum front yard depth required including Footnote Number 3, and to Section 4.4-2 Lot Area and Dimension, minimum side yard setback required at 104 Deer Path on Parcel 19-29-177-005, allowing construction of a garage addition with a 15'- 1½" front yard setback and a 5'-4¼" side yard setback. Motion was made to place this item on the Village Board Agenda.

**8302 Pingree Road- Variations to Zoning Ordinance Sections 13.5, Permitted Accessory Structures and Section 13.3.2, Floor Area Size of Accessory Structures-** Presented by Interim Director of Community Services Ann Marie Hess- The applicants, James and Charleen Augustine, owners of 8302 Pingree Road, requested two variations to the Zoning Ordinance in order to construct an oversized detached garage. The applicants seek to utilize their large and remote property to construct this garage, primarily for the storage of personal recreational vehicles they seek to acquire.

The first variation requested pertains to the number of detached garages that would be on the property if the variation is granted. The lot currently has a garage that is attached to the main house through a narrowed enclosed space, but for all practical purposes it sits as a detached structure from the main home. The Zoning Ordinance permits for only one detached garage on a lot in all zoning districts. The second variation requested is to allow for the garage to be 1,800 square feet, as the Zoning Ordinance permits a maximum size of 624 square feet.

All other aspects of the garage's intended construction comply with the requirements of the Zoning Ordinance and the Village's building codes. The petitioner developed the design with a manufacturer of pre-fabricated buildings and reduced the original designed height of the building to lessen the impact and number of variations being sought.

The Planning and Zoning Commission conducted a public hearing for the variations on December 14, 2020. There were no public comments and Commissioners voted 4-0 to recommend approval of the variations as requested by the applicant.

Staff recommends a motion to approve variation to Section 13.5, Permitted Accessory Structures to allow for two detached garages at 8302 Pingree Road, Parcel 19-15-100-038-0040; and approve variation to Section 13.3-2, Floor Area Size of Accessory Structures to allow for construction of an 1,800 square feet detached garage. Motion was made to place this item on the Village Board Agenda.



**Board of Trustees:**

Trustee Harlfinger – None at this time

Trustee Huckins – None at this time.

Trustee Bogdanowski - None at this time

Trustee Dustin commented he would like more members to attend meetings at the Village Hall.

Trustee Bojarski - None at this time

Trustee Murphy stated a Park and Recreation Board member will attend a C.O.W meeting quarterly and they are looking for volunteers for upcoming events.

**President Ruzanski:** At Public Works Meeting he was able to present Scott Parchutz and Tyler Eckman with an award from the Lake in the Hills Food Pantry.

**Audience Participation:** None

**Adjournment:** There being no further business to discuss, the Committee of the Whole meeting was adjourned at 8:51 pm.

Submitted by,

Cecilia Carman  
Village Clerk