



PUBLIC MEETING NOTICE AND AGENDA
COMMITTEE OF THE WHOLE MEETING

OCTOBER 12, 2021
7:30 P.M.
AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Public Comment
The public is invited to make an issue-oriented comment on any matter of public concern. The public comment may be no longer than 3 minutes in duration.
4. Presentation
 - A. Sustainability Committee Proposal
5. Staff Presentations
 - A. Administration
 1. Informational Item concerning the FY2022 Budget Progress
 2. Agreement for Intergovernmental Cooperation with the Algonquin-Lake in the Hills Fire Protection District
 3. Payment Request – Northern Illinois Special Recreation Association
 4. Northern Illinois Special Recreation Association Membership Dues
 - B. Public Works
 1. Reed Road Resurfacing Project Award Concurrence
 2. Resolution for Change Order #1 - Arrow Energy Aviation Fuel
 3. Ordinance approving a Ground Lease with John Kirchner for Hangar PAP-42
6. Board of Trustees
 - A. Trustee Harlfinger
 - B. Trustee Huckins
 - C. Trustee Dustin
 1. Planning and Zoning Commission Liaison Report
 - D. Trustee Bojarski
 - E. Trustee Murphy
 - F. Trustee Anderson
 1. Parks and Recreation Board Liaison Report
7. Village President
 - A. Proclamation – National Code Enforcement Month – October (Thursday)
8. Adjournment

MEETING LOCATION
Lake in the Hills Village Hall
600 Harvest Gate
Lake in the Hills, IL 60156

The Village of Lake in the Hills is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations so that they can observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the Village's facilities, should contact the Village's ADA Coordinator at (847) 960-7410 [TDD (847) 658-4511] promptly to allow the Village to make reasonable accommodations for those persons.

Posted by: _____ Date: _____ Time: _____



INFORMATIONAL MEMORANDUM

MEETING DATE: October 12, 2021
DEPARTMENT: Administration
SUBJECT: 2022 Budget Progress

EXECUTIVE SUMMARY

Staff is currently working on preparation of the FY22 budget. As experienced with preparation of the FY21 budget, pandemic impacts on the economy are requiring that we consider impacts not seen in the past. Staff has initially reviewed expenses on most of the funds and is working on development of revenue projections. Once we have acceptable revenue estimates, we will be reviewing the impacts of proposed expenses that might need to be modified.

The Village has experienced forced savings in training budgets the last two years due to program cancellations caused by the pandemic. There will be increases in FY22 as we anticipate increased training availability. Supply chain issues are causing increased costs for goods and materials. A significant example is an anticipated increase in the cost of road salt which is a commodity that leaves little room for reduction. Additionally, we are seeing some commodity prices soar. For example, chlorine for water treatment has climbed from \$42.50 per cylinder to over \$100 per cylinder. In a similar fashion, natural gas charges are double what they were a year ago.

We have completed a review of the capital budget which appears to be aligned with the revenue estimates and should not impact the General Fund for FY22. Efforts are being made to delay vehicle purchases wherever possible to avoid excessive costs and delivery delays created by pandemic related supply chain issues.

Staff is also implementing a few improvements to the budget. Previously numerous line items were split between different funds and budgets to distribute costs appropriately. This occurs most often in Public Works where two enterprise funds require the distribution of some costs. The splits often lead to excessive administrative time distributing the costs when invoices arrive. The predictable split items are planned to be consolidated into a single transfer in or out saving administrative time within departments and Finance.

Additionally, new funds are being added to improve transparency of less visible accounts such as the Veteran's Memorial. Finally, a couple years ago the Government Finance Officer's Association (GFOA) made changes to their budget award criteria. To ensure we meet these new requirements, staff is working on a significant change to show how our strategic planning work is incorporated into the budget.

The schedule for presentation of the FY22 to the Village Board is:

- | | |
|-------------|---|
| November 1 | Preliminary budget review with Village President and Budget Officer |
| November 9 | Budget document available for review |
| November 11 | Approval of resolution estimating levies |
| November 16 | Budget Workshop |
| December 7 | Public Hearing on Budget |
| December 9 | Final approval of budget |

FINANCIAL IMPACT

None

ATTACHMENTS

None

SUGGESTED DIRECTION

Village Board provide any insight and guidance for the staff to act on in preparation of the FY22 Budget.



REQUEST FOR BOARD ACTION

MEETING DATE: October 12, 2021

DEPARTMENT: Administration

SUBJECT: Agreement for Intergovernmental Cooperation with the Algonquin-Lake in the Hills Fire Protection District

EXECUTIVE SUMMARY

The Village and the Algonquin-Lake in the Hills Fire Protection District (ALFPD) executed an Agreement in June 2001, and amended in September 2003, May 2011, and 2014 to share services and provide for inspections, review of construction plans, enforcement of Fire Code provisions, and collection of fees. In addition to this agreement, and associated amendments, the Village and AFPD have entered into agreements for other fire and safety provisions. The proposed Agreement updates current terms and consolidates associated agreements into one document.

The proposed Agreement includes provisions for annual life safety inspections of existing buildings as well as plan reviews, inspections, and fees for new fire protection systems and new development. This Agreement also provides for permitting, inspections, and testing of fire protection systems as well as provisions for violation enforcement, uninhabitable buildings. This Agreement includes provisions for water service and snow removal at the Pyott Road Fire Station, as well as the provision of CPR/AED training.

FINANCIAL IMPACT

None

ATTACHMENTS

1. Agreement

RECOMMENDED MOTION

Motion to approve an Agreement for Intergovernmental Cooperation with the Algonquin-Lake in the Hills Fire Protection District.

**AGREEMENT FOR PLAN REVIEW, INSPECTIONS, NEW DEVELOPMENT, FIRE CODE ENFORCEMENT, AND INTERGOVERNMENTAL COOPERATION BETWEEN THE VILLAGE OF LAKE IN THE HILLS AND THE ALGONQUIN-LAKE IN THE HILLS FIRE PROTECTION DISTRICT
PERTAINING TO THE FIRE CODE ADOPTED BY THE VILLAGE OF LAKE IN THE HILLS**

This agreement made and entered into this 22nd day of September 2021, by and between the Village of Lake in the Hills, an Illinois municipal corporation ("Village") and Algonquin-Lake in the Hills Fire Protection District, an Illinois municipal corporation ("District").

Witnesseth:

WHEREAS, Article VII., Section 10 of the Constitution of the State of Illinois and the Intergovernmental Cooperation Act, 5 ILCS 220/5 et seq., grants to all local governments, including fire districts and municipalities, the authority to enter into agreements; and

WHEREAS, the District is an Illinois municipal corporation providing fire prevention and life safety services within the Village; and

WHEREAS, an integral part of fire prevention and life safety is the performance of plan reviews and the inspection and enforcement of applicable fire codes.

NOW THEREFORE, in consideration of the mutual promises contained herein and upon further consideration of the recitals set forth, it is hereby mutually agreed by and between the Village and District as follows:

Annual Life Safety Inspections of Existing Buildings

1. The District will inspect every building or structure located within the Corporate Boundaries of the Village and the District, other than single family detached dwelling units and townhouses which do not have a common public area, except as already granted to the District by State Statute, to determine whether such buildings or structures meet the Code of the Village of Lake in the Hills (Hereinafter referred to as "Code").
2. Inspections shall be made by the District as frequently as required in the District's discretion, or as requested by the Village on an emergency basis, depending upon any hazardous conditions which may be present on said property. Reports generated from

inspections shall be provided to the Community Development Department of the Village at a minimum of a monthly basis.

3. There shall be no inspection fees charged for the annual life safety inspections.
4. The District shall bear the responsibility to enforce the associated periodic maintenance and testing of fire protection systems at intervals as set forth by the Code.
5. The District reserves the right to use a third-party vendor for the collection, storage, and distribution of fire protection system testing reports. The Village shall bear no costs associated with the services provided by the third-party vendor. System reports shall be available for review on a monthly basis and shall include information of associated charges.

**Plan Reviews and Life Safety Inspections for New Fire Protection Systems,
And New Developments**

1. The District shall have day to day authority to review fire protection plans for new sites, buildings, and other permit projects types within the Village, to determine whether such proposed projects meet the requirements of the Code.
2. The District shall collect the following fees for their services:
 - a) For projects involving a construction area of 3,000 square feet or less, the project representative will be assessed a flat fee of \$300.00.
 - b) For projects involving a construction area of 3,001 square feet or greater, the project representative will be assessed a fee of \$0.12 per square foot of construction area.
3. Fees outlined in no. 2 above include the following items for each project:
 - All on-site consultations
 - Up to two fire protection system acceptance tests
 - All fire protection system inspections
4. The District will also collect the following fees for each of the following as applicable to the project:
 - Black iron ductwork inspection: \$100.00

- Fire pump test: \$100.00
- Underground fire protection water main test: \$100.00

5. For projects where it is determined that the District must utilize the expertise of a fire protection systems consultant for plan reviews, inspections, or acceptance testing, the project representative shall be responsible for payment of the third-party consultant's fees. The project representative will be provided with the third-party consultant's fee schedule at time of initial project review.
6. Residential developers and sub dividers of land within the boundaries of the District shall pay a one-time contribution fee, per dwelling unit to the District of \$600.00.

Village Permitting

1. Prior to the issuance of a permit, the Village agrees to require a copy of a paid receipt from the District to confirm the project representative has paid the District's required fees and the project is approved for release of permits.
2. The Village will issue permits to the applicant to be posted at the property for fire sprinkler systems, fire alarm systems, and commercial kitchen hood, duct, and fire suppression systems as applicable to the project. Fees for permit issuance shall be as follows:

- Fire Sprinkler systems: \$100.00
- Fire alarm systems: \$100.00
- Kitchen hood and suppression systems: \$100.00

Inspections and Acceptance Testing During Construction

1. The District will provide the Village a written report within 24 hours after any acceptance test or inspection.
2. Should a fire protection system fail its initial two acceptance tests, a fee of \$100.00 will be collected by the District for each additional acceptance test.

General Provisions for Violation Enforcement for Existing Buildings, And New Construction

1. The District agrees to undertake the prosecution of any violations discovered as a result of the District's inspection or testing of the buildings and structures covered in the scope of this Agreement. All associated costs shall be borne by the District and the Village hereby authorizes the District to prosecute said violation on the Village's behalf. Any fines or penalties received, because of any action filed by the District on behalf of the Village, shall be paid to the District.
2. Should a dispute arise between the District and the Village as to an interpretation under the Code and enforcement of same pursuant to said interpretations, the Village reserves the right to resolve the dispute with the property ownership as it deems best in its sole discretion.

Provisions to Post a Building Uninhabitable

Upon consultation with the Village, the District will be deemed to be an Authority Having Jurisdiction to post a building as "Uninhabitable" (red tag) when there is sufficient damage or other qualifying circumstances (i.e. no heat, no water, etc.) to a building to deem said building uninhabitable for human occupancy.

INTERGOVERNMENTAL COOPERATION PROVISIONS

1. Provision of Free Water Service. As part of the consideration agreed upon when it acquired the property at 2 E. Oak Street, the Village agrees to waive the costs of water service to the District for its Fire Station located at 1020 W. Algonquin Road.
2. Snow removal service. The Village agrees to provide snow removal service on the frontage road, but not paved apron, of the District's Fire Station located at 1020 W. Algonquin Road.
3. The District agrees to waive fees assessed to the Village for CPR/AED training by the District to Village Employees, and the District agrees to furnish personnel to provide special duty emergency medical services (EMS), fire services, and rescue services for two (2) Village-sponsored events per year, as agreed upon by the District and the Village.

Additional Provisions

1. The District agrees to indemnify and hold harmless the Village from any and all liabilities and damages that the Village may sustain as a result of this Agreement and/or activities of the District pursuant to the terms of this Agreement, including reasonable attorney

fees and costs incurred by the Village in defending any action brought against it and attributable to this Agreement and/ or actions of the District pursuant of the terms of this Agreement.

2. The District hereby agrees to maintain Commercial General Liability insurance in the amount of \$5,000,000.00 combined single limit per occurrence for bodily injury and property damage and \$1,000,000.00 per occurrence for personal injury. The general aggregate shall not be less than \$10,000,000.00. The Village, its officials, employees, agents and volunteers shall be covered as additional insureds on primary and non-contributory basis as respects liability arising out of the plan review and inspection services provided for under this Agreement. The District will furnish the Village a Certificate of Insurance and original additional insured endorsement (ISO CG 20 10 04 13 or 20 26 04 13) as evidence of required coverage and additional insured.
3. Either party shall have the right to terminate this Agreement upon 60 days written notice to the other party.
4. Notices provided for under this Agreement shall be by certified mail, return receipt requested, directed at the following addresses:

District: Algonquin-Lake in the Hills Fire Protection District
 1020 West Algonquin Road
 Lake in the Hills, IL 60156
 Attention: Fire Chief

Village: Lake in the Hills Village Hall
 600 Harvest Gate
 Lake in the Hills, IL 60156
 Attention: Village Administrator
 Copied to: Community Development Department

This Agreement shall supersede any agreement previously entered into between the parties for plan review, inspections, code enforcement activities, impact fees and other intergovernmental cooperation including water provision, snow plow service, Village-sponsored event-related training and fire protection service, authority to post a building as "Uninhabitable, and waiver of fees assessed to the Village for CPR/AED training.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this
22nd day of September 2021.

Village of Lake in the Hills, an Illinois
municipal corporation

Algonquin-Lake in the Hills Fire Protection
District, an Illinois municipal corporation

Village President, Ray Bogdanowski



Board President, Rick Naatz

ATTEST:

ATTEST:

Village Clerk, Shannon DuBeau



Board Secretary, Charles Teson



REQUEST FOR BOARD ACTION

MEETING DATE: October 12, 2021

DEPARTMENT: Administration

SUBJECT: Northern Illinois Special Recreation Association (NISRA) Pay Request

EXECUTIVE SUMMARY

Staff is seeking authorization to pay membership dues for the Northern Illinois Special Recreation Association (“NISRA”). In February of this year, the Village issued an initial payment to NISRA in the amount of \$18,058.67 to close out NISRA’s FY20/21 membership dues. These dues had been split between the Village’s FY20 and FY21 budget.

NISRA’s FY21/22 membership dues were held at \$54,176, again split between the Village’s FY21 and FY22 budget as depicted in the chart below.

Village Payment Dates	Village Fiscal Year	Amount	NISRA Dues Period
February	2021	\$ 18,058.67	20/21 NISRA Dues
October	2021	\$ 36,117.33	21/22 NISRA Dues
February	2022	\$ 18,058.67	21/22 NISRA Dues
October	2022	\$ 36,117.33	22/23 NISRA Dues

Since the full 2021 expenditure exceeds the \$20,000 threshold, staff requires authorization from the Board in order to issue the remaining \$36,117.33 payment to close out the Village’s 2021 fiscal year. This would bring the FY21 total to \$54,176.00.

The remainder of NISRA’s 21/22 dues would be paid in early 2022. Staff also requests authority to pay the remainder of the 21/22 dues in the amount of \$18,058.67 after January 1, 2022.

FINANCIAL IMPACT

This pay request includes \$18,058.67 to close out the 20/21 NISRA membership dues and an additional \$36,117.33 for 7 months of the 21/22 NISRA membership dues. This totals \$54,176, which is equal to what the Village budgeted for the Village’s 2021 fiscal year.

The \$18,058.67 remaining for the 21/22 dues will be included in the FY 2022 Budget Request for payment after the first of the year.

ATTACHMENTS

None.

RECOMMENDED MOTION

Motion to authorize payment for membership dues to the Northern Illinois Special Recreation Association during FY 2021 in the amount of \$54,176 and payment of the remainder of the 21/22 dues in FY 2022 according to the approved budget.



REQUEST FOR BOARD ACTION

MEETING DATE: October 12, 2021

DEPARTMENT: Administration

SUBJECT: Northern Illinois Special Recreation Association Membership Dues

EXECUTIVE SUMMARY

Staff is seeking the approval of the proposed FY22/23 membership dues for Northern Illinois Special Recreation Association ("NISRA").

The NISRA Board, which is comprised of a representative from each member community, will be voting on their FY22/23 membership dues at their October 20, 2021 Board of Directors meeting. NISRA froze its rates back in 2011, with Lake in the Hills paying \$54,176 each of the past ten years. This year, the NISRA Finance Committee will be recommending its Board of Directors consider an increase to its operating budget using a multiplier of 0.01700; however, this increase will not impact Lake in the Hills for FY22/23.

To explain, NISRA dues are distributed across the member communities by applying a multiplier against the previous year's (2020) EAV ÷ \$100. The bylaws prevent a member's dues from being less than the previous year. In these situations, the dues are frozen for those individual members. The NISRA Finance Committee reviewed multipliers of .017, .01725, and .0175. In each of these alternatives, all entities would be paying the same percentage of EAV with the following exceptions:

- .01700 Multiplier: All entities pay .01700 per \$100 of 2020 EAV except the following five entities pay a higher rate due to frozen dues – Crystal Lake, Lake in the Hills, Marengo, Wauconda, and Woodstock.
- .01725 Multiplier: All entities pay .01725 per \$100 of 2020 EAV except the following three entities pay a higher rate due to frozen dues – Marengo, Wauconda, and Woodstock.
- .01750 Multiplier: All entities pay .01750 per \$100 of 2020 EAV except the following two entities pay a higher rate due to frozen dues – Marengo, and Wauconda.

The Finance Committee's recommendation was to reduce the previously used .0175 multiplier down to a multiplier of .017, which calculates to \$53,826 for Lake in the Hills. However, since the Village's dues cannot go below what was charged in the previous year, the rate would remain at \$54,176 for FY2022/23. The impact on NISRA would be an overall increase of 5.8% in total dues collected.

The Parks and Recreation Board recommended approval at their October 7 meeting by a unanimous vote of 7-0. The Board of Trustees' vote will be brought to the NISRA Board meeting on October 20.

FINANCIAL IMPACT

NISRA dues for the Village would remain at \$54,176 for NISRA's FY2022/23.

ATTACHMENTS

FY2022/23 Proposed Membership Dues (calculated using .0170, .01725, and .0175)

FY2022/23 Draft NISRA Budget

RECOMMENDED MOTION

Motion to Approve the NISRA FY2022/23 membership dues calculated with a .0170 multiplier and resulting in the Village's membership dues remaining at \$54,176.

**Proposed Member Dues
FY2022/23**

(Revised August 30, 2021)

DISTRICT	Original Dues Freeze set by 2011 EAV's	2019 EAV's	FY 21/22 Member Dues	2020 EAV's	FY 22/23 Member Dues	% Change
			Dues Freeze Approved		Proposed Dues(.0170) & Partial Freeze	
Barrington	695,269,666	740,817,074	123,015	742,055,752	126,149	2.55%
Cary	639,959,051	644,067,026	111,993	670,122,077	113,921	1.72%
Crystal Lake	1,594,158,747	1,577,034,222	278,978	1,630,991,306	278,978	0.00%
Dundee Township	1,738,109,249	1,971,339,970	321,377	2,098,491,107	356,743	11.00%
Elgin	2,340,708,535	2,687,948,215	430,318	2,823,243,726	479,951	11.53%
Hampshire	269,696,737	326,134,169	52,789	346,569,509	58,917	11.61%
Harvard	126,977,941	134,436,705	22,221	141,821,069	24,110	8.50%
Huntley	1,332,543,095	1,527,802,561	254,836	1,573,060,439	267,420	4.94%
Lake in the Hills	309,577,783	282,440,613	54,176	316,622,415	54,176	0.00%
Marengo*	144,414,592	135,295,547	25,273	142,288,095	25,273	0.00%
McHenry	711,103,867	708,307,317	124,443	750,779,567	127,633	2.56%
Wauconda*	403,251,731	390,201,753	70,569	400,987,217	70,569	0.00%
Woodstock	553,572,234	529,809,687	96,875	553,895,655	96,875	0.00%
Total	10,859,343,228	11,655,634,859	1,966,863	12,190,927,934	2,080,715	5.79%

Notes:

- Proposed unfrozen dues calculated with 0.0170 rate multiplier
- The Crystal Lake Park District and the Village of Lake In The Hills and City of Woodstock dues would remain frozen as recalculating their dues at 0.0170 would reduce their dues below the previous fiscal years dues.
- The Marengo & Wauconda Park Districts have an EAV that is below the 2011 Levy Year that set the dues freeze and thus will continue to have their

Proposed Member Dues FY2022/23

(Revised August 30, 2021)

DISTRICT	Original Dues Freeze set by 2011 EAV's	2019 EAV's	FY 21/22 Member Dues	2020 EAV's	FY 22/23 Member Dues	% Change
			Dues Freeze Approved		Proposed Dues(.01725)	
Barrington	695,269,666	740,817,074	123,015	742,055,752	128,005	4.06%
Cary	639,959,051	644,067,026	111,993	670,122,077	115,596	3.22%
Crystal Lake	1,594,158,747	1,577,034,222	278,978	1,630,991,306	281,346	0.85%
Dundee Township	1,738,109,249	1,971,339,970	321,377	2,098,491,107	361,990	12.64%
Elgin	2,340,708,535	2,687,948,215	430,318	2,823,243,726	487,010	13.17%
Hampshire	269,696,737	326,134,169	52,789	346,569,509	59,783	13.25%
Harvard	126,977,941	134,436,705	22,221	141,821,069	24,464	10.09%
Huntley	1,332,543,095	1,527,802,561	254,836	1,573,060,439	271,353	6.48%
Lake in the Hills	309,577,783	282,440,613	54,176	316,622,415	54,617	0.81%
Marengo*	144,414,592	135,295,547	25,273	142,288,095	25,273	0.00%
McHenry	711,103,867	708,307,317	124,443	750,779,567	129,509	4.07%
Wauconda*	403,251,731	390,201,753	70,569	400,987,217	70,569	0.00%
Woodstock	553,572,234	529,809,687	96,875	553,895,655	96,875	0.00%
Total	10,859,343,228	11,655,634,859	1,966,863	12,190,927,934	2,106,390	7.09%

Notes:

- Proposed unfrozen dues calculated with 0.01725 rate multiplier
- The City of Woodstock dues would remain frozen as recalculating their dues at 0.01725 would reduce their dues below the previous fiscal years dues rate.
- The Marengo and Wauconda Park Districts have an EAV that is below the 2011 Levy Year that set the dues freeze and thus will continue to have their dues frozen.

Proposed Member Dues FY2022/23

(Revised August 30, 2021)

DISTRICT	Original Dues Freeze set by 2011 EAV's	2019 EAV's	FY 21/22 Member Dues	2020 EAV's	FY 22/23 Member Dues	%
			Dues Freeze Approved		Proposed Dues(.0175)	Change
Barrington	695,269,666	740,817,074	123,015	742,055,752	129,860	5.56%
Cary	639,959,051	644,067,026	111,993	670,122,077	117,271	4.71%
Crystal Lake	1,594,158,747	1,577,034,222	278,978	1,630,991,306	285,423	2.31%
Dundee Township	1,738,109,249	1,971,339,970	321,377	2,098,491,107	367,236	14.27%
Elgin	2,340,708,535	2,687,948,215	430,318	2,823,243,726	494,068	14.81%
Hampshire	269,696,737	326,134,169	52,789	346,569,509	60,650	14.89%
Harvard	126,977,941	134,436,705	22,221	141,821,069	24,819	11.69%
Huntley	1,332,543,095	1,527,802,561	254,836	1,573,060,439	275,286	8.02%
Lake in the Hills	309,577,783	282,440,613	54,176	316,622,415	55,409	2.28%
Marengo*	144,414,592	135,295,547	25,273	142,288,095	25,273	0.00%
McHenry	711,103,867	708,307,317	124,443	750,779,567	131,386	5.58%
Wauconda*	403,251,731	390,201,753	70,569	400,987,217	70,569	0.00%
Woodstock	553,572,234	529,809,687	96,875	553,895,655	96,932	0.06%
Total	10,859,343,228	11,655,634,859	1,966,863	12,190,927,934	2,134,181	8.51%

Notes:

- Proposed unfrozen dues calculated with 0.0175 rate multiplier
- The Marengo and Wauconda Park Districts have an EAV that is below the 2011 Levy Year that set the dues freeze and thus will continue to have their dues frozen.

NORTHERN ILLINOIS SPECIAL RECREATION ASSOCIATION
PRELIMINARY DRAFT FY 2022/23 Budget
September 15, 2021

DRAFT

REVENUE:

ACCOUNT TITLE	ACTUAL FY 19/20	ACTUAL FY 20/21	APPROVED FY 21/22	PROJECTED 21/22 Year End	DRAFT FY 22/23
3010	MEMBER DUES				
3011	BARRINGTON	121,672	123,015	123,015	126,149
3012	CARY	111,993	111,993	111,993	113,921
3013	CRYSTAL LAKE	278,978	278,978	278,978	278,978
3014	DUNDEE	304,169	321,377	321,377	356,743
3015	HARVARD	22,221	22,221	22,221	24,110
3016	MARENGO	25,273	25,273	25,273	25,273
3017	MCHENRY	124,443	124,443	124,443	127,633
3018	WAUCONDA	70,569	70,569	70,569	70,569
3019	WOODSTOCK	96,875	96,875	96,875	96,875
30191	HUNTLEY	233,195	254,836	254,836	267,420
30192	HAMPSHIRE	47,197	52,789	52,789	58,917
30193	ELGIN	409,624	430,318	430,318	479,951
30194	LITH	54,176	54,176	54,176	54,176
TOTAL	MEMBER DUES	1,900,385	1,966,863	1,966,863	2,080,715
3020	PROGRAM FEES				
3021	NORTHWEST	21,585	78,035	20,100	20,000
3022	CENTRAL	42,761	3,513	27,000	22,000
3023	EASTERN	25,878	2,686	20,100	13,000
30231	SOUTHERN	28,242	643	22,860	14,000
3024	TRIPS	16,267	3,646	9,300	0
3025	MENTAL HEALTH	12,764	24,031	5,200	9,000
30251	CULTURAL ARTS	23,103	2,251	20,000	17,000
3026	SPECIAL OLYMP.	38,913	6,613	35,000	28,000
3027	LEISURE ED.	0	0	0	0
3028	SPECIAL EVENTS	28,763	1,327	25,000	20,000
3029	DAY CAMP	106,569	10,139	105,000	30,000
30291	ADULT DAY PROG	82,739	24,736	59,000	60,000
30295	ADULT DAY SERV	13,323	2,500	9,000	30,000
TOTAL	PROGRAM FEES	440,907	116,212	357,560	263,000
3030	PURCH. OF CARE	26,914	0	15,000	15,934
3035	RESPIRE SERVICES	17,717	11,918	16,000	14,000
3040	INTEREST				
3041	GEN. ACCOUNT	88	47	60	50
3042	LIQ. ASSET	6,023	5,354	4,000	4,000
30421	HARRIS Bank	302	385	400	300
3044	C.L. BANK	481	5	150	28
3045	HOME STATE	327	60	90	70
3047	MCHENRY SAVGS	395	310	300	300
3048	AMERICAN COMM	1,628	304	400	150
TOTAL	INTEREST	9,244	6,465	5,400	4,898
3050	EQUIP. DISPOSAL	11,280	4,888	2,000	5,851
3051	FACILITY RENTAL	3,590	70	1,500	70
3070	CONTRIBUTIONS				
3072	BAUW	3,475	3,100	3,000	0
3073	SERVICE ORG.	0	0	0	580
3074	TOWNSHIPS	13,500	8,500	13,500	8,500
3075	FOUNDTN-PROG	181,237	105,960	135,000	103,839
3076	GRANTS	0	0	0	0
3078	BUSINESS/INDIV.	0	0	0	0
3079	REG./SO SPONS.	0	0	0	0
30791	FOUNDTN-PERS	35,000	35,000	35,000	35,000
3080	MISC REVENUE	2,775	1,630	2,200	1,600
TOTAL	CONTRIBUTIONS	235,987	154,190	188,700	149,519



REQUEST FOR BOARD ACTION

MEETING DATE: October 12, 2021

DEPARTMENT: Public Works

SUBJECT: Reed Road Resurfacing Project Award Concurrence

EXECUTIVE SUMMARY

Staff seeks concurrence from the Village Board of Trustees to allow the Illinois Department of Transportation (IDOT) to award the Reed Road Resurfacing project to Plote Construction, Inc.

The Village received Surface Transportation Program (STP) grant funding in 2021 to resurface a .23-mile section of Reed Road that it owns and maintains. As part of the STP process earlier this year, IDOT sought bids from companies to resurface Reed Road from North Lakewood Road to Normandy Lane. On September 17, 2021, IDOT notified staff that Plote Construction, Inc. is the apparent low bidder with a price of \$125,400. Plote's low bid is \$34,624 over the estimated construction cost of \$90,776. While IDOT's procurement process makes it challenging to identify all of the factors that contributed to the higher than anticipated low-bid, the Village's roadway engineering consultant, Chastain and Associates believes that petroleum cost increases contributed to the higher than anticipated bid. Chastain staff are currently investigating the possibility of receiving additional STP funds; however, if they are successful, the Village would only be able to receive up to an additional \$7,262.10, or ten percent of the original STP construction phase grant amount.

In January, the Village Board approved the appropriation of \$29,662 of Village MFT funds for this project. Unless the Village receives additional STP grant funding, an additional \$34,624 of Village MFT funds will be needed for a total Village project cost of \$64,286, as shown in the table below. Staff are waiting to hear back from IDOT to find out if the Village needs to pass a revised IDOT Resolution to appropriate additional MFT Funds for this project. However, in order to ensure that the project is performed this year, IDOT is requesting the Village Board's concurrence of their recommendation to award the construction portion of this project to Plote Construction.

Phase	Total Cost	STP Cost	Village Cost
Phase 1 & 2 - Engineering	\$10,000	n/a	\$10,000
Phase 3 - Construction	\$125,400	\$72,621	\$52,779
Phase 4 - Construction Engineering	\$7,535	\$6,028	\$1,507
Total	\$142,935	\$78,649	\$64,286

FINANCIAL IMPACT

The 2021 Village Budget includes \$90,776 for this project in the Motor Fuel Tax Fund. Plote's low bid of \$125,400 is \$34,624 over budget. However, staff do not anticipate that a budget amendment will be needed as the annual MFT road resurfacing project was awarded at \$69,781.77 under the budget and the final unit costs for the project are not expected to exceed the awarded amount.

ATTACHMENT

1. Bid Results

RECOMMENDED MOTION

Motion of concurrence from the Village Board of Trustees to allow the Illinois Department of Transportation (IDOT) to award the Reed Road Resurfacing project to Plote Construction, Inc.

Illinois Department of Transportation
As Accepted Tabulation of Bids
For Letting: 09/17/2021

Run Time 09/17/2021 12:11 PM

Letting Item: 061	Contract: 61H21	District: 1
Route: FAU 4075	Section: 21-00038-00-RSLAKE IN THE HILLS	County: McHenry
	Project: L44X(748)	

Contract Description: Resurfacing Reed Road from the west village limits to Lakewood Road in the Village of Lake in the Hills.

4813	Plote Construction, Inc.	
	1100 Brandt Drive	\$125,400.00
	Hoffman Estates, IL 60192	
	Phone: (847) 695-9300	
	Fax: (847) 695-9317	
	bids@plote.com	
0231	Arrow Road Construction Co.	
	1445 Oakton Street	\$141,700.00
	Elk Grove Village, IL 60007	
	Phone: (847) 437-0700	
	Fax: (847) 437-6887	
	bids@arrowroad.com	
0280	Peter Baker & Son Co.	
	1349 Rockland Road	\$143,669.91
	Lake Bluff, IL 60044	
	Phone: (847) 362-3663	
	Fax: (847) 362-0707	
	john@peterbaker.com	
5378	Schroeder Asphalt Services, Inc.	
	PO Box 831	\$156,550.27
	Huntley, IL 60142	
	11022 Grant Hwy.	
	Marengo, IL 60152	
	Phone: (815) 923-4380	
	Fax: (815) 923-4389	
1305	Curran Contracting Company	
	286 Memorial Court	\$167,101.84
	Crystal Lake, IL 60014	
	Phone: (815) 455-5100	
	Fax: (815) 455-7894	
	estimating@currancontracting.com	
2044	Geske and Sons, Inc.	
	400 E. Terra Cotta Ave.	\$178,415.11
	Crystal Lake, IL 60014	
	Phone: (815) 459-2407	
	Fax: (815) 459-2465	
	mike@geskeasphalt.com	

This list is an aid and is not intended to be an all-inclusive list of potential bidders. It is the responsibility of the bidder, subcontractor or vendor to determine who is bidding on a project.

Illinois Department of Transportation
As Accepted Tabulation of Bids
For Letting: 09/17/2021

Run Time 09/17/2021 12:11 PM

Letting Item: 061
Route: FAU 4075

Contract: 61H21
Section: 21-00038-00-RSLAKE IN THE
HILS
Project: L44X(748)

District: 1
County: McHenry

Contract Description: Resurfacing Reed Road from the west village limits to Lakewood Road in the Village of Lake in the Hills.

3315 A Lamp Concrete Contractors, Inc.

1900 Wright Blvd
Schaumburg, IL 60193
Phone: 847891600
estimating@alamconcrete.com

\$184,692.45

0103 Alliance Contractors, Inc.

1166 Lake Avenue
Woodstock, IL 60098
Phone: (815) 338-5900
Fax: (815) 338-9109
estimating@alliancecontractors.com

(No Bid)



REQUEST FOR BOARD ACTION

MEETING DATE: October 12, 2021

DEPARTMENT: Public Works

SUBJECT: Arrow Energy Aviation Fuel Change Order #1

EXECUTIVE SUMMARY

Staff seeks Board approval of a Resolution and change order with Arrow Energy to increase the purchase order for the procurement of aviation fuel from \$278,786.10 to \$384,526.65.

The Village entered into contract with Arrow Energy in March of 2019 for the purchase and delivery of aviation fuel for the Lake in the Hills Airport. Earlier this year, a purchase order was approved in the amount of \$278,786.10 to buy aviation fuel from Arrow Energy in 2021 for resale at the Airport. So far this year, pricing for the purchase and delivery of aviation fuel has been higher than anticipated. As such, staff requests an increase to the 2021 purchase order with Arrow Energy from \$278,786.10 to \$384,526.65 to ensure the Airport has enough aviation fuel to sell to customers through the end of this year.

FINANCIAL IMPACT

The Village's 2021 budget includes \$278,786.10 for the purchase of aviation fuel for resale. Increasing the purchase order with Arrow Energy from \$278,786.10 to \$384,526.65 will exceed the budget by \$105,740.55. Staff does not believe that a budget amendment will be necessary as the 2021 Airport Fund has sufficient funds because it contains funding for the runway improvement project, which is now scheduled for next year. Further, this increase in the budget projection will be offset by the revenue from the sale of aviation fuel, which is now projected to be \$459,835.00.

ATTACHMENTS

1. Resolution
2. Change Order

RECOMMENDED MOTION

Motion to approve a Resolution and change order with Arrow Energy to increase the purchase order for the procurement of aviation fuel from \$278,786.10 to \$384,526.65.

VILLAGE OF LAKE IN THE HILLS

RESOLUTION NO. 2021-_____

A Resolution approving Change Order 1 to increase the purchase order for aviation fuel with Arrow Energy from \$278,786.10 to \$384,526.65

WHEREAS, the Village of Lake in the Hills approved a three-year contract for the purchase of aviation fuel from Arrow Energy on March 14, 2019; and

WHEREAS, Village staff purchases aviation fuel throughout the year for the airport resale purposes; and

WHEREAS, the Board of Trustees of the Village of Lake in the Hills has determined that the circumstances said to necessitate the foregoing purchase order increase were not reasonably foreseeable at the time the purchase order with Arrow Energy was approved, the change is germane to the original contract as signed and the change order is in the best interest of the Village of Lake in the Hills as authorized by law;

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, State of Illinois.

SECTION 1: The foregoing recitals are hereby incorporated herein as if fully set forth as findings of the President and Board of Trustees.

SECTION 2: The change listed above set forth in this resolution is incorporated herein and made a part hereof, shall be hereby approved.

SECTION 3: This Resolution shall constitute the written determination required by Section 33E-9 of Article 33E of the Criminal Code of 1961 and shall be in full force and effect from and after its adoption.

Passed this 14th day of October, 2021 by roll call vote as follows:

	Ayes	Nays	Absent	Abstain
Trustee Stephen Harlfinger	_____	_____	_____	_____
Trustee Bob Huckins	_____	_____	_____	_____
Trustee Bill Dustin	_____	_____	_____	_____
Trustee Suzette Bojarski	_____	_____	_____	_____
Trustee Diane Murphy	_____	_____	_____	_____
Trustee Wendy Anderson	_____	_____	_____	_____
President Ray Bogdanowski	_____	_____	_____	_____

APPROVED THIS 14th DAY OF OCTOBER, 2021

Village President, Ray Bogdanowski

(SEAL)

ATTEST:

Village Clerk, Shannon DuBeau

Published: _____

CHANGE ORDER

No. One

Project: Spending Authority for Aviation Fuel Date Prepared: September 30, 2021

Owner: Village of Lake in the Hills
9010 Haligus Road
Lake in the Hills, Illinois 60156

Contractor: Arrow Energy
1404 Industrial Drive, Ste 3
Saline, MI 48176-9495

Project Manager: Michael Peranich

Contract: Aviation Fuel for Resale

Project No: _____

You are directed to make the following changes in the Contract Documents.

Description:

Increase the spending authority from \$278,786.10 to \$384,526.65.

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIME:
Original Contract Price <u>\$278,786.10</u>	Original Contract Time <u>No change</u> <small>days or date</small>
Previous Change Orders NO. 1 <u>None</u>	Net change from previous Change Orders <u>No change</u> <small>days</small>
Contract Price prior to this Change Order <u>\$278,786.10</u>	Contract Time Prior to this Change Order <u>No change</u> <small>days or date</small>
Net Increase / decrease of this Change Order <u>\$105,740.55</u>	Net Increase or decrease of this Change Order <u>No change</u> <small>days</small>
Contract Price with all approved Change Orders <u>\$384,526.65</u>	Contract Time with all approved Change Orders <u>No change.</u> <small>days or date</small>

<p>RECOMMENDED</p> <p>Date: <u>10-4-21</u></p> <p style="text-align: center;"><i>Michael Peranich</i></p> <p>By: <u>LITH Airport</u> Airport Manger</p>	<p>AGREED</p> <p>Date: <u>10-4-21</u></p> <p style="text-align: center;"><i>[Signature]</i></p> <p>By: <u>Arrow Energy</u> Contractor</p>	<p>APPROVED</p> <p>Date: _____</p> <p>By: <u>Village of Lake in the Hills</u> Owner</p>
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REQUEST FOR BOARD ACTION

MEETING DATE: October 12, 2021

DEPARTMENT: Public Works

SUBJECT: Airport Ground Lease for Hangar PAP-42

EXECUTIVE SUMMARY

Staff seeks to enter into a twenty-year ground lease for hanger PAP-42 with John Kirchner.

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. John Kirchner is requesting a new ground lease on hangar PAP-42. This lease is for the period of October 15, 2021 through October 14, 2041. The lease includes an option to renew for four additional five-year terms.

Mr. Kirchner has signed the appropriate lease form and submitted acceptable proof of insurance.

FINANCIAL IMPACT

The Airport Fund will receive \$2,390.04 annually from the ground lease and another \$264 from electrical fees, subject to annual increases approved by ordinance.

ATTACHMENTS

1. Proposed Ordinance
2. PAP-42 Ground Lease

RECOMMENDED MOTION

Motion to approve the Ordinance and authorize the Village President and Village Clerk to sign the ground lease for Hangar PAP-42 with John Kirchner.

VILLAGE OF LAKE IN THE HILLS

ORDINANCE NO. 2021-_____

**An Ordinance Authorizing the Approval of a Ground Lease
between the Village of Lake in the Hills and John Kirchner
for PAP-42**

WHEREAS, the Village of Lake in the Hills, McHenry County, Illinois, is a home rule municipality as contemplated under Article VII, Section 6, of the Constitution of the State of Illinois, and the passage of this Ordinance constitutes an exercise of the Village's home rule powers and functions as granted in the Constitution of the State of Illinois.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lake in the Hills, McHenry County, Illinois, as follows:

SECTION 1: That the President is hereby authorized to enter into a Ground Lease between the Village and John Kirchner for PAP-42 at the Lake in the Hills Airport:

SECTION 2: If any section, paragraph, subdivision, clause, sentence or provision of this Ordinance shall be adjudged by any Court of competent jurisdiction to be invalid, such judgment shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4: This Ordinance shall be in full force and effect upon its passage, approval and publication in pamphlet form (which publication is hereby authorized) as provided by law.

Passed this 14th day of October, 2021 by roll call vote as follows:

	Ayes	Nays	Absent	Abstain
Trustee Stephen Harlfinger	_____	_____	_____	_____
Trustee Bob Huckins	_____	_____	_____	_____
Trustee Bill Dustin	_____	_____	_____	_____
Trustee Suzette Bojarski	_____	_____	_____	_____
Trustee Diane Murphy	_____	_____	_____	_____
Trustee Wendy Anderson	_____	_____	_____	_____
President Ray Bogdanowski	_____	_____	_____	_____

APPROVED THIS 14th DAY OF OCTOBER, 2021

Village President, Ray Bogdanowski

(SEAL)

ATTEST: _____
Village Clerk, Shannon DuBeau

Published: _____

VILLAGE OF LAKE IN THE HILLS
LAKE IN THE HILLS AIRPORT GROUND LEASE

THIS GROUND LEASE (this “Lease”) made and entered into at Lake in the Hills, Illinois, this 15th day of October, 2021 by and between the Village of Lake in the Hills, an Illinois municipal corporation (the “Lessor”) and John Kirschner (the “Lessee”).

WITNESSETH:

WHEREAS, the Lessor does hereby let and lease to the Lessee the parcel of property depicted on Exhibit A attached to and by this reference incorporated into this Lease at the Lake in the Hills Airport (the “Airport”), which parcel of property is commonly known as:

[PAP-42]

Lot dimensions 42’3” X 18’ by 16’5” X 20’7” (The “Premises”).

ARTICLE 1: TERM; RENEWAL

1.01 This Lease shall commence on October 15, 2021, and shall continue for a period of 20 years and shall terminate October 14, 2041 (the “Initial Term”) unless sooner terminated as hereinafter provided.

1.02 The Lessee shall have the option to renew this Lease for four (4) additional terms of five years (the “Extension Terms”), which Extension Terms shall commence on the day immediately following the last day of the then existing Term, provided (i) that the Lessee notifies the Lessor in writing (the “Extension Notice”) at least 60 days prior to the expiration of the existing Term that the Lessee intends to renew this Lease for one of the Extension Terms; (ii) that the Lessee is not in default of any obligation or duty imposed upon it by this Lease; and (iii) that the Lessor may increase, modify, or otherwise alter, for the Extension Terms, the amount of rent paid by the Lessee. The Lessor shall notify the Lessee in writing of any rent increase (the “Rental Increase Notice”) within 30 days of receipt of the Extension Notice. In the event the Lessee determines that the rental increase is unreasonable, the Lessee shall have 10 days after Lessor’s delivery of the Rental Increase Notice to elect to terminate this Lease. In the event the Lessee elects to terminate this Lease pursuant to the terms of this Article 1.02, then the Lessee shall provide the Lessor with written notice (the “Termination Notice”) of its intention to do so no later than 10 days after the Lessor’s delivery of the Rental Increase Notice. In the event the Lessor does not receive the Termination Notice within the 10-day period of time, it shall be conclusively presumed that the Lessee has elected not to terminate this Lease

ARTICLE 2: USE

2.01 The Premises shall be used, occupied, and maintained by the Lessee for the sole purpose of supporting an Aircraft Hangar/Storage facility (the “Hangar”) for aircraft owned or leased by the Lessee and for lease for storage of other aircraft, and uses reasonably incidental thereto, and for no other purpose (the “Approved Uses”).

2.02 The Lessee shall not conduct any business activities or aviation-related activities other than the Approved Uses, unless the Lessee shall also have a separate and valid commercial activity agreement with the Lessor. The Lessee shall comply with (a) all applicable governmental laws, ordinances, codes, rules, and regulations and applicable orders and directions of public officers thereunder and (b) all requirements of carriers of insurance on the Premises respecting all matters of occupancy, condition, maintenance, and use of the Premises, whether any of the foregoing shall be directed to the Lessee or the Lessor, including but not limited to any environmental laws or regulations by any local, state, or federal government and the Airport rules and regulations.

2.03 The Lessee agrees to occupy the entire Premises and to properly maintain and operate the Approved Uses at all times during the term(s) of this Lease.

2.04 The Lessee shall be entitled to the non-exclusive use, in common with other users, of the public facilities of the Airport solely for the purpose of ingress and egress to and from the Premises. The Lessee shall not use the public areas for the transient or permanent tie-down of aircraft or for any purposes other than as expressly permitted by this Lease.

2.05 The Lessee shall, at the Lessee's own expense, comply with all present and hereinafter enacted environmental laws, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6941 et seq., Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., Safe Drinking Water Act, 42 U.S.C. Section 300 et seq., the Clean Air Act, 42 U.S.C. Section 7401 et seq., and the regulations promulgated thereunder and any other laws, regulations, and ordinances (whether enacted by the local, state or federal governments) now in effect or hereinafter enacted, that deal with the regulation or protection of the environment and hazardous materials. The Lessee shall not cause or permit any hazardous material to be used, generated, manufactured, produced, or stored on, under, or about the Premises. The Lessee shall not keep on the Premises any inflammables, such as gasoline, kerosene, naphtha, or benzine or other volatile chemicals or compounds or explosives or any other articles of intrinsically dangerous nature, except such materials and equipment commonly related to airplane maintenance. The Lessee further shall indemnify, defend, and hold harmless the Lessor from and against any and all liability, loss, damage, expense, penalties, and legal and investigation fees or costs arising from or related to any claim or action for injury or liability brought by any person, entity or governmental body, alleging or arising in connection with contamination of, or adverse effects on, the environment of the Premises.

ARTICLE 3: RENT

3.01 The amount of rent payable to the Lessor (the "Rent") is set forth on the rent schedule ("the Rent Schedule") attached to and by this reference incorporated into this Lease as Exhibit B. The Rent, during the Initial Term and any Extension Term, is subject to an increased adjustment by the Lessor on an annual basis based on the following: the current year's Rent multiplied by the Consumer Price Index (the "CPI") for the Chicago Metropolitan Area, up to a maximum 10 percent increase over the current year's rent. The CPI to be used for the preceding calculation shall be the CPI available for the most recent 12 month period. The first month's Rent shall be paid upon the execution of this Lease and each month's Rent thereafter shall be paid in advance on or before the first day of a calendar month during the term(s) of this Lease.

Rent for any partial calendar month within the Term shall be prorated on a per diem basis assuming a 30-day month.

3.02 The Lessee agrees to pay all rent and any other amount owing hereunder on the due date thereof to the Lessor at its office at 600 Harvest Gate, Lake in the Hills, Illinois, or to such other person at such other address as the Lessor may from time to time designate in writing. The Lessee hereby agrees that the Lessee's obligation to pay such rent and other amounts shall be absolute and unconditional under all circumstances, including, without limitation, the following circumstances: (a) any setoff counter-claim, recoupment, defense, or other right that the Lessee may have against the Lessor, or anyone else for any reason whatsoever; (b) any damage to, loss, or destruction of the Premises or any interruption or cessation in the use or possession thereof by the Lessee for any reason whatsoever, unless directly caused by the negligent acts of Lessor; (c) any insolvency, bankruptcy, reorganization, or similar proceedings by or against the Lessee; and (d) any other event or circumstance whatsoever, whether or not similar to any of the foregoing. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statutes or otherwise, to terminate, cancel, quit, or surrender any portion of the Premises hereunder except in accordance with the expressed terms hereof. If for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise, except in the event of termination without the fault of Lessee or termination upon change of ownership in accordance with Article 12 of this Lease, or dis-affirmed by the Lessee, all remaining rent payments which would have become due and payable in accordance with the terms hereof had this Lease not been terminated or dis-affirmed in whole or part shall become immediately due and payable. Each rent or any other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

3.03 The Lessee shall also pay the Lessor a late charge upon payment of Rent after the tenth day of any month in the amount of 10 percent of the amount owed. Payment of a late charge to the Lessor shall in no way interfere with the Lessee's obligation to pay Rent on the first day of each month. Payment by the Lessee of a late charge shall not be deemed a waiver of or otherwise limit the Lessor's remedies under this Lease.

ARTICLE 4: LESSOR'S RIGHT TO RELOCATE LESSEE

4.01 The Lessee acknowledges that at any time during the term(s) of this Lease, the Lessor may need to relocate the Hangar to another comparable location at the Airport (the "Relocation"). In the event the Lessor determines in its sole and absolute discretion that Relocation is necessary, the Lessor shall provide the Lessee with 30 days written notice of its intention to relocate. The Hangar will be relocated to another location that, in the sole discretion of the Lessor, is comparable to the Premises, and the definition of the "Premises" shall be revised to reflect the new location. The Lessor will pay for the following costs of Relocation: preparation of the new site, relocation of the Hangar and hangar facilities onto the new site, and all costs directly associated with the Relocation. The Lessee shall have no right to reimbursement from the Lessor for any costs incurred by the Lessee as a result of the Relocation, except for reasonable costs incurred by the Lessee as a result of Lessor's Relocation actions.

4.02 The Lessor shall not be responsible for theft, loss, injury, damage, or destruction of the Hangar or of any aircraft or other property on the Premises during the Relocation. The Lessee hereby releases and discharges the Lessor for the loss of or damage to the Lessee's property, except for that loss or damage arising out of the Lessor's negligence during the Relocation.

ARTICLE 5: CONDITION OF PREMISES; REPAIR

5.01 The Lessee has inspected the Premises and accepts the Premises in an "as is" condition. The Lessee acknowledges that its decision to enter into this Lease was based on its own knowledge and analysis and not on any representations by the Lessor, and the Lessee waives any and all claims against the Lessor in connections therewith. At the termination of this Lease, the Lessee shall, at Lessee's sole expense, remove the Hangar, including any foundation, and restore the Premises to a natural state, including grading and grass seeding.

5.02 The Lessee agrees, at its sole cost and expense, to repair, replace, or reconstruct the Hangar and other improvements located on the Premises that are damaged or destroyed by fire or other casualty, or required to be repaired, removed, or reconstructed by any governmental or military authority. Such repair, replacement, or reconstruction shall be accomplished within such time as may be reasonable under the circumstances after allowing for delays caused by strikes, lockouts, acts of God, fire, extraordinary weather conditions, or any other cause or casualty beyond the reasonable control of Lessee (the "Reasonable Time Period"). The design and specifications of such repair, replacement, or reconstruction shall be as determined by Lessee; but such work shall restore the Premises to not less than its condition prior to said need for repair.

ARTICLE 6: COVENANTS

The Lessee agrees to all of the following covenants:

(a) The Lessee shall not commit, suffer, or allow to be committed or suffered any acts of waste on the Premises, or commit or permit to be committed any acts which will in any way constitute a public or private nuisance or an unlawful or immoral act. Only the Approved Uses shall be permitted.

(b) All maintenance to the Hangar (b) other improvements or any repair of damages to same from any cause shall be the sole responsibility of the Lessee and shall be made in the Reasonable Time Period and at the Lessee's expense (unless such damage was caused by the negligence of the Lessor) and same shall comply fully with all applicable laws, ordinances, and other government regulations, codes, and directions.

(c) The Lessee shall not erect or install any sign of any kind anywhere in or on the Premises without the specific prior written consent of the Lessor. In addition, the Lessee shall not use any broadcast or audio advertising media, including but not limited to loudspeakers, phonographs, or radio or television broadcasts, in a manner visible or audible outside of the Hangar.

(d) The Lessee shall not install any exterior lighting or plumbing fixtures, shades, or awnings or exterior decoration or paintings or build any enclosures or audio or television antenna, loudspeakers, sound amplifiers, or similar devices on the roof or exterior walls of the Hangar without the specific prior written consent of the Lessor.

(e) The Lessee shall store all trash and garbage within proper receptacles in the Hangar and around the Premises. The Lessee shall not burn any trash or garbage of any kind in or about the Premises.

ARTICLE 7: REMEDIES

7.01 In the event of any default by the Lessee with respect to any of the events below and the Lessee's failure to cure said default within 10 days after written notice thereof by the Lessor, the Lessor may immediately terminate this Lease and/or the Lessee's right to possession hereunder, and pursue any other remedy available to the Lessor at law or in equity and including, without limitation, those remedies set forth at the end of this Article, upon the happening of one or more of the following events:

- (a) The making by the Lessee of an assignment for the benefit of the creditors without the written consent of the Village Administrator;
- (b) The operation or supervision of any business other than the Approved Uses conducted in the Premises by the Lessee, or by anyone else, except only with the prior specific written consent of the Lessor;
- (c) The levying of a writ of execution or attachment on or against the property of the Lessee;
- (d) The doing, or permitting to be done, by the Lessee of any act which creates a mechanic's lien or claim therefor against the Premises or any part of the Premises;
- (e) The failure of the Lessee to pay any Rent when due, which shall not be in lieu of any statutorily prescribed remedies for the Lessee's failure to pay Rent but shall be in addition thereto;
- (f) If the estate created hereby shall be taken in execution or by other process of law or if proceedings are instituted in a court of competent jurisdiction for the reorganization, liquidation, or voluntary or involuntary dissolution of the Lessee or composition for the benefit of a creditor or for its adjudication as a bankrupt or insolvent, or for the appointment of a receiver of the property of the Lessee for any purpose and said proceedings are not dismissed, and any receiver, trustee, or liquidator appointed therein discharged within 10 days after the institution of said proceedings;
- (g) Any failure of the Lessee to keep and perform fully any of its covenants under this Lease;

- (h) The abandonment of the Premises by the Lessee or the discontinuance by the Lessee of the proper maintenance and operation of the Approved Uses for a consecutive period of three months or longer;
- (i) If the Lessee is a corporation, the sale of any of the Lessee's stock pledged for any purpose, whether by virtue of execution or otherwise.

7.02 Upon the event of a default hereunder by the Lessee, the Lessor shall have the right to cure the default, at its option, by any means reasonably necessary. In such event, the Lessee shall reimburse the Lessor for all reasonable costs incurred by the Lessor in curing the default.

7.03 Upon the termination of this Lease or the Lessee's right to possession hereunder, the Lessor may re-enter the Premises using such force as may be necessary and in compliance with applicable law and remove all persons, fixtures, property and equipment therefrom and the Lessor shall not be liable for damages or otherwise by reason of re-entry or termination of possession of the term of this Lease. Upon termination of either the Lessee's right to possession or the Lease, the Lessor shall be entitled to recover immediately an amount equal to the minimum rent for the balance of the term less the amount of any minimum rental obtained from any other lessee for the balance of the term in the event the said premises are re-let. Upon and after entry into possession without termination of this Lease, the Lessor may, but need not, re-let the Premises or any part thereof for the account of the Lessee for such rent, for such time and upon such terms as the Lessor in its sole discretion shall determine.

ARTICLE 8: TAXES

The Premises is owned by the Lessor and is currently tax-exempt. Therefore, in the event the Lessee's operations on the Premises cause a tax to be assessed against, levied upon, or otherwise become payable in respect of the Premises or the use thereof, the Lessee shall pay all taxes relating to the Premises or to this Lease, including all real estate taxes, personal property taxes and leasehold taxes, unforeseen as well as foreseen, that are assessed against, levied upon and become payable in respect of the Premises or the use thereof during the term(s) of this Lease; provided, however, that in the event such taxes are imposed as a result of Lessor's actions under the Lease, then the Lessee shall not be responsible for said taxes. Such payment of taxes by Lessee shall be in addition to the payment of Rent.

ARTICLE 9: INSURANCE; INDEMNIFICATION

9.01 The Lessee shall, at Lessee's sole cost, during the entire term hereof, keep in full force and effect a policy of airport liability and property damage insurance with respect to the Hangar and the Premises or any other occupant of the Premises, in which the limits of public liability shall not be less than \$1 million per occurrence. The policy shall name the Lessor and its trustees, officers, employees, attorneys, legal representatives, and agents as additional insureds and shall contain a clause that the insurer will not cancel or change the insurance without first giving the Lessor 30 days prior written notice thereof. The insurance shall be with companies licensed to do business in the State of Illinois. The insurance shall be in a form reasonably acceptable to the Lessor and a copy of the policy and a certificate of insurance shall be delivered

to the Lessor prior to the commencement hereof. In the event the Lessee shall fail to procure said insurance, the Lessor may, but shall be under no obligation to, procure such insurance in which event the Lessee agrees to pay to the Lessor, as additional rent, the amount of premium therefore on the first day of the month following the month in which the Lessor notifies the Lessee of the amount of premium due hereunder.

9.02 The Lessee, shall at the Lessee's sole cost, during the entire term hereof, keep in full force and effect a policy for fire and property damage insurance with respect to the Hangar and all other Lessee property contained on the Premises, as well as all other improvements on the Premises, in such amount and form, and with such companies, as the Lessor may reasonably determine. The Lessee shall, from time to time, as requested by the Lessor, deliver certificates of such insurance verifying coverage to the Lessor.

9.03 Except only to the extent otherwise prohibited by law, the Lessee covenants and agrees to indemnify and hold harmless the Lessor and its trustees, officers, employees, attorneys, legal representatives, and agents from any and all losses, claims, damages, costs, or expenses, including attorney's fees, the Lessor may be required to pay as a result of acts and/or omissions of the Lessee or any agent of the Lessee.

ARTICLE 10: SUBORDINATION

The parties to this Lease desire that this Lease be prior in lien to all other documents, including mortgages, trust deeds, or other encumbrances that may hereafter be recorded against the Premises. Lessee agrees to subordinate any mortgage, trust deed, or other encumbrance that may hereafter be placed on the Premises, or to any advances to be made thereunder and to interest thereon and all renewals, replacements, and extensions thereof, to this Lease; and the Lessee agrees to execute any instrument or instruments which the Lessor may reasonably, at the Lessor's sole and complete discretion, require to effect such subordination, provided that the Lessee and its successors and assigns shall have the right to freely, peaceably, and quietly occupy and enjoy the full possession and use of said premises as long as the Lessee shall not be in default under this Lease, and subject to the Lessor's right to relocate the Lessee as set forth in Article 4 of this Lease. In the event of any mortgagee, trustee, or encumbrancer notifying the Lessee to that effect, this Lease shall be deemed prior in lien to said mortgage, trust deed, or encumbrance whether or not this Lease is dated prior to or subsequent to the date of said mortgage, trust deed, or encumbrance.

ARTICLE 11: IMPROVEMENTS; MECHANIC'S LIENS

11.01 This Section 11.01 is applicable if the Premises are unimproved as of the effective date of this Lease. During the term of this Lease, unless this Lease shall be sooner terminated in accordance with the terms hereof; the Lessee, at its sole cost and expense, shall construct or place on the Premises the Hangar and related improvements in accordance with the Lessee's plans and specifications as set forth in Exhibit C attached to and by this reference incorporated into this Lease (the "Plans"). The Hangar and related improvements shall be constructed in accordance with all applicable federal, state and local laws, codes, ordinances, and regulations and shall have the specific prior written approval of the Lessor.

11.02 All repairs, construction, modifications, alterations, or changes made by the Lessee to the Premises shall be done or contracted for only with the Lessor's specific prior written consent, which the Lessor may withhold for any reason that the Lessor deems sufficient. Notwithstanding anything to the contrary herein, no alterations to the Premises are allowed during the term(s) of this Lease except for the construction of the Hangar and related improvements. Any of the foregoing that the Lessee undertakes shall be done at the Lessee's sole cost and expense and none of the foregoing nor any other act shall be allowed or suffered which may create any mechanic's lien or claim for lien against the Premises. In the event any lien or claim for lien upon the Lessor's title or the Premises results from any act or neglect of the Lessee, and the Lessee fails to remove said lien or dismiss such claim for lien within 10 days after the Lessors notice to do so, the Lessor may, but need not, remove the lien or satisfy such claim for lien by paying the full amount thereof without any investigation or contest of the validity or amount thereof and the Lessee shall pay the Lessor promptly upon demand, and as additional rent, the amount paid out by the Lessor, including the Lessor's costs, expenses, and counsel fees.

ARTICLE 12: ASSIGNMENT OR SUBLETTING

The Lessee agrees not to assign, encumber, or in any manner transfer this Lease or any interest hereunder and not to permit the use or occupancy of the Premises, whether by license, concession or otherwise by anyone other than the Lessee without the specific prior written consent of the Lessor (which consent shall not be unreasonably denied); provided, however, that the Lessee may sublet the Premises for the remainder of the then existing Term with the prior written consent of the Lessor (which consent shall not be unreasonably denied) and subject to the terms of this Lease. Any assignment or subletting permitted hereunder shall not be deemed to relieve the Lessee of its obligation to pay rental and perform its other obligations hereunder. Consent by the Lessor of one assignment or one subletting or one use or occupancy of the Premises shall not constitute a waiver of the Lessor's rights under this Article as to any subsequent assignments, subletting, or use or occupancy. If the Lessee is a corporation or partnership, and if, during the term of this Lease, the ownership of the shares of stock or partnership interests which constitute control of the Lessee changes by reason of sale, gift, death, or otherwise, the Lessee shall provide the Lessor with written notice and confirmation of the new owner's intent to be bound by the terms of the Lease, along with evidence of the new owner's financial information to insure that the new owner is capable of performing the obligations set forth in this Lease. In the event the Lessor concludes, in the exercise of its discretion, that the new owner is not capable of performing the obligations under this Lease, the Lessor may at any time thereafter terminate this Lease by giving the Lessee written notice of such termination at least 30 days prior to the date of termination stated in the notice. Receipt of rent after such change of control shall not affect the Lessor's rights under the preceding sentence.

ARTICLE 13: UNTENANTABILITY

In the event that the Hangar shall be destroyed or so damaged by fire, explosion, windstorm, or other casualty as to be untenable, the Lessee shall within the Reasonable Time Period secure the Hangar and restore it in accordance with the terms of this Lease and rents due hereunder shall not be abated.

ARTICLE 14: SURRENDER OF PREMISES; HOLD OVER

14.01 At the expiration of the tenancy hereby created, whether by lapse of time or otherwise, or upon termination of the Lessee's right of possession, the Lessee shall immediately surrender possession of the Premises to the Lessor in good condition, and shall remove the Hangar and all other improvements therefrom. If such possession is not immediately surrendered, then the Lessor may immediately enter the Premises and possess itself thereof and remove all persons and effects therefrom using such force as may be necessary and in compliance with applicable law. If the Lessee shall fail or refuse to remove all of the Lessee's property from the Premises, then the Lessee shall be conclusively presumed to have abandoned the same, and title thereto shall thereupon pass to the Lessor without any cost either by set-off; credit, allowance, or otherwise, and the Lessor may at its option accept title to such property, or at the Lessee's expense may remove the same or any part thereof in any manner that the Lessor shall choose and store the same without incurring liability to the Lessee or any other person.

14.02 It is agreed and understood that any holding over by the Lessee of the Premises at the expiration or cancellation of this Lease shall operate and be construed as a tenancy from month to month at a rental of three times the current monthly rental, and in addition the Lessee shall be liable to the Lessor for all loss or damage on account of any holding over against the Lessor's will after the expiration or cancellation of this Lease, whether such loss or damage may be contemplated at this time or not. No receipt or acceptance of money by the Lessor from the Lessee after the expiration or cancellation of this Lease or after the service of any notice, after the commencement of any suit, or after any judgment for possession of the Premises, shall reinstate, continue or extend the terms of this Lease, or affect any such notice, demand, or suit or imply consent for any action for which the Lessor's consent is required or operate as a waiver of any right of the Lessor to retake and resume possession of the Premises and remove the structures.

ARTICLE 15: COSTS AND FEES

The Lessee shall pay upon demand all of the Lessor's costs, charges, and expenses, including fees of attorneys, agents, and others retained by the Lessor, incurred in enforcing any of the obligations of Lessee under this Lease or in any litigation, negotiation, or transaction in which the Lessor shall, without the Lessor's fault, become involved through or on account of this Lease. In the event it becomes necessary for either party hereto to file suit to enforce this Lease or any provision contained herein, the prevailing party in such suit shall be entitled to recover, in addition to all other remedies or damages provided for in this Lease, reasonable attorneys' fees and costs incurred in such suit at trial or on appeal or in connection with any bankruptcy or similar proceeding.

ARTICLE 16: SUCCESSORS AND ASSIGNS

The terms, covenants, and conditions hereof shall be binding upon, apply and inure to the benefit of the heirs, executors, administrators, successors in interest and assigns of; the parties hereto. No rights, however, shall inure to the benefit of any assignee or sub-lessee of the Lessee except only if such assignment or sublease has been specifically consented to by the Lessor in writing as provided herein.

ARTICLE 17: REMEDIES CUMULATIVE

All rights and remedies of the Lessor enumerated in this Lease shall be cumulative and none shall exclude any other right or remedy allowed by law, and said rights and remedies may be exercised and enforced concurrently as often as occasion therefor arises.

ARTICLE 18: ESTOPPEL CERTIFICATE

Each party agrees at any time and from time to time, upon not less than 20 days prior written request by the other, to execute, acknowledge, and deliver to the other a statement in writing certifying that this Lease is unmodified and in full force and effect and the date to which the rental and other charges have been paid in advance, if any, it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser of this leasehold or the fee, or mortgagee or assignee of any mortgage upon this leasehold or the fee of the Premises.

ARTICLE 19: MISCELLANEOUS

19.01 The necessary grammatical changes required to make the provisions of this Lease apply to the past, present, and future and in the plural sense where appropriate and to corporations, associations, partnerships, or individuals, male or female, shall in all instances be assumed as though in each case fully expressed.

19.02 The laws of, but not the conflicts of law rules of, the State of Illinois shall govern the validity, performance, and enforcement of this Lease.

19.03 The headings of several articles contained herein are for convenience only and do not limit or construe the contents of the articles.

19.04 All of the covenants of this Lease are independent covenants. If any provisions of this Lease are found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, then the remainder of the Lease will not be affected, and in lieu of each provision which is found to be illegal, invalid, or unenforceable, there will be added as part of this Lease a provision as similar to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

19.05 Notwithstanding any other provision to the contrary herein, either Lessor or Lessee may, in its sole discretion, terminate this Lease upon 30 day's written notice to the other party.

ARTICLE 20: NOTICES

Any notices required or desired to be given under this Lease shall be in writing and (i) personally served, (ii) given by certified mail, return receipt requested, (iii) given by overnight express delivery, or (iv) given by facsimile transmission, with any such facsimile transmission confirmed by next business day overnight express delivery. Any notice shall be addressed to the party to receive it at the following address or at such other address as the party may from time to time direct in writing:

To the Lessee at:

John Kirschner
4006 E Crystal Lake Avenue
Crystal Lake, Illinois 60014

and to the Lessor at:

Village of Lake in the Hills
600 Harvest Gate
Lake in the Hills, Illinois 60156
Attention: Village Administrator

with a copy to:

Village of Lake in the Hills
600 Harvest Gate
Lake in the Hills, Illinois 60156
Attention: Airport Manager

Express Delivery notices shall be deemed to be given upon receipt. Postal notices shall be deemed to be given three days after deposit with the United States Postal Service. Facsimile notices shall be deemed given upon the date of transmission, provided that compliance is made with the remaining obligations of this Article 20.

ARTICLE 21: PRIOR AGREEMENTS

This Lease replaces and supersedes any other written or oral prior agreement, arrangement, or understanding between the Lessee and the Lessor or its agent, which prior agreement(s) shall be considered null and void and of no further effect whatsoever as of the date hereof.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year above.

[LESSOR] VILLAGE OF LAKE IN THE HILLS

By: _____
Village President

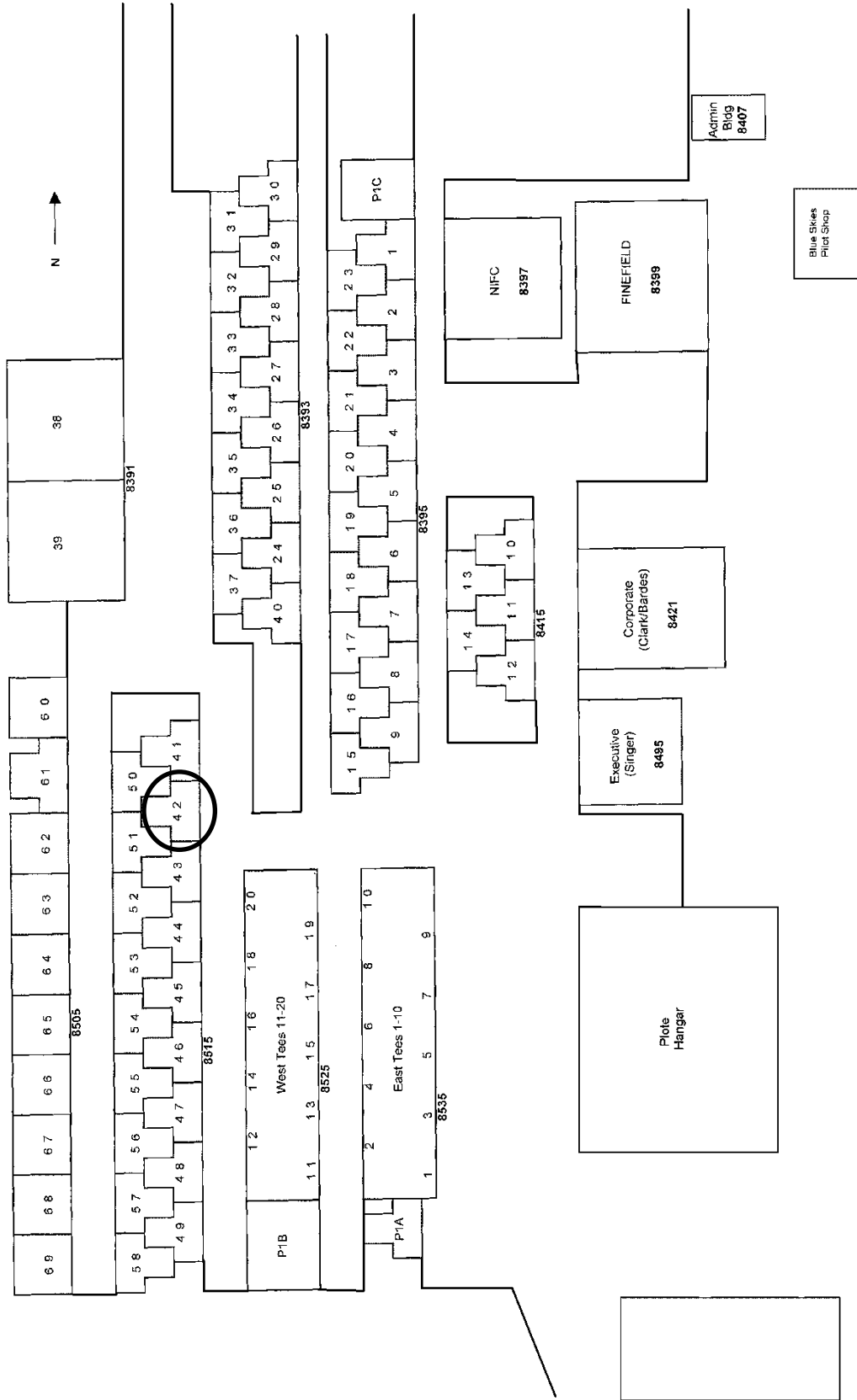
Attest: _____
Village Clerk

[LESSEE] John Kirschner

By: John Kirschner

Title: OWNER

EXHIBIT A PREMISES



**EXHIBIT B
RENT SCHEDULE**

Village Owned Facility Leases and Tie Downs

Description	Rate	Frequency
Hard surface tie downs	\$90.00	Monthly
Grass tie downs	\$60.00	Monthly
East and West T-Hangar Building Leases	\$299.00	Monthly
Maintenance Hangar Building Lease	\$2,881.78	Monthly
8603 Pyott Road Building Lease	\$2,075.91	Monthly

Overnight Transient Storage

Description	Rate	Frequency
Grass Tie Down	\$5.00*	Daily
Hard Surface Tie Down or Ramp Area	\$10.00*	Daily
T-Hangar	\$30.00	Daily

*\$5 or \$10 respectively of the overnight transient fees will be waived if the aircraft operator purchases at least 15 gallons of aviation fuel in conjunction with that overnight stay.

Land Leases

Description	Rate	Frequency
Square Hangars	\$12.42*	Cents per Month
T-Hangar Size A (39'3" x 14'8"; 16'6" x 14'7" approx..)	\$191.45	Monthly
T-Hangar Size B (42'3" x 18'; 16'5" x 20'7" approx..)	\$199.17	Monthly
T-Hangar Size C (46' x 21'; 19'6" x 23'8" approx..)	\$214.58	Monthly

*Per square foot of land area occupied based on the outside perimeter of the structure (rounded to the nearest foot) unless otherwise specified in the lease.

**Private Hangar Electrical Service Fee
Monthly Fee by Breaker Size and Configuration**

Breaker Size (Amps)	Monthly Fee (USD)	Comments
20	\$6	Single breaker serves 3 individual hangars
20	\$11	Single breaker serves 2 individual hangars
20	\$22	Fee per individual breaker
30	\$33	Fee per individual breaker
40	\$44	Fee per individual breaker
50	\$56	Fee per individual breaker
60	\$67	Fee per individual breaker

**EXHIBIT B
RENT SCHEDULE**

Disconnect/Reconnect – Electrical

If a tenant makes a request to the Village to disconnect Village provided electrical service to a private hangar, the disconnection may be completed subject to review to ensure it is feasible to complete the request. If the request is approved the tenant will not be allowed to reconnect to the Village provided electrical service for a period of 12 months. The 12-month period shall start on the date the electrical is disconnected to the private hangar. After the 12-month period, the tenant can submit a request to reconnect to the Village provided electrical service. The Village will charge a fee of \$65.00 to reconnect the Village provided electrical service.

Non-Aeronautical Storage

The following non-aeronautical storage lease rates shall be effective upon execution of a new lease:

Area in Square Feet	Monthly Rental Rate
10x10	\$33
10X30	\$75

Waiver to Late Fees

If a late fee is assessed according to the lease, a request to waive the late fee may be considered by the Village Finance Department. The late fee may be waived in the event all of the following conditions are met:

1. A written request to waive the late fee must be presented to the Finance Department; and
2. The Finance Department must receive the written request to waive the late fee by the last business day of the month the payment was due and was not received until after the 10th of the same month; and
3. The tenant has displayed a good payment history during the preceding 12 months. A good payment history shall be defined as having a) no late fees posted to the account, and b) no late fee waiver requested for the account during the preceding 12 months and c) no returned payments associated with the account.

**EXHIBIT C
PLANS**

Not applicable.