



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

COMMITTEE OF THE WHOLE MEETING

OCTOBER 12, 2021

Call to Order

The meeting was called to order at 7:30 pm.

Roll call was answered by Trustees Harlfinger, Huckins, Anderson, and President Bogdanowski. Trustee Murphy was absent.

Motion to allow Trustees Dustin and Bojarski to attend telephonically was made by Trustee Huckins and seconded by Trustee Anderson. On roll call vote, Trustees Anderson, Huckins, and Harlfinger voted Aye. No Nays. Motion carried.

Also present were Village Administrator Fred Mullard, Assistant Village Administrator Shannon Andrews, Chief of Police Mary Frake, Finance Director Pete Stefan, Public Works Director Tom Migatz, Community and Economic Development Director Josh Langen, Village Attorney Brad Stewart, and Village Clerk Shannon DuBeau.

Presentation

Parks and Recreation Board Member and Waste Reduction Action Team Chairperson Cecilia Carman presented the Village Board with a Sustainability Committee proposal. The committee's mission would be creating an environmentally friendly village with many avenues for community education and involvement.

Cecilia currently has three potential committee members and would like to move forward with representation from the Village Board.

Village Attorney Brad Stewart explained that a Standing Committee is Village appointed and therefore operates under the laws of the Open Meetings Act. Alternatively, an Informal Committee is not recognized by the Village and is therefore not subject to formalities. After much discussion, the Board voiced support for the informal formation of a sustainability committee.

Cecilia announced that a Sustainability Summit focusing on food waste will be hosted by the Waste Reduction Action Team on January 31, 2022.

Audience Participation

None.

Administration

Informational Item Concerning 2022 Budget Progress

Presented by Village Administrator Fred Mullard

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



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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 of years ago the Government Finance Officers' 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.

Schedule for Presentation of the FY22 to the Village Board

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

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

Trustee Huckins asked for a status update on the Strategic Plan development. Administrator Mullard stated that initiatives are being finalized.

Trustee Dustin asked if all COVID-19 Stimulus funds have been exhausted. Administrator Mullard stated that FEMA funds are still available. The Village has received the first stage of its American Rescue Plan Act funds. Allocation of these funds is still being planned. Administrator Mullard will distribute a full report on these funds to the Board.



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Request to Approve an Agreement for Intergovernmental Cooperation with the Algonquin-Lake in the Hills Fire Protection District

Presented by Village Administrator Fred Mullard

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 and 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.

Staff recommends a motion to approve an Agreement for Intergovernmental Cooperation with the Algonquin-Lake in the Hills Fire Protection District.

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

Request to Authorize Payment for Northern Illinois Special Recreation Association (NISRA) Membership Dues

Presented by Assistant Village Administrator Shannon Andrews

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.

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.



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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

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.

Staff recommends a 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.

President Bogdanowski noted that these dues are the same as 2 years ago. Trustee Huckins questioned if the Village is benefitting enough to justify the cost of membership. Assistant Administrator Andrews explained that the Village currently has a strong recreation team. Thus, we are in a good position to use more resources, making membership more valuable than in previous years.

When asked about participation levels, Assistant Administrator Andrews stated that NISRA is being used as a key resource for accommodating special needs in the Village's programs. Trustee Huckins asked if NISRA offers a consulting program as an alternative. Administrator Mullard stated that a group of residents utilize programs with accommodations on a regular basis, therefore, a consulting program would not be a beneficial option.

Neighboring communities holding NISRA membership include Crystal Lake, Cary, Huntley, Marengo, McHenry, Woodstock, Barrington, Elgin, Hampshire, and Harvard.

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

Request for Approval of Northern Illinois Special Recreation Association Membership Dues

Presented by Assistant Village Administrator Shannon Andrews

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



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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.

Staff recommends a 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.

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

Public Works

Request for Reed Road Resurfacing Project Award Concurrence

Presented by Public Works Director Tom Migatz

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

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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.

Staff recommends a 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.

Trustee Huckins asked for clarification on the portion of Reed Road being resurfaced. Director Migatz stated that 0.23 miles starting at Lakewood Road will be included in this project. It was then explained that Reed Road alternates jurisdiction between Lake in the Hills and Huntley.

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

Request for Arrow Energy Aviation Fuel Change Order #1

Presented by Public Works Director Tom Migatz

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.



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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.

Staff recommends a 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.

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

Request for Airport Ground Lease for Hangar PAP-42

Presented by Public Works Director Tom Migatz

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.

Staff recommends a 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.

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



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Board of Trustees

As the Parks and Recreation liaison, Trustee Anderson mentioned that the Lake in the Hills Triathlon may be eliminated due to cost. She also reported that the masterplan for Larson Park improvements will be presented to the Village Board around February 2022.

Trustee Huckins announced a partnership between the People for Parks Foundation and the Parks and Recreation Board for the revival of Run thru the Hills.

In regard to the Triathlon, President Bogdanowski recommended looking into options.

President

President Bogdanowski mentioned a collaboration with Huntley. Administrator Mullard explained that our Public Works Departments will be teaming up to increase lighting near the school crosswalk located on Haligus Road.

Adjournment

A motion to adjourn the meeting was made by Trustee Harlfinger and seconded by Trustee Huckins. On roll call vote, Trustees Dustin, Huckins, Bojarski, Harlfinger, and Anderson voted Aye. No Nays. Motion carried.

There being no further business to discuss, the Committee of the Whole meeting was adjourned at 8:37 pm.

Submitted by,

A handwritten signature in cursive script that reads "Shannon DuBeau".

Shannon DuBeau
Village Clerk