



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

Committee of the Whole Meeting

December 8, 2020

Call To Order

The meeting was called to order at 7:32 p.m. Present were Trustees Harlfinger, Huckins, Dustin, Bogdanowski, Bojarski, Murphy and President Ruzanski.

Also present were Village Administrator Fred Mullard, Assistant Village Administrator Shannon Andrews, Interim Finance Director Wayde Frerichs, Chief of Police Dave Brey, Public Works Director Tom Migatz, Interim Community Development Director Ann Marie Hess, Village Attorney Brad Stewart and Village Clerk Cecilia Carman.

Pledge of Allegiance was led by President Ruzanski.

Audience Participation: None at this time.

Administration:

Authorization for Indemnification - Presented by Assistant Village Administrator Shannon Andrews- According to state statute, the creation of a liability against the Village requires Board approval. As such, staff is requesting Board approval to proceed with three contracts that contain liability in the indemnification clause of their Terms of Service. This approval and authorization is required prior to completing the transaction, despite the transaction being within the spending authority of the Village Administrator or Department Heads.

The Village currently has the following three purchases that include indemnification clauses requiring Board approval:

ArchiveSocial - The Administration Department, Police Department, and the Lake in the Hills Airport utilize social media archiving software to retain social media records in compliance with the Freedom of Information Act (FOIA).

KnowBe4.com – Security Awareness Training planned for FY21 to educate staff on how they can help protect the Village’s network by recognizing phishing or other cyber-attacks.

Comcast Business Services – The Village currently utilizes E-Vergent for internet services to Village Hall and Comcast Business Services for both Public Works and Police. Bringing Comcast Business Services to Village Hall will improve the network speed and increase productivity.

Each of the indemnification clauses have been attached for your review.

Financial Impact: The 2021 budget request includes funds for the following expenditures:

1. ArchiveSocial in the amount of \$4,788.00
2. KnowBe4 in the amount of \$2,500.00
3. Comcast Business Services to Village Hall is \$1,866.16

Staff recommends a motion to approve and authorize the Village Administrator to execute the ArchiveSocial Terms of Service.

Staff recommends a motion to approve and authorize the Village Administrator to execute the KnowBe4.com Terms of Service.

Staff recommends a motion to approve and authorize the Village Administrator to execute the Comcast Business Services Terms of Service. Motion was made to place these items on the Village Board Agenda.

Ordinance Ratifying the Liquor Commissioner’s Authorization of Sale of Alcoholic Beverages with Carryout, Curbside Pickup, and Delivery Orders - Presented by Village Administrator Fred Mullard- With the transition of Tier 1 COVID-19 restrictions directed by the Governor, indoor dining is shutdown. In the same manner that similar restrictions were put in place in the Spring, the Liquor Commissioner authorized expanded sale of alcoholic beverages pursuant to state statutes. An ordinance is presented to ratify the decision of the Liquor Commissioner authorizing sale of alcoholic beverages with carryout, curbside pickup, and delivery orders in liquor license classifications A, A-1, and D. This would be in effect through June 2, 2021, or until the prohibition of indoor dining/drinking is discontinued, whichever occurs first.

Staff recommends a motion to approve an ordinance ratifying the Liquor Commissioner’s authorization of sale of alcoholic beverages with carryout, curbside pickup, and delivery orders. Motion was made to place this item on the Village Board Agenda.

Ordinance Amending Chapter 3, Section 3.07, Administrator, Subsection B “Duties” of the Municipal Code - Presented by Village Administrator Fred Mullard-Staff requests the Board consider a change to the Municipal Code to delegate authority to negotiate and execute short-term leases of Village property to the Village Administrator. Short-term leases of Village property are primarily for Airport hangar leases, but may also include other properties. State statutes would require Village Board action on more than 20 of these leases every year. The statute, 65 ILCS 5/11- 76-1, allows delegation of the authority for leases not exceeding two years. Amending Chapter 3 of the Municipal Code will allow the Village Administrator to execute short-term leases.

Staff recommends a motion to approve an Ordinance amending Chapter 3, Section 3.07, Village Administrator, of the Lake in the Hills Municipal Code. Motion was made to place this item on the Village Board Agenda.

Ordinance – 2021 Fiscal Year Budget - Presented by Village Administrator Fred Mullard- Attached is the proposed Budget Ordinance for the 2021 Fiscal Year as discussed at the budget workshop held on November 17, 2020. The proposed budget was made available to the public on November 13, 2020 via the Village’s website at www.lith.org and at Village Hall. The public hearing is scheduled for Tuesday, December 8, 2020 at 7:15 p.m. at Village Hall.

Financial Impact: The total fund balance draw down across all 19 funds of the Village is a net (\$648,487) which is addressed in detail on pages 26 – 27 of the FY 2021 Annual Budget document. A summary of the most pertinent changes in fund balances are summarized below:

General Fund – (\$828,322)

- The decrease in fund balance is driven primarily by lower revenue projections across almost all revenue sources due to the COVID-19 pandemic. There is a projected decrease of -\$828,322 in the General Fund fund balance as of December 31, 2021. This drawdown represents approximately 4.6% of the FY 21 budgeted expenditures of \$18.2 million. As a result of a 1,200,000 CURE Grant, the General Fund is projected to add just over \$1,600,000 in FY 20, putting fund balance reserves at 93%. The drawdown in FY 21 will put reserves at 79%.

Lakes Projects Fund – (\$309,321)

- The Lake Projects Fund is responsible for the quality of the lakes located in the Village. The fund balance is projected to decrease by -\$309,321 due to engineering and construction costs associated with the Reach 11 streambank stabilization project. This fund is estimated to have approximately \$502,581 in fund balance at the start of FY 21. The ending fund balance is estimated to be roughly \$193,260 at the end of FY 21 due to using the money for the aforementioned project during the year.

Special Service Area #5 (SSA #5) Fund – (\$141,586)

- This fund was established to account for costs related specifically to the Spring Lake Farm South subdivision. The fund balance is projected to decrease by -\$141,586 mainly due to the Wedgewood pond stabilization project scheduled in FY 21. These funds are earmarked for providing services and for future capital improvements and projects for this area.

Airport O & M Fund – (\$139,616)

- This fund accounts for the operating and maintenance expenses of the airport operations and also the construction of airport improvements including federal and state funded projects. The fund balance is expected to decrease by -\$139,616 due to engineering and construction costs related to a runway expansion project and the corresponding loss of fuel sales revenue due to temporary runway closures.

Capital Improvement Plan (CIP) Fund – (\$103,395)

- This fund accounts for all the capital asset purchases and projects of the General Fund and operating departments. The fund balance is projected to decrease by -\$103,395. The CIP Fund is the only fund that will end FY21 with a projected fund balance less than 25% of prior year operating expenses. The main reason for the drawdown is the result of a transfer to the General Fund in the amount of \$230,000. Additionally, projects have been scrutinized and prioritized, some were postponed and some were eliminated in order to operate within the limits of the Fund's dedicated revenue source, utility taxes.

Water O & M Fund – \$776,703

- The Water Operating and Maintenance Fund is designated for the installation and maintenance of the Village's water system, while also accounting for the construction of water system improvements which expand the capacity of the water system and funding capital equipment and other project expenditures. The fund balance is projected to increase by \$776,703 as a result of the completion of the SSA #51 water main project, which accounts for a majority of the projected - \$769,262 decrease in FY 20. Fund revenues are projected to decrease slightly in FY 21 but in the absence of any additional large capital project expenditures, the fund balance is expected to increase by the aforementioned \$776,703. The increase to fund balance will be used for future capital projects related to the water system, as well as helping to limit increases to water user rates in the future.

Motor Fuel Tax (MFT) Fund – \$97,434

- This fund accounts for capital improvements to the Village’s streets and bridges. The fund balance is projected to increase by \$97,434 during FY 21 due to the receipt of REBUILD Illinois grant money that will need to be spent within a year. The projected fund balance at the end of FY 21 is expected to be \$2,169,555 which will be allocated to future street capital improvement projects.

Staff recommends a motion to approve the attached ordinance establishing a Budget for the Village of Lake in the Hills for the 2021 Fiscal year. Motion was made to place this item on the Village Board Agenda.

Finance:

Ordinance – 2020 Tax Levy Abatement - Presented by Interim Finance Director Wayde Frerichs- Attached is an ordinance providing for the abatement of the \$104,200 levy which will be extended by the County Clerk pursuant to Ordinance Number 2019-34 adopted on August 22, 2019 in connection with the issuance of the \$1,495,000 General Obligation Bonds, Series 2019 bond issue for the water main replacement project located specifically in Special Service Area #51.

Attached is an ordinance providing for the abatement of the \$67,050 levy which will be extended by the County Clerk pursuant to Ordinance Number 2012-08 adopted on February 23, 2012 in connection with the issuance of the \$1,275,000 General Obligation Refunding Bonds, Series 2012 bond issue for the refunding of the 2003 Debt Certificates issued to finance safety improvements at the airport.

The Village budgeted to pay for the above debt issuances through the Special Service Area #51 property tax levy and through operating revenues from the Airport Operating & Maintenance Fund. Accordingly, abatement ordinances must be filed to prevent the extension of property taxes to all Village parcels in connection with these bond issuances.

Staff recommends a motion to approve the attached ordinances. Motion was made to place this item on the Village Board Agenda.

Ordinance – 2020 Tax Levy -Presented by Interim Finance Director Wayde Frerichs- For the 11th consecutive year the Village is pleased to propose a no increase or flat property tax levy on behalf of our residents and businesses. The Village Board and staff are keenly aware of our state’s extremely high property tax burden and realize keeping our portion flat for the past decade has been helpful and appreciated by our community.

The proposed amount to be levied for corporate and special purpose property taxes for 2020 is \$5,481,747 which is a 0.0% change from the 2019 tax extension of \$5,481,747. The 2020 tax levies for debt service in the Water Fund for G.O. Bonds Series 2019 (SSA #51) in the amount of \$104,200 and in the Airport Fund for G.O. Bonds Series 2012 in the amount of \$67,050 are proposed to be abated entirely for a total of \$171,250. The estimated tax rate is expected to decrease by (9.9%) from 0.743190 to 0.717149 due to the projected 3.63% increase in EAV. The proposed 2020 levy of \$5,481,747 can be summarized as follows:

Levy	Amount
Corporate	\$ 1,674,610
Police Pension	\$ 1,634,382
Social Security	\$ 714,582
Police Protection	\$ 544,880
IMRF	\$ 438,403
Worker’s Compensation	\$ 270,000

Liability Insurance	\$ 191,250
Audit	\$ 13,640
Total 2020 Tax Levy	\$ 5,481,747

Financial Impact: The property tax levy accounts for approximately 31.6% of the total General Fund revenue for FY 2021.

Staff recommends a motion to approve the attached ordinance for the Levy of Taxes for the Village of Lake in the Hills for 2020. Motion was made to place this item on the Village Board Agenda.

Ordinance – 2020 Special Service Area Tax Levies - Presented by Interim Finance Director Wayde Frerichs- Attached are twelve separate ordinances for the 2020 Special Service Area (SSA) Tax Levies.

As discussed during the FY 2021 budget presentation, the 2020 levies for each of the twelve Special Service Areas range from \$700 for SSA #8C to \$127,320 for SSA #2 and represent a 16.7% decrease from the 2019 tax levy across the SSA Funds. SSA 51 was not setup as a separate fund, it is accounted for within the Water Fund financials. The SSA 51 levy increased due to both annual interest payments being levied as opposed to just one last year and the levy is based on the amortization table for the bond payoff schedule and will fluctuate year to year until maturity in 2039, some years will go up and some go down. The overall SSA levies therefore decreased by 8.9% from the 2019 SSA levies. The combined levies for all twelve Special Service Areas total \$483,240.

Staff recommends a motion to approve the attached ordinances establishing a tax levy for the twelve Special Service Areas within the Village of Lake in the Hills for 2020.

Trustee Dustin asked the status of SSA 10. Interim Finance Director Wayde Frerichs explained SSA 10 is no longer active.

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

Public Works:

Consideration of Approval for Professional Engineering Services for Fiscal Year 2021-Presented by Public Works Director Tom Migatz For Fiscal Year 2020 (FY20), Lake in the Hills departed with tradition and engaged the services of three engineering firms to focus on different aspects of Village needs. Through an evaluative process consisting of a Request for Statement of Qualifications (RSQ) and direct interviews, the Village chose the following three firms to focus on various needs as outlined below:

- Baxter & Woodman, Inc-Village and Development Services Engineer
- Christopher B. Burke Engineering, LTD.-Stormwater and Lakes Engineer
- Chastain and Associates-Motor Fuel Tax and Transportation Infrastructure Design Engineer

To prepare for FY21, staff met with representatives of each firm to discuss the contract and secure updated rate sheets. All three firms performed satisfactorily during the initial contract period and staff recommends renewing the contract for each.

The attached master agreements will serve as the base documents for all engineering services provided by the three firms and all task orders that meet or exceed \$20,000.00 will go before the Board for approval.

Financial Impact: Village staff will approve Task Orders below \$20,000.00 while Task Orders exceeding \$20,000.00 will come before the Board for approval.

Staff recommends a motion to approve a master contract with Baxter & Woodman, Inc. for professional engineering services from January 1, 2021 through December 31, 2021.

Staff recommends a motion to approve a master contract with Christopher B. Burke Engineering, LTD. for professional engineering services from January 1, 2021 through December 31, 2021.

Staff recommends a motion to approve to approve a master contract with Chastain & Associates, LLC. for professional engineering services from January 1, 2021 through December 31, 2021.

Trustee Bojarski commented there were many resident complaints this year concerning the work by Chastain and asked if they were addressed. Public Works Director Tom Migatz stated these issues were brought to their attention and were discussed thoroughly.

Motion was made to place these items on the Village Board Agenda.

Building Lease for 8399 Pyott Road Maintenance Hangar - Presented by Public Works Director Tom Migatz-Staff seeks Board approval to enter into a five-year lease with two optional one-year extensions for the property at 8399 Pyott Road occupied by Finefield Aviation, Inc.

The Lake in the Hills Airport Rules and Regulations require airport tenants to enter into applicable leases, licenses, or storage agreements for Village-owned hangars and buildings. Finefield Aviation has been a long time tenant at the airport dating back to at least 2001, renting the village-owned building at 8399 Pyott Road. Finefield's lease will end on January 12, 2021. The lease renewal requested is for the period of January 13, 2021 through January 12, 2026 with two optional one-year extensions.

James Finefield has signed the appropriate lease form and already has acceptable proof of insurance on file.

Financial Impact: The Airport Fund will receive \$34,581.36 annually from the building lease. Finefield Aviation is responsible for all utilities associated with the building.

Staff recommends a motion to authorize the Village President and Village Clerk to sign the building lease for 8399 Pyott Road with Finefield Aviation, Inc. Motion was made to place this item on the Village Board Agenda.

Ordinance Amending the Lake in the Hills Airport Private Hangar Electrical Service Fees - Presented by Public Works Director Tom Migatz- One of the fees charged by the Lake in the Hills Airport to tenants who lease hangar space is a monthly private hangar electrical service fee ("Electrical Service Fee"). The intent of the Electrical Service Fee is to reimburse the Village for electricity used by private hangars. Determination of the rate is based on the size of the circuit breaker in each hangar as well as electricity invoices from the previous year (October to October). Staff separates electrical service costs for public uses such as airfield lighting, navigational aides, the fuel tanks, and the airport office from private hangar use as the Electrical Service Fee does not reimburse these costs. Fiscal Year 2020 saw a decreased cost for

electricity, primarily due to the elimination of separate supply and delivery providers. The following table illustrates the proposed rates for Fiscal Year 2021 and represents a reduction ranging between 15.38% and 22.22%. The proposed Ordinance reflects that reduction for the upcoming fiscal year:

Breaker Size (AMP)	Monthly Fee (USD)	Comments
20	\$9 \$7	Single breaker serves 3 individual hangars
20	\$13 \$11	Single breaker serves 2 individual hangars
20	\$26 \$21	Fee per individual breaker
30	\$38 \$32	Fee per individual breaker
40	\$51 \$43	Fee per individual breaker
50	\$64 \$54	Fee per individual breaker
60	\$77 \$64	Fee per individual breaker

Financial Impact: Staff estimates the new electrical fees will bring \$18,180 in revenue to the airport operating fund.

Staff recommends a motion n to approve an Ordinance amending the Lake in the Hills Airport Private Hangar Electrical Service Fees. Motion was made to place this item on the Village Board Agenda.

Informational Item - Airport Transportation Improvement Program Requests for 2021 through 2026

- Presented by Public Works Director Tom Migatz- The Illinois Department of Transportation Division of Aeronautics (IDOA) prepares a five-year spending plan for improvements to the Illinois airport system. The Village annually submits its plan for consideration into the State’s plan. On October 23, 2020, Village staff met with IDOA personnel in a virtual meeting to discuss the possible timing of upcoming projects. No decisions came from the meeting; however, staff members received new information that could dramatically improve the airport’s operational efficiency. Notable highlights of the meeting included:

1. Automated Weather Observing System (AWOS) – Replacement of the existing AWOS system was previously scheduled for 2024; however, recent problems with the antiquated system prompted staff to request an earlier project date. The newly proposed project timeline is 2022.
2. Parking lot repaving – The Airport repaved its parking lot in 2019 and in doing so, freed up a year of Airport Improvement Program (AIP) funding making it available for future projects.
3. Runway Improvements – Bids went out in early 2020 for phase one of the runway project. The lowest bid was more than 100% over the engineer’s estimate of probable cost. Staff could not justify the increased cost of the project with the proximity of phase two scheduled for 2021 and have requested combining phase one and phase two together into one project. If approved, these combined phases would involve rehabilitating the entire runway and removal of the displaced thresholds. This work would allow the airport to finally eliminate the Modification of Standards (MOS) which has been on file with the Federal Aviation Administration (FAA) since the Village began operating the airport.
4. Snow removal equipment purchase – General aviation airports in the state of Illinois receive \$150,000 every year to put toward capital projects. Known as an entitlement, this money expires after three years if not spent. Two years of entitlement money was at risk of expiring with the delay in the runway improvements. The Village had a pending request to transfer the funds to another airport in exchange for future years’ entitlements; however, the airport’s engineering firm,

Crawford, Murphy, and Tilly, Inc., suggested the Village try to purchase snow removal equipment. If approved by IDOT, the airport would purchase a heavy-duty tractor with several attachments as well as an F-250 or similar plow truck. Snow removal equipment is not eligible for the same funding level as major capital improvements. Instead of the usual 90% federal grant and 5% state match, snow removal equipment would only be funded by a 90% federal grant. The Village would be responsible for the remaining 10%. The 2021 airport budget had already contemplated two new vehicles without federal grant money so this action would result in a \$10,000 decrease in the overall expenses for next year. The attached tables outline the Village's projects for 2021 and beyond, subject to Federal Aviation Administration and IDOA approval.

Financial Impact: The Airport's capital plan through 2026 is manageable without going below a fund reserve established at 15% of the airport's annual expenses. Despite this support, the TIPS plan does not financially obligate the airport in any way.

Staff recommends Authorize Village staff to present the program to the Illinois Department of Transportation, Division of Aeronautics in December, 2020. Motion was made to place this item on the Village Board Agenda.

Community Service:

Zoning Map Amendment to Allow a Change in the Zoning Classification of the Parcel at 1126 West Algonquin Road, from B-2, Business Neighborhood Convenience District, to R-2, Residential Single-Family District-Presented by Interim Director of Community Services Ann Marie Hess- The property owner of 1126 West Algonquin Road requests to change the zoning of their property from B-2, Neighborhood Convenience District, to R-2, Residential Single-Family District.

The owner has been attempting to sell the property for a period of time. The owner states potential buyers overwhelmingly express an interest in occupying the former residence as a single-family home with no business operations. The general layout and systems within the structure itself are consistent with a single-family residence. The property is not well-suited for commercial use due to limited frontage, parking, setbacks, and area for vehicular movement on the site.

The current zoning of B-2 does not allow for occupying the property as a single-family residence. Therefore, the owner is requesting to rezone to a classification consistent with other R-2 parcels immediately adjacent to the east and the north of this parcel, and other R-2 parcels throughout the general area. As an additional point of clarification, the owner would dismantle a business ground sign that is currently on the parcel if approved.

The Planning and Zoning Commission conducted a public hearing on November 16, 2020 for the petitioner's request. The Commissioners voted 5-1 to recommend approval of the Zoning Map amendment to rezone the property from B-2, Neighborhood Convenience District, to R-2, Residential Single-Family District. The Commissioner, who voted against the request, felt the property is best-suited to remain as a business classification. The current Comprehensive Plan shows the parcel remaining as zoned for business use.

Staff recommends a motion to approve an ordinance for a Zoning Map Amendment to allow the rezoning of 1126 West Algonquin Road, Parcel 19-28-179-022, from B-2, Neighborhood Convenience District, to R-2, Residential Single-Family District.

Trustee Bojarski asked about the adjoining properties. Interim Director of Community Services Ann Marie Hess explained the use of the adjacent properties. Trustee Bojarski shared concerned about the joint use driveway. Owner Mike Lange explained the zoning changes would decrease the use of the driveway. Also the driveway is wide and easy for everyone to use. President Ruzanski asked who would be responsible for maintenance of the driveway. Mike Lange explained the owner.

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

Board of Trustees:

Trustee Harlfinger – None at this time

Trustee Huckins asked for Village Administrator Mullard to update on the Shop Local Program. He explained there has been a social media blitz but there is no other feedback.

Trustee Bogdanowski complimented the Parks and Recreation Staff for the well-organized Flurry Fest event on Friday.

Trustee Dustin commented Planning and Zoning Commissioner Walker showed concern with the fences on Haligus from Ackman to Reed. They are in poor condition and should be replaced. Huntley has replaced fences on Reed Road and it has made the town more ascetically pleasing. Trustee Dustin suggested a partnership with the homeowners to repair and or replace the fences when Village funds are available.

Trustee Bojarski thanked Chief of Police Brey and the Human Trafficking Task force for their work on the sting conducted in Spring Grove.

Trustee Murphy - None at this time

President Ruzanski: Will be asking for consent for the annual appointments.

Audience Participation: None

Adjournment: A motion to adjourn was made by Trustee Harlfinger and seconded by Trustee Huckins. On Roll call Trustees Harlfinger, Huckins, Dustin, Bogdanowski, Bojarski and Murphy voted Aye. No Nays. Motion carried. There being no further business to discuss, the Committee of the Whole meeting was adjourned at 8:07 pm

Submitted by,

Cecilia Carman
Village Clerk