



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

AD HOC BUDGET WORKSHOP FOR FISCAL YEAR 2022

NOVEMBER 23, 2021

Call to Order

The meeting was called to order at 6:00 pm.

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

Trustee Bojarski was absent.

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, Public Properties Superintendent Scott Parchutz, Streets Superintendent Guy Fehrman, Water Superintendent Ryan McDillon, Airport Manager Mike Peranich, Community and Economic Development Director Josh Langen, and Deputy Clerk Nancy Sujet.

Up for Discussion

Budget Overview

Presented by Village Administrator Fred Mullard

Village Administrator Fred Mullard thanked all the employees for their help with the budget, many hours are put into creating the budget. Administrator Mullard stated that the budget is divided into 25 separate funds and all of the funds will be covered tonight.

Overall, of the 25 funds there is about \$37.8 million in revenue, which is up about \$6.7 million from FY21 estimate. Primarily due to capital projects in the Federal Grants, Lakes Restoration and Airport O&M Funds. There is about \$37.5 million in expenses, which is up about \$11.8 million from FY21 estimate. Mainly due to capital projects in the Motor Fuel Tax, Lakes Restoration, and Airport O&M Funds.

General Fund

Administrator Mullard stated that overall the General Fund is balanced, revenue against expenses. Regarding the General Fund Long Range Plan, he stated that there is about a \$150,000 difference between the high year and the low year.

Administrator Mullard stated that Revenues are about \$2.3 million above the budget for FY21, but FY22 will be slightly behind FY21. There was a lot of growth in sales tax, which was not anticipated. We also received funds from the Federal Government and we are not anticipating that continuing into FY22. Trustee Huckins asked if the chart that Administrator Mullard was showing the Board was in the budget document. Administrator Mullard stated the exact slide is not, but the information is in General Fund Revenues, page 48, of the budget.

Property Tax

Administrator Mullard presented the property tax summary. FY22 includes capturing the new construction growth in the EAV to add about \$33,123.00. Of the past 11 tax years, the levy has stayed flat for eight years and was

Village Board Meeting November 23, 2021



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

AD HOC BUDGET WORKSHOP FOR FISCAL YEAR 2022

NOVEMBER 23, 2021

decreased for three years. During the 11 years the result is a decrease from 0.76 to 0.72 or about \$109.00 reduction on a \$250,000 home. FY22 proposed levy is estimated to result in another decrease from .72 to .71 or about a \$30.00 reduction on a \$250,000 home. Distribution of the levy is changed for FY22. Seven of the nine accounts are restricted to use for the purposes described in their titles, to ease restrictions, these accounts are each set to \$1,000.00. The remaining amounts from the restricted accounts are all included in the Corporate Levy account now. The Corporate Levy funds can be spent for any corporate purpose. The Road & Bridge levy is established by the townships.

Sales Tax

Administrator Mullard presented the sales tax summary. State sales tax, state cannabis, Home Rule Cannabis, Home Rule Sales and state video gaming revenues are all higher than anticipated. There was a significant gain in FY21 but are being conservative and anticipating a slight decrease in FY22.

License & Permit

Administrator Mullard presented the License & Permit summary. The biggest change is the reduction in Liquor License revenues and that is due to the loss of the Woods Creek Tavern as a liquor license holder. We saw a significant increase in FY21 in building permits than anticipated. We do expect those numbers to stay high in FY22, but not as high as FY21.

Intergovernmental

Administrator Mullard presented the intergovernmental summary. The income and personal property taxes both grew significantly in FY21, mainly the income tax. Additionally, we had a good FY21 on grants and will be working with the following for FY22: Police Local Agency Program, IDOT Traffic Program, Body Armor, Contributions from IRMA, and outside detail hires. There will be a slight increase from grant funds for FY22.

Services

Administrator Mullard presented the services summary. FY21 Impact fees were high due to Melody Living moved forward with their second building. Some numbers should be going up and staying up in FY22 with consideration of potential development along Pyott Road, Route 31, and Route 47.

Fines & Fees

Administrator Mullard stated that fines and fees are keeping up with their normal trend. No significant changes.

Interest Transfer

Administrator Mullard presented the interest transfer summary. Interest is low due to current rates and will follow through all funds. Regarding Transfers, we had a \$230,000.00 transfer in scheduled from the Capital Improvement fund. We did not make that transfer due to the health of the General Fund. However, in FY22 we do have a significant increase in that net on how we are accounting for transfers as they relate to our enterprise funds for General Fund services provided which include Supervision in PW Administration, Finance Support, Auditing expenses, Janitorial expenses, Computer Maintenance Services, Insurance premiums and deductibles. We would normally split these costs put them in each of the individual funds. Example: part of the Public Work Directors costs



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

AD HOC BUDGET WORKSHOP FOR FISCAL YEAR 2022

NOVEMBER 23, 2021

would be in Public Works Administration, Airport and Water. Now they are being charged directly to the accounts where they are and then doing a transfer from those enterprise funds to the general fund.

Miscellaneous Revenue

Administrator Mullard stated that miscellaneous revenue is following the general trend.

Expenses

General

Administrator Mullard stated that salaries are reflective of the 2% COLA and up to 4% performance pay increase on top of the changes made due to the salary survey. The Collective Bargaining units have the increases within the agreements. Some departments, primarily Finance and PW Admin, where salaries were previously split to account for partial payment from enterprise funds are up because we are charging the entire amount to the department where they work and reimbursing the General Fund through a transfer in.

Training and travel expenses for FY22 are up in anticipation of return to in person training. Telephone costs in contracts are significantly up due to loss of discounts, due to federal regulations, to agencies like Call One and can be raised fivefold or more. Some commodities are expecting higher costs due to supply chain issues such as road salt, and chlorine.

Executive Department

Administrator Mullard presented the Executive Department budget. FY21 salaries are over budget due to double payments for the first meeting after elections. FY22 professional development is up due to \$20,000.00 budgeted for the 70th Anniversary of the Village, contracts are up due to the sales tax rebate planned for Culvers, which is approximately \$23,000.00. Commodities are also up due to the purchase of replacement chairs for the Board Room.

Administration Department

Administrator Mullard presented the Administration Department budget. FY22 professional development is up due to the return to in person training and contracts remain high due to continuation of Recodification.

Community Development Department

Administrator Mullard presented the Community Development Department budget. FY22 professional development is up due to the return to in person training and contracts remain high due to potential funding of consultants for economic development and update to the comprehensive plan and zoning ordinance. There is an extra \$50,000.00 in the budget for this.

Finance Department

Administrator Mullard presented the Finance Department budget. FY22 personnel costs appear up due to the change in splits, professional development is up due to the return to in person training. FY21 contracts were high due to consultant assistance to prepare for the audit, unbudgeted bank fees, and the need for a GASB 75 valuation, due to changes in post-employment expenses other than pensions. FY22 contracts remain high due to the change in splits.



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

AD HOC BUDGET WORKSHOP FOR FISCAL YEAR 2022

NOVEMBER 23, 2021

Police Department – Administration

Administrator Mullard presented the Police Department Administration budget. FY22 personnel expenses are down due to senior staff changes, professional development is up due to the return to in person training, approximately \$40,000.00, contracts are up due to anticipated increases in the SEECOM contract and landline charges and commodities are down due to less COVID PPE required.

Police Department – Patrol

Administrator Mullard presented the Police Department Patrol budget. FY22 professional development is high due to return to in person training and request for two slot to the academy, contracts is high due to the need to install running board lights, and commodities are high due to the need for lake patrol boat supplies and ammunition.

Police Department - Support Services

Administrator Mullard presented the Police Department Support Services budget. FY22 personnel is high due to transfer of a sergeant from Patrol, addition of a communication intern, and pay increase for the communication coordinator, professional development is high due to moving public event costs from operating supplies to community affairs from commodities and contract costs are low due to completion of the recruiting video.

Public Works Department – Administration

Administrator Mullard presented the Public Works Administration budget. FY22 personnel costs are high due to the change in splits, professional development is up due to the return to in person training, and FY21 & FY22 contract costs are high due to increased demand for engineering services.

Public Works Department - Streets

Administrator Mullard presented the Public Works Departments Streets division budget. FY22 commodities are high due to a significant increase in road sale expected.

Public Works Department - Public Properties

Administrator Mullard presented the Public Works Department Public Properties division budget. FY22 personnel adds one seasonal to assist with beach operations and professional development is up due to the return to in person training. Contracts are high due to consultant for Parks Master planning, replacing the roof and artificial turf at the Safety Education Center, addition of a play ware at 2 Oak Street for preschool and bark park parking lot replacement.

Management Information Systems

Administrator Mullard presented the Management Information Systems budget. FY22 personnel is high due to full staffing and the change in splits, contract are up due to change in splits, landlines and new software. Commodities are high due to replacement of old hardware.

Recreation

Administrator Mullard presented the Recreation budget. FY21 personnel is low due to COVID restrictions. FY22 personnel are high due to changing the recreation coordinators to supervisors and making one part-time position full-time. Professional Development is high due to re-categorization of training and paying the FY23 NISRA dues in full at one time. FY22 commodities are high due to the addition of play equipment at 2 Oak Street for preschool.

Village Board Meeting November 23, 2021



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

AD HOC BUDGET WORKSHOP FOR FISCAL YEAR 2022

NOVEMBER 23, 2021

Insurance & Tort

Administrator Mullard presented the Insurance & Tort budget. FY22 is high due to the change in splits

Interfund Transfers

Administrator Mullard presented the Interfund Transfers budget. FY22 is high due to transfer of fund to the Police Facility Fund. IMRF contributions reduction of \$114,000.00 and Police Pension reduction of \$199,000.00. The total of \$313,000.00, plus the Video Gaming Push Tax, estimate of \$150,000.00, will be transferred to the Police Facility Fund. Trustee Dustin asked if the total is \$463,000.00. Administrator Mullard stated yes.

Capital Improvement Fund

Administrator Mullard presented the Capital Improvement Fund for fiscal 2022. Utility tax revenues continue to provide adequate support. FY21 grants are down due to delays completing the Turtle island project. The gain is deferred to FY22. Grant related projects for FY22 are the Smart tornado system, Plote Field LED lighting upgrade, officer body-worn cameras, and in-squad digital cameras. There a number of projects that were carried over; some of the recodification, board room audio system, 6 yard dump truck and the virtual machine host cluster replacement from the FY21 program to the FY22 program. Administrator Mullard went over all of the items that are scheduled to be purchased in FY22. Trustee Dustin asked if the \$500,000.00 difference between revenues and expenses is including the anticipated grant monies or not. Administrator Mullard stated with the grants. Trustee Dustin confirmed that there is a \$-499,501.00 difference. Administrator Mullard confirmed that is correct.

Administrator Mullard stated that we are trying to minimize the number of vehicles that we are purchasing next year. The pick-up truck, lift truck and sweeper are in poor condition. Trustee Dustin asked if it would make more sense to outsource the sweeping instead of spending \$400,000 on a new sweeper. Administrator Mullard stated that research was completed and the numbers still makes sense for the Village to purchase one instead of contracting out. We use this not just to sweep but to clean our catch basins. Also with the storm this year we were able to be out the next morning and sweeping on the streets. If we outsourced this, we would not have had the same response time.

Under the Software portion we also have the Data and Analysis software for the Police Department, new software for Community Development and then IT ticketing system.

Under the five year schedule we have erosion control, money set aside for Larsen Park, playground and parking lot replacements. Camera system, generator and vehicle replacements. This is all moving forward.

Motor Fuel Tax Fund

Administrator Mullard presented the MFT fund revenue. FY21 grants is low due to lack of response from the State of Illinois. We will be receiving \$300,000 over 3 years from the Rebuild Illinois grant to reconstruct Industrial Drive. FY22 grants remain high due to pending receipt of the final Rebuild Illinois Bond proceeds payment and miscellaneous includes the Federal contribution for the Read Road and Pingree Road resurfacing projects. The grant will cover 60% of the costs.



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

AD HOC BUDGET WORKSHOP FOR FISCAL YEAR 2022

NOVEMBER 23, 2021

Expenses for FY22 projects include Industrial Drive reconstruction, using Rebuild Illinois Bond proceeds. Pingree Road resurfacing, using the Surface Transportation program and the finally the Village resurfacing program. Trustee Dustin asked if any of the funds from the American Rescue Plan Act able to be used for streets. Administrator Mullard stated no. Trustee Huckins stated the funds from Build Back Better Plan can be used. Trustee Dustin asked if there has been any conversations regarding taxation of electric cars at the state or federal level. Administrator Mullard stated that there has been some discussion regarding cost per mile. Currently there is only a test program, nothing proposed.

Lake Restoration Fund

Administrator Mullard presented the Lake Restoration Fund budget. Overall revenues and expenses are primarily moved from FY21 to FY22 since the Reach 11 project was not able to be completed in FY21, the construction will take place next year. We have submitted a grant request for Reach 12, if we receive the money late this year we will move forward with the design in FY23. Trustee Huckins asked if this was state or federal funds. Administrator Mullard stated that they are Illinois EPA funds.

Water Operating and Maintenance Fund

Administrator Mullard presented the Water Operating and Maintenance Fund revenue and expenses. Special Service Area #51 was removed from the water fund for transparency reasons. A 1% rate increase is proposed for each future year to support building a reserve to pay for a potential \$3 million water meter replacement project. If this project is moved up or split we could consider using ARPA funds for all or part of the project. This follows four years of zero rate increases in the water rates.

Salaries are lower due to the change in how splits are handled. Commodities are up slightly due to continuing supply chain problems particularly related to the chlorine supply. Capital expenses support Well 15 control systems improvements, Well 6 fire alarm, replace one pick-up truck, replace the vac trailer, miscellaneous pumps and dehumidifiers and adding a mini excavator to the fleet. Transfers are up due to the change in splits and includes personnel costs, audit, computer support, insurance, janitorial service and unspent Special Service Area #51 bond proceeds. The Village has been setting aside the tap in fees to use that money as the systems needs to expand. Trustee Huckins asked how many years would it take to recapture the \$3 million cost for the water meter replacement. Administrator Mullard stated that we would be using most of the reserves and we do not want to run down the reserves to nothing. The 1% fee increase is just to make sure the reserve is there.

Airport Operating and Maintenance Fund

Administrator Mullard presented the Airport Operating and Maintenance Fund revenue and expenses. Grants will cover the snow removal equipment, which was moved to FY22 due to lack of bids in FY21. Automated Weather Observation System will be replaced/upgraded in FY22. Design for Phase 3 of Runway Improvements. Charges for service are down for two-months during FY22 due to the runway closure & flight operations, which will reduce fuel sales, rents, and commercial activities fees. Federal Contributions for Runway Improvements Phase 2 as well as the state contributions for the Automated Weather Observation System.

Personal services reduced costs of benefits and personal services reimbursement. Professional Development increased due to travel and due to the addition of Girls in Aviation and Tenant Appreciation Lunch.

Village Board Meeting November 23, 2021



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

AD HOC BUDGET WORKSHOP FOR FISCAL YEAR 2022

NOVEMBER 23, 2021

Trustee Dustin asked how long the runway will be closed. Administrator Mullard stated approximately two months. Airport Manager Peranich stated that the runway will be closed for approximately 64 calendar days. Trustee Dustin asked if there is a better time during the season to do this, April/May instead of June/July. Administrator Mullard stated weather is the challenge. The asphalt companies typically are closed from November through March. Trustee Dustin stated he was asking about traffic, is there a certain time of the year that traffic is better. Administrator Mullard stated they are dependent on the weather. There is no better time, looking for the least impact on weather. The runway is being torn up and rebuilt.

Contractual services are lower due to reduced equipment services reimbursement and insurance. Commodities are lower due to reducing the purchase of fuel for two-months while the runway is closed and change in accounting for aviation fuel receipts. Runway improvements phase 2 and snow removal equipment have been moved to FY22. Debt Service will make the last payment leaving the Airport debt free in FY22. Transfers are up due to the change in splits and include personnel costs, audit, and computer support. Long Range plan, the funds are fairly stable.

Health Insurance Fund

Administrator Mullard presented the Health Insurance Fund budget. We have anticipated a potential 10% increase in health insurance. Numbers appear significantly different because in previous years we paid the insurance directly from the General Fund. Now all health insurance costs will flow through this fund to increase transparency. This gives you a full view of what Health Insurance costs are for the staff of the village.

American Rescue Plan Act

Administrator Mullard stated this fund was created to handle the American Recovery Plan Act Funds. The village received \$1,946,310 in FY21 and should be receiving the same in FY22. We have until the end of FY24 to obligate the money and until the end of FY26 to spend the money. The money can be spent to respond to public health emergencies, premium pay, support for review loss, and infrastructure investments particularly related to water, sewer, and broadband. Congress may have changes on how the money can be spent. Staff is recommending two projects in FY22 from this fund.

- Part-time social services coordinator and the police department. Individual will serve as case manager with the critical incident team to ensure follow up in support of the residents. They can also assist residents navigating the complicated process of obtaining funds and treatment options.
- Replace Village Hall HVAC. The current system is aged, has a fixed fresh air intake, and no air disinfection capability. This will bring the Village Hall to current standards to improve the indoor air quality, comfort, and health of staff and guests at Village Hall.

Other projects that can be supported updating water treatment plants, possibly put some money towards the water meter replacement project. The Sanitary District did not receive any money out of the ARPA. The Sanitary District mentioned they could use 1/2 million dollars towards the distribution system. Which does benefit the residents of Lake in the Hills. We will look through all of the options and present you with options as we get a better idea as what to do with those. Trustee Harlfinger asked if the Sanitary District has a significant surplus. Administrator Mullard stated no, he does not think so.

Village Board Meeting November 23, 2021



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

AD HOC BUDGET WORKSHOP FOR FISCAL YEAR 2022

NOVEMBER 23, 2021

Police Facility Fund

Administrator Mullard stated this fund was created to collect all costs related to getting a new Police Facility. The current facility is too small, not up to current technological standards, current requirements by the department of justice. We are estimating that it will cost between \$17 to \$20 million dollars. We are looking to transfer \$313,000 from the General Fund as well as putting the amusement tax of \$150,000. This will allow us to start the next year with the \$247,500 schematic design. President Bogdanowski asked, didn't we already have the money for the design in the budget. Administrator Mullard stated that it was going to be in the Capital Fund. President Bogdanowski confirmed that the funds are just being transferred from the General Fund. Administrator Mullard confirmed.

Police Seizure Fund

Administrator Mullard stated this fund was created in FY21 with money we may receive from the state or federal government related to drug related arrests or funds that have been seized. There are very specific restrictions on what can be done with this money.

Veterans Memorial Fund

Administrator Mullard stated this fund was created in FY21 from funds held as a liability to the General Fund. There are approximately \$9,000.00. The only activity planned for FY22 is the sale of memorial bricks.

Special Services Areas

Administrator Mullard presented the FY22 Budget.

Special Service Area #1 – Spring Lake Farms North - There is a planned 5% increase in the levy, which is about \$100 split among 465 parcels from about \$4.30 to about \$4.52, on average. No major projects anticipated, but we are spending more than what we are bringing in, so the need to increase is there.

Special Service Area #2 – Meadowbrook – There is a planned 5% increase in the levy, which is about \$6,360 split among 2284 parcels from about \$55.74 to about \$58.53. Major projects include tree trimming on the landscaped easements and in the parks. Prescribed burn at Natures View and Sunset Parks. Swing replacement at Sunset Park and replacement of about half of the bike paths around Sunset Park. Trustee Huckins asked who funds this. Administrator Mullard stated the residents due through their tax bill. This will need attention in the future, spending more than it is bringing in. Trustee Dustin went over some of the figures over the last few years and the SSA will be down about \$100,000. Administrator Mullard stated that we will be looking into a more detailed plan in the future on how to handle this. But for now a 5% increase.

Special Service Area #3 – Big Sky - Major projects include a prescribed burn and tree replacements at Ken Carpenter Park.

Special Service Area #4A – Hidden Valley - The Sierra Court drainage improvements were completed in FY21. No projects for FY22.

Special Service Area #4B – Hidden Valley – Nothing to report.



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

AD HOC BUDGET WORKSHOP FOR FISCAL YEAR 2022

NOVEMBER 23, 2021

Special Service Area #5 – Bell Chase – No increase planned. The Wedgewood Pond stabilization was completed in FY21. A prescribed burn is planned for the Annandale wetland.

Special Service Area #6 – Hampton West, Sumner Glenn – There is a planned 5% increase in the levy, which is about \$1,670 split among 456 parcels from about \$73.25 to about \$76.91. Major projects include reconstruction of the bike path on the east half of Reed Road and swing replacements at Normandy Park.

Special Service Area #7 – Heron Bay – There is a planned 5% increase in the levy, which is about \$100 split among 171 parcels from about \$11.70 to about \$12.28. There are no major projects planned for FY22. Trustee Huckins asked if the maintenance on the pond is done by the Home Owners Association. Administrator Mullard stated yes.

Special Service Area #8B – Crystal Creek Commons – Nothing to report. Mainly tree replacement.

Special Service Area #8C – Prairie Point – Nothing to report. Mainly tree replacement.

Special Service Area #15 – Cheswick Place- Nothing to report.

Special Service Area #24 – Harvest Gate Detention – This is an invoiced SSA not a tax levy. The Invoice will be minimal this year due to savings, approximately \$500.00. The detention maintenance was completed in FY21.

Special Service Area #51 – Unincorporated Water Bond – There is a net of \$55,000.00. The levy is set to be equal throughout the bond period. Savings from expenses vs bond receipts being used as fund reserve. Trustee Huckins asked if maintenance is required and if so is it covered under this fund. Administrator Mullard stated no. Trustee Huckins asked what fund covers those costs, Administrator Mullard stated it is covered by the general fund Water O&M Funds. The SSA only covers the costs for the construction of the new water mains. Trustee Dustin asked if there has been any feedback from the homeowners, rather positive or negative. Water Superintendent McDillon stated that there has been a lot less phone calls/complaints from the homeowners. Administrator Mullard stated that there were complaints that the roads were torn up from the construction. Trustee Harlfinger stated that the homeowners are happy, at least the ones that he has talked to.

Administrator Mullard stated that is the budget, 25 funds, 37,000,000 in revenue and expenses. The Village is in a much better place than we anticipated last year at this time. We thanked the staff again for making the budget possible.

Trustee Huckins thanked everyone. President Bogdanowski thanked everyone for their help in bringing the budget together.

Other Business

None.

Audience Participation

None.

Village Board Meeting November 23, 2021



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

AD HOC BUDGET WORKSHOP FOR FISCAL YEAR 2022

NOVEMBER 23, 2021

Adjournment

A motion to adjourn the meeting was made Trustee Harlfinger and seconded by Trustee Huckins. All in favor by voice vote.

There being no further business to discuss, the meeting of the Lake in the Hills Board of Trustees was adjourned at 7:26pm.

Submitted by,

A handwritten signature in black ink that reads "Nancy Sujet". The signature is written in a cursive, flowing style.

Nancy Sujet
Deputy Village Clerk