



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

COMMITTEE OF THE WHOLE MEETING

JUNE 11, 2024

Call to Order

The meeting was called to order at 7:30 pm. Present were Trustees Huckins, Dustin, Harlfinger, Bojarski, Anderson, Murphy, and President Bogdanowski.

Also present were Village Administrator Shannon Andrews, Assistant Village Administrator Trevor Bosack, Chief of Police Mary Frake, Finance Director Pete Stefan, Superintendent of Streets Guy Fehrman, Director of Community Development John Svalenka, Parks and Recreation Director Randy Splitt, Deputy Chief of Support Services Matt Mannino, Village Attorney Brandy Quance, and Village Clerk Shannon DuBeau.

The Pledge of Allegiance was led by Environmental Defenders of McHenry County's Executive Director, Erin Kennedy.

Ms. Kennedy announced that the Environmental Defenders of McHenry County will be holding a recycling event on June 22nd from 9 a.m. to 12:00 p.m. at Chesak Elementary School. The following items will be accepted:

- electronics
- document to be shredded
- Styrofoam
- textiles
- light bulbs (for a fee)
- batteries (for a fee)

Audience Participation

Stewart McVicar of Club 400 thanked the Village for its support over the past 10 years. His goal has always been to raise \$1 million from his basement. To date, Club 400 has raised \$851k for charity. Once his goal is met, Mr. McVicar plans to host the club's charity events in Chicago.

Administration

Request to Approve a Waiver of Section 43.09, "Noise", of the Lake in the Hills Municipal Code and Waiver of Sign Regulations & Enforcement for Club 400

Presented by Village Administrator Shannon Andrews

Attached to the agenda please find a letter from Stewart McVicar, with Club 400, requesting enforcement activities be suspended to allow the placement of temporary signage on Henry Lane. He has also requested a waiver of the provisions of Section 43.09, Noise, of the Municipal Code to allow music to be played from 6:00pm until 10:30pm at events being held by Club 400 at 3090 Henry Lane on Monday, June 24, 2024, and Tuesday, June 25, 2024. Finally, he requests that parking be allowed on the following streets for approximately 100- 250 guests:

- Northside of Gladstone
- Eastside of Henry Lane

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- Southside of Gateway
- Eastside of Albrecht

Accordingly, the public works department will place signage restricting parking to only one side of the street during the events. This will alleviate street congestion and allow for better traffic flow for residents and emergency vehicle access if necessary.

Club 400 will also be applying for a one-day Event Permit Liquor License for each of the events.

Mr. McVicar was present at the June 11, 2024, Committee of the Whole meeting.

Staff recommends a motion to waive the provisions of Section 43.09, "Noise" from 6:00pm until 10:30pm, suspend enforcement activities to allow the installation of temporary signage on Henry Lane, and allow parking for approximately 100-250 guests for the events being held by Club 400 on June 24, 2024, and June 25, 2024 at 3090 Henry Lane.

Trustee Anderson asked if the June 24th event will primarily host 80 guests inside or outside of the home. Mr. McVicar stated that the final decision will be weather dependent, however, the majority of the entertainment will take place inside.

Trustee Anderson asked if a bus will be used. Mr. McVicar confirmed that the Cubs players and their families will arrive via bus. Trustee Anderson asked if a shuttle service has ever been considered. Mr. McVicar explained that he has used shuttles in the past, however, most shuttle services require the use of a parking lot. As this event will take place during the week, local businesses are not likely to give up parking spaces. However, he is willing to look into it.

Trustee Anderson asked if parking has been the main complaint of residents in the past. Chief Frake stated that last year's event received two noise complaints.

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

Request to Approve a Waiver of Section 43.09, "Noise", of the Lake in the Hills Municipal Code for the Boulder Ridge Country Club Annual Outdoor Party

Presented by Village Administrator Shannon Andrews

Boulder Ridge Country Club is requesting the Village Board to waive the provisions of Section 43.09 of the Municipal Code for their annual Outdoor Party on Friday, July 26, 2024, for their members and invited guests. The entertainment for the event is "Modern Day Romeos". The band will perform from 7:30pm to 10:30pm on their outdoor patio. Staff recommends extending the time until 11pm, in case the band performs beyond 10:30pm.



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Staff recommends a motion to waive the provisions of Section 43.09, Noise, of the Lake in the Hills Municipal Code, to allow Boulder Ridge Country Club to host their Annual Outdoor Party until 11pm on Friday, July 26, 2024.

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

Request to Approve a Special Event Permit and Support Requests for the Rockin' Rotary Ribfest

Presented by Village Administrator Shannon Andrews

The Rockin' Rotary Ribfest is the signature fundraising event for the Lake in the Hills Rotary Club and is a family-oriented event that features nationally renowned professional rib vendors, live entertainment, and a carnival. The proposed dates for the 2024 festival are Thursday, July 11 through Sunday, July 14.

The Rotary Club has submitted a special event permit application for the event. Consistent with previous annual requests, the Club is requesting to hold the event at Sunset Park with the flexibility to work with staff to select an ideal layout from previous designs or variations thereof. Furthermore, to successfully host an event of this size and scale, the Club requires the support of Public Works and Police staff, as well as the following waivers, which are being requested for the 2024 event:

- All Police and Public Works staff regular hourly rates associated with the event (overtime is excluded)
- Water meter rental charge (\$800 or \$200/day x 4) and water consumption charge
- Special Event Permit Fees including application fee (\$25), refundable deposit (\$1,000), Incident Action Plan Review fee (\$300), tent inspection fees (\$300 or \$100/tent x 3), stage inspection fee (\$100), electrical generator inspection fee (\$30), and rental fee (\$35) for Sunset Park
- Liquor License fee (\$25)
- Section 43.09, Noise, of the Municipal Code to allow announcements and to play music until 11:00 p.m. on Thursday, July 11, through Saturday, July 14, 2024. The music on Sunday ends by 7:00 p.m.

Staff has been in contact with representatives from the Rotary and Windy City Amusements to discuss additional safety and security measures that will be required for the carnival. Windy City will be providing a 6' chain link fencing around the perimeter of the carnival grounds with defined points of entry and exit. In addition, staff recommends that face coverings be prohibited at the event as a condition of the Special Event Permit. The Rotary representatives expressed their commitment to doing what is necessary to host a safe and successful event.

Financial Impact

The following is a summary of the estimated financial impact of the event for 2024:

- Police Department - \$23,150.35 in overtime wages
- Public Works Department - \$3,171.59 in overtime wages and \$1,857.60 in diesel fuel costs
- Fees waivers totaling \$2,615 of which \$1,000 would be refundable.



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Staff recommends a motion to approve the Special Event Permit and Village support requests for the Lake in the Hills Rotary Club's Rockin' Rotary Ribfest scheduled for July 11 through July 14, 2024, subject to the restriction of face coverings at the event.

President Bogdanowski asked if the Rotary Club has been made aware of the fees. Administrator Andrews confirmed this.

Trustee Huckins asked if the carnival component of the event is included in this item. Administrator Andrews confirmed that it is included.

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

Request to Approve Amendments to Personnel Rules and Regulations

Presented by Village Administrator Shannon Andrews

The 2024 Personnel Rules & Regulations document was approved at the December 14, 2023, Board of Trustees meeting. At that time, staff had performed a comprehensive review of the document, which required a large number of revisions to update the document based on current employment law and practices.

Staff has identified a number of areas within the document that require additional updates as follows:

- 1) References to "Human Resources Manager" throughout the document have been adjusted to read "Human Resources," or in situations where an individual is required, it will now refer to the "Assistant Village Administrator" as the head of this division.
- 2) A new anti-nepotism policy has been included under Section 2.2 Recruitment and Hiring, Section H.
- 3) Section 2.8, Employment Categories, has been updated to clarify that an employee may hold more than one seasonal position within a year; however, this does not change eligibility for benefits.
- 4) Section 2.11, Severe Weather Policy, has been revised to better define "advanced notice" for determining whether employees should be paid for the closure or required to use flex time, benefit time or work remotely. Advanced notice is defined as prior to the close of business the business day prior to the severe weather.
- 5) Vacation Time – Section 4.1.B. includes language from the previous version of the document that was omitted in error. The reinserted language allows for an award of vacation time in the first year of employment when no accruals are available but cannot be taken until after 90 days of employment. Section 4.1.D has been updated to remove vacation payouts for those Seasonal employees who are transitioning to another seasonal position.
- 6) Life Insurance – Section 5.2, Life Insurance, has been updated to provide the benefit based on an employee's salary in February instead of January so that the COLA increase can be appropriately captured.

Staff recommends a motion to Approve the Proposed Amendments to the Personnel Rules and Regulations.



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

Finance

Review of Accounts Receivable Balances

Presented by Finance Director Pete Stefan

The Village’s accounts receivable (A/R) balances fluctuate on a daily basis as new invoices are issued and payments are posted on an almost continuous basis. With this in mind, the following discussion is based on the accounts receivable balances as of June 4, 2024.

Total A/R Balances

A/R balances can be broken down into three distinct processes: water billing, tickets and violations issued through the Village’s ordinance violation software system (Duncan/Dacra), and all other invoices issued through the Village’s enterprise resource planning system (New World). For analysis purposes, the New World invoices have been further broken down into nine separate categories as depicted on the summary of outstanding A/R balances, which is attached to the agenda. As of June 4th, a total of \$516,055.49 was due to the Village:

New World Invoices		\$125,557.47
Airport	\$ 11,277.16	
Conversion (from prior system)	13,525.44	
Insurance	3,210.35	
Lease	32,637.61	
Miscellaneous	40,117.20	
Mowing	8,171.08	
Recreation	7,558.07	
Reimbursements (net of escrows)	7,088.82	
Returned Payments	1,971.74	
Tickets/Violations		98,775.00
Water Billing		<u>291,723.02</u>
Total A/R Outstanding as of June 4, 2024		<u>\$516,055.49</u>



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This total can be further broken down into A/R aging categories as follows:

Current Balances	\$253,571.69
1-30 Days Past Due	45,446.42
31-60 Days Past Due	3,171.50
61-90 Days Past Due	2,512.41
90+ Days Past Due	<u>211,353.47</u>
Total A/R Balances Due	<u>\$516,055.49</u>

Collection Agency A/R Balances

A/R balances under 90 days past due are managed in-house and are not forwarded to a collection agency. Therefore, A/R balances eligible to be forwarded to a collection agency total \$211,353.47, however, several adjustments need to be made to this total.

First, debts older than seven years are not accepted by the State Comptroller’s Local Debt Recovery Program and that aging limit is also applicable to most collection agency action. Invoices older than seven years total \$29,605.66 through June 2024 and should be written off the books for financial reporting purposes. The vast majority of this debt is comprised of two subsets - \$13,525.44 is due from the migration of the Village’s old enterprise resource planning system in 2015 and will all be at least nine years old by the end of 2024, and an additional \$14,664.99 is due from the Pyott Road/Larsen Park stables rental in early 2017.

Second, a total of \$98,775.00 will be migrated from the Village’s prior ordinance violation system and will now be handled by the new system. Although this type of debt will also be forwarded to a collection agency after 90 days, that process is separate from the Village’s invoicing system and will be managed by Dacra.

Third, the Miscellaneous category includes a total of \$21,943.25 in ordinance violations fines imposed against one particular property against which a lien has been placed and, therefore, payment will eventually be made upon the transfer of ownership of the property at the latest.

Finally, the Water Billing category contains a total of \$21,824.41 in balances due beyond 90 days. Those balances are the result of either water accounts that have had their water service disconnected for which payment will eventually be made to have the water service reconnected (i.e. vacant homes, etc.), or water accounts that have had bankruptcy filings associated with them that most likely will need to be written off if the bankruptcy is eventually approved, or water accounts with balances from prior owners for which the Village was not notified of a change in ownership until after the closing occurred. Only the last category involving prior owners would involve a collection agency and that balance is estimated to be about one third of the total or \$7,274.80.



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Backing out these four adjustments leaves a balance of \$46,479.95 in non-ticket/violation invoices to be handled by a collection agency. The \$98,775.00 in the Tickets/Violations category will also be forwarded to a collection agency but that will be done through the Dacra ordinance violation software system process.

Collection Processes

Each of the three distinct processes follows a different path to collections. The Dacra system will begin with a balance due in the amount of the fine assessed for the first 21 days. After 21 days, the fine doubles (except for Community Development Department fines). Then after 90 days, the balance is sent to collections and a collection fee (30% is proposed under a separate agenda item) is tacked on. Upon collection, the Village receives the amount of the original fine.

Water billing balances will rarely be sent to collections due to the extremely effective collection method of discontinuing water service due to non-payment. The customer has a minimum of 21 days to pay the initial water bill without penalty. After 21 days, a late payment penalty of 20% is assessed. Then, after a minimum of 40 days without payment, the account is subject to water service disconnection after which additional fees (\$50.00 minimum termination and reinstatement fee) plus a deposit (\$75.00) would be due. If a water account is subsequently sent to collections, then collection costs would also be assessed.

Village issued invoices follow multiple due date and late payment timelines depending on whether or not there is an underlying lease or agreement behind the obligation. For example, airport leases generally have a due date of the first of the month with a grace period to the 10th of each month after which a 10% late payment penalty would be applied. However, health insurance continuation invoices have a due date of the first of the month, but a 30-day grace period is mandated after which coverage can be terminated. For those accounts without underlying supporting documents, the following process applies:

1. Customer is given 30 days to pay the initial invoice.
2. After 30 days, a statement and/or invoice copies are mailed as a second notice.
3. After 60 days, a statement and/or invoice copies are mailed as a third notice along with a letter notifying the customer of the additional collection fees (30% is proposed under a separate agenda item) that will be imposed if the account remains unpaid for an additional 30 days.
4. After 90 days, the additional collection fees are assessed, and the account is sent to collections.

Annual Write-Offs of Uncollectible Accounts

One additional step is being proposed to allow for the automatic write-off of accounts deemed to be uncollectible for financial reporting purposes only. As previously mentioned, debts older than seven years are not accepted by the State Comptroller's Local Debt Recovery Program and most collection agencies use that aging limit as well to deem accounts as uncollectible. Therefore, staff recommends an automatic write-off at the close of every fiscal year for any debt that has been outstanding for seven years or longer.

Note that the automatic write-off of debts older than seven years at the end of each fiscal year would be for financial reporting purposes only. The debt would still be a valid debt owed to the Village that would be recognized as



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revenue if it were ever collected after it was written off. Outstanding liens against properties would be an example of a debt that could very well be collected after it was written off if the transfer of the property to new owners didn't occur until after seven years had passed from the time the lien was placed.

Financial Impact

Assuming no additional payments are received for outstanding invoices through the end of the year, a total of \$33,014.19 would be written off for financial reporting purposes as of December 31, 2024. Additionally, assuming a similar ratio of debt eligible to be written off for water bills as there would be for Village invoiced debts, an additional \$7,939.21 would be written off for water bills for financial reporting purposes as of December 31, 2024. Tickets and violations are not recorded as revenue until collected so there would be no financial impact for any portion of that \$98,775.00 as none of that has been recorded as revenue on the books yet.

Staff recommends a motion to approve automatic write-offs at the close of every fiscal year for all debts that are due and payable to the Village that have been outstanding for seven years or longer for financial reporting purposes only.

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

Request to Approve an Ordinance Approving a Collection Services Agreement with Municipal Collections of America, Inc.

Presented by Finance Director Pete Stefan

In conjunction with the implementation of the Village's new ordinance violation software provided by Dacra Tech, LLC, the Village would reap the most benefits from the new system by contracting with a collection agency to assist in collecting overdue violations, fees, penalties, etc.

The Village currently uses the State Comptroller's Local Debt Recovery Program to help collect unpaid debts, but that program is only effective if a balance is due to the debtor by the State who would then withhold the amount that is due to the Village and remit those funds after a due process period that allows the debtor to protest the amount. Utilizing the services of a collection agency would be more of a proactive approach to debt collections as they would pursue the debt through phone calls, letters, texts, etc.

Rather than replace the Local Debt Recovery Program with a collection agency, the ideal solution is to utilize both programs so that a delinquent account can be actively managed while also waiting for a potential state payment to be intercepted if the payee owes the Village any funds.

Municipal Collections of America, Inc. (MCOA) is being recommended because they are a well-established firm having been in the industry for over 25 years, they have a working relationship with both Dacra Tech, LLC and the Local Debt Recovery Program, they will actively manage the entire process for the Village's Local Debt Recovery Program other than protests for which the Village will need to be involved, and they will also accept non-ordinance violation and non-ticket related debt such as mowing costs, returned checks, water bills, etc.



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MCOA would charge a fee of 25.92% of any amount collected for which the Village has added a cost of collection fee which equates to the Village receiving the entire amount due to it and the collection fee portion being retained by MCOA. For any debts not subject to a cost of collection fee, MCOA would charge a fee of 25% of the amount collected.

The volume of debt anticipated to be forwarded to MCOA is approximately \$145,000 annually (as detailed in a separate agenda item) which is comprised of approximately \$100,000 in ticket/ordinance violations plus approximately \$45,000 in other Village invoiced debt.

Financial Impact

Since all collection costs would be borne by the debtor, and assuming a \$145,000 balance is placed with the collection agency as described above (approximately \$100,000 in ticket/ordinance violations plus approximately \$45,000 in Village invoiced debt), the Village would realize anywhere from \$0 to \$145,000 in additional revenue depending on the collection agency's recovery rate. Assuming the Village would be in line with the national average recovery rate of 20% or so, would result in additional revenue of approximately \$29,000.

Staff recommends a motion to approve the Ordinance Approving a Collection Services Agreement with Municipal Collections of America, Inc.

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

Parks & Recreation

Request to Approve Northern Illinois Special Recreation Association Membership Dues

Presented by Parks & Recreation Director Randy Splitt

Staff is seeking the approval of the proposed FY24/25 membership dues for Northern Illinois Special Recreation Association ("NISRA"). The Village of Lake in the Hills, along with 12 participating agencies that include Barrington Park District, Cary Park District, Crystal Lake Park District, Dundee Township Park District, City of Elgin, Hampshire Township Park District, City of Harvard, Huntley Park District, Marengo Park District, City of McHenry, Wauconda Park District, and the City of Woodstock make up the NISRA organization.

The Village of Lake in the Hills membership value as a NISRA member:

- NISRA can create programs that can pool registrants from a number of communities to offer a viable program. An individual community may not have enough residents of similar need/disability to provide a service in a cost effective and quality of service manner.
- The NISRA cooperative provides access to LITH residents with disabilities to member facilities for programs without an additional cost. Example, If the Park and Recreation held swim lessons in the winter, you'd have to cover both staff cost and facility usage fees-NISRA hosts programs at member indoor pools without paying a facility cost as per the Articles of Agreement.



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- Individuals with disabilities tend have a higher degree of other physical/medical related issues i.e., seizures, diabetes, allergies, etc. NISRA staff have ongoing training to address these needs (per standard first aid practices) and has developed protocols and procedures to minimize risk. If the Parks and Recreation Department ran a special recreation program directly then the community takes on all the risk and responsibility.
- Lake in the Hills receives the Monthly Inclusion Newsletter with training topics and staff recognition. NISRA Inclusion provides specific individual training and support to staff throughout the year. Training sessions include a Member District Round Table for Recreation Supervisors, Joint Member District Workshop, and Inclusion Specific for Summer Day Camp.

The relationship between the Village of Lake in the Hills and NISRA is long-standing with NISRA providing additional recreation options to the community, training opportunities for staff, perspective and recommendations on future open space and programming, and staff members to consult with or attend programs to assist.; free staff training opportunities; and authorized use of their minibus.

NISRA has a May 1 Fiscal Year start date and the proposed dues would cover the Village’s membership for the corresponding year of May 1, 2024, through April 30, 2025. The request is to consider and approve the membership dues, in full. This streamlines and simplifies the approval and payment processes.

NISRA dues are distributed across the member communities by applying a multiplier against the previous year’s (2022) 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 reviews multipliers of .017, .01725, and .0175 and a recommendation is made. For FY 24/25, the recommendation was to use the .0175 multiplier, increasing the Village of Lake in the Hills membership by \$4,205 over the FY 23/24 membership dues. The Village of Lake in the Hills’ dues are 2.6% of the total membership dues collected.

District	2021 EAVs	FY 23/24 Member Dues)	2022 EAVs	FY 24/25 Member Dues (rate .0175)
Lake in the Hills	\$329,042,031	\$57,582	\$353,067,666	\$61,787

It should be noted that the Village’s EAV calculations do not include the overlapping EAV portions of Lake in the Hills that are included within the Huntley Park District, Cary Park District, or the Crystal Lake Park District.

Financial Impact

NISRA’s FY2024/25 dues for the Village increased to \$61,787.00 and were included in the Village’s FY24 budget in the same amount of \$61,787.00.

Staff recommends a motion to Approve the NISRA FY2024/25 membership dues at \$61,787.00.



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Trustee Huckins questioned the average number of Lake in the Hills participants. Director Splitt stated that 40 residents have registered annually across all programs. Trustee Huckins noted the high cost in relation to the number of participants and asked if there is an alternative option. Director Splitt stated that some agencies rely on internal staff to assist.

Trustee Huckins asked if it is possible to pay for individual participants in lieu of membership dues. Director Splitt explained that without the membership, the individuals would need to pay non-resident fees and would only be eligible to participate in NISRA specific programs.

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

Board of Trustees

On behalf of the Summer Sunset Festival Committee, Trustee Murphy formally asked Chief Frake to accept the role of Grand Marshall in this year's parade. Chief Frake does not believe she will be able to attend due to a scheduling conflict.

President

None.

Adjournment

There being no further business to discuss, the Committee of the Whole meeting was adjourned at 8:10 pm.

Submitted by,

A handwritten signature in black ink that reads "Shannon DuBeau".

Shannon DuBeau
Village Clerk