



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

COMMITTEE OF THE WHOLE MEETING

SEPTEMBER 24, 2024

Call to Order

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

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

Motion to appoint Assistant Administrator Trevor Bosack as recording secretary for the Committee of the Whole Meeting on Tuesday, September 24, 2024, was made by Trustee Harlfinger and seconded by Trustee Anderson. On voice vote, Trustees Anderson, Murphy, Bojarski, Dustin, Harlfinger, and Huckins voted Aye. No Nays. Motion carried.

Also present were Village Administrator Shannon Andrews, Assistant Village Administrator Trevor Bosack, Chief of Police Matt Mannino, Finance Director Pete Stefan, Public Works Director Ryan McDillon, Director of Community Development John Svalenka, Parks and Recreation Director Randy Splitt, and Village Attorney Brad Stewart.

The Pledge of Allegiance was led by Refuge for Women Chicago Executive Director Meredith Hodge.

Audience Participation

None.

Administration

Informational Item Concerning the Regular Meeting Schedule

Presented by Village Administrator Shannon Andrews

The Village of Lake in the Hills Municipal Code, Chapter 2.03 establishes that regular meetings of the Village President and Board of Trustees be held on the second and fourth Thursday of each and every month at 7:30 p.m. with the exception of November and December when only the first meeting of the month is held. The Village publishes a schedule of regular meetings prior to the beginning of each calendar year.

The Open Meetings Act requires that meeting agendas be made available to the public a minimum of 48 hours in advance of a public meeting. This requires that the agenda for the Village's Board of Trustees meeting be published prior to 7:30 p.m. on the Tuesday prior. This is significant because the Board agenda must be posted by staff before the start of the Committee of the Whole meeting where the Village Board reviews each item and determines whether they should or should not be moved forward to the Board agenda. Staff must prepare the anticipated motions on the agenda based on the staff recommendations instead of the discussion of the Board.

One hazard to this approach is that Board agendas have contained items the Board had not intended to include for consideration. There have also been a number of occasions where the scripted motion needed to be amended to align with the direction of the Board's discussions at the meeting.

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The Committee of the Whole meetings are commonly substantive with most of the discussion about an agenda item occurring at that meeting. Items moved to the Board meeting are placed on a consent agenda and can be voted on in a single motion. Unless something is removed for further discussion, the Board of Trustees meetings are commonly rather short in length. In the last year, the Village Board has had 19 meetings with no executive session, of which 84% were 20 minutes or less. Eight meetings or 42% were completed within 10 minutes. A few meetings have even been combined on a single night but were conducted as two separate meetings instead of having a single agenda.

The existing meeting structure also makes it difficult for petitioners or presenters, who rarely attend both meetings, and generally prefer to participate in the Committee of the Whole to make themselves available for questions and forego the Board of Trustees meeting where the actual vote takes place. Follow up is then required to inform them of the Board's vote at the following meeting.

Staff recommends the Board consider the consolidation of the Committee of the Whole with the Village Board meetings using the format provided in the attached sample agenda. Using this format, the minutes and financials can be voted on under the consent agenda. Items that would normally be discussed on the Committee of the Whole agenda would be listed under "Items for Discussion and Consideration." The agenda items would be presented as subject matter instead of formal motions. This method complies with the Open Meetings Act, while allowing the Board the flexibility of determining whether an item will be tabled, dismissed, or voted on by generating the motion immediately after discussion has taken place.

Once discussion has ended, the agenda items listed will be written in such a way that the Board may simply insert "Motion to" or "Motion to Approve" before the text; or the Village Attorney can guide the Board in crafting an appropriate motion that better meets the outcome of the discussion. This method should reduce unanticipated errors that can occur when items in discussion are not captured in the pre-scripted motions.

This method of consolidating discussion and voting into a single Board of Trustees meeting is very common among our neighboring communities. Although each community's agendas are structured somewhat differently, a majority limit their meetings of the Board to two per month in a format similar to what staff is proposing.

To make the transition as seamless as possible, staff would continue to publish the agenda and packet materials on the Friday before the Board meetings. This allows the Board nearly a week to review the contents and contact staff with any questions they might have before the meeting. On occasions where additional information is required before the Board can take a vote, the item can be tabled until the next meeting date.

Should the Board be interested in moving this forward, it would require careful amendments to the Municipal Code, Chapter 2, Board of Trustees, which would preserve the established rate of pay for the elected officials.

Staff is seeking direction from the Board as to whether to move forward by preparing the necessary Code changes to remove the Committee of the Whole meetings.



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President Bogdanowski indicated the intention is to have a discussion regarding the consolidation of the meeting.

Trustee Huckins indicated that he would be in favor of the consolidated format.

Trustee Harlfinger provided commentary that he appreciated the current format of having Tuesday nights for discussion and additional time to review the items; however, also saw value in consolidating the meetings, with the agenda being published on the Friday before, since there would be additional time to review the packet.

Trustee Harlfinger requested a trial run for either an October or November meeting.

Trustee Anderson stated that she would also like to have a trial run as well.

President Bogdanowski identified that the Village Board has already had a number of combined meetings over the past year and proceeded to outline both positive and negatives to the proposed change in format. One negative might be the need to table an item for two weeks; however, a positive would be that staff would prepare items in advance to account for that scenario. He stated that the priority is for the Village Board to be comfortable and have the time and information needed to make decisions.

Trustee Bojarski provided feedback that having a full discussion on a Tuesday night provides an opportunity to consider additional information and trustee input before voting on Thursday. She agreed that she would like to have trial meetings as well.

Trustee Harlfinger questioned the ability to hold a special meeting should an item need further discussion. Attorney Stewart confirmed that this would be permissible.

Trustee Dustin stated that he is currently in favor of the consolidation and highlighted the recent short Village Board meetings as a reason why.

Trustee Murphy stated that she would also like to trial the consolidated meeting schedule.

President Bogdanowski requested to move forward with trial meetings.

Trustee Harlfinger identified two meetings in October and one in November to use for a trial run, in order to be ready to make a motion in December.

Request to Approve a Video Gaming License Request for Eviva, Inc.

Presented by Village Administrator Shannon Andrews

Eviva, Inc. presented their business plan to the Village Board on July 25, 2023, for a Class A liquor license and video gaming at 2102-2104 W. Algonquin Road, at which time the Village Board verbally provided its support. On September 20, 2023, Eviva, Inc. was issued a Class A liquor license and started the process with the Illinois Gaming



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Board to secure their Video Gaming License. With the submission of the application (attached to the agenda), they are now requesting approval from the Village for six Video Gaming Licenses, one for each machine.

Staff has reviewed the request and finds that all provisions of Chapter 33, Section 33.31 have been met. In addition to the license fees of \$500 per machine, a tax of 30% is imposed on the net terminal income and is collected by the Illinois Gaming Board. One-sixth of this tax is collected and deposited into the Local Government Video Gaming Distributive Fund. These monies are distributed on a monthly basis across those municipalities that have not prohibited video gaming. The amount will be in proportion to the tax revenue generated from video gaming within Lake in the Hills as compared to the total revenue generated statewide.

The owner, Peter Alevras, was present at the Committee of the Whole meeting.

Staff recommends a motion to approve the Video Gaming License request from Eviva, Inc. and issue the six licenses.

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

Community Development

Informational Item Concerning Potential Self-Storage Facility Rental Tax

Presented by Director of Community Development John Svalenka

Self-storage facilities as a whole do not offer great benefit to the community. The facilities do not create or provide many jobs and do not generate sales tax revenue (minus trivial amounts for boxes/packing supplies if sold on site). Additionally, they do not generate consistent foot traffic for an area to result in increased spending to surrounding businesses. While the facilities do generate property tax revenue, they often do not generate the same EAV as retail or industrial uses. Therefore, staff seeks feedback from the Village President and Board of Trustees regarding a potential Self-Storage Facility Rental Tax that would generate revenue in lieu of sales tax.

Like sales tax, a Self-Storage Facility Rental Tax would be added to the gross price for the rental or leasing of storage accommodations. Staff is recommending a 5% fee, which matches the fee currently collected for this tax by the City of McHenry and the Village of Carpentersville. As an example, a 10'x10' storage unit rented for \$84.00 per month would generate \$4.20 in tax to be paid by the renter of the unit. The tax would be collected by the storage facilities and paid directly to the Village on a monthly basis. To offset the administrative costs associated with the collection of the tax, the storage facility operators would have the option to deduct 5% of the collected amount as an offset. In the previous example, of the \$4.20 collected the business could retain \$0.21 and remit the remaining \$3.99 to the Village.

Such a tax would be imposed upon the rental or leasing of all self-storage facility accommodations and all outdoor vehicle storage facility accommodations in the Village. Therefore, the tax would apply to traditional self-storage buildings containing separately divided storage rooms such as Extra Space Storage, Life Storage, U-Haul, etc., but would also apply to outdoor vehicle storage such as the truck storage lots recently approved along Route 31 for Plote and Bluff City Materials. It should be noted that the Police Department has documented a significant number



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of responses to existing outdoor vehicle storage businesses in the Village. For example, the Police responded to the outdoor truck storage yard at 8813 S. Route 31 a total of 12 times in the one-year period from May 2023 through April 2024. The proposed tax would help to offset the increased costs to the Village for Police service at these businesses.

Staff estimates, based on the number of units and recent pricing in the several locations in Lake in the Hills, this tax would generate approximately \$120,000 annually. Just like with sales tax, not all storage units or spaces are rented by Lake in the Hills residents or businesses, so some portion of the revenues would be money coming into the community from non-residents.

Staff requests direction on whether to initiate the process to amend the Municipal Code to enact a Self-Storage Facility Rental Tax. If the Village Board should provide direction to move forward, the following is a proposed anticipated schedule for the process:

- Village staff would mail notices to all self-storage facilities and outdoor vehicle storage facilities in the Village, to provide an approximately 30-day notice. Such notice is not required but would be in keeping with the spirit of open and transparent government.
- A proposed ordinance would be scheduled for consideration at the Committee of the Whole meeting on October 22 and the Board of Trustees meeting on October 24.
- If an ordinance imposing the new tax is passed, staff would again mail notices to all self-storage facilities and outdoor vehicle storage facilities in the Village. Staff anticipates that the ordinance would not take effect until January 1, 2025, which would provide business owners with two months to plan for collection of the tax.

Trustee Murphy asked about the administration of the tax. Director Svalenka stated that it would be self-reported by the business.

Trustee Dustin asked how the tax would be applied if he was renting a storage facility with a long-term lease. Director Svalenka offered to research the answer. Attorney Stewart provided additional information that the tax would be the responsibility of the renter of the space. Attorney Stewart explained that the storage facility tax would be outside of the terms of the lease agreement.

Trustee Dustin asked if an airplane is considered a vehicle and if the Lake in the Hills Airport storage and leases would be subject to the tax. Director Svalenka stated that Lake in the Hills Airport storage is not being considered at this time. Director Svalenka stated that the Airport could be considered if that were the direction of the Village Board.

Trustee Harlfinger requested additional information related to an existing agreement between a lessee and lessor.



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Attorney Stewart identified that the underlying agreement would not be affected. The lessor would be responsible for collecting the tax from the lessee for continued use.

President Bogdanowski asked if there are already existing taxes on storage facilities. Director Svalenka stated that he is not aware of a state tax.

President Bogdanowski questioned if an ordinance should be pursued.

Trustee Harlfinger requested feedback from the storage facilities.

President Bogdanowski indicated that if the item were on the agenda, that should generate feedback from the facilities.

Trustee Huckins questioned the purpose of the tax related to the revenue generated. Director Svalenka cited offsetting costs incurred and revenue lost in lieu of other types of businesses.

Trustee Huckins questioned the nature of the police calls. Chief Mannino reported frequent auto-theft and burglary.

Trustee Anderson indicated she is not ready to make a decision yet.

Trustee Murphy stated she is not ready to make a decision yet.

President Bogdanowski stated that the Village Board would like additional information and requested this matter be brought back as an informational item at the next set of meetings.

Trustee Harlfinger requested additional feedback related to the Lake in the Hills Airport storage and leases.

Request to Approve an Ordinance Granting Conditional Uses for Automotive Service and Outdoor Storage of Vehicles at 9100 Trinity Drive

Presented by Director of Community Development John Svalenka

Oskar Ex Incorporated is a transportation company based and founded in Illinois in 2015. The business is owned by Mr. Andrii Verbych. The business owns a fleet of sprinter vans, small trucks, and large trucks, and specializes in providing expedited overnight deliveries. In October 2023, the company purchased a property in Lake in the Hills at 9100 Trinity Drive and moved their headquarters to the existing building. On July 31, 2024, the Village received a building permit application from design firm Projekt Plus to allow the existing building to be remodeled and expanded to create an indoor garage area that is large enough for the maintenance and repair of the truck fleet.

The subject property is located within the B-4 Commercial Business zoning district. In accordance with the Permitted and Conditional Use Chart in Section 11 of the Zoning Code "automotive service" is allowed in the B-4 zoning district



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only with the approval of a conditional use. Therefore, Mr. Arek Jarog from Projekt Plus has requested approval of this conditional use on behalf of the owner.

As part of the business, the owner needs outdoor space to park trucks. In accordance with the Permitted and Conditional Use Chart in Section 11 of the Zoning Code, the "outdoor storage of vehicles accessory to principal use" is allowed in the B-4 zoning district only with the approval of a conditional use. Therefore, Mr. Jarog has also requested approval of the second conditional use.

Village staff reviewed the requested conditional uses according to the standards listed in the Zoning Code. In general, staff found that the request meets all seven standards for conditional uses, subject to compliance with the following conditions:

1. All vehicle repairs must take place inside the building on the subject property and no exterior vehicle repairs shall be allowed.
2. Vehicles in disrepair may not be stored outside the building for longer than 30 days.
3. A landscaped screening must be provided to meet the intent of the requirements in Section 26.10- 2 of the Zoning Code, subject to review and approval by the Director of Community Development.
4. The applicant must obtain a Construction Impact Review (Health Review) from the McHenry County Health Department and provide a copy of the Health Department approval to the Village prior to the issuance of a building permit.
5. Civil engineering plans shall be submitted to the Village for review and shall be subject to final approval by the Village Engineer prior to the issuance of a building permit.
6. The newly constructed building areas shall include decorative exterior elevations consisting of a minimum of 33 percent brick, stone, or other masonry material, in compliance with Section 24.16(P) of the Municipal Code.

The Planning & Zoning Commission conducted a public hearing on September 16, 2024, to consider the requested conditional uses. The Commission recommended approval of the requests by a vote of 5-0, subject to the conditions above.

Staff recommends a motion to approve an ordinance granting conditional uses for automotive service and outdoor storage of vehicles at 9100 Trinity Drive.

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

Public Works

Request to Approve an Ordinance Amending Chapter 25, Section 25.25 Regarding Rates for Small Wireless Facilities

Presented by Public Works Director Ryan McDillon



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The Illinois Small Wireless Facilities Deployment Act (50 ILCS 840/1 et. seq.) was passed in 2018 and subsequently updated to regulate the installation of 5G “small cell” technology at the local level. The Act pre-empted much local authority over the small cell devices and made them a permitted use both in municipal rights-of-way and in exclusively commercial and industrial districts. The Act also set time limits, procedures, and fees that municipalities have to follow when applications for small cell placements in these districts are received, and it requires municipalities to accept small cell devices on their municipally owned poles in the right of way as well as on privately held poles in these districts. The IML adopted and later updated a model “Small Cell Ordinance”, which the Village adopted to include the fees that had been set by state law.

This summer, the Governor signed Illinois Public Act 103-0601, which now authorizes municipalities to increase the annual small wireless facility pole attachment fees from \$200 per year to \$270 per year or more if properly authorized by the Federal Communications Commission (“FCC”). The ordinance, which is attached to the agenda, has been prepared to update Chapter 25, Section 25.25 to include this increased amount. It also authorizes further increases if authorized by the FCC.

Financial Impact

The amendment to the Code will change annual payments for small wireless facilities in the rights-of-way from \$200/year to \$270/year.

Staff recommends a motion to Approve an Ordinance Amending Chapter 25, Section 25.25, Small Wireless Facilities, Regarding Annual Recurring Rates.

Trustee Huckins asked how many small cell devices were currently in the Village. Director McDillon identified that the Village has no small cell devices.

Trustee Dustin asked when the \$200 amount was put in place. Director McDillon indicated that it would have been around 2018. Attorney Stewart confirmed the timeline of 2018.

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

Board of Trustees

None.

President

None.

Adjournment

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



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There being no further business to discuss, the Committee of the Whole meeting was adjourned at 8:08 pm.

Submitted by,

A handwritten signature in black ink, appearing to read "Trevor Bosack".

Trevor Bosack
Assistant Village Administrator