



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

COMMITTEE OF THE WHOLE MEETING

OCTOBER 10, 2024

Call to Order

The meeting was called to order at 7:30 pm. Present were Trustees Huckins, Dustin, Harlfinger, Bojarski, Anderson, and President Bogdanowski. Trustee Murphy was not present.

Also present were Assistant Village Administrator Trevor Bosack, Chief of Police Matt Mannino, Finance Director Pete Stefan, Public Works Director Ryan McDillon, Building Commissioner Marc Nard, Parks and Recreation Director Randy Splitt, Village Attorney Brad Stewart, and Village Clerk Shannon DuBeau.

The Pledge of Allegiance was led by RTA and McHenry County Board member Brian Sager.

As the RTA's McHenry County representative, Mr. Sager addressed the Board with updates affecting our community. He explained that due to a lack of state funding, the transit system is facing a \$730 million shortfall. This lack of funding has impacted needed infrastructure updates. In response, an oversight committee has been appointed by the state to improve and restructure the transit system.

In regard to his position on the McHenry County Board, Mr. Sager shared that the county has a budget of \$6.8 million and is working to maintain services, and add three deputies the Sheriff's department.

Audience Participation

None.

Administration

Request to Approve an Ordinance Approving a Fourth Addendum to the Push Tax Tolling Agreement

Presented by Assistant Village Administrator Trevor Bosack

The Village Board approved a Penny Per Push Amusement Tax ("Push Tax") on October 31, 2021, which generally requires the providers of video gaming machines ("Terminal Operators") to collect and remit a monthly tax equal to \$0.01 for each time a person makes a wager and plays a game on a video gaming machine.

Prior to the Village enacting the Push Tax, two other communities who had adopted similar Push Taxes were engaged in litigation with the Terminal Operators over the enforceability of the municipal Push Tax. Until those cases have fully progressed through the appeal process, our consortium recommends extending our tolling agreement with the Terminal Operators. As before, the tolling agreement reserves all legal claims and rights to pursue or defend the enforceability of the Push Tax once the tolling period expires.

The Board approved the initial Tolling Agreement through April 23, 2023, with Second and Third Addendums extending the expiration of the Agreement to October 31, 2024. A Fourth Addendum is now being proposed to further extend the term another year through October 31, 2025, while we await a proposal for resolution or the final appellate ruling.



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It is important to note that any party can terminate the Tolling Agreement at any point in time, allowing the municipalities to terminate early if favorable case law indicates the Push Taxes are likely to be upheld as valid and collectible.

The only notable concession in the Tolling Agreement is that the municipalities are foregoing any late payment penalties or interest assessments against the Terminal Operators during the pendency of the tolling period. However, the principal tax balance would still be collectible if the Push Tax is ultimately upheld as enforceable. If the Tolling Agreement is not approved, the Village would need to engage in ongoing collection and legal enforcement activities against all Terminal Operators, beginning in November.

Financial Impact

There is no precisely measurable financial impact from the ordinance extending the Tolling Agreement. Nonetheless, the fiscal advantage is the savings in administrative time and legal expense by not issuing notices of deficiency, conducting monthly hearings for the various Terminal Operators, and engaging in immediate litigation, all of which might be avoidable expense, depending on what the appellate court cases decide. The cost savings are estimated to be \$5,000-10,000 per month in staff time and legal expense. There is a potential loss of interest income from the Tolling Agreement, but if the Push Tax is ultimately enforceable, then it would be de minimis in the larger scheme of potential new revenue, and if the Push Tax is not ultimately enforceable, then it would not be collectible anyway.

Staff recommends a motion to Approve an Ordinance Approving Entry of Fourth Addendum to Tolling Agreement with Video Gaming Terminal Operators for the Purpose of Tolling the Video Gaming Push Tax.

Trustee Huckins questioned the continuous litigation surrounding the push tax. Attorney Stewart explained that one of the current appellate court cases may have ruling in the coming weeks or months. If the ruling is not favorable, we can terminate the agreement and any time. President Bogdanowski noted that if there is a favorable resolution, the push tax will be a major funding source for our Village.

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

Police

Request to Approve a Mutual Aid Agreement for the McHenry County Sheriff's S.W.A.T. Team

Presented by Chief of Police Matt Mannino

The department has been a member of the McHenry County multijurisdictional S.W.A.T. team since 2016. The purpose of this team is to support the Lake in the Hills Police Department, the McHenry County Sheriff's Department, and other local law enforcement jurisdictions in providing a tactical response to critical incidents in McHenry County, such as barricaded subjects and serving high-risk search warrants. As part of this agreement, our department supplies selected staff and equipment to be assigned to the team, which allows for comprehensive training in order to deploy during critical incidents within McHenry County. The previous agreement executed in 2020 has expired requiring a new agreement be executed. The new agreement has two minor changes from the prior agreement: training is changed to bi-monthly from monthly, and a stress inoculation test is required as part



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of the candidate selection process. The new agreement will be effective from the date of execution by each party for four years.

Financial Impact

Funds for training and overtime are in the 2025 fiscal budget.

Staff recommends a motion to approve and allow the Chief of Police to enter in a Mutual Aid Agreement for the McHenry County Sheriff's S.W.A.T. team between the Lake in the Hills Police Department and the McHenry County Sheriff's Office.

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

Request to Approve a Side Letter of Agreement Between Metropolitan Alliance of Police, Lake in the Hills, Chapter 90, and the Village of Lake in the Hills

Presented by Chief of Police Matt Mannino

The collective bargaining agreement with the Metropolitan Alliance of Police Chapter #90 (MAP 90) expired on April 30, 2024. The Village and MAP 90 have been engaged in collective bargaining discussions for several months but do not have an agreed upon successor Collective Bargaining Agreement at this time; however, the parties have tentatively agreed to updated terms of compensation for the successor Collective Bargaining Agreement. These terms relate to the applicability of effective dates of pay increases, an updated wage schedule effective May 1, 2024- April 30, 2027, and other related items. The Village and MAP 90 have discussed the desire to proceed with instituting the tentatively agreed upon terms of step increases and cost of living adjustments for the successor Collective Bargaining Agreement, retroactive to May 1, 2024, to ensure that Union members receive timely retroactive payment, to ensure administrative efficiency for the Village, to resolve pending Grievances, and to improve the parties' relationship.

This new compensation agreement involves a change in longevity payments. Under the terms of the expired contract, officers at step 9 and beyond received an annual \$1,500 longevity bonus. Under the new provisions, applicable officers will now receive 1% to their base salary. The agreement also changes the effective date of wage increases, including longevity payments, to become effective the first full pay period following their anniversary date or the May 1st contract date

Financial Impact

The Finance Department is currently working on financial calculations regarding the terms of this side letter agreement relating to compensation.

Staff recommends a motion to approve the Side Letter of Agreement between Metropolitan Alliance of Police, Lake in the Hills, Chapter 90, and the Village of Lake in the Hills.

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



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Finance

Request to Approve IPBC Medical, Dental, Vision, & Life Insurance Plan Renewals at a 3.7% Rate Increase

Presented by Finance Director Pete Stefan

The Village joined the Intergovernmental Personnel Benefit Cooperative (IPBC) effective July 1, 2023, with an 18-month rate guarantee for its employee medical, dental, vision, and life insurance plans. The initial rate guarantee period ends December 31, 2024, and the only plans with rate changes are a -0.4% rate decrease for the High Deductible Health Plan (HDHP) and a 1.8% rate increase for the dental plan. The rate decrease for the HDHP is due solely to a deductible increase from \$1,600/\$3,200 to \$1,650/\$3,300 for single/family coverage required to maintain the HDHP as a Health Savings Account compatible HDHP per Internal Revenue Service regulations. The 1.8% rate increase for the dental plan is based on claims experience.

However, while the Village's overall claims experience does not result in the need for a rate increase for its medical plans, there was no progress made during the 18-month rate guarantee period towards funding the two months or 16 2/3% minimum reserve requirement. The Village has six years from the effective date of July 1, 2023, to build up its reserves. Based on current claims experience for the PPO Plan, the HDHP Plan, the dental plan, the vision plan, and the life insurance plan, the required reserve amount is estimated to be approximately \$400,000.

Therefore, in order to fund the reserve requirement over the remaining 54 months from the effective date of IPBC membership, a 3.7% rate increase across all plans is being proposed. Progress towards reaching the two-month reserve requirement will be measured at each annual renewal period and the reserve funding component of premiums will be adjusted accordingly based on actual and projected claims experience. Assuming actual claims experience closely tracks projected claims experience, the \$400,000 reserve requirement will be met by the June 30, 2029, deadline.

Additionally, there remains one other objective of the migration to the IPBC that will not be complete as of January 1, 2025. The approved plan calls for one final modification to the employer/employee premium allocations for the HDHP Plan from a 91% Village/9% Employee cost share to a 90% Village/10% Employee cost share to become effective as of July 1, 2025. As of January 1, 2025, the HMO Plan and the PPO Plan will already be at their target cost allocations of 90% Village/10% Employee for the HDHP Plan and 80% Village/20% Employee for the HMO Plan.

All of the other objectives of the migration plan have been achieved including:

- The elimination of a second HMO Plan.
- Standardizing the PPO Plan coinsurance percentages.
- Providing coverage to employees based on full calendar months.
- The elimination of all Health Reimbursement Arrangement Plans.
- Converting to a calendar year plan year.
- Consolidating all ancillary coverages under the IPBC umbrella.
- Converting the Wellness Plan incentives from a premium reduction to a stipend-based program.



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Financial Impact

The total increase for FY25 based on a 3.7% increase across the board for all plans equates to a projected \$92,414 increase of which \$78,817 is the Village portion, \$10,220 would be paid by employees, and \$3,377 would be charged to retirees or COBRA participants. The Village portion of \$78,817 will be included as part of the FY25 budget request.

Staff recommends a motion to approve a 3.7% rate increase effective January 1, 2025, for the HMO Plan, the PPO Plan, the HDHP Plan, the dental plan, the vision plan, and the life insurance plan.

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

Parks & Recreation

Informational Item Concerning Beach Operations

Presented by Parks & Recreation Director Randy Splitt

In March 2023, the Village Board reviewed a proposed update to Chapter 8 of the Municipal Code regarding Parks, Lakes, and Beaches. The primary focus was the operation of Indian Trail Beach (ITB) following resident's concerns. The Board provided guidance to hire beach attendants, lock gates, and control access, while also restricting boating and fishing during the beach season (Memorial Day to Labor Day). The 2024 beach season mirrored the 2023 operations.

On June 6, 2024, IRMA conducted their Aquatic Facility Visit. The purpose of the visit is to identify any hazards seen in the aquatic facilities and any deficiencies in our aquatic facility safety program, in addition a listing of recommended corrections. It was stated that current operations are in line with state regulations for swimming beaches. A recommendation by IRMA was to align each beach location with an attendant to have operations the same at each location to assist with enforcement, inspections, and initiate the written emergency response plan.

While the 2024 season was considered successful, this report outlines some additional options for beach operations in 2025 and beyond to be considered.

Option 1: Continue Current Operations with Adjustments

- Operations: Both beaches continue to run for resident use only, following IDPH guidelines.
- Staffing: Indian Trail Beach would continue to be staffed for inspections, opening/closing checklists, grounds maintenance, and residency verifications. Increase weekend staff coverage to improve staff safety and customer service at both beaches.
- Cost: Estimated at \$19,000 for staff coverage including extra weekend coverage.
- Challenges: Inconsistencies in staffing between Indian Trail and Butch Hagele Beach and does not align with IRMA recommendations based on their Aquatic Facility visit in 2024.

Option 2: Standardize Staffing and Emergency Plans

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- Operations: Both beaches would have the same staffing structure, emergency protocols, and daily operational checklists. Weekend staffing would include a lead supervisor to assist with staff and customer needs.
- Cost: Estimated \$30,000 for staff coverage at both beaches, which includes the increased weekend coverage, plus \$3,000 for portable AEDs and safety equipment for Butch Hagele.
- Benefits: Enhanced safety and operational consistency, aligning with IRMA recommendations.
- Challenges: Ensure Staff safety with suitable working area at Butch Hagele (Shelter). Additional costs to the Village to ensure safety equipment and staffing are in place.

Option 3: Introduce Non-resident Fees

- Operations: Butch Hagele Beach would be designated as a private resident-only beach, while Indian Trail Beach would open to non-residents for a fee.
- Staffing: Similar to Option 2, with additional training for staff on technology to verify residency and process non-resident fees via QR code/Community Pass.
- Benefits: Would provide additional revenue to offset lake maintenance costs and streamline operations at one location. Cost recovery of 692 non-residents turned away, could equate to \$3,500- \$6,000 with a per person non-resident rate. Fees would help with the challenges of additional staff costs. Introducing technology for resident verification would assist in knowing who is using the facilities.
- Challenges: Requires updates to registration software and significant staff training. Ensure Staff safety with suitable working area at Butch Hagele. Additional costs to the Village to ensure safety equipment and staffing are in place. Residents with non-resident guests would now be charged a fee versus the current operations where residents are allowed to bring non-resident guests. Some Village residents have expressed opposition to allowing non-residents at the beaches and the lakes in general; however, much of this concern centers around respect for Village property and ordinances. Regular staffing at ITB has helped to encourage and reinforce compliance.

Conclusion

The beach season has provided valuable insights into the needs and challenges of running multiple beach facilities. Moving forward, adopting a standardized staffing plan, increasing weekend coverage, and addressing safety concerns, especially at Butch Hagele Beach, will be essential. With regard to recommendations for 2025 beach operations, staff's assessment of the options above is outlined below:

- 1) Option 1 – maintains successful operation
- 2) Option 2 – maintains successful operation, while also addressing IRMA's recommendations
- 3) Option 3 – maintains successful operation, while also addressing IRMA's recommendations and providing for a cost recovery solution that also draws population away from Butch Hagele Beach.

Staff recommends Option 3 as the most cost-effective solution to operate both beaches while aligning with IRMA's recommendations. The Parks and Recreation Board discussed these options at the October 3, 2024, meeting and agreed that residents would receive the best service with staff at both beaches to serve as a first line of safety as well as to provide the presence that residents are looking for. Understanding that salaries would increase the Non-



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Resident fee was supported to offset costs. The Board felt that keeping Butch Hagele resident only eliminates concerns of parking.

Financial Impact

Cost estimates for each option are provided within the analysis above.

Staff is seeking direction from the Board on the preferred option for the 2025 beach operations, which would then be incorporated into the Fiscal Year 2025 Proposed Budget for the Board's consideration.

Trustee Anderson would prefer to keep Indian Trail Beach private.

Trustee Huckins asked if Indian Trail Beach would require increased staffing if it were opened to the public. Director Splitt explained that a QR code would be utilized for registration in lieu of extra staff.

Trustee Bojarski asked what the entrance fee would be. Director Splitt expects the non-resident entrance fee to be \$5-\$8.

Trustee Huckins questioned the occupancy limit at Indian Trail Beach. Director Splitt recalled having recorded 180 beachgoers at most. Trustee Huckins asked if the intent of opening the beaches to the public is to help offset cost. Director Splitt confirmed that the funds would cover the cost of staffing.

President Bogdanowski asked if Butch Hagele Beach is being proposed as the resident-only beach due to its limited parking. Director Splitt confirmed this.

Trustee Huckins inquired about staffing with Option 3. Director Splitt stated that Option 3 would have both beaches staffed in accordance with IRMA's recommendation.

President Bogdanowski questioned the risk of maintaining current beach operations. Director Splitt noted the lack of an AED (defibrillator) as the biggest risk. The Board discussed supplying the beaches with an AED outside of the outlined options, and whether expanding beach operations would be worth the cost and effort associated with each option.

The Board's direction is to maintain current beach operations.

Adjournment

There being no further business to discuss, the Committee of the Whole meeting was adjourned at 8:24 pm.

Submitted by,

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

Shannon DuBeau
Village Clerk

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