



Village of Lake in the Hills

600 Harvest Gate, Lake in the Hills, Illinois 60156

Committee of the Whole Meeting

April 23, 2020

Call To Order

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

Also present were Village Administrator Jennifer Clough, Assistant Village Administrator/Finance Director Shane Johnson, Chief of Police Dave Brey, Public Works Director Dan Kaup, Community Service Director Fred Mullard, Airport Manager Mike Peranich, Village Attorney Brad Stewart and Village Clerk Cecilia Carman.

Pledge of Allegiance was led by President Ruzanski.

Audience Participation: Dawn Drifke, of Lake in the Hills, asked if the water bill's due date could be changed to coincide with pay periods.

Discussion

A. Business and Resident relief and support in response to COVID-19 Pandemic- Trustee Dustin suggested donating funds to food pantries and other local organizations. Trustee Bojarski suggested a rebate for water bills and residents can use the money as they see fit. If residents do not take the rebate the monies could be used for a donation towards local organizations. Trustee Huckins stated he does not like the idea of a rebate because it may be difficult for the staff to manage. He would like to give money to those in need and not all residents. Trustee Bogdanowski stated he does not want the Village to decide who needs assistance. He stated many organizations have identified needy residents and it would be best to donate to the organizations instead. Trustee Harlfinger wants the Village to reach out to local organizations and see what efforts may need our assistance. He also mentioned townships also give assistance. Attorney Stewart stated the townships have general assistance programs to assist residents with basic needs. The Village could donate funds and allocate them for certain needs.

A discussion began concerning putting together a list of resources residents could use. Staff reviewed what resources they already made available to residents. The discussion then turned to using the fund balance to help residents in need. The amount of money to allocate and how to identify needy residents was discussed but no decision was made. It concluded President Ruzanski will make contact with the Rotary Club to identify what needs the community has. The Board also gave direction to staff to extend moratorium of late fees and water shut offs until July 2, 2020.

Administration:

Ordinance Amending Chapter 3, Section 3.01 (D) "President Pro Tem" of the Municipal Code- Presented by Attorney Brad Stewart- Following the Board's direction at the April 9, 2020 meeting, an amending ordinance is submitted for your consideration, to approve changes to Village Code Section 3.01(D) "President Pro Tem." The changes would do the following:

1. Create a standing position of President Pro Tem, instead of the position being created only in response to an actual situation in which the Village President is incapacitated. The change would create an efficiency in not requiring the Board to convene to decide who would be the President Pro Tem if such a circumstance eventuates.

The appointment would be made by the Village Board, at large, to coincide with the two year cycle in which elected officials are sworn in to the new term office or any time a new Board member is appointed to ensure that the current Board is exercising its discretion in identifying the Pro Tem. Because the appointment has not yet been made, a provision also requires the Board to make the appointment any time the Pro Tem position is vacant, such as now, so the Board is not otherwise required to wait a year for the next Board term.

2. A second section was added to clarify that the Pro Tem would also act as the Temporary Chairperson of any meeting due to the absence of the President, for a reason other than incapacity. This section is already contemplated by state statute, 65 ILCS 5/3.1-35-35(b). The Temporary Chairperson is the designated presiding officer of the meeting and does not assume any actual power of the President.

Staff recommends a motion to approve an Ordinance amending Chapter 3, Section 3.01 (D) of the Village of Lake in the Hills Municipal Code Regarding President Pro Tem. Motion was made to place this item on the Village Board Agenda.

Ordinance Provisionally Amending Chapter 33, Liquor Control & Liquor Licensing, and Chapter 37, Tobacco Control & Tobacco Licensing of the Municipal Code- Presented by Village Administrator Assistant/Financial Director Shane Johnson- Following the Board's direction at the April 9, 2020 meeting, a provisionally amending ordinance is attached for consideration due to COVID-19 financial relief efforts for Lake in the Hills businesses in regards to payment of fees for Liquor, Video Gaming and Tobacco Licenses. The Terminal Operator fee has been excluded from this Ordinance and relief consideration as this fee is charged and paid by the regional/national terminal operators (non-Lake in the Hills businesses). All fees in the amount of \$500 per terminal operator at 13 locations has already been paid and received by the Village.

In order to allow the Village's businesses to maintain funds for operating capital in the short-term and provide relief with economic challenges, the Village is providing for a one-time extension for payment of fees and a fifty percent (50%) reduction in the amount of fees, with a refund of a portion of the fees already paid, for liquor, video gaming and tobacco licenses for licenses issued or renewed in 2020.

This does not extend the time for submitting applications for renewal of annual liquor, video gaming and tobacco licenses and all license holders must still submit applications for renewal. The Village will not presume any licenses are being renewed. Subject to properly submitted and approved applications for renewal, annual liquor, video gaming and tobacco licenses will still be issued commencing May 1, 2020. All money owed to the Village shall be paid no later than July 31, 2020.

Financial Impact: The total amount budgeted for Liquor, Video Gaming and Tobacco licenses in the FY 20 Budget was \$75,250. Several changes occurred with businesses and their Liquor and Video Gaming license needs between the development of the FY 20 Budget and the licenses renewal process in early 2020. The changes (summarized below) resulted in Liquor licenses to increase by \$1,500 and Video Gaming licenses to increase by \$1,800 for a total increase of \$3,300. The new revenue amount for Liquor, Video Gaming and Tobacco licenses for the renewal process is now \$78,550.

The 50% reduction for COVID-19 relief for these licenses fees will result in \$39,275 for the new revenue amount and also the amount of relief provided to Lake in the Hills businesses.

	Liquor	Video Gaming	Tobacco	Totals	COVID-19 Relief	FY20BudgetIm pact
FY 20 Budget	\$44,100.00	\$27,900.00	\$3,250.00 \$	\$75,250.00	\$39,275.00	\$35,975.00
FY 20 Actual	45,600.00	29,700.00	3,250.00 \$	78,550.00	39,275.00	
Difference	1,500.0	\$1,800	-	\$3,3000		
Reconciliation of Changes from Budget to Actual						
Chen's Not Renewing License	\$2000					
Open Bar Catering did not renew	\$1000					
May's New license	\$2500					
Cacha's Tacos New License	\$2000					
Glogovsky Oil added another machine		\$500				
Moretti's added another machine		\$500				
Butcher on the Block added another machine		\$500				
American Legion added another machine		\$300				
Total Changes	\$1500	\$800				
Check	\$-	\$-				

To date, the Village has collected \$46,050 in revenue. However, the proposed Ordinance, if passed, would still require the Village to collect \$15,250 from 10 businesses and issue \$22,025 in refunds to 22 business that have already paid. The listing of businesses that still owe fees or those that will receive a refund can be found in the attachment. The net effect on the FY 20 Budget revenue amount will be -\$35,975 under budget for FY 2020.

Staff recommends a motion to approve an Ordinance Provisionally Amending Chapter 33, Liquor Control & Liquor Licensing, and Chapter 37, Tobacco Control and Tobacco Licensing, of the Lake in the Hills Municipal Code due to Coronavirus Disease 2019/COVID-19 for Liquor Licenses, Video Gaming Terminal Licenses, and Tobacco Licenses.

Trustee Dustin asked if the Village has received all the applications. President Ruzanski stated there are 2 or 3 businesses that are still pending but they have been contacted. Attorney Stewart commented the extension is for payment not the actual license. If the businesses do not complete their applications they will lose their license. Motion was made to place this item on the Village Board Agenda.

Finance:

Informational Item concerning Fiscal Year Ending December 31, 2019 Financial Results- Presented by Assistant Village Administrator/Finance Director Shane Johnson- A presentation will be given outlining and reviewing the FY 19 financial results. This will include;

- Revenues and expenses compared to the FY 19 budget
- Revenues and expenses compared to the FY 19 estimate that were established during the FY 20 budget presentation
- An update on fund balances and fund reserves

- An update on the FY 19 annual audit that is currently in progress

Trustee Dustin asked for clarification of the almost \$300, 000 loss in the airport fund. Assistant Village Administrator/Finance Director Shane Johnson explained this is not a loss it reflects non-cash items.

Ordinance approving Budget Amendments for Fiscal Year Ending December 31, 2019 - Presented by Assistant Village Administrator/Finance Director Shane Johnson- Per the Village code, the legal level of budgetary control is established at the department level. The only fund that currently utilizes department levels is the General Fund (Executive, Administration, Finance, and so on). Therefore, all other funds operate at the fund level because there are no defined departments within these funds.

The annual audit for the fiscal year (FY) ending December 31, 2019 (19) is in progress and final field work has been completed by the auditors. The financial statements are not 100% complete at this time, but staff doesn't foresee any further changes to the financials for FY 19. As such, an ordinance needs to be approved to account for any Department/Fund expenses that have exceeded the budget in order to comply with our code requirement.

In total for all funds the Village's total expenses for FY 19 were \$1,399,722.75 under budget (Exhibit A). However, the following fund's expenses exceeded the legal level of budgetary control:

Budget Worksheet Report
Budget Year 2019

Fund/Department	2019 Adopted Budget	2019 Actual	Amount Actual Over Budget
Fund 332 - SSA 7	\$390.00	\$665.46	\$275.46
Fund 410 - Lakes Projects	\$255,000.00	\$695,290.09	\$440,290.09
		Total Over Budget	\$440,565.55

Justifications for over budget Departments/Funds:

- Special Area Fund 7
 - \$275.46 over budget due to
 - ◆ Increased costs within special service area
- Lakes Projects
 - \$440,290.09 over budget due to:
 - Increased construction costs for both Reach 10 and Reach 11 streambank stabilization projects

Also, attached is Exhibit A that presents the proposed budget amendments between funds. The total expense budget will remain the same amount as the originally adopted budget amount of \$26,367,417. This is accomplished by transferring "unused" budget money in one fund to another fund that has consumed and exceeded its budget money. A reconciliation of these transfers can be found on the attachment to show the Department/Fund that the budget amount will transfer out of and the Department/Fund where the budget amount will transfer into.

Staff recommends a motion to approve an ordinance amending the Fiscal Year 2019 budget. Motion was made to place this item on the Village Board Agenda.

Ordinance Authorizing Surplus Property- Presented by Assistant Village Administrator/Finance Director Shane Johnson- The Village is purchasing and replacing two new copiers from Konica Minolta as approved at the April 9th meeting. Konica has agreed to remove the existing equipment for the Village upon delivering the new copiers as part of the agreement. Attached is the Ordinance declaring the two existing Konica Minolta copiers as surplus property: Bizhub C454 Printer/Copier, Serial #A4FJ011007362 and Bizhub C654 Printer/Copier, Serial # A2X1011006083.

Financial Impact: The two existing copiers are about 7 years old and were originally purchased in 2013. The copiers are past their useful lives of 4-5 years and have significantly exceeded the recommended total copies and activity recommended to run through them. Both machines require several maintenances needs each year and replacement parts are hard to find since these models are no longer produced.

Staff recommends a motion to adopt the ordinance declaring Village property as surplus. Motion was made to place this item on the Village Board Agenda.

Purchase Authority for New World Systems Maintenance- Presented by Assistant Village Administrator/Finance Director Shane Johnson- In December 2014 the Village entered into a purchase agreement with New World Systems (subsequently acquired by Tyler Technologies) for the acquisition of a new Enterprise Resource Planning (ERP) software system consisting of financial management, human resources and utility billing modules. The below chart shows the total cost breakdown of the original agreement from the agenda cover sheet in 2014.

	2015	2016	2017	2018	2019	Total
Software	138,500	0	0	0	0	138,500
Implementation	223,800	0	0	0	0	223,800
Travel	45,000	0	0	0	0	45,000
Maintenance	0	44,000	44,000	44,000	44,000	176,000
Total	407,000	44,000	44,000	44,000	44,000	583,300

The annual maintenance of the software was included in the original agreement at a cost of \$44,000 per year for 2016 through 2019. This was later increased in 2019 by \$396 to \$44,396 due to the addition of the Personnel Actions feature in the HR module. The annual maintenance cost for 2020 is the first year outside of the original agreement terms and was increased by 5% or \$2,219.89 up to a total cost of \$46,615.89. Staff has been satisfied with the level of support received on the system over the years and the Village has a significant investment in this ERP system.

Financial Impact: The amount budgeted in FY 2020 is \$44,400 and will be \$2,215.89 over budget.

Staff recommends a motion Waive competitive bidding and approve the payment of New World Systems annual maintenance invoice to Tyler Technologies in the amount of \$46,615.89 for 2020. Motion was made to place this item on the Village Board Agenda.

Police:

Officer Lewis Request for Unpaid Leave Over 61 Days-Presented by Chief of Police Brey- On January 23, 2020, Officer Lewis was granted 60 days of unpaid leave, pending the determination of her pension application for benefits. The Pension Board is still in the process of evaluating her pension request. Based on the pending pension request, Officer Lewis has requested consideration for unpaid leave that will exceed 61 days, which requires Village Board approval. As outlined in the Village’s rules and regulations, Officer

Lewis' unpaid leave will be without loss of prior earned seniority. However, her seniority and other benefits will not accumulate during the period of unpaid leave except for group health coverage, which will be offered through COBRA.

Staff recommends a motion to approve the unpaid leave status for Officer Lewis until the Police Pension Board makes a final determination for pension benefits. Motion was made to place this item on the Village Board Agenda.

Public Works:

Pavement Rejuvenator Contract- Presented by Public Works Director Dan Kaup- The Village is in the fourth year of a five-year pilot test program to determine whether there are positive benefits in utilizing a pavement rejuvenator product to help prolong the life cycle of Village streets. An asphalt rejuvenator is a maltene-based petroleum product designed to penetrate and seal the surface, thereby preventing raveling and stripping. The Village, along with Village of Algonquin and the Cities of McHenry and Woodstock, have partnered together through the McHenry County Municipal Partnering Initiative since 2017 to jointly procure pavement rejuvenator application services.

The Village applies the product to 100% of all resurfaced roadways from the previous year. After the pilot term, staff will determine whether the product has delayed the pavement failure and decide whether to continue to use the product.

Corrective Asphalt Materials (CAM) was the sole bidder for the contract and provided a unit cost for 1, 2 and 3 year terms. CAM is also the sole provider for pavement rejuvenator in the State. The cost for year 1 is \$0.88 per square yard and includes sweeping, cleanup, traffic control and resident notification. If the contract award is approved, Village staff will hire CAM to apply their pavement rejuvenator product to all sections of pavement that were resurfaced last year, which is estimated to total 63,000 square yards.

Financial Impact: The FY 2020 Village Budget contains \$61,000.00 in the General Fund for pavement rejuvenator application services. The total expense for this project is expected to be below \$61,000.00; however, Village staff request authority to spend up to \$61,000.00, as the Village's quantity (63,000 square yards) is an estimate. Village staff will field verify all work that is performed and will only expend the amount needed to complete the project.

Staff recommends a motion to award a contract to Corrective Asphalt Materials of Sugar Grove, IL, for the 2020 Pavement Rejuvenator Project in an amount not-to-exceed \$61,000.00.

Trustee Huckins asked what roads this refers to. Director Kaup stated all the roads that were paved in 2019 will be receiving this service. Motion was made to place this item on the Village Board Agenda.

Agreement for Construction Phase Services for the first phase of the Airport Runway Improvement Project ("3CK-4423")- Presented by Airport Manager Mike Peranich - On March 12, 2019, the Village Board approved design and special service agreements for the first phase of the runway improvement project. The Airport engineer has followed up with a construction phase services agreement at a cost not to exceed \$25,700.00. The construction phase services are engineering services and are part of this summer's runway improvement project, which is estimated to cost \$466,100.00. The project will be funded by a 90% federal grant and 5% state grant. The Village will be responsible for the remaining 5%, which is expected to be approximately \$23,305.00. The construction phase services agreement has been approved by the Illinois Division of Aeronautics and is attached for your review and consideration.

Financial Impact: The Airport Fund will be responsible to pay the Illinois State Treasurer's Office for a 5% of the total Airport Runway Improvement Project costs, which are estimated to be \$23,305.00. The exact dollar amount that the Village will need to pay the Illinois State Treasurer's Office will be determined once the bids for the construction portion of this project are opened toward the end of this month.

Staff recommends a motion to approve the agreement with Crawford, Murphy and Tilly, Inc. for construction phase services associated with project 3CK-4423 at the Lake in the Hills Airport.

Trustee Dustin asked if this is a budgeted item. Airport Manger Peranich stated this was part of the 2019 budget. Motion was made to place this item on the Village Board Agenda.

Board of Trustees:

Trustee Harlfinger – None at this time

Trustee Dustin - commented there is an increase of littering and dog waste throughout the Village. Administrator Clough stated our best efforts to communicate to the residents about this concern has been made. Director Mullard stated the Village has placed signs throughout the Village to remind residents to pick up waste.

Trustee Huckins- None at this time

Trustee Bojarski- None at this time

Trustee Bogdanowski- None at this time

Trustee Murphy- None at this time

President Ruzanski: Will be asking for the re-appointments of Brent Borkgren, Greg Walker and John Murphy to the Planning and Zoning Commission, Craig Bolton to the Police Commission and Bryan Wolf to the Police Pension Fund. He will also read the Arbor Day Proclamation.

Audience Participation: None

Adjournment: There being no further business to discuss, the Committee of the Whole meeting was adjourned at 8:59 pm

Submitted by,

Cecilia Carman
Village Clerk