



VILLAGE OF LINCOLNSHIRE

MINUTES SPECIAL COMMITTEE OF THE WHOLE MEETING June 29, 2020

Present:

Mayor Brandt

Trustee Hancock

Trustee Leider

Trustee Raizin

Village Attorney Simon

Chief of Police Leonas

Public Works Director Woodbury

Trustee Grujanac

Trustee Harms Muth

Trustee Pantelis

~~Village Clerk Mastandrea~~

Village Manager Burke

Treasurer/Finance Director Peterson

Assistant Village Manager/Community &

Economic Development Director Gilbertson

This was a remote video-conference meeting

1.0 ROLL CALL

Mayor Brandt called the meeting to order at 7:00 p.m., and Village Manager Burke called the Roll.

2.0 ITEMS OF GENERAL BUSINESS

2.1 Public Works

- 2.11 Presentation of the 10-Year Capital Improvement Plan Update
 - a. Pavement Preservation Program Report and Recommendation
 - b. Village-Wide Drainage Study Update
 - i. Proposed 2020 Storm Water Projects
 - c. Revenue Sources
 - i. Proposed Storm Water Utility
 - ii. Possible State / Federal Funding

Mayor Brandt read the agenda item and noted any materials received from residents has been shared with the Board.

Village Manager Burke stated staff is looking to inform the Village Board and receive input. Staff knows there will be many items to discuss with the Board in future months. Village Manager Burke introduced and summarized the agenda item. All projects discussed tonight are in the 10-Year Capital Plan which includes those projects identified in the Village-Wide Drainage Study shared with the Board earlier this year.

Assistant Public Works Director/Village Engineer Dittrich provided a presentation of the 10-Year Capital Improvement Plan update including a road program update based on 2017 pavement condition analysis.

Trustee Hancock asked why some of the roads in the plan have no coloring on them. Assistant Public Works Director/Village Engineer Dittrich stated any road not highlighted are not under the maintenance jurisdiction of the Village. Village Manager Burke noted some of the subdivisions have private roadways that are not under the

Village roadway plan. Assistant Public Works Director/Village Engineer Dittrich stated the 10-Year Roadway Plan has roads that are not highlighted because they are not planned for pavement in the next 10 years as well.

Assistant Public Works Director/Village Engineer Dittrich continued his presentation with the road program update.

Trustee Hancock asked when a roadway condition gets to poor or very poor does that mean the Village can no longer do the more economical resurfacing. Assistant Public Works Director/Village Engineer Dittrich stated it really depends on the type of road, what the base is made out of, and how much asphalt is left. Percentage of poor and very poor roadways, as identified in the rating program, is based on overall deterioration of the entire system that staff looks at each year. Trustee Hancock noted some percentages over time and asked why the Village wouldn't put more money into the system so the roads in the system did not get to very poor. Assistant Public Works Director/Village Engineer Dittrich stated when the Village replaces water main in a year, it drives what is surfaced in that same year which reduces the flexibility to the rest of the program. By doing two miles of roadway a year, staff can align the utility improvements while still addressing some of the other roadways in the Village that need to be resurfaced that are not getting underground utilities installed. Village Manager Burke noted the chart only represents what the current roadways are, it doesn't project the rating forward 10 years if no roadway improvements are completed. In the best case scenario the poor and very poor would move to the 11 year chart. Mayor Brandt noted in current year, the Board was aggressive and approved two miles of roadway. Trustee Leider stated his opinion would be a bit more aggressive so the numbers would stay away from very poor.

Assistant Public Works Director/Village Engineer Dittrich continued the presentation with the road program update noting maintenance and funding responsibilities will need to be worked out for South Village Green.

Trustee Hancock asked Assistant Public Works Director/Village Engineer Dittrich to provide a summary of percentages in the future relative to replacing 1.5 miles compared to 2 miles of roadway.

Assistant Public Works Director/Village Engineer Dittrich continued with the presentation with the storm water program including recommendations of \$260,000 in current budget for storm water projects which includes moving several projects forward for preliminary engineering as identified in the Village-Wide Drainage Study.

Trustee Hancock asked for an explanation of the ranking matrix for the long-term drainage improvements relative to time frames. Assistant Public Works Director/Village Engineer Dittrich stated these time frames are based on what the consultant determined was the time criteria that the existing infrastructure meets. The higher number the more capacity it has in meeting the rain events.

Trustee Harms Muth asked what concept engineering means in the recommended use of \$260,000 in storm water projects. Assistant Public Works Director/Village Engineer Dittrich stated this would enable the Village to get an initial scope, start data collection, and sit down with permitting agencies to go over the detailed

requirements. Trustee Harms Muth asked if the numbers came from the Christopher Burke engineering study. Assistant Public Works Director/Village Engineer Dittrich noted the estimates are a percentage of what Christopher Burke identified as the overall engineering that would be required.

Mayor Brandt asked the Lake County Board Representative, Ann Maine to weigh in on the storm water project numbers as a result of a conversation she had with Ms. Maine earlier in the day. Ms. Maine informed the Board that Lake County received \$120 million as part of a legislation to be spent county wide on storm water projects. Ms. Maine stated she will be meeting with The Stormwater Management Commission of Lake County (SMC) next week to review the criteria. There are also other cost share programs such as the Water Share Management and similar programs that have score sheets similar to what was presented by Village staff. Ms. Maine stressed that what the County is envisioning come August, is to have a form for organizations, villages, and townships to get a ranking and cost share on the projects. Ms. Maine noted the important thing to know about this money is that per the legislature request, the projects are required to be “shovel ready.” Money spent on engineering is money well spent. Ms. Maine stated SMC commends Lincolnshire for looking at some of these project problems.

Trustee Raizin noted Christopher Burke stated anything that has to do with rivers had to go through the Army Corps of Engineers and could take up to two years. Ms. Maine noted SMC has been permitted to take over some of the functions the Army Corps was involved in, and that is why SMC has engineering contracts in place.

Trustee Hancock asked what the deadline is for Lincolnshire “shovel ready” projects. Ms. Maine said she would know more next week and would share the information with Mayor Brandt and Village Manager Burke. Ms. Maine stated when she spoke with staff today, they wanted to get forms out in early August.

Village Manager Buke asked Assistant Public Works Director/Village Engineer Dittrich to explain conceptually for the Board what the rule of thumb is for total project in terms of overall engineering costs and what the components of that engineering expense includes. Assistant Public Works Director/Village Engineer Dittrich stated 8 – 15% of the overall project cost is typically what is expected to be spent on engineering with the phases being design and construction engineering.

Assistant Public Works Director/Village Engineer Dittrich continued the presentation with the storm water program proposed improvements.

Trustee Hancock asked what is the condensed time-frame for getting some of the proposed engineering done for some of these projects to be “shovel ready” for SMC eligibility. Assistant Public Works Director/Village Engineer Dittrich stated he would have to get with the consultants. The timeline for some of these proposed projects were briefly discussed.

Assistant Public Works Director/Village Engineer Dittrich continued the presentation with detention area improvements, storm water program update, and storm water utility.

Mayor Brandt asked if the proposed storm water utility economic analysis could be done in-house. Assistant Public Works Director/Village Engineer Dittrich stated he would have to refer to the consultants to see all the details that go into this from a high level. Mayor Brandt asked how long it would take for an analysis to be done. Assistant Public Works Director/Village Engineer Dittrich stated approximately two to three months. A conversation regarding the process and cost of the economic analysis followed. Mayor Brandt asked if the Trustees wanted to assess a fee for the storm water utility. Trustee Harms Muth was in agreement with Mayor Brandt's suggestions of a utility fee and thought the Village could come up with a fee structure in-house. Trustee Raizin was in agreement and suggested staff reach out to the other communities for the preliminary evaluation. Assistant Public Works Director/Village Engineer Dittrich stated preliminarily when staff reached out to other communities, they had an economic analysis done to evaluate the program. Trustee Hancock asked if they went to execute on revenue bonds associated with this, would that issuer of bonds want a third-party analysis. Village Treasurer/Finance Director Peterson stated he was not aware that this question has been asked but he could see how they may want this. Village Treasurer/Finance Director Peterson would ask and report back. The other Trustees were in favor of staff gathering additional research on this fee prior to the next meeting. Trustee Leider noted this fee would be looked at regardless of the current situation.

Assistant Public Works Director/Village Engineer Dittrich continued the presentation with facilities program update, equipment program update, furniture/fixtures update, and water improvement program updates.

Mayor Brandt asked if the SCADA Improvements would be eligible for any of the Lake County funds. Assistant Public Works Director/Village Engineer Dittrich stated he was not aware of any funds available for this; the funds available are more for developments.

Assistant Public Works Director/Village Engineer Dittrich continued the presentation with sanitary improvement program updates, parks/paths improvement updates, vehicle replacement updates, and an outline of the next steps in the process.

A conversation regarding next steps, time frame and Village Board consideration of projects followed. Village Manager Burke stated this is a working document that can and will change.

It was the consensus of the Board to place this item on the Consent Agenda for approval at the next Regular Village Board Meeting with the understanding that this can change based on finances of the Village.

The Board discussed possibly prioritizing the \$260,000 budget for storm water projects to see if any of the projects would be eligible for county money. From staff standpoint some of the engineering for these would be the recommendation due to timing and budgeting. All of the recommended amounts are over the spending limit of staff and would have to go before the Board for approval of contracts.

Mayor Brandt asked how much money was allocated in 2020 for storm water projects. Village Manager Burke stated the 2020 budget allocation for storm water

projects is \$260,000, but no specific project was assigned to this allocation. Staff allocated the money based on expected dollars as a result of the Village-Wide Drainage Study.

Trustee Leider noted some concern with identifying dollars to spend without understanding revenues received.

A conversation followed regarding the proposed storm water projects being “shovel ready” to qualify for Lake County money and the need for the engineering followed. Village Manager Burke stated even if the projects are not “shovel ready,” the engineering will need to be done. Village Manager Burke stated it will be important to understand the rubric from Lake County. Trustee Hancock asked for clarification that all the projects listed on the 2020 storm water projects will have conceptual engineering. Village Manager Burke noted the Surrey Lane project listed is separate from the Village-Wide Drainage Study projects. Trustee Hancock stated if this is the case, is it a project that could be “shovel ready” and qualify for Lake County money sooner than the others. Assistant Public Works Director/Village Engineer Dittrich stated the Village can look to do this for less than some of the others on the list.

A conversation regarding approval of the projects listed to qualify for Lake County money followed. Assistant Public Works Director/Village Engineer Dittrich noted none of the projects listed will be ready for approval by July 13.

2.2 Finance and Administration

2.21 COVID-19 Financial Response Plan Update and Presentation of 5-Year Financial Forecast

Village Manager Burke thanked staff; specifically Village Treasurer/Finance Director Peterson for efforts with the financial reporting.

Village Manager Burke provided a presentation of COVID-19 financial response plan update and 5-year financial forecast with highlights of key revenue loss in current year, expenditure reduction, annual process, excess funds, traditional forecast, COVID-1 forecast, decisions pushed to 10-year Capital Fund, and details on COVID-19 impact to come.

Village Manager Burke presented charts highlighting the general capital fund, general fund, water & sewer fund, water & sewer operations fund, and transfers in the traditional 5-year forecast.

Village Manager Burke presented charts highlighting the general capital fund, general fund, and water & sewer operations fund in the COVID 1, 5-year Forecast which anticipates connection fee revenues from The St. James and the Home2Suites.

Village Manager Burke presented some options for long-term financing, next steps for the SCADA system update, and meeting schedule dedicating time to discuss the finances.

Village Treasurer/Finance Director noted earlier in the meeting there was

mention that engineering could be recovered from the grant dollars. Staff doesn't know if engineering is eligible, so this could be somewhat overstated.

Village Manager Burke stated it is important to note what good stewards of the finances the Village Board and previous Village Boards have been by keeping the fund balance at such a high level. If the Village executes on all of the projects that Assistant Public Works Director/Village Engineer Dittrich reviewed tonight, follows the financial forecast as outlined; if the Village looks at the traditional approach and decides to spend down the fund balance, at the end of five years the Village would still have almost 20% operating reserve. If some of the revenues come through from The St. James and Home2Suites, it could be as much as 40%.

Trustee Hancock asked if financing options would be discussed in further detail. Village Treasurer/Finance Director Peterson stated four options were detailed in the packet for further review by the Board. Village Manager Burke stated the ideas at this point are conceptual, so staff wanted to show some scenarios. One of the next steps would be outlining timelines and decisions. Staff would recommend going through a process of securing a financial advisor; a fiduciary acting on the Villages' behalf.

Mayor Brandt noted some items staff provided are cost containment or revenue diversification ideas in relation to the leaf collection, lifeguards at Spring Lake Beach, and property tax increase or room admission tax for Board feedback.

Trustee Hancock noted a 20-year bond issuance at the rate being discussed looked like an attractive rate of funds for the use. If the Village are doing infrastructure improvements that will benefit the next 20 – 30 years, some of the cost should be borne by both current and future residents. Mayor Brandt agreed with Trustee Hancock that the cost needs to be shared. Trustee Grujanac stated her opinion is that if the Village is to shift the way they are thinking, the residents need to be well informed and educated about this business plan.

4.0 NEW BUSINESS
5.0 EXECUTIVE SESSION
6.0 ADJOURNMENT

Trustee Raizin moved and Trustee Harms Muth seconded the motion to adjourn. Upon a voice vote, the motion was approved unanimously and Mayor Brandt declared the meeting adjourned at 9:50 p.m.

Respectfully submitted,

VILLAGE OF LINCOLNSHIRE

Bradly J. Burke

Deputy Village Clerk