



VILLAGE OF LINCOLNSHIRE

MINUTES COMMITTEE OF THE WHOLE MEETING July 11, 2022

Present:

Mayor Brandt	Trustee Grujanac
Trustee Harms Muth	Trustee Mitchell
Trustee Pantelis	Trustee Raizin
Trustee Wright	Village Clerk Mastandrea
Village Attorney Simon	Village Manager Burke
Village Treasurer/Finance Director Rossi	Chief of Police Leonas
Public Works Director Woodbury	Assistant Village Manager/Community & Economic Development Director Roesler

Management Analyst Cascone

1.0 ROLL CALL

Mayor Brandt called the meeting to order at 7:40 p.m., and Village Clerk Mastandrea called the roll.

2.0 ITEMS OF GENERAL BUSINESS

2.1 Planning, Zoning and Land Use

2.2 Finance and Administration

2.21 Receipt of Presentation Regarding the Village of Lincolnshire Investment Advisory Services (Village of Lincolnshire)

Village Treasurer/Finance Director Rossi introduced Tom Sawyer, Managing Partner, Sawyer Falduto Asset Management, LLC who discussed the Village's investment activity, future of the market, and Lincolnshire's investment portfolio.

Mr. Sawyer provided a presentation regarding the Village of Lincolnshire investment advisory services including the account overview since inception and sharing information on taxable municipal bonds offering a higher credit risk.

Village Attorney Simon noted that just because the bonds are taxable, it doesn't mean they are riskier, it just means the money does not qualify for a tax-exempt use.

Mr. Sawyer continued the presentation with the account overview, a brief quarter-by-quarter activity summary, the structure of the portfolio, projected annual income, and market commentary.

Trustee Mitchell noted some of the holdings listed are treasury securities, some certificates of deposit, and other municipal type investments and asked about the quality rating for these types of investments and inquired about the average quality. Mr. Sawyer stated the average quality for the Village of Lincolnshire is AA or better.

Sawyer Falduto Asset Management LLC does not place funds in anything lower than investment grade in Lincolnshire's portfolio.

Trustee Mitchell asked what Sawyer Falduto Asset Management does if one of the investments is downgraded. Mr. Sawyer stated they monitor these investments, receive alerts when performance drops, and then move the funds before they are downgraded. Mr. Sawyer noted the firm is exceedingly credit conscience. Sawyer Faludto Asset Management LLC would move investments out of the portfolio before it got to the point of downgraded. Village Attorney Simon noted this would also depend on the maturity of the bonds.

Trustee Mitchell noted in the Investment Guidelines there was objective of outperforming the market and asked what Sawyer Falduto Asset Management, LLC considered to be the market for this type of portfolio and asked if Lincolnshire is ahead or behind. Mr. Sawyer noted his firm uses two measures in this type of portfolio; the three-month T-bill, which is risk free, and typically the one-to-three-year treasury index depending on the policy. Mr. Sawyer did not want to comment on whether Lincolnshire did or did not outperform investment guidelines and noted he would follow up.

2.22 Receipt of Presentation Regarding the Lincolnshire Five-Year Financial Forecast (Village of Lincolnshire)

Village Treasurer/Finance Director Rossi thanked to Board for coming in for small group meetings prior to this Regular Village Board meeting to discuss and provide feedback regarding the Lincolnshire Five-Year Financial Forecast presentation.

Village Treasurer/Finance Director Rossi provided a presentation regarding the Lincolnshire Five-Year Financial Forecast including scaling down on the 10-Year Capital Plan; revenue and expense assumptions; 5-year general fund tax revenue forecast; 5-year general fund expense forecast; historical and projected general fund operating revenue and expenses; historical and projected general fund revenue verses the combination of general fund operating, general capital, and water improvement expenses.

A conversation regarding the differences between years and projections for the general fund revenue verses general fund operating, general capital fund, and water improvement fund expenses followed.

Trustee Grujanac noted concern for planning projects the Village may not have money to pay for in outlying years. The possibility of scaling down on projects in the Capital Plan were discussed. Village Manager Burke noted staff is working to update the long-term capital plan which will help in the preparation of the Fiscal Year 2023 Budget.

Trustee Grujanac asked if there was a way for staff to educate the Board moving forward in the budget process on must-have items in the Capital Plan verses want-to-have. Public Works Director Woodbury

stated the Public Works management team will be the ones to work on scaling down the Capital Plan and bringing recommendations before the Board.

Mayor Brandt and Village Manager Burke noted the bright spot that Lincolnshire is 90% recovered on Food and Beverage Tax. Village Treasurer/Finance Director Rossi confirmed that in the past two months the Village has been at 100% for Food and Beverage Tax and approximately 90% of Hotel Tax.

Village Treasurer/Finance Director Rossi continued the presentation with information on the general fund balance forecast.

Mayor Brandt noted in prior years the Board held 100% - or one-year worth of operating expenses in reserve and made a decision several years ago to reduce reserve levels down to 75% of year's total operating expenses.

Trustee Mitchell asked if the Village would be able to maintain the AAA Bond rating with the differences in the fund balance projected in the next five years. Village Treasurer/Finance Director Rossi confirmed the Village would maintain a AAA bond rating because the Village would maintain a 75% fund balance for the forecast period. The bond rating company recommends a 25% fund balance. When S&P look at Lincolnshire, they do not look at the Five-Year Financial Forecast but what the current operating revenue over expenditures reflects. Village Manager Burke stated S&P also look at governance and village policy which is to maintain the 75% fund balance.

Village Treasurer/Finance Director Rossi continued the presentation with information on various other funds, and strengths and shortcomings.

Mayor Brandt asked if there are any more park development funds coming in from Manors of Whytegate. Village Treasurer/Finance Director Rossi stated if there is, it is very minimal. All Park Development Funds are obligated through 2026.

Mayor Brandt asked if there is any way to tie Park Development Funds to commercial projects. Village Manager Burke stated the Village would have to provide proof of tying commercial development activities to use or demand on Village parks.

Trustee Raizin asked how much potential undeveloped land remains in Lincolnshire for residential development. Mayor Brandt noted the potential of land from Par King, land along Aptakisic, and unincorporated parcels that could incorporate and be developed as residential.

Trustee Raizin asked if staff looks at world trends in COVID which could change things again for businesses and the budget. Village Manager Burke stated staff looks at daily news reports for public safety and public health information, but the direct implication to Lincolnshire

is difficult to extrapolate.

2.3 Public Works

2.31 Approval of Awarding a Contract with R.W. Colins Company of Bedford Park, IL for Public Works Facility Underground Storage Tank Removal Project in an Amount not to Exceed \$50,000 (Village of Lincolnshire)

Public Works Director Woodbury provided a summary of a contract with R.W. Colins Company for Public Works Facility Underground Storage Tank Removal Project in an amount not to Exceed \$50,000. This contract is the result of water infiltrating the 10,000-gallon underground fuel storage tank located at the public works facility. Upon investigation, it was concluded that one of the tank riser pipes used to fill the tank had failed and ground water was leaking into the tank. Different options were investigated. Staff worked with Finance Director Matt Rossi to transition to a much easier fueling process where Public Works, Police and other Village Staff can fuel up vehicles at any gas station through one fuel card (WEX Fuel Card Program). The WEX Fuel Card Program is a State of Illinois joint purchasing contract. This option would involve underground storage tank (UST) removal. The work will include pumping out the contaminated fuel, complete removal of all underground equipment and fuel island, backfilling and repaving of the area, and disposal of any contaminated materials encountered.

Trustee Mitchell asked if in the past the Village would buy bulk fuel at a lower cost. Public Works Director Woodbury confirmed bulk fuel has been purchased through a state contact with the Northwest Municipal Conference. Trustee Mitchell asked how much more expensive it will be to purchase fuel for Lincolnshire needs annually by utilizing the WEX Fuel Card Program rather than buying it in bulk. Public Works Director Woodbury stated he does not have that cost now, but management of the current UST ranges from \$3,000 - \$10,000 annually and moving to the WEX Fuel Card Program would get Lincolnshire out of UST management. Public Works Director Woodbury noted his opinion that the overall costs would balance out but he would assemble the numbers and report back to the Board.

Mayor Brandt asked if as a governmental entity is Lincolnshire immune to the gas tax. Village Treasurer/Finance Director Rossi stated Lincolnshire is not obligated to pay all state taxes but are required to pay federal taxes.

Village Manager Burke stated staff can bring back an analysis of the Suburban Purchasing Contract and the WEX program in terms of fuel costs.

Trustee Wright asked if other municipalities use the WEX program. Village Treasurer/Finance Director Rossi stated most municipalities use the WEX program noting UST insurance is very expensive.

Trustees Harms Muth and Raizin noted concerns regarding the

environmental impacts of having an UST.

Mayor Brandt asked staff to come back with a list of the surrounding communities currently using the WEX program and a cost analysis as requested by Trustee Mitchell and stated this item would be placed under Items of General Business at the next Regular Village Board meeting.

Trustee Mitchell asked if there would be loss of efficiency in staff driving to a gas station verses filling up at the Public Works facility. Public Works Director Woodbury stated generally staff will pass three local gas stations when out doing business and stated it may increase efficiency for the Police Department. Village Manager Burke noted when vehicles travel out for training the WEX program cards can be used at almost any gas station. Village Treasurer/Finance Director Ross noted the cards have strict internal controls.

Trustee Raizin asked if the Village would pay whatever the market price is for gas with the WEX card. Village Treasurer/Finance Director Rossi noted we would get a 1.5% cash back and will not have to pay certain taxes.

A conversation regarding potential costs and savings followed.

It was the consensus of the Board to place under Items of General Business for approval at the next Regular Village Board meeting.

- 2.4 Public Safety
- 2.5 Parks and Recreation
- 2.6 Judiciary and Personnel

3.0 UNFINISHED BUSINESS

4.0 NEW BUSINESS

5.0 EXECUTIVE SESSION

6.0 ADJOURNMENT

Trustee Grujanac moved, and Trustee Harms Muth seconded the motion to adjourn. The voice vote was unanimous, and Mayor Brandt declared the meeting adjourned at 8:39 p.m.

Respectfully submitted,

VILLAGE OF LINCOLNSHIRE

Barbara Mastandrea
Village Clerk