

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE VILLAGE OF GRAYSLAKE HELD OCTOBER 22, 2022

The Special Meeting of the Board of Trustees of the Village of Grayslake was called to order in the Board Room of the Grayslake Village Hall at 8:30 a.m. Mayor Taylor presiding.

Roll call: Trustees Waldenstrom, Davies, Magnosta, Dias, Sahu - present. Trustee Jarvis – absent.

Also present were Village Clerk Lee, various staff members and members of the public.

Mayor Taylor welcomed Board members to the workshop to discuss background information related to capital planning and related items.

A Grayslake resident provided public comment on the state of the planet, the Village's sustainability plan, and related priorities.

Mayor Taylor asked the staff to present information on capital planning. Village Manager Ellis noted to the Board the current unstable conditions that could impact financial projections, project costs, and the ability to locate contractors to build projects. He described the high inflationary environment, labor availability questions, and supply chain issues as major contributors to the instability. He reviewed the Village's past ability to weather difficult economic conditions or other unexpected situations including the recent pandemic. Unlike many other municipalities, the Village has been able to maintain services and complete planned capital projects. He attributed this to careful financial planning and fiscal defenses included in our financial plan. He suggested caution in making any larger changes to our planning considering the unstable conditions.

Associate Village Manager Chase Muscato provided the Board with information on sales tax revenues by business type sector for the first six months of 2022 versus 2021. He summarized by noting that all sectors except grocery have reported higher sales taxes this year.

Mr. Ellis then reviewed major mid-year updates to the Village's financial forecasts including inclusion of the adopted FY 22/23 budget, updated capital project costs, and certain changes to some FY 22/23 shared revenues that increase revenues in the forecasting. He specifically described the latest estimates of income tax, sales tax and use tax. He relayed that the ten year capital plan adopted last year as updated for inflation is now included in the forecast. In general the mid-year estimates reflect a solid financial position. He noted that dependencies on unpredictable revenues are projected slightly higher than last spring but still below plan maximums.

Mr. Ellis reviewed the potential inflationary impacts on costs leading to potentially higher dependencies on unpredictable revenues resulting in less projected unused capital dollars. Fighting inflation may cause a recession which could impact revenues again causing higher dependencies. Stock market declines in a recessionary environment could impact pension fund assets causing a need for higher employer pension contributions which would reduce revenues available for other purposes. He discussed how the projections are intended to be conservative but it is too early to know what the final impacts of inflation and recession will be.

He referred the Board to the provided preliminary update to the Extended Term Financial Plan (ETFP) for a 15-year outlook. He cautioned that relatively small changes can have a large statistical impact over the longer ETFP period, but the ETFP provides a good diagnostic tool allowing the Village to identify possible financial issues early to allow for adjustments as needed.

Mr. Ellis noted that the preliminary ETFP reflects a strong picture so the Board could direct that adjustments be made to the plan before the 2023 ETFP is developed. The Board discussed various options for changes. The consensus was to utilize the additional FY 22/23 income tax dollars for FY 23/24 projects and move back Water/Sewer Fund and Garbage/Recycling Fund additional fees one year in the plan. The consensus was that these changes be made to the plan for 2023. Board members also requested an analysis of the impacts of an increase of \$250,000 in the annual capital project dollar selection cap on the ETFP and ten year CIP. This will be done.

Mr. Ellis provided a brief review of the projections for the General Capital Project Fund. He described how the annual project selection cap affects available capital funding. He reiterated that, as per the typical approach, the projected FY 22/23 revenues included the expected additional income tax dollars. In the remaining years the projections assume 75% of possible income tax revenues each year. The projections now include the adopted ten year capital plan.

Mr. Ellis stated the Water and Sewer Capital Project Fund receives its revenues from developer connection fees so the projected balances are subject to actual building activity. As an example the financial forecasts include completion of the approved Lake Street Square subdivision but we have received no requests for this. The new approved townhome project will generate some revenues. We forecast little new non-residential since this is more unpredictable. This fund can act as a financial reserve for unexpected water/sewer system operating events since currently the water/sewer fund balance is below target. Board members discussed these projections in some detail.

Mayor Taylor directed the Board to a suggested revision to the Ten Year General Capital Project Fund Capital Improvement Plan. These changes attempt to include recent inflationary impacts and a schedule change to the Washington Street/Atkinson Road intersection expansion. After discussion Trustee Davies made a motion to accept the revised plan for planning purposes. Seconded by Trustee Magnosta. Roll call: Trustees Waldenstrom, Davies, Magnosta, Dias, Sahu – all “aye”. Motion carried.

Also discussed were recommendations for the use of dollars in excess of the General Operating Fund target balance. The Board discussed use of these funds and the consensus was to place a resolution on the upcoming Board meeting to authorize the transfer of \$54,000 to the Commuter Rail Parking Fund, \$233,079 to the Water/Sewer Major Repair/Replacement Fund, and \$25,000 to the Emergency Storm Reserve.

Mayor Taylor asked for a review of various project lists and previously discussed projects. Director of Public Works/Village Engineer Bill Heinz noted that the Village continues to seek IDOT approval for construction of the path to Alleghany Park through IDOT right-of-way. Since this process is still underway design has not begun but dollars are provided in the financial

forecasts if we get IDOT approval. He answered questions on the location of the path. Trustee Davies mentioned that she gets positive feedback on this project.

Mr. Ellis briefly updated the Board on the planned IDOT bidding on the Route 83 realignment project. He described the year 2000 design of this project and the over 20-year wait for IDOT to fund the project. Mayor Taylor described that the Village will take jurisdiction of two roads and pay for infrastructure relocations, in addition to our Atkinson Road extension project, to make this project a reality. He restated the Village's agreement to reimburse IDOT for the costs of relocating our water/sewer utilities for the project now estimated at \$1.1 million.

Mr. Heinz provided an update and answered questions on the Washington Street/Atkinson Road intersection project and federal grant funding for construction.

Mr. Heinz described a proposed alternative pipe alignment for the Haryan outfall project and answered questions on the project. Mayor Taylor noted the advantage of Village control of the detention pond. Mr. Ellis noted that almost all of the project costs will be paid for by grant funding. Trustee Waldenstrom made a motion to continue design work with the revised outfall pipe layout. Seconded by Trustee Davies. Roll call: Trustees Waldenstrom, Davies, Magnetta, Dias, Sahu – all "aye". Motion carried.

Mayor Taylor directed the Board to a provided list of FY 22/23 projects that were deferred due to high bids. Mr. Ellis reviewed how the project costs for the different projects are currently included in the updated financial projections. Board members discussed the various costs in the forecasts. Further, the Board discussed each of the deferred projects. Trustee Magnetta made a motion to proceed with the well #4 power generator project. Seconded by Trustee Davies. Roll call: Trustees Waldenstrom, Davies, Magnetta, Dias, Sahu – all "aye". Motion carried.

Trustee Waldenstrom made a motion to proceed with the FY 22/23 Lake Street water tower painting. Seconded by Trustee Dias. Roll call: Trustees Waldenstrom, Davies, Magnetta, Dias, Sahu – all "aye". Motion carried.

The Board discussed the age, use, history, and need for painting associated with the heritage center water tower. After discussion Trustee Davies made a motion to proceed with the FY 22/23 heritage center water tower painting. Seconded by Trustee Magnetta. Roll call: Trustees Waldenstrom, Davies, Magnetta, Dias, Sahu – all "aye". Motion carried.

Mayor Taylor reviewed the Village's past tree preservation and planting efforts and our designation as a Tree City. After a brief discussion Trustee Dias made a motion to proceed with the planting of the full 100 trees as per the FY 22/23 plan. Seconded by Trustee Magnetta. Roll call: Trustees Waldenstrom, Davies, Magnetta, Dias, Sahu – all "aye". Motion carried.

Senior Management Analyst Zack Smith described extra work needed to incorporate a lift at the aquatic center to assist customers with disabilities. Trustee Davies and Dias expressed reasons to support the project. Trustee Davies made a motion to proceed with this FY 22/23 project. Seconded by Trustee Dias. Roll call: Trustees Waldenstrom, Davies, Magnetta, Dias, Sahu – all "aye". Motion carried.

Director of Public Works/Village Engineer Bill Heinz provided background on the results of the flood plain/wetland inventory for 24 acres of Village owned property on Center Street as a foundation for planning for the use of the site. He reviewed a conceptual plan for paths and boardwalks for access to this conservation area. He noted that the cost estimates include existing landscaping maintenance and initial wetland enhancement activity. Trustee Magnetta emphasized the importance of preserving the current landscaping screenings along Route 83 and the railroad tracks to create a quiet enjoyable experience for visitors. Trustee Davies supported this idea. Mayor Taylor concurred while noting some best management practices in these areas may require removal that, at least temporarily, might create openings in the screening. The consensus was to use best management and to take care in any removals. Board members continued their discussion on various aspects of the planning, the need for buckthorn removal, and Trustee Dias mentioned a local not-for-profit who could help with the buckthorn. Mr. Ellis noted the sustainability benefits of this purchase and the added resilience it can provide in larger storms.

Mr. Heinz reviewed the conditions on the recently purchased property on Route 83 and on conceptual plans for a path and access points. Trustee Magnetta advocated for the bridge option providing a second access point. After a brief discussion on asphalt versus gravel path surfaces on this property Trustee Dias suggested the lower cost gravel path be used with the savings versus asphalt to go toward the extra bridge costs. The consensus was to do this.

Zack Smith reviewed the ongoing operating issues with the current aquatic center sand play area and three possible replacement amenities. Board members discussed the different options and Trustee Dias suggested a survey to gather opinions on this for use in decision-making on a project. Mayor Taylor thought a customer survey would be valuable. The consensus was to proceed with a survey.

Mr. Ellis briefly described a Park District request for financial support for an accessible playground at Jones Island. Mayor Taylor and Board members expressed strong support for this, and members discussed the value of this equipment and colors of the items.

Board members discussed costs for curbing on McMillan Street and Proctor Avenue, the potential impact on street parking in the area and the value of surveying residents on the improvement. The consensus was to put the projects on the Consolidated Project List and survey residents.

Police Chief Perlini described the uses for updated drone equipment and legal limitations on use of this equipment. Several Board members expressed support for this equipment.

Mr. Heinz described the developed options for limited curb, sidewalk, and drainage improvements at three locations on Route 120. These projects would continue the Village's property value strategy in major road corridors. Trustees discussed the various locations including the need to maintain existing business parking between Seymour Avenue and Westerfield Plan and pavement shoulder traffic movements in that same area. Mr. Heinz explained how the existing parking can be maintained and that IDOT will need to issue permits for this work.

Mr. Ellis reviewed the Consolidated Project List and Board members agreed that any projects on the Recently Identified List that are unfunded should be added to this list.

Board members reviewed the Primary Capital Project List with specific discussion of the needed pool concrete floor replacement after 22 years. Zack Smith discussed the recommended concrete replacement option and the Board directed that this fixed asset be included as needed in upcoming fixed asset budgets.

Mayor Taylor reviewed for the Board the extra income tax dollars shown in the projection that are added funds beyond the annual project selection dollar cap raising the amount of project dollars to \$1,803,000. The consensus was to use this number for FY 22/23 projects.

Mayor Taylor suggested a set of projects for discussion. Board members discussed these projects and others on the various lists. After these discussions Trustee Waldenstrom made a motion to include the following projects on the FY 23/24 list and authorize design engineering and bidding as needed for each:

- Tree planting (\$100,000)
- Washington Street/Atkinson Road Phase II engineering
- Police department drone purchase
- Pool amenity contribution (\$300,000)
- Public tree inventory
- Park District playground contribution (\$125,000)
- Route 120 curbing improvements (3 locations)
- Center Street property landscape management, wetland enhancement, and the limited access improvement plan

Seconded by Trustee Dias. Roll call: Trustees Waldenstrom, Davies, Magnetta, Dias, Sahu – all “aye”. Motion carried. Trustee Dias asked if future access improvements could be added on the Center Street properties later and this was confirmed.

The Board reviewed the suggested annual street resurfacing program and a request from Carillon North subdivision for inclusion in our bidding of some private street repaving in that subdivision to be paid for by the Carillon North HOA. Trustee Magnetta made a motion to authorize design engineering and bidding of the annual resurfacing program as presented, including the Carillon North request. Seconded by Trustee Sahu. Roll call: Trustees Waldenstrom, Davies, Magnetta, Dias, Sahu – all “aye”. Motion carried.

The Board began a discussion of various miscellaneous items related to capital and budget planning. Zack Smith provided options for the extension of the aquatic center multi-year rate plan covering memberships, daily admissions, and swim lesson fees. He reviewed how each plan results in certain rates, relates to the 85% user fee target, and dollars needed after user fees to pay pool costs. He reiterated that these are projections and weather in any year will impact revenues and costs. After discussion of options, the consensus was to draft an ordinance for future Board consideration for a new fee plan using Option 3 as presented.

The Board consensus was to continue with our partners on the bike share program for another year. The \$9,600 will be included in the FY 23/24 operating budget.

Board members expressed support for the fencing/flower boxes used this season. The approach will be used in the future and extra flower boxes will be purchased and added. No new fencing will be purchased.

The Board discussed proposed changes for the Community Involvement Grant Program. Trustee Magnosta and Waldenstrom discussed their review of the program. Board members discussed ways to clarify and simplify the process for applicants and to reduce staff time needed for the program. It was the consensus that the program should be adjusted to maintain the 50% cost share and \$1,000 grant maximums and allow only organizations with 501(c) status to receive grants. Applications will be simplified to ask for project/program/budget information with a word limit on information provided and confirmation of 501(c) status documentation. A fillable PDF method will be developed. Post money use reporting will not be required and post event/program presentations to the Board will be encouraged.

Mr. Ellis discussed progress with IDOT on continuing with the Phase I engineering for the widening of the state's Route 120 between Ivanhoe Road and Almond Road. Phase I for the Route 120/83 underpass will be added to the study according to a recently received letter from the IDOT secretary. This agreement to do this work does not involve the reported \$30 million underpass funding since the project was not actually funded and only on a list for possible future funding. While it takes years to get to construction these commitments are important steps. Continued attention to ensuring the work is actually pursued will be needed. Mayor Taylor described next steps with state legislators along the corridor to keep attention on this work and other Belvidere Road Plan improvements. Trustee Davies described how some have said the Village is "dragging its feet" on this when in reality the Village led on creating the plan and is contributing most of the effort on it.

Board members agreed to add livestreaming of our regular Board meetings to our contract for video of these meetings.

Trustee Magnosta suggested that the Village explore trail markings to assist with use of our bike trail system in the winter. After a brief discussion it was decided to explore this further.

Trustee Magnosta made a motion to allow the immediate purchase of an Enduro M32 Robotic Vacuum to replace the current outdated pool vacuum (\$11,250) and replacement lifeguard stands (\$40,000) for the aquatic center. Seconded by Trustee Waldenstrom. Roll call: Trustees Waldenstrom, Davies, Magnosta, Dias, Sahu – all "aye". Motion carried.

The Board discussed a request from Beer Bazaar for an increase in their incentive amount to \$45,366 due to an increase in project costs. The percentage of project costs from the incentive (14%) will remain the same. Board members noted the quality of the remodeling and after a further discussion, Trustee Waldenstrom made a motion to direct that an amendment to the incentive agreement increasing the incentive amount be drafted for final Board action. Seconded by Trustee Magnosta. Roll call: Trustees Waldenstrom, Davies, Magnosta, Dias, Sahu – all "aye". Motion carried.

Assistant Village Manager Chris Sparkman reviewed for the Board a recently completed process to assess options for our electronic payment services for our customers. A new service provider, Invoice Cloud has been identified which would provide new customer services for a reasonable annual increase in service costs. After a discussion of these services and the idea of incorporating aquatic center items, Trustee Sahu made a motion to authorize execution of a contract with Invoice Cloud. Seconded by Trustee Margetta. Roll call: Trustees Waldenstrom, Davies, Margetta, Dias, Sahu – all “aye”. Motion carried.

Mr. Ellis gave the Board an update in the state mandated replacement of privately owned lead water services, including a lack of state implementation details or funding sources. He described required next steps.

Trustee Margetta made a motion to adjourn. Seconded by Trustee Waldenstrom. Roll call: Trustees Waldenstrom, Davies, Margetta, Dias, Sahu – all “aye”. Motion carried. Meeting adjourned at 11:50 a.m.