

## **MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE VILLAGE OF GRAYSLAKE HELD MARCH 18, 2023**

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

Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnetta, Sahu, Kornit - present. Clerk Lee – present. Also present: Various staff members and members of the public.

Mayor Taylor welcomed the Board members to the annual budget workshop. He thanked all attendees for being at the meeting. He asked Village Manager Mike Ellis to provide information on the updated forecasts, finance planning, and the Draft FY 23/24 Operating and Capital Budgets.

Mr. Ellis thanked the Mayor and Board members for the questions and requests for additional information, and meetings over the last two weeks on the forecasts, draft budget, and major decisions packet. He stated the Village spends significant time on its financial planning and forecasting to allow the Village to sustain service delivery and capital programs. He reviewed for the Board the Village's financial planning and management system including the financial plan, Extended Term Financial Plan (ETFP), financial forecast, and annual budget. He added that these elements include various diagnostic data points that help in assessing financial health trends in the short and long terms. He also detailed the annual Board financial planning process starting with the fall review of the ETFP and proceeding through adoption of a budget each April.

Mr. Ellis then provided information on major contributing factors in the updated financial forecasts. Assumptions include that property tax amounts continue to be forecasted utilizing the Board's policy of taking less property taxes than allowed under law. Residential building activity is limited in the forecast period and steady utility tax revenues except for estimated revenues from new buildings. Higher than previously projected FY 22/23 shared revenues have been incorporated in the latest forecasts. As in past years forecasted revenues assume the closure of Countryside Landfill and 75% of projected income tax revenues. All current enterprise fund rate plans are included. The impacts of the current inflationary environment may have caused an increase in dollars from certain revenue sources due to increased prices and wages. At this point the forecast does not assume revenue increases beyond typical.

In future years on the cost side the forecast assumes continued contracted financial services, the estimated cost impacts of the new minimum wage law, the Tier 2 police officer pay plan, and current CLCJAWA rates from the Agency's long range plan. Mr. Ellis noted that CLCJAWA is currently evaluating higher fixed asset replacement costs which will likely raise agency water rates, and this will impact our costs. The impact is not yet known pending the completion of the studies. The projections include no additional full-time positions or new services. Mr. Ellis detailed cost increases in certain areas due to inflation and explained that it remains a challenge to project the full impact of these conditions on actual municipal costs. He reviewed how new state mandates continue to increase local costs and the post-pandemic severe drop in commuter rail parking has caused the need to eliminate the annual fixed asset contribution from the

forecasted costs. It was noted that since 1992 per capita operating spending has increased significantly less than inflation. Without this residents and businesses would be paying much more for our services.

Mr. Ellis reviewed past capital investments in the water system, sewer system, transportation (expansions/regular resurfacing), and the community-wide trail/sidewalk system (24 miles of trails/130 miles of sidewalks). These past investments have put the Village in a very sound position versus the rest of the country where the lack of reinvestment in infrastructure has degraded services and will increase costs in the future. Mr. Ellis then reviewed the larger Board selected capital projects included in the capital forecasts. This includes projections for the four major capital funds and the seven major projects included in the adopted General Capital Project Fund Improvement Plan. It was noted that current forecasting shows the adopted ten year plan schedule can be met, but inflation may push costs higher leading to project schedule delays.

Mr. Ellis presented information on the forecast results versus seven fiscal health diagnostic data points. The forecasts show favorable results in five of the seven points. The projected General Operating Fund balance averages 61% of projected annual expenses in this fund (excluding building department) versus the target of 75%, but there remains a healthy balance throughout the period. The status of the water/sewer fund rate plan cannot be determined at this time pending water agency rate studies.

The Board discussed major factors that could weaken the forecasts highlighting inflation, projected building activity that may not happen, possible 9-1-1 revenue or cost changes, new state mandates, loss of a major sales tax contributor, lower commuter rail parking, higher CLCJAWA costs, and changes to pension actuarial assumptions. He described the various fiscal defenses the Village employs in its financial approaches to protect from the impacts of changing conditions and providing time for adjustments. He referred the Board to the chart entitled Projections of Dependencies and Major Capital Fund Balances which shows ten year projected trends of dependency on certain unpredictable revenues for General Fund operations and resurfacing. He noted that throughout the ten year period the dependency on these revenues is well within the maximum target included in the ETFP. The chart also confirms that annual project selection dollars in the General Capital Project Fund are forecasted to be available.

Assistant Village Manager Chris Sparkman provided an overview of the May 1, 2022 status of the Police Pension Fund including an 86% funding level. He noted this level is much higher than state averages (55.7%). He reviewed the Village's past contributions to the fund in excess of actuarial requests. He explained that investment of assets is now done by state-wide pool.

Mayor Taylor asked Mr. Ellis to review the financial plan and the 2023 updated ETFP. Mr. Ellis provided background on the major financial outcomes of the ETFP. He noted three metrics (unused capital dollars at the end of the plan/unused reimbursement capacity at plan end/combined dependency on unpredictable revenues) that showed a stable financial condition over the ETFP 15-year period. Results for the first metric have been altered since the Board adjusted the ETFP last year by deferring some projected fees. Dependencies are slightly higher than the previous ETFP. Mayor Taylor noted the positive effect of the different spending control policies the Board approved for the plan that have assisted the Village financially.

Mr. Ellis then provided overview information on the Draft FY 23/24 Budget. Mr. Ellis stated that operating costs in the draft budget are \$20,903,567. It was noted that many specific costs are being impacted by inflationary pressures and the state passed minimum wage law. Despite these unusual conditions operating costs are up just 3.25% from the current budget. This compares to the general increase in the costs of the goods/services in the economy of 14.4% since FY 20/21. Operating revenues are estimated at \$22,105,174. Shared revenues (sales/use tax/income tax/electricity/ natural gas/ tele-communications) are budgeted up \$771,690. Mr. Ellis noted that the larger increase in the economically sensitive revenue sources may be from inflation. Mr. Ellis reviewed budgeted expenses by type. He reviewed operating budget areas describing cost areas that have an increase or decrease in operating spending. He specifically noted inflation and minimum wage impacts in 31 cost areas. Building Department costs are up for building inspections for townhome buildings projected for the fiscal year. The aquatic center is up 14% but senior center costs are 30% lower due to the change in the operating approach. Sustainability program costs are budgeted to rise 31% due to inclusion of the bike share program and full year costs of the part-time sustainability coordinator. Major capital projects included in the budget were reviewed. Higher costs in FY 23/24 are due, primarily, to planned larger projects including the Prairie Crossing watermain loop, Haryan outfall storm sewer, and well generators. Higher fixed asset costs reflect an uptick in the planned work and the painting of the Lake Street water tower. Specific budget revenues and cost areas were reviewed with Board members asking questions on the various expenses included in the draft.

Mr. Ellis compared the Draft Budget numbers versus seven financial health data points noting that the budget receives high grades for five indicators, a B for the General Fund balance versus the target balance and a C- for the enterprise rate plans pending the CLCJAWA rate studies. Overall the draft budget depicts a healthy and stable condition.

Mayor Taylor asked the Board to consider acceptance of the Grayslake Financial Forecast 2023. After discussion Trustee Davies made a motion to accept the 2023 Grayslake Financial Forecast. Seconded by Trustee Magnetta. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnetta, Sahu, Kornit – all “aye”. Motion carried.

Mr. Ellis briefly reviewed the highlights of the financial plan and noted the text changes. The Board discussed the Village of Grayslake Financial Plan and the updated 2023 ETFP. Trustee Waldenstrom made a motion accept the Village of Grayslake Financial Plan and updated 2023 ETFP. Seconded by Trustee Jarvis. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnetta, Sahu, Kornit – all “aye”. Motion carried.

Mayor Taylor directed the Board to various miscellaneous smaller capital and fixed asset projects as recommended by various departments. The Board received additional background information on some of the projects included on the different lists and discussed projects. Trustee Jarvis expressed his support for less than lethal police capabilities. Trustee Davies noted the limited health benefits of lead water service replacements without inside changes and Mayor Taylor stated his preference that the lead service replacement costs should not be included in water rates since 95% of our customers do not have this issue. Board members discussed favorable comments on the expanded holiday lights, various aspects of the proposed path winter use path informational signs, and 2017 rain event conditions.

Mr. Ellis provided a report to the Board on the heritage center programming and outreach during last year including increased attendance. Information on FY 22/23 and FY 23/24 programs/initiatives was provided. Trustee Davies noted the attendance at a recent event which was promoted through the Village Center marketing program. Trustee Magnosta thanked the heritage center staff and Charlotte Renehan for all their work. Trustee Waldenstrom noted that the capital requests have not increased in some time. After further discussion Trustee Magnosta made a motion to include the heritage center capital budget requests in the final capital budget. Seconded by Trustee Kornit. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnosta, Sahu, Kornit – all “aye”. Motion carried.

Associate Village Manager Muscato described this year’s EDC budget request, reviewed approved uncompleted incentive arrangements that would be carried into FY 23/24 and discussed new initiatives for next year including Village Center marketing, grant program and food scrapping grants. Mayor Taylor stated that these new initiatives built on past programs/initiatives and the added sustainability element is reflective of the Village’s ongoing efforts on these issues. Mr. Muscato confirmed that the proposed grant program could include ADA related work and be open to all Grayslake businesses.

Trustee Davies made a motion to include the EDC budget requests in the FY 23/24 final budget. Seconded by Trustee Magnosta. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnosta, Sahu, Kornit – all “aye”. Motion carried.

Mayor Taylor directed Board members to various miscellaneous budget items. Chief Perlini provided information on proposed new software to track the increasing amount of officer training required by new mandates. The software also includes a portal for residents to make anonymous comments on police operations. He noted that the department is ahead of most area departments on the required training including having a number of certified trainers. Board members asked questions on the portal and on the annual costs.

Chief Perlini then provided background on the proposed Flock Camera Services and how they would be used only for investigating major crimes and not for traffic enforcement or surveillance. He provided details on the equipment, capabilities, how the technology can assist in solving crimes and how area departments are now successfully utilizing this program. Board members asked questions on alerts from the system, how long data is retained (30-60 days), how state and other agencies can access the data, signage for the cameras (none since not used for ticketing/enforcement), and extra steps that would be required in some situations to access the data. Access to the data is limited and any use can be audited in case of issues. Trustee Sahu asked if there is any data showing the system reduces crime, and Chief Perlini mentioned that the system is not necessarily intended for this but is for solving crimes. The data a crime patterns may help in reducing crimes by assisting agencies but no data linkage has been developed on this. Board members discussed this additional operating budget request.

Senior Management Analyst Zack Smith reviewed a list of Grayslake Sustainable Plan projects completed or started in FY 22/23 and he noted that 82% of the plan’s projects have been completed or are ongoing. He also reviewed the list of sixteen regular sustainability programs currently provided. The list of eight FY 23/24 special projects was presented and discussed.

Associate Village Manager Muscato discussed four new proposed programs (sustainable cul-de-sac, sustainable home, sustainable neighborhood/HOA, and electric leaf blower 50/50 program) for consideration. Trustees Magnetta and Davies expressed support for these programs with Trustee Magnetta suggesting the option of a window decal for sustainable homes. This will be done. The consensus was to include these in the final FY 23/24 budget. Trustee Jarvis suggested looking into buckthorn reduction plans.

Mr. Muscato reviewed the proposed two-year agreement with the farmers market for certain promotional services. Trustee Waldenstrom noted that no fee increase is being requested again. The consensus was to continue with this relationship.

Board members discussed certain normal operating contracts that have been bid/proposed for FY 23/24. These cannot be executed at this time because a final budget including these contracts has yet to be adopted. The Board discussed the different contracts and the consensus of the Board was to authorize the Village Manager to execute these contracts as presented prior to final budget approval.

Trustee Jarvis made a motion to include the requested police special fund projects, fixed asset projects, miscellaneous projects, police department scheduling software, Flock Camera services, new sustainability programs, and farmers market agreement in the final FY 23/24 budget. Seconded by Trustee Magnetta. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnetta, Sahu, Kornit – all “aye”. Motion carried.

Mr. Sparkman reviewed the recent Request for Proposals (RFP) process conducted for annual audit services. He noted the Village periodically checks the market for these types of services. He reviewed the factors used to evaluate the received proposals and the resulting recommendation to enter into a two-year agreement with the firm of Eder Casella for these services. Trustee Waldenstrom made a motion to approve execution of a two-year contract with Eder Casella for auditing services. Seconded by Trustee Davies. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnetta, Sahu, Kornit – all “aye”. Motion carried.

Board members reviewed bids for certain capital projects and Trustee Davies made a motion to accept the received low bids for the annual road resurfacing program (\$1,610,964/Peter Baker and Son), Route 120 curb/gutter improvements (\$245,825/Triggi Construction), Haryan Farm storm sewer improvements (\$1,175,035/Campanella & Sons), Midlothian Road watermain improvements (\$2,549,902/Joel Kenney Construction), and the Prairie Crossing sanitary sewer replacement (\$54,066/Ganziano Sewer & Water). Seconded by Trustee Magnetta. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnetta, Sahu, Kornit – all “aye”. Motion carried.

Board members reviewed the low bid received for the planting of 200 trees. The low bid (\$144,047) is below the budgeted amount and the Board discussed the option of a change order to the contract for 45 additional trees. After discussion Trustee Jarvis made a motion to accept the low bid (\$144,047/Apex Landscaping) for the project and authorize a change order for up to 45 additional trees. Seconded by Trustee Davies. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnetta, Sahu, Kornit – all “aye”. Motion carried. It was noted that recent planting

efforts have added enough trees to more than replace those lost during the tornado and any change order will need to be acceptable to the contractor.

Mayor Taylor reviewed the recently received bids for the trail/boardwalk on the recently purchased Center Street properties. Director of Public Works/Village Engineer Bill Heinz reviewed what parts of the project led to higher than anticipated bids. Mayor Taylor suggested it is an open question whether waiting will result in lower bids in the current inflationary situation. Trustees discussed why the estimates were low, the construction difficulties due to soil, the need for any boardwalk to be above flood elevation, possible waiting to seek grant funding, and inflation eating into any grant benefits. After this discussion Trustee Davies made a motion to accept the low bid (\$684,128/Schroeder Asphalt Service) for the project. Seconded by Trustee Magnetta. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnetta, Sahu, Kornit – all “aye”. Motion carried.

Management Analyst Kara Michalski described a proposed Downtown Planter Partnership Program for businesses. Board members asked questions on the project, options for the types of planters to be used, the durability of the options, colors, and the businesses offering to assist. Trustee Jarvis made a motion to include funds in the final FY 23/24 capital budget for the planters program (option 1 design). Seconded by Trustee Waldenstrom. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnetta, Sahu, Kornit – all “aye”. Motion carried.

Trustee Jarvis made a motion to authorize a work order for design services for the Alleghany Park path project. Seconded by Trustee Waldenstrom. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnetta, Sahu, Kornit – all “aye”. Motion carried.

Mr. Heinz described issues with the current alley trash enclosure wood doors including high maintenance demands, repairs, and durability. Trustee Magnetta made a motion to include funds in the final fixed asset budget for these replacements. Seconded by Trustee Davies. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnetta, Sahu, Kornit – all “aye”. Motion carried.

The Board discussed the Water/Sewer Fund and Garbage/Recycling Fund adopted multi-year rate plans. It was noted that the water/sewer rate plan does not meet financial objectives and the Garbage/ Recycling Fund generally performs in acceptable fashion. No changes to the rate plans are recommended at this time and the consensus was to proceed under the rate plans.

Village Manager Ellis presented information on the one-time transfer of \$300,000 from the General Capital Project Fund to the Water/Sewer Fund to support the fund balance in FY 23/24 pending the results of the CLCJAWA rate studies. This is not recommended as regular practice for enterprise funds but in this case the pending water agency rates make it reasonable. Trustee Davies made a motion to draft a resolution to make this transfer. Seconded by Trustee Magnetta. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnetta, Sahu, Kornit – all “aye”. Motion carried.

Trustee Waldenstrom made a motion to draft a resolution to transfer \$133,000 from the General Capital Project Fund to the South Service Area Fund. Seconded by Trustee Davies. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnetta, Sahu, Kornit – all “aye”. Motion carried.

Various Board members discussed the Community Grant Program and the various criteria for groups to be grant eligible. Applications for funding under the program were discussed. After discussion Trustee Magnosta made a motion to include funds as requested by each applicant in the FY 23/24 final budget with funds for PFLAG Grayslake/Round Lake to be released upon submittal of the group's FY 22/23 report as per the program rules.

Trustee Jarvis made a motion to approve the updated Highway Transportation Plan as required by statute. Seconded by Trustee Waldenstrom. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnosta, Sahu, Kornit – all “aye”. Motion carried.

The Board discussed the requested revisions to the liquor license for the Lake County Fairgrounds. The consensus was to draft the appropriate ordinance to codify the changes.

Trustee Magnosta made a motion to approve the proposed changes to the Village's pay plan as presented. Seconded by Trustee Waldenstrom. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnosta, Sahu, Kornit – all “aye”. Motion carried.

Trustee Waldenstrom made a motion to direct staff to prepare the final budget incorporating the discussions of the Board. Seconded by Trustee Jarvis. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnosta, Sahu, Kornit – all “aye”. Motion carried.

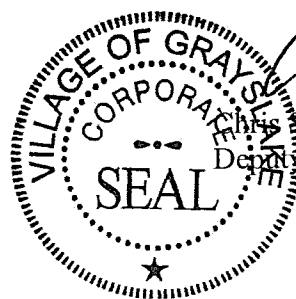
Trustee Davies made a motion to go into executive session pursuant to Sections (5 ILCS 120/2(c)(1)) and 5 ILCS 120/2(c)(6)) of the Illinois Open Meetings Act and to have Village Manager Ellis and Assistant Village Manager Sparkman present in the session. Seconded by Trustee Magnosta. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnosta, Sahu, Kornit – all “aye”. Motion carried.

Trustee Kornit made a motion to reconvene into the special meeting at 12:38 p.m. Seconded by Trustee Waldenstrom. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnosta, Sahu, Kornit – all “aye”. Motion carried.

Trustee Magnosta made a motion to adjourn the special meeting of the Board of Trustees. Seconded by Trustee Jarvis. Roll call: Trustees Jarvis, Waldenstrom, Davies, Magnosta, Sahu, Kornit – all “aye”. Motion carried.

Meeting adjourned at 12:40 p.m.

Respectfully submitted,



A handwritten signature in black ink, appearing to be "C. Sparkman", is written over the seal and extends to the right.

parkman  
Dep. Village Clerk