

**MINUTES
COMMITTEE OF THE WHOLE MEETING
VILLAGE OF VERNON HILLS
MARCH 16, 2016**

President Byrne called the meeting to order at 7:50pm.

IN ATTENDANCE: President Byrne and Trustees Grieb, Hebda, Koch, Marquardt, Schultz, and Williams. A quorum was established.

Also present were: Village Manager Kalmar, Assistant Village Manager Carey, Building Commissioner Atkinson, Finance Director Larson, Public Works Director Brown, Village Attorney Kenny, and Recording Secretary DeAnda

1. APPROVAL OF COMMITTEE OF THE WHOLE MEETING MINUTES OF MARCH 1, 2016

Motion by Trustee Marquardt, second by Trustee Hebda, to approve the March 1, 2016 Committee of the Whole meeting minutes.

Roll call vote:

AYES: 6 – Hebda, Schultz, Marquardt, Koch, Grieb, Williams

NAYS: 0 – None

ABSENT AND NOT VOTING: 0 - None

Motion carried.

2. PRESENTATION OF INTERGOVERNMENTAL AGREEMENTS BETWEEN THE VILLAGE AND LAKE COUNTY REGARDING THE LOYOLA/CUNEO PROPERTY INCLUDING SANITARY SEWER & WATER SUPPLY SERVICES AND RELATED INFORMATION

On November 17, 2015, the Village Board approved Resolution 2015-167 authorizing the Village and Lake County to execute the Cuneo Mansion and Gardens Preservation and Campus Development Agreement. At the time of approval, staff noted that the proposed Pulte residential development would require additional agreements between the Village and Lake County related to allowing residential development and water and sanitary sewer service on the Loyola/Cuneo property.

As you know, the Land Management Agreement for Gregg's Landing established the land uses for the entire property including the Loyola/Cuneo site and how it would be served by utilities and roads. To allow Pulte to move forward on their proposed project, the Village and County are proposing the following changes as outlined below:

- **Intergovernmental Agreement (IGA) By and Between Lake County & Vernon Hills Regarding the Cuneo Property**

The proposed IGA codifies the changes required in the Joint Local Land Resource Management Plan and Agreement between Lake County and the Village to allow for the residential development on the Cuneo Mansion property. The Agreement acts as an umbrella document for the previously approved Cuneo Mansion and Gardens Preservation and Campus Development Agreement, as well as amendments to the Declaration of Covenants and Sewer and Water Agreement.

The proposed IGA amends the Amended and Restated Declaration of Protective Covenants which designated approximately 10 acres of the Cuneo Mansion for commercial purposes (aka: Cuneo South Commercial Property). The IGA modifies the Declaration by re-titling the Cuneo South Commercial Property to the "Cuneo South Residential Property" and allowing residential development on the property such as the proposed Pulte Home development.

The IGA also modifies the Preservation Agreement by requiring Lake County approval in the disbursement of funds not specifically designated within the Preservation Agreement. As you will recall, the Preservation Agreement earmarked \$3 million for improvements and maintenance to the Cuneo

Mansion. The agreement also grants Lake County the ability to direct the property to be designated for Historical Preservation and also sets in place certain reporting requirements related to the expenditures related to campus facility improvements outlined in the Preservation Agreement.

- **Cuneo Residential Development – First Amendment to Agreement For Sanitary Sewer and Water Supply Services to the Cuneo Service Area**

The Sanitary Sewer and Water Supply Services Agreement was approved as part of the Zale development, more commonly referred to as Gregg's Landing. This agreement allowed for 2,100 homes to be serviced by Lake County for water and sanitary sewer. Of the 2,100 allowed to be constructed, a maximum of 1,998 will be ultimately constructed in Gregg's Landing. The proposed Pulte Home development at the Cuneo Mansion calls for an additional 128 dwelling units to be serviced and necessitates an amendment to the Agreement.

The proposed amendment will allow an additional 26 homes (to a total of 2,126) to be serviced over and above the previously approved 2,100 dwelling units. It will also expand the Cuneo Residential Service Area to include the Cuneo property. The additional homes as well as change in use of the mansion/banquet building for educational purposes are also included in the amended sanitary sewer and water supply agreement.

Technical details outlined in the Agreement pertaining to quantity of water and sanitary services provided by Lake County are being reviewed and will be updated to accommodate the perspective use. It should be noted while the retail portion of the proposed Melody Farm development is also included in the agreement, the proposed 260 multi-family development is not. An additional amendment to this Agreement will be required at a later date.

Chet Lis, 515 Torrey Pines, addressed the COW regarding the Pulte development. He asked the Village to maintain the following standards:

1. preserve the open land along Milwaukee Avenue and Museum Boulevard;
2. preserve the green area along Milwaukee Avenue and Museum Boulevard;
3. require large setback between Milwaukee Avenue and the development;
4. require a large setback from the museum drive to any development (front part of development along Milwaukee Avenue);
5. keep land between Milwaukee Avenue and the mansion open. Reduce the size of the development from the current 50 acres to something less – he suggested eliminating that section of housing at the southeast section of the development.
6. confirm that the houses in this area be required to be per the standards of Ordinance 2015-035 with no deviation or exceptions.

Don Kathan, President of Gregg's Landing North HOA, stated they supported Chet Lis' comments and look forward to giving the Village their input.

- **Requested Action**

Each of these agreements is tentatively scheduled to be considered by the Lake County Board at its April 12 meeting. To keep this schedule and to assist both Loyola and Pulte, staff is working with all parties to finalize these agreements. We will likely have updates on our progress at the COW meeting.

To maintain this schedule, staff requested direction on both agreements.

Motion by Trustee Williams, second by Trustee Schultz, to direct staff to prepare the necessary Resolution granting authority to execute both agreements, subject to review by the Village Attorney and approval by Lake County.

Roll call vote:

AYES: 6 – Hebda, Schultz, Marquardt, Koch, Grieb, Williams

NAYS: 0 – None

ABSENT AND NOT VOTING: 0 - None

Motion carried

3. 2016-2017 BUDGET PRESENTATIONS

Finance Director Larson continued budget presentations from the March 1 COW meeting.

- G. Community Development Budget (P. 53-66) - **This budget is \$1,009,669, which is an increase of \$16,001 or 1.6% over the current budget.** Salaries are \$689,615, up \$7,114 or 1.0% over the original budget. Fringes are \$226,034, down by \$2,063 or 0.9%. Contractual Services are \$45,189, a decrease of \$1,000, or 2.2%. Commodities are \$16,850, up 0.3%, and Equipment is \$31,981, up by 59.3%. The majority of the increase in the equipment budget is due to the planned purchase of field tablets for inspectors, which are expected to be rolled out as part of the implementation of the Munis permitting module.

Motion by Trustee Schultz, second by Trustee Williams, approving the Community Development Budget in the amount of \$1,009,669 as presented.

Roll call vote:

AYES: 6 – Grieb, Hebda, Koch, Marquardt, Schultz, Williams

NAYS: 0 - None

ABSENT AND NOT VOTING: 0 – None

Motion carried.

- L. **Replacement Fund Budget** (P. 113-118) - The Replacement Fund budget is \$1,016,000, a decrease of 11% from the FY 15/16 budget. The actual equipment purchase budget is \$225,000 with \$791,000 budgeted for reserves. The budgeted Replacement Fund contributions from the General Fund that are budgeted exceed equipment purchases by \$160,217.

Motion by Trustee Schultz, second by Trustee Marquardt, approving the Replacement Fund Budget in the amount of \$1,016,000 as presented.

Roll call vote:

AYES: 6 – Grieb, Hebda, Koch, Marquardt, Schultz, Williams

NAYS: 0 - None

ABSENT AND NOT VOTING: 0 – None

Motion carried.

M. **Resident Benefit Budget** (P. 119-122) - The Resident Benefit budget is \$192,700. Included in this budget are the Social Service Grants and VHAC Maintenance. The VHAC budget includes a batting cage net, turf, mounds and protectors, equipment rental for a drum roller to smooth fields, and Field 5 & 6 Fencing.

Social Service Grants were approved as follows:

2016/17 Request	AGENCY
\$5,000	A Safe Place/Lake County Crisis Center
\$2,500	Community Alliance Project (CAP)
\$2,500	Serenity House of Libertyville
\$4,000	Youth & Family Counseling
\$5,000	PADS Emergency Shelter and Supportive Services
	University of Illinois
\$1,000	Lake County Extension
	Girl Scouts of Greater Chicago & Northwest Indiana (GSGCNWI)
\$1,000	Vernon Hills Gathering Place (local office)
\$3,500	Fresh Start of IL, NFP
\$2,000	Lake County Center for Independent Living
\$5,000	CASA(Court Appointed Special Advocates for Children
not applying this year	Spay and Stay
\$1,000	Senior Issues Etc.
\$32,500	
FROM POLICE BUDGET	
\$14,000	Omni Youth Services

Motion by Trustee Williams, second by Trustee Marquardt, approving the Resident Benefit Budget in the amount of \$192,700 as presented.

Roll call vote:

AYES: 6 – Grieb, Hebda, Koch, Marquardt, Schultz, Williams

NAYS: 0 - None

ABSENT AND NOT VOTING: 0 – None

Motion carried.

N. **Community Events Budget** (P. 123-128) - The Events Fund is \$101,740, an increase of \$500 or 0.5% from the current budget. This budget includes:

- \$8,900 for Arborthheater Events.
- \$4,500 for the Fishing Derby which is no change.
- \$45,200 for the Fourth of July which is a 1.1% increase.
- \$5,940 for the Pageant which is in no change.
- \$13,700 for Summer Celebration Fireworks which is no change.
- \$23,500 for Oktoberfest which is no change.

Motion by Trustee Williams, second by Trustee Schultz, approving the Community Events Budget in the amount of \$101,740 as presented.

Roll call vote:

AYES: 6 – Grieb, Hebda, Koch, Marquardt, Schultz, Williams

NAYS: 0 - None

ABSENT AND NOT VOTING: 0 – None

Motion carried.

O. **Summer Celebration Budget** (P. 129-134) - The Summer Celebration budget is \$171,060, which represents an increase of \$3,210 or 1.9% from the FY15/16 budget. Revenue estimates are expected to remain stable. The increase in expenditures includes added donations to the Vernon Hills Explorers of \$1,500 and various service clubs of \$2,500 and additional entertainment costs of \$5,500, which are offset by a decrease in the car show expenses. There are also proposed increases for printing and advertising associated with this event. This budget draws down the Summer Celebration Fund balance by \$16,510.

Motion by Trustee Schultz, second by Trustee Williams, approving the Summer Celebration Budget in the amount of \$171,060 as presented.

Roll call vote:

AYES: 6 – Grieb, Hebda, Koch, Marquardt, Schultz, Williams

NAYS: 0 - None

ABSENT AND NOT VOTING: 0 – None

Motion carried.

P. **General Purpose Budget** (P. 135-136) - The General Purpose budget is \$1,373,303, which is an increase of \$769,142 or 127.7% from original FY 16/17 budget. The main reason for this increase is that the Debt Service budget has increased by \$434,151 due to the first scheduled payments on the bonds issued in 2015. Fringe benefits in General Purpose are up by 59.1% to \$52,493. This account is used to cover the health care costs of employees on pensions per legal stipulations or per ordinance. Contingency in this budget is \$395,000, a 393.75% increase from last year's level of \$80,000. The amount budgeted for transfers to other funds is \$126,000, which is for the Village's statutorily required 10% match of the TIF revenues in the Vernon Hills Town Center (VHTC) TIF District. This represents a 0.40% increase from last year's budget level.

Motion by Trustee Schultz, second by Trustee Koch, approving the General Purpose Budget in the amount of \$1,373,303 as presented.

Roll call vote:

AYES: 6 – Grieb, Hebda, Koch, Marquardt, Schultz, Williams

NAYS: 0 - None

ABSENT AND NOT VOTING: 0 – None

Motion carried.

Q. **Administration Budget** (P. 137-158) - The Administration budget is \$2,417,749, which is an increase of \$217,626 or 9.9% over the current budget. Salaries are \$790,679 which is a decrease of \$16,939 or 2.1% from the current budget. Fringes are \$244,337 which is an increase of 4.9% over the prior year. Contractual services are \$1,286,088 which is an increase of \$195,392 or 17.9% over the prior year. Of that increase, \$129,607 is attributable to the change in the Village's selection in Property, Casualty and Liability insurance, which has changed from a flat contribution to a minimum/maximum contribution program. Also included in this increase is a \$20,000 line item for a Planning Consultant to assist with the creation of an updated comprehensive and strategic plan. Commodities are \$48,750 which is an increase of \$12,100; or 33.0% more than the current budget. Equipment is \$47,895 which is an increase of \$15,650, or 48.5% more than the prior year. A portion of this increase (\$5,500) is an increase for Village Board Room audio/visual equipment, and \$15,000 for a Munis utilization study which will allow the Village to gain efficiencies by streamlining existing processes using technology that is already in place but not fully utilized.

Motion by Trustee Williams, second by Trustee Schultz, approving the Administration Budget in the amount of \$2,417,749 as presented.

Roll call vote:

AYES: 6 – Grieb, Hebda, Koch, Marquardt, Schultz, Williams

NAYS: 0 - None

ABSENT AND NOT VOTING: 0 – None

Motion carried.

R. **Committees Budget** (P. 159-162) - The overall Committee budget is \$30,875, which is the same as the current budgeted level.

Motion by Trustee Schultz, second by Trustee Williams, approving the Committees Budget in the amount of \$30,875 as presented.

Roll call vote:

AYES: 6 – Grieb, Hebda, Koch, Marquardt, Schultz, Williams

NAYS: 0 - None

ABSENT AND NOT VOTING: 0 – None

Motion carried.

S. **Judiciary Budget** (P. 163-164) - The Judiciary budget is \$507,500, which is the same as the current budgeted level.

Motion by Trustee Schultz, second by Trustee Williams, approving the Judiciary Budget in the amount of \$507,500 as presented.

Roll call vote:

AYES: 6 – Grieb, Hebda, Koch, Marquardt, Schultz, Williams

NAYS: 0 - None

ABSENT AND NOT VOTING: 0 – None

Motion carried.

T. **President & Village Board Budget** (P. 165-168) - The President and Trustee budget is \$84,926 which is a 7.7% increase over the current budget. This budget has been increased to the purchase of new chairs in the Village Board room for the President and Trustees.

Motion by Trustee Schultz, second by Trustee Williams, approving the President & Village Board Budget in the amount of \$84,926 as presented.

Roll call vote:

AYES: 6 – Grieb, Hebda, Koch, Marquardt, Schultz, Williams

NAYS: 0 - None

ABSENT AND NOT VOTING: 0 – None

Motion carried.

U. **Tax Increment Fund Budget** (P. 169-172) - The Tax Increment Fund budget is \$1,199,400, which is an increase of 11.97% over the current budget level. In FY 2016-17 the Tax Increment Fund is projected to run a surplus of \$186,600. Revenues are projected to be \$1,386,000, which is 0.40% more than was projected for FY 2015-16. Included in those revenues is a \$126,000 General Fund contribution as required in the TIF statute. Included in the FY2015/16 budget are a number of principal and interest payments. This reflects the first year of payments for the Series 2015B Bonds, which refunded the last remaining portion of the 2007 Alternate Revenue Bonds. Also included in debt service account is a placeholder for trustee fees to pay debt service on the refunded bonds.

Motion by Trustee Schultz, second by Trustee Hebda, approving the Tax Increment Fund Budget in the amount of \$1,199,400 as presented.

Roll call vote:

AYES: 6 – Grieb, Hebda, Koch, Marquardt, Schultz, Williams

NAYS: 0 - None

ABSENT AND NOT VOTING: 0 – None

Motion carried.

4. ADJOURNMENT

Motion by Trustee Schultz, second by Trustee Marquardt, to adjourn the Committee of the Whole meeting.

Roll call vote:

AYES:

NAYS: 0 - None

ABSENT AND NOT VOTING:

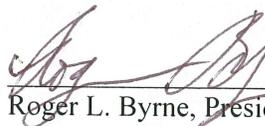
Motion carried.

Meeting adjourned at 8:55pm.

Approved this 5th day of April 2016



John Kahmar, Village Clerk



Roger L. Byrne, President