

VILLAGE OF LAKE BLUFF - FINANCE COMMITTEE
MINUTES OF MEETING – **November 29, 2018**

I. Call to Order – Roll Call

The Finance Committee of the Village of Lake Bluff was called to order on Thursday, November 29, 2018 at 6:00 PM in the Village Hall Board Room, 40 E. Center Ave., Lake Bluff, Illinois.

Members Present: Trustee Mark Dewart, Chair
Trustee Barbara Ankenman, Member
Trustee Paul Lemieux, Member

Others Present: Kathleen O'Hara, Village Board President
Eric Grenier, Village Board Trustee
William Meyer, Village Board Trustee
Joy Markee, Village Clerk
R. Drew Irvin, Village Administrator
Bettina O'Connell, Finance Director
Marlene Scheibl, Assistant Finance Director
David Belmonte, Chief of Police (departed at 8:20 PM)
Matthew Smizinski, Deputy Chief of Police (departed at 8:20 PM)
David Graf, Fire Chief (departed at 8:20 PM)
Steve Willard, Deputy Fire Chief (departed at 8:20 PM)
Bill Goodman, Assistant Fire Chief (departed at 8:20 PM)
John Krumsee, Assistant Fire Chief (departed at 8:20 PM)
Greg Marsh, Assistant Fire Chief (departed at 8:20 PM)
Kathleen Meierhoff, Village of Lake Bluff Public Library Board President (departed at 6:45 PM)
Eric Bailey, Village of Lake Bluff Public Library Director (departed at 8:25 PM)
John Falduto, Co-founder of Sawyer Falduto Asset Management (departed at 8:50 PM)
Thomas Sawyer, Co-founder of Sawyer Falduto Asset Management (departed at 8:50 PM)

II. Approval of Minutes

Member Lemieux made a motion to approve the minutes of the September 20, 2018 meeting as presented; seconded by Member Ankenman and approved unanimously on a voice vote.

III. Business Items

1. Discussion Regarding 2018 Property Tax Levy Estimates and the Library's Levy Request

At the September 20, 2018 Finance Committee meeting, the 2018 levy projections were reviewed and the aggregate property tax levy of \$4,323,227, an increase of 2.45% over the 2017 property tax extension, was unanimously recommended for Board approval. The Village share of the property tax levy is \$3,379,100. Subsequent to that meeting, the Library Board requested a levy increase of \$20,000 from initial estimates. The change increases the overall levy to \$4,343,227 or 2.931%, which is .0058 greater than the PTELL limiting rate. Library Board President Meierhoff and Library Director Bailey were present to discuss the need for their request. Chair Dewart asked for clarification if the request for the additional \$20,000 exceeding the PTELL amount was a request for this year only, or if it was anticipated future requests would exceed the PTELL. Director Bailey responded there are many anticipated expenses over the next few years, including

the replacement of the HVAC system, and the additional \$20,000 would be put in a Special Reserve toward these expenses. President Meierhoff added the Library will not be able to cover all the projects from operating revenues and will need to look at higher taxes, a referendum, and/or fundraising opportunities. The Library Board has learned from the roof replacement that capital projects are arising which need to be prepared for. Chair Dewar stated the Village is sensitive to an increase in the levy, that's why it's important to understand if this is a one-time request or will occur in future years. Director Bailey said the Library does intend to continue to build operating reserve to use for capital projects in addition to this special reserve from the levy and then to closely review projects to prioritize the projects and funds available. Chair Dewar stated the Village uses the same process. The Village has established a Capital Fund to set aside funds to pay for large capital projects and some projects are funded from operating reserves. Director Bailey said the Library is appreciative of the time to discuss this with the Finance Committee. President Meierhoff added the Library would appreciate the opportunity to further discuss at a later date.

2. Police CIP Update/Discussion

a. License Plate Reader Project

The Police budget for the FY18-19 included two significant projects, the Automated License Plate Reader (LPR) and the addition to the Public Safety camera system to allow for monitoring the train depot lobby, parking lot, and the Village Green. The Police Department have been researching the use of LPR technology and it was found the systems did not have an immediate impact on the reduction of burglaries of motor vehicles but aided in the recovery of stolen vehicles. The system being used by both Wilmette and Skokie is Vigilant Solutions. Chief Belmonte said after further research, it was discovered if the cameras are used at a State of Illinois controlled intersection, there are fees which must be paid to the state and their stop light vendors in the amount of \$70,000. Chief Belmonte stated both Skokie and Wilmette have their cameras on their municipal properties. In addition to the state fees is an annual storage and maintenance fee of \$9,600. This brings the initial budget amount of \$50,000 to a total price of more than \$130,000. In addition to the increased expenses, Illinois Senate Bill 880 is a bill pending in the Illinois Senate and its' passage would place restrictions on the use and sharing of data by LPR systems in Illinois. VA Irvin added this bill was discussed at the Northwest Municipal Conference in regards to establishing an act for new technology, certain protocol, and questionable concerns. The intention is to solve the use of data but Police feel bill would limit the use of shared data. As a result of the additional expenses and the potential restrictions, Chief Belmonte requested this project be postponed to provide more time for further research. He added that there isn't a way to tell how long clarification of the legislation may take.

b. Camera Systems

In 2013, the Village installed a comprehensive camera system for monitoring the exterior of the Public Safety building, lobby, booking, and interview rooms, which are also viewable by the Glenview Public Safety Dispatch Center. In 2017, the Lake Bluff School District and the Village signed an intergovernmental agreement to allow the police department's equipment to remote into the school camera systems during an emergency. These cameras are not monitored on a regular basis and the school district is notified if their camera system is accessed. The Police Department has considered other areas of the Village where the cameras could be installed to further reduce the opportunity for crime. The FY18-19 budget includes \$36,000 to install cameras at the Lake Bluff train depot lobby, boarding platform, parking lot, and at the Village Green. This would allow for monitoring of these areas by staff at the PSB and the Dispatch Center. Access to these cameras are restricted to police and dispatch staff. The cameras run by a municipality have retention restrictions. The film is kept for 30 days and after some time when the disc is full the system re-records over the tape. Once logged into evidence, not FOIA so confidentiality can be maintained. Chief Belmonte said quotes for the project were received in the amounts of \$27,413 (current vendor), \$34,352 (vendor school district uses), and \$21,200 (vendor who runs connection between PS & PW). Chief Belmonte

requested the Board approve waiving formal bids for this project and accept the estimate from the Village's current vendor since this will maintain consistency in the system and equipment. The low quote is from the company who has limited experience in camera systems. President O'Hara asked what the time line is for installation. Chief Belmonte responded it would be when the weather is nice by the end of this fiscal year.

c. **StarCom Radios**

Chief Belmonte said the City of Highland Park had notified the Village that they would be moving all of their public safety radios (police and fire) from the East Shore Radio Network to StarCom Network maintained by the state of Illinois and Motorola. Member agencies pay an annual fee to Motorola based on the number of radios accessing the system. Being a member of the StarCom network eliminates the need to maintain radio infrastructure by renting a radio network to use. Nearly all police departments in Lake County, including the Lake County Sheriff, use the StarCom Network. With Highland Park making this change, all other agencies will lose the interoperability to talk via radio with Highland Park. The City of Lake Forest will also be changing to StarCom. The Village spoke with the state about how to get in the network. Motorola created a temporary patch between the East Shore Radio Network and the StarCom Network. To maintain the close working relationship with Lake Forest Police, it is necessary the Lake Bluff Police Department moves to the StarCom Network. In the current budget, \$30,000 was budgeted for new radios to access the StarCom Network and an additional \$80,000 to complete the project in FY19-20. Annual fees to access the network are set by the State of Illinois, which will total \$7,000 per year. To keep the transition orderly and consistent with Highland Park, Lake Forest, and Lake Bluff, the Lake Bluff Police are making the request to enter into an agreement with StarCom Network. The money for the Phase II of the radio upgrades would be moved from the FY19-20 budget to the current year budget. Member Lemieux asked how long the life expectancies of the radios is. Chief Belmonte said he was told 10 years but other agencies are saying not that long. Skokie and Evanston have been on the StarCom Network for 6-7 years. Member Lemieux asked how this will change communication between the Police Department and the Fire Department. Chief Belmonte responded that the Fire department will not be able to hear the Police radios so the dispatchers will need to communicate with the Fire department. Trustee Meyer said since Fire can currently hear Police they would need to buy into StarCom Network and pay for airtime to hear the Police radios. President O'Hara asked what that would do to the channel traffic. Chief Belmonte said the Fire Department would need to buy radios with extra channels. Chief Graf said while he endorses the StarCom Network for the Police Department's use, it would not work well for the Fire Department since it doesn't support some of the Fire technology. In addition the Police have 18 radios and the Fire Department has 35. Chair Dewart stated that with the size of our community the delay in communication is probably very short so the risk should be low. Chief Graf said all transmitters are set up to listen to a call from start of call. Now with the POP Fire Department the time has decreased. Chair Dewart asked if once the Village moves to StarCom, could there be a patch to allow Fire access to the StarCom Network? Chief Belmonte said it's possible in theory but the issue could be Motorola providing permission. The current patch is for six months to one year. Chief Graf suggested if there does appear to be a need to eliminate communications through Dispatch then the Village could buy a few radios for the Fire Department to use.

3. Special Vehicle Sticker Program Cost Analysis – Lake Bluff Library Request

At the September 20, 2018 Finance Committee meeting, a request was made by the Lake Bluff Public Library to participate in the Vehicle Sticker Design and Fundraising Program. This program allows Lake Bluff community organizations to design and offer residents the opportunity to purchase an alternate vehicle sticker for an additional fee. The additional fee from the sale is then passed through to the organization as a donation. In the past, the outside requesting organization has paid for any additional costs of printing the alternate vehicle sticker. There are estimated additional costs related to the vehicle sticker program of \$1,437.50, including the \$300 for the stickers. In view of the estimated additional expenses, Library Director Bailey withdrew his request to participate

in the program and instead requested to use the Library design for the regular vehicle sticker.

4. Discussion Regarding Fire/EMS Services

Over the past several months the Village has entered a partnership with the Rockland Fire Protection District and modified how Fire & EMS services are provided (now Paid-on-Premise and Paid-on-Call). VA Irvin said he would like to applaud the Fire Department for the smooth and speed of the Paid on Premise transition. The Village is now in a unique position to consider expanding the scope of in-house services to include Advance Life Support (“ALS”). There are various service models available to discuss along with their corresponding estimated expenses. The options to consider are moving to ALS-Non-Transport or ALS-Transport. The five-year draft budget for the ALS-Transport Staffing Model shows an average of \$1M for each of the 5 years, with the first year including the expense for the purchase of an ambulance for \$375,000. There are various costs based on the various service models. Additional costs result in improved travel time and services. Chief Graf said prior to October 1, the Fire Department was a volunteer department of approximately 40 members who provided Basic Life Support (“BLS”)–Non Transport. Currently, the department has approximately 70 members who are firefighters, EMTs, and paramedics (but the paramedics are currently not licensed to operate as paramedics) providing BLS-NT, responding to fire calls, and EMS calls. If the call is for a transport, Lake Forest transports. The Fire department would like to provide services from BLS-NT to ALS-NT. In order to do this, the Fire Department would need to apply to the state for licensing. Then the transition could be from ALS-NT to ALS-T. This transition would involve 1). Notifying Lake Forest prior to 12 months before the end of the contract; 2). Purchasing equipment; and 3). Increase staffing on Paid-on-Premise. AFC Goodman said since October 1 there have been 3 members providing 24-hour coverage and the department would like to increase to 4 members providing 24-hour coverage. There are a total of 65 members consisting of 28 firefighters, 36 EMTs, and 1 instructor. AFC Marsh spoke about the Automatic Response Agreement pages. Trustee Meyer said reviewing the addresses, there are frequent calls for non-transport. AFC Marsh said more staff will be able to follow up. VA Irvin added that all agencies have this problem of false alarms. AFC Krumsee said moving to ALS-T will allow the department to be on the scene sooner with more skilled personnel instead of having to wait for the ambulance to arrive. At best they would need to have 4-6 months lead time for equipment with the goal to have that all in place before moving on to transport and the ambulance purchase. Chair Dewart said in this interim period we could obtain the ALS equipment and fit it on current trucks. Member Lemieux said for \$47K the Fire Department could move to better service from BLS-NT to ALS-NT. Member Ankenman asked what the Fire budget is now. VA Irvin said it is \$857K. Member Ankenman asked how the Village would maintain 2 new ambulances. Chief Graf said the Fire Department currently has 6 bays and 5 vehicles. He said in order to use ALS service model, there needs to be ALS personnel. Each ALS call would require 1 Paramedic and 1 EMT. Currently, the department has 13 Paramedics and 23 Paid on Premise. Member Ankenman asked if there was a goal of a certain number of hours for Paid-on-Premise personnel. AFC Goodman said there is a maximum of 30 hours for overnight shifts from 6 PM to 8 AM. Currently, the department members are firefighters, EMTs, and paramedics, with the paramedics filling firefighter and EMT spots because their skills can't be utilized as paramedics due to licensing restrictions. Member Lemieux expressed his confidence in the Fire Department. Chair Dewart stated the comprehensive approach to the analysis was very impressive. President O'Hara said the presentation was tremendously organized and planned. Chair Dewart said he would like to see a timeline including items such as the kickoff of licensure, personnel changes, ordering equipment, securing and installing equipment, and how long to operate as ALS-NT before moving to ALS-T. VA Irvin said if the Finance Committee agrees the Village Board could be presented the budget of the various models. The Village could have an ALS license but doesn't have to use it. VA Irvin asked how long the licensing processing would take. AFC Krumsee said it would take about 60 calendar days. President O'Hara said the Village should move to ALS-T. Chair Dewart asked if it made sense to itemize

the equipment cost to start the process of getting that ordered. Chair Dewart said the consensus of the committee is to begin the licensing process.

5. Municipal Investment Options – Sawyer Falduto Asset Management , LLC

The Finance Committee had expressed interest in pursuing additional opportunities for the Village's investments beyond the traditional Certificates of Deposit in order to increase the Village investment earnings. John Falduto and Thomas Sawyer, co-founders of Sawyer Falduto Asset Management attended the Finance Committee meeting to present their firm to the committee. Sawyer Falduto Asset Management, LLC was founded in 2007 as an SEC register investment advisor, without ties to a particular brokerage firm or mutual fund companies. This makes their firm able to competitively shop for liquid, marketable securities and no-load mutual funds. The firm provides investment management services to Police and Fire Pension Funds, local units of government, and high net worth individuals with the focus of putting customers first. Their objective is to determine the needs of their clients and to exceed their expectations. This commitment has led to strong, long term relationships resulting in a 100% retention rate. Their role is to provide investment advisory services and to structure a portfolio to maximize yield. Sawyer Falduto Asset Management would provide the Village a Performance Report either monthly or quarterly and their compensation fee is based on the market value of the portfolio as of the last day of the quarter. Their fee rate is guaranteed for ten years, there is no charge for termination, and the contract is open-ended. Chair Dewart asked what separates one firm from another in this area. Mr. Falduto responded there is not as much interest in this area because the compensation is fee only and the fees are not substantial. The focus must be to provide excellent customer service in order to maintain 100% client retention rate.

After the departure of Mr. Falduto and Mr. Sawyer, discussion ensued. Director O'Connell said she had done RFP's in the past for investment advisors and Sawyer Falduto was the least expensive. If the consensus was to move forward with the investment advisors, it could be done slowly since the Village would need to review when the current CD's mature. Chairman Dewart opined that this seems like it is a no lose proposal. Trustee Meyer agreed that although there is some added risk, it is very low, making it not material. Member Lemieux asked if the Village would need to update its' Investment Policy or does the current policy permit the Village to use an investment advisor. VA Irvin said staff will review that. Chair Dewart inquired about the characteristics of the Illinois Funds. VA Irvin said they are the local investment pool operated by the State of Illinois and are safe and liquid. Chair Dewart said it would be good to have someone reviewing the Village investments.

6. Staff Updates Regarding Water Meter Replacements

VA Irvin said Village Engineer Hansen is going to reach out to Strand Associates to bid the meter replacement project while stretching the project over 2 fiscal years, \$400,000 for each of the 2 fiscal years. The project would involve identifying meters most needing to be replaced by replacing meters 5 years or older. Member Lemieux asked how it will be determined if these meter replacements are working to capture any water loss. He stated the Village needs to know how much water is being pumped into an area in order to tie it to the amount billed. He asked how many meters will be replaced. VA Irvin replied it will be as many meters as can be replaced for the \$400,000 amount budgeted, but most likely about 1/3 of the total, or 800 meters. Chair Dewart said at one point the strategy was to focus on replacing the larger meters first. VA Irvin said the larger meters pump more volume and are less work to replace so at one time it was the suggested to replace the larger meters first but the Village will rely on the information from Strand.

7. Discussion Regarding a Policy to Waive Building Permit Fees

Discussion ensued on a policy to waive building permit fees. Chair Dewart said the Village should determine what organizations would be eligible to have fees waived in order to establish a policy which can be applied consistently. If a policy is established it

could be amended at a later date, if necessary. President O'Hara opined fees should only be waived for 501c3 organizations. Member Lemieux recommended waiving fees for 501c3 organizations with a fee of less than \$1,000.00. Staff will provide an update to this discussion at a later date.

IV. Next Meeting

The next meeting is to be determined.

V. Adjournment

Member Ankenman made a motion to adjourn the meeting at 9:25 PM; seconded by Member Lemieux and all members voted aye.

Respectfully submitted,

Marlene Scheibl
Assistant Finance Director