

**VILLAGE OF HUNTLEY
VILLAGE BOARD
July 9, 2020
MEETING MINUTES**

CALL TO ORDER:

A meeting of the Village Board of the Village of Huntley was called to order on Thursday, July 9, 2020 at 7:00 p.m. in the Municipal Complex, Village Board Room, 10987 Main St., Huntley, Illinois 60142.

ATTENDANCE:

PRESENT: Mayor Charles Sass; Trustees: Ronda Goldman, Tim Hoeft, Niko Kanakaris, Harry Leopold, John Piwko and JR Westberg.

ABSENT: None

IN ATTENDANCE: Interim Village Manager Lisa Armour, Director of Finance Cathy Haley, Village Clerk Rita McMahon and Village Attorney John Cowlin.

PLEDGE OF ALLEGIANCE: Mayor Sass led the Pledge of Allegiance.

PUBLIC COMMENTS: None

ITEMS FOR DISCUSSION AND CONSIDERATION:

- a) Consideration – Approval of the June 11, 2020 Village Board Meeting Minutes

Mayor Sass reported that everyone was in attendance at the meeting and asked if the Village Board had any comments or changes; there were none.

A MOTION was made to approve the June 11, 2020 Village Board Meeting Minutes.

MOTION: Trustee Leopold

SECOND: Trustee Westberg

AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko, and Westberg

NAYS: None

ABSENT: None

The motion carried: 6-0-0

- b) Consideration – Approval of the July 9, 2020 Bill List in the amount of \$244,484.97

Mayor Sass reported that \$126,459.17(or 51.8%) of the total bill list is attributable to Payout #1(Final) to Globe Construction Inc. for the 2020 Curb & Sidewalk Replacement Program (\$49,128.00) and Payout #1 (Final) to Safe Step, LLC for the 2020 Sidewalk Cutting Program (\$77,331.17).

Mayor Sass asked if the Village Board had any comments or questions; there were none.

A MOTION was made to approve the July 9, 2020 Bill List in the amount of \$244,484.97

MOTION: Trustee Piwko
SECOND: Trustee Leopold
AYES: Trustees: Goldman, Hoefft, Kanakaris, Leopold, Piwko, and Westberg
NAYS: None
ABSENT: None
The motion carried: 6-0-0

c) Consideration – Approval of Payout Request No. 2 to Schroeder Asphalt Services, Inc. for the 2020 Street Improvement Program in the Amount of \$384,092.32

Mayor Sass reported that on February 27, 2020, the Village Board approved a resolution appropriating \$1,200,000.00 in Motor Fuel Tax Funds for Maintenance of Streets and Highways for the 2020 Street Improvement Program and a Resolution Authorizing a Bid Award and Construction Contract to Schroeder Asphalt Services, Inc. in the amount of \$1,375,018.81 for the resurfacing of Northbridge Subdivision for a total length of approximately 3.0 centerline miles.

Schroeder Asphalt Services, Inc. has submitted the second payout request for the 2020 Street Improvement Program. The Village’s project engineer, CBBEL, has reviewed the request and all is in order for consideration of the payout request No. 2.

Staff Analysis

Pay Request	Total Completed Work	Retention	Previous Payments	Amount Requested
#1	\$235,032.80	\$23,503.28 (10%)	\$0.00	\$211,529.52
#2	\$661,802.04	\$66,180.20 (10%)	\$211,529.52	\$384,092.32

Financial Impact

The FY20 Budget includes funding for the 2020 program in the amount of \$475,000.00 for engineering and partial construction costs from the Streets Improvements and Roads & Bridges Fund, 420-00-00-8001 and \$1,200,000.00 for construction costs from the MFT Fund, 460-00-00-8001. The full amount of the MFT appropriation will be used for construction. Any unexpended budget funds will remain in the Streets Improvements and Roads & Bridges Fund.

Mayor Sass asked if the Village Board had any comments or questions; there were none.

A MOTION was made to approve Payout Request No. 2 to Schroeder Asphalt Services, Inc. in the amount of \$384,092.32 for the work completed under the 2020 Street Improvement Program.

MOTION: Trustee Hoefft
SECOND: Trustee Goldman
AYES: Trustees: Goldman, Hoefft, Kanakaris, Leopold, Piwko, and Westberg
NAYS: None
ABSENT: None
The motion carried: 6-0-0

d) Consideration – Approval of the Annual Contribution Payment to the Intergovernmental Risk Management Agency (IRMA) in the Amount of \$309,119

Finance Director Cathy Haley said the Village approved moving its liability insurance coverage over to the Intergovernmental Risk Management Agency (IRMA) at the March 12, 2020 Village Board meeting. Membership with IRMA began on May 1, 2020. IRMA’s coverage year runs from January – December so this first payment has been adjusted to reflect the proration for May – December in 2020. Beginning in 2021 this payment will be due on February 1 each year.

Staff Analysis

On July 11, 2019, members from IRMA gave a presentation of the member owned, self-governed risk pool. After going through all the advantages that IRMA has to offer it was a consensus of the Village Board to move forward with discussions of joining this agency. Some of those advantages are:

- IRMA is a non-profit government entity with all surpluses returned to members. In 2018, IRMA returned \$11 million in investment income to its members.
- IRMA is an independent, member-owned risk pool. IRMA is not a “broker” pool, where a broker is paid a commission each year to find private insurance from a “for-profit” company. Members own the pool and control the coverage provided and can enhance coverage to meet the needs of municipalities.
- IRMA offers various grant opportunities associated with CALEA, ILEAP, APWA, Lexipol, BackSafe Training and Safety Equipment.
- IRMA conducts annual property appraisals at no additional cost.
- IRMA is financially stable. IRMA members pay contributions to IRMA based on a uniform and transparent formula that avoids spikes in rates because IRMA utilizes a 5-year look-back at losses and there is also a cap on the amount included in the formula for large losses. The estimated premium for the Village next year is \$383,079.
- IRMA offers six options for deductible credits.
- IRMA offers a variety of training programs tailored to the municipality’s individual needs.
- IRMA has no specialized focus on municipalities with higher claims.
- IRMA utilizes an in-house claims department and employs several litigation attorneys.

Financial Impact

Choosing the lowest deductible of \$2,500, the total cost for FY20 will be as follows:

- | | |
|---------------------------------------|-------------|
| 1. Prorated 2020 Member Premium | = \$255,386 |
| 2. Membership Fee – paid over 5 years | = \$ 39,505 |
| 3. Tail coverage cost for year 1 | = \$ 14,228 |

Please note in FY21 the member premium will be for a full 12-month time period from January – December. The membership fee can be paid in one lump or over a five-year period. No interest is charged to the Village for paying this one-time fee over 5 years. The option selected by the Village is for the five-year payment. The tail coverage will cover claims made after May 1, 2020 regarding incidents that happened prior to May 1, 2020.

Total cost for FY20 is \$309,119. The current FY20 budget includes a dollar amount in the Water Operating Fund, Wastewater Operating Fund and the Liability Insurance Fund of \$420,750.

Mayor Sass asked if the Village Board had any comments or questions. There were none.

A MOTION was made to approve a payment to IRMA in the Amount of \$309,119 for the 2020 Prorated and Adjusted Annual Contribution.

MOTION: Trustee Piwko
SECOND: Trustee Kanakaris
AYES: Trustees: Goldman, Hoefft, Kanakaris, Leopold, Piwko, and Westberg
NAYS: None
ABSENT: None
The motion carried: 6-0-0

e) Consideration – A Resolution Adopting a Disclosure Compliance Policy for the Village of Huntley

Finance Director Haley reported that based on Rule 15c2-12 of the Securities Exchange Act of 1934, the Village must annually file with the Electronic Municipal Market Access (EMMA) system certain financial information in connection with any bonds, notes, certificates or other obligations.

Staff Analysis

Currently the Village's third party tax advisors (Municap) file the Village's financial information with EMMA for the SSA bonds and the current debt certificates. Two new rules regarding reportable events have been incorporated into SEC Rule 15c2-12.

- Incurrence of a financial obligation of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Village, any of which affect security holders, if material; or
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Village, any of which reflect financial difficulties.

Based on these two new reportable events and the issuance of new general obligation bonds, the Village's bond counsel is recommending the Village establish a formal policy to incorporate into the Village's Financial Polices. This policy mirrors what the Village is currently doing annually and will just be formalizing current practice.

Legal Analysis

The Village's Bond Counsel from Chapman and Cutler prepared the draft resolution.

Mayor Sass asked if there were any comments or questions. There were none.

A MOTION was made to approve a Resolution Adopting a Disclosure Compliance Policy of the Village of Huntley.

MOTION: Trustee Leopold
SECOND: Trustee Westberg
AYES: Trustees: Goldman, Hoefft, Kanakaris, Leopold, Piwko, and Westberg
NAYS: None
ABSENT: None
The motion carried: 6-0-0

f) Consideration – A Resolution Authorizing a Professional Services Agreement with Sikich LLP for Auditing Services for FY2020 – FY2024

Finance Director Cathy Haley reported that the contract for professional services from Sikich LLP, (Village auditors) expired upon the completion of the 2019 audit, which was recently accepted by the Village Board at the June 11, 2020 meeting. A new proposal has been submitted for auditing services for fiscal years ending December 31, 2020 through December 31, 2024.

Staff Analysis

Sikich recognizes this is a time of constant change and ever increasing accountability. The task of the Village finance office is no longer to report financial results by long-standing standards that are widely known and commonly understood. The task in today's environment is to keep up with the ever-changing standards from GASB and the Office of Management and Budget with the new Uniform Guidance. The task is also to keep up with new reporting and accountability requirements from the state with the new Grant Accountability and Transparency Act (GATA), new automated processing systems, and fringe benefit tax laws.

These ever-changing standards and accountabilities require adjusting computer systems and internal processes to adapt to the changing standards and then to report in accordance with the new standards. Sikich understands that the Village of Huntley requires a year-round partner, who will assist the Village of Huntley in keeping up to date with the standards and provide assistance, when needed, on specialty topics, as well as a firm that can audit to those standards. Sikich is on the leading edge of the standards as they are being developed. They also have a strong commitment to current and effective technology as their firm has a solid core of technological abilities supported by a full technology division.

Specific benefits of retaining Sikich, LLP:

- Sikich is one of the country’s top 30 Certified Public Accounting firms.
- Consistency and quality of staffing in multi-year engagements, including assigning staff from Sikich’s local government team with the primary focus on providing service to the local governments year round. The Sikich firm realizes the importance of training and assigns staff familiar with Village software.
- The identification of opportunities for improved financial or procedural performance.
- The cost of changing auditing firms could be very expensive due to initial startup costs for a new firm.
- Sikich is familiar with the Village’s New World financial software.
- With the new GASB 87 pronouncement coming up for the end of 2020, Sikich will assist in determining which leases within the Village will need to be reported for this implementation. They have knowledge and expertise with this new pronouncement.
- Sikich’s expertise in the preparation of the Village’s Comprehensive Annual Financial Report (CAFR) will ensure the Village will continue to receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

Financial Impact

The auditing fee structure for the Comprehensive Annual Financial Report (CAFR), the State Comptroller’s Report (AFR), the TIF Audit and the GAGAS Audit for the term of the contract is as follows:

<u>Fiscal Year</u>	<u>CAFR</u>	<u>AFR</u>	<u>TIF</u>	<u>GAGAS</u>	<u>Total</u>
2020	\$32,208*	\$705	\$2,109	\$1,768	\$36,970
2021	\$31,322	\$719	\$2,151	\$1,803	\$35,995

2022	\$32,105	\$737	\$2,205	\$1,848	\$36,895
2023	\$33,068	\$759	\$2,271	\$1,903	\$38,001
2024	\$34,225	\$786	\$2,350	\$1,970	\$39,331

*This includes \$1,500 for the implementation of GASB 87, *Leases*.

Due to the specialization required in this field, the GFOA (Government Finance Officers Association) no longer recommends the rotation of auditing firms for municipalities. GFOA recommends governmental entities enter into multiyear agreements of at least five years in duration when obtaining the services of independent auditors. They go on to state that such agreements allow for greater continuity and help to minimize the potential for disruption in connection with the independent audit. Multiyear agreements can also help to reduce audit costs by allowing auditors to recover certain "startup" costs over several years, rather than over a single year. The Village rotated the entire team with the exception of the senior partner Mr. Fred Lantz in the past. The rotation of the senior manager and the accountant in-charge will be done periodically through this contract as well.

Legal Analysis

The Village Attorney reviewed this contract.

Mayor Sass asked if the Village Board had any comments or questions. Trustee Leopold asked Director Haley if she was happy with Sikich. Director Haley replied that she has worked with Sikich for most of her 20 year career and feels they are the best in their field. Mayor Sass asked if there were any other questions. There were none.

A MOTION was made to approve a Resolution Granting Approval of the Sikich, LLP Contract for Auditing Services for FY2020 – FY2024.

- MOTION: Trustee Leopold**
- SECOND: Trustee Goldman**
- AYES: Trustees: Goldman, Hoeft, Kanakaris, Leopold, Piwko, and Westberg**
- NAYS: None**
- ABSENT: None**
- The motion carried: 6-0-0**

- g) Consideration – A Resolution Authorizing Expenditure of Funds for the Purchase of Information Technology Support Services

Interim Village Manager Lisa Armour reported that the Village Board approved a Master Contract and 2020 Task Order with Advanced Business Networks (ABN) on December 19, 2019 for the provision of supplementary information technology services. ABN assistance is provided via two ABN employees that are on-site for a total of 16 hours per week (“support hours”) as well as off-site monitoring and management of the Village’s network infrastructure (“project hours”).

Staff Analysis

ABN provides a 20% discount by purchasing blocks of pre-paid project hours over 300 hours and a 33% discount by purchasing support hours. In January, the Village Board approved a resolution authorizing the purchase of an initial block of 350 project hours at a cost of \$42,000 and 416 support hours (six months) at a cost of \$41,600 for FY20. Staff is seeking authorization at this time to purchase the remaining six months of support hours at a cost of \$41,600. Project hours and support hours do not have an expiration date and if not used during FY20 could be carried over to FY21.

Strategic Plan Priority

The 2016-2020 Strategic Plan identifies Promote Innovation through Technology as a priority and “continually monitor network security system to protect against cyber attack” as an objective.

Financial Impact

The total cost for these services was budgeted for in the FY20 Budget.

Mayor Sass asked if there were any questions. There were none.

A MOTION was made to approve a Resolution Authorizing Expenditure of Funds for the Purchase of Information Technology Support Services.

MOTION: Trustee Piwko

SECOND: Trustee Leopold

AYES: Trustees: Goldman, Hoefft, Kanakaris, Leopold, Piwko, and Westberg

NAYS: None

ABSENT: None

The motion carried: 6-0-0

VILLAGE ATTORNEY’S REPORT: None

INTERIM VILLAGE MANAGER’S REPORT: Trustee Leopold commented on the proposed Hampton Inn petition that will be presented to the Village Board on July 23rd. He said when he was on the Sun City Board, years ago, there was a problem with EIFS on a building and it ending up costing over \$40,000 to repair. He also noted the Country Inn in Crystal Lake has EIFS and it looks terrible and cannot be kept clean. Trustee Leopold is hoping the EIFS material will be changed prior being presented to the Board for consideration.

VILLAGE PRESIDENT’S REPORT: Mayor Sass reported of the recent passing of Billy Galanis, longtime owner and operator of the Village Inn. The Mayor said he was a dear friend and will be greatly missed in the downtown and community.

UNFINISHED BUSINESS: None

NEW BUSINESS: None

EXECUTIVE SESSION: None

POSSIBLE ACTION ON ANY CLOSED SESSION ITEM: None

ADJOURNMENT:

There being no further items to discuss, a MOTION was made to adjourn the meeting at 7:15 p.m.

MOTION: Trustee Piwko

SECOND: Trustee Westberg

The Voice Vote noted all ayes and the motion carried.

Respectfully submitted,

Village Clerk