

**MINUTES OF THE REGULAR MEETING
OF THE PRESIDENT AND BOARD OF TRUSTEES
OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS
HELD JANUARY 24, 2017**

- I. President Byrne called the meeting to order at 7:01 p.m.
- II. Roll call indicated the following Board Members present: President Byrne, Trustees Hebda, Grieb, Marquardt, Schultz and Williams. Trustee Koch was absent. A quorum was established.

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

- III. The Pledge of Allegiance was given.
- IV. Citizens Wishing to Address the Board

Don Kathan asked that items J-O on the Omnibus agenda be explained. President Byrne asked that these items be pulled and voted on separately. He stated Finance Director Larson will provide an explanation.

- V. Officials Reports
 - A. Village President

- 1. Proclamation – Congratulations to Gewalt Hamilton 35th Anniversary**

President Byrne read a proclamation congratulating Gewalt Hamilton on its 35th anniversary.

- 2. Proclamation – Congratulations to Public Works Custodian John Fosmer on his retirement**

President Byrne read a proclamation congratulating John Fosmer on his retirement after 30 years of service.

- B. Village Manager

- 1. Police Chief Recruitment Process**

Village Manager Kalmar stated Chief Fleischhauer has announced his retirement from the Police Department. With an extensive and highly successful career of nearly 40 years, he will be leaving the Village to spend more time with his family, grandkids, fishing and boating, etc. His last day will be June 11. In the coming months, we will celebrate Mark's career and legacy with the Village.

Moving forward, he recommended that the Village hire GovHR USA out of Northbrook, IL to coordinate the Police Chief recruitment and selection process at a not to exceed cost of \$26,000. GovHR is a public management consulting firm that serves municipal and other public entities on a national basis. They have extensive experience with this type of recruitment.

The recruitment process will include seeking input from the Mayor and Board along with employees throughout the organization on the qualities we want to see in the next Police Chief. From this information, a recruiting profile will be developed and posted. After a thorough assessment process, a list of qualified candidates will be forwarded for consideration. Pursuant to the Village Code, the Village Manager will recommend a candidate(s) to the Village President who will appoint, with the advice and consent of the Village Board. We anticipate that the next Chief will be appointed by the end of April.

He stated Ordinance 2017-013 was on the Omnibus agenda and recommended approval.

- C. Assistant Village Manager

- D. Finance Director/Treasurer

- 1. Bitcoin – Seizure and Disposal**

Finance Director Larson stated the Police Department participates in the Federal Equitable Sharing Program, which allows it to receive a portion of funds related to cases on which we have initiated or provided assistance. In return, these funds must be expended on law enforcement purposes. Recently, the Vernon Hills Police Department assisted in an internet crime case that led to the seizure of approximately \$10,000 worth of bitcoins. The Vernon Hills Police Department is currently working on another criminal case which may lead to the seizure of a large amount of bitcoins.

Bitcoins are a type of digital currency that is used on the Internet to facilitate online transactions between two parties. On the Omnibus agenda tonight are Resolutions 2017-005, 2017-006 and Ordinance 2017-006.

In order to accept the bitcoins, the Village must open an account with a bitcoin depository. Both Village staff and the FBI recommend that the Village open a bitcoin account with a company called Coinbase, who acts as an online depository for the bitcoin and can accept the distribution from the FBI. Coinbase is recommended because they have been established as a law enforcement friendly agency and have already performed similar transactions for other government agencies. Since the Village does not have a use for Bitcoins, it is recommended that the Village's share be accepted in the Coinbase account and subsequently converted into US currency. The establishment of this account is the first of three steps required to accept bitcoin and convert it into US currency. Resolution 2017-005 authorizes Coinbase as an authorized financial institution for Village funds.

She further stated Resolution 2017-006 authorizes signatories to a bank account to accept seizure of bitcoin funds that will be distributed through the Police Department's Federal Equitable Sharing Program. Given the uniqueness of this seizure and to provide the highest level of security on an internet currency conversion, it is recommended that a separate account be created to accept funds that result from the conversion of bitcoins. Once these funds have been received, they shall be deposited into the seizure fund of the Village and the funds will be moved out of the account. The establishment of this account is the second of three steps to accept the seizure and convert the bitcoins into US currency.

Since the Village does not have a use for bitcoins, it is recommended that the Village's share be accepted from the FBI and subsequently converted into US currency. The Village's share of this seizure would convert to approximately \$10,000 at current market conversion rates. Bitcoin exchange rates fluctuate daily, and are currently hovering between \$700 and \$900 per Bitcoin. The passage of Ordinance 2017-006 is the last step needed to accept the seizure disbursement and convert the bitcoins into US currency.

2. Proposed FY17/18 Budget Review Schedule

Finance Director Larson thanked Village Manager Kalmar, Department Heads and staff for their work on the budget. She anticipates the budget document to be distributed mid-February. The entire document will be on line and available for inspection in the Clerk's Office by the end of February. Presentations are tentatively planned to begin on March 7 with the overview of the proposed budget, Public Works, Police and Golf Course. The second round of presentations is scheduled for March 21 to include an update on revenues, Administration, Community Development and Finance. The proposed budget hearing is tentatively scheduled for Wednesday, April 5.

E. Chief of Police

F. Public Works Director/Village Engineer

1. Traffic Study – Huntington & Gregg's Parkway Intersection

Public Works Director Brown stated Resolution 2017-009 was on the Omnibus agenda this evening. The Gregg's Parkway intersections and thoroughfares have been previously analyzed. Some of the key findings include:

Mariano's/Menards intersection- Traffic signal warrants were met and LDOT approvals were received for this traffic signal installation. The developer is required to finance and install this traffic signal prior to the issuance of any Occupancy Certificate.

Lakeview intersection- Traffic signal warrants were met. Based on public input, the intersection improvement (traffic signal or roundabout) was placed on hold.

Huntington intersection- Traffic signal warrants were barely met and staff did not recommend its installation. A 3-way stop sign warrant was met under one warrant condition. This was a combination warrant based on accident history and traffic. Individually, accident history did not dictate the installation of a 3-way stop. Some safety concerns were raised in the October 2014 analysis regarding its installation.

Key improvements include:

In 2015, Gregg's Parkway improvements included a major update of the pedestrian crossings including the newer MUTCD "Stop For Pedestrians" signage and ancillary pavement markings.

In 2016, the Village implemented the use of LED radar speed signage which is rotated around the Village and Gregg's Parkway has been one of the primary locations. These signs advise drivers of their speed and the posted speed limit.

For 2017, the Village Board has reviewed the proposed Capital Improvement Program and \$100,000 for Huntington intersection enhancements were included. Pedestrian and street lighting considerations have been discussed at this intersection and a number of viable options exist. Recognizing that Lake County Division of Transportation's approval is required, staff advised at the January 10, 2017 Village Board meeting that a professional services agreement would be included on the consent agenda for approval. The scope of work is outlined in the attached Civiltech Engineering Proposed Scope of Services document. Their scope of work includes data collection, new traffic counts and analysis which assist in determining what is the best alternative for the intersection. The selected alternative would then be pursued with Lake County Division of Transportation.

He recommended Resolution 2017-009 for approval.

G. Building Commissioner

VI. Omnibus Vote Agenda

President Byrne called for a motion to approve the Omnibus Vote Agenda Items A-I and P-S. Items J-O were pulled to be voted on separately.

Motion by Trustee Schultz, second by Trustee Williams, granting approval of the Omnibus Vote Agenda Items A-I and P-S.

Roll call vote:

AYES: 5 - Grieb, Schultz, Marquardt, Williams, Hebda

NAYS: 0 - None

ABSENT AND NOT VOTING: 1 – Koch

Motion carried.

A. DEPARTMENT REPORTS:

1. **FINANCE & TREASURER'S REPORT – NOVEMBER 2016**

2. **VERNON HILLS GOLF COURSE REPORT – NOVEMBER 2016**

B. **APPROVAL OF VOUCHER LIST OF BILLS DATED JANUARY 24, 2017 IN THE AMOUNT OF \$139,751.51**

C. **APPROVAL OF VOUCHER LIST OF BILLS FOR THE VERNON HILLS GOLF COURSE DATED JANUARY 24, 2017 IN THE AMOUNT OF \$4,042.11**

D. **APPROVAL OF THE JANUARY 10, 2017 VILLAGE BOARD MEETING MINUTES**

E. **APPROVAL OF THE YMCA CAMP DUNCAN'S REQUEST TO CONDUCT ITS ANNUAL TAG DAY – SEND A KID TO CAMP CAMPAIGN - ON JUNE 3 AND 10, 2017 ON FAIRWAY DRIVE AND ROUTE 60 AND LAKEVIEW PARKWAY AND ROUTE 60**

F. **APPROVAL OF ANNUAL MISERICORDIA/JELLY BELLY CANDY DAYS TAG DAY FUNDRAISER ON APRIL 28 AND 29, 2017 AT VARIOUS LOCATIONS IN THE VILLAGE OF VERNON HILLS**

G. **APPROVAL AND PASSAGE OF RESOLUTION 2017-005 - A RESOLUTION AUTHORIZING COINBASE AS AN AUTHORIZED FINANCIAL INSTITUTION FOR VILLAGE FUNDS**

H. **APPROVAL AND PASSAGE OF RESOLUTION 2017-006 - A RESOLUTION AUTHORIZING SIGNATORIES FOR THE VILLAGE ASSET SEIZURE ACCOUNT**

I. **APPROVAL AND PASSAGE OF ORDINANCE 2017-006 - AN ORDINANCE DECLARING CERTAIN VILLAGE PROPERTY AS SURPLUS AND TO DISPOSE OF IN AN APPROPRIATE MANNER**

- P. APPROVAL AND PASSAGE OF RESOLUTION 2017-007 - A RESOLUTION AUTHORIZING APPROVAL OF ENTERTAINMENT CONTRACTS FOR 2017 SUMMER CELEBRATION**
- Q. APPROVAL AND PASSAGE OF RESOLUTION 2017-008 - A RESOLUTION AWARDDING THE 2017 PARKWAY TREE TRIMMING BID TO KINNUCAN TREE EXPERTS FOR AN AMOUNT NOT TO EXCEED \$19,062**
- R. APPROVAL AND PASSAGE OF RESOLUTION 2017-009 - A RESOLUTION AUTHORIZING APPROVAL OF A PROFESSIONAL SERVICES CONTRACT WITH CIVILTECH ENGINEERING, INC. FOR ANALYSIS OF THE HUNTINGTON DRIVE AND GREGG'S PARKWAY INTERSECTION IN AN AMOUNT NOT TO EXCEED \$15,520**
- S. APPROVAL AND PASSAGE OF ORDINANCE 2017 – 013 - A ORDINANCE AUTHORIZING APPROVAL OF A EMPLOYEE RECRUITMENT SERVICES CONTRACT WITH GOVHR USA TO ASSIST WITH CHIEF OF POLICE RECRUITMENT AND SELECTION PROCESS**

Finance Director Larson stated items J-O represent the annual abatements of property taxes associated with bond issues that the Village has issued. The Ordinances are for bond issues that were originally completed in 2005, 2012, 2014 and 2015. As the Board is aware, historically the Village has issued general obligation bonds that pledge the full and credit of the Village, which come with an automatic property tax levy. That is done in order to obtain the most competitive interest rate that the Village can borrow at. Subsequently, the Village abates or eliminates the Ordinances each year. The County requires the Village to do this on an annual basis, which allows the Village to look at its revenues and make sure there are enough funds available and make the determination as to whether or not to levy. In coming year, calendar 2017, this would represent just under \$2M, so the bond and interest payments would otherwise be levied as a tax on our residents. The Village Board has been prudent to save money and use funds from operations to pay off the bonds instead of levying that to its residents. So items J-O are to eliminate the levys associated with this tax year and allow the Village to pay those out of operating revenues.

SEPARATE AGENDA VOTE

Motion by Trustee Hebda, second by Trustee Schultz, granting approval of Items J-O.

Roll call vote:

AYES: 5 - Grieb, Schultz, Marquardt, Williams, Hebda

NAYS: 0 - None

ABSENT AND NOT VOTING: 1 – Koch

Motion carried.

- J. APPROVAL AND PASSAGE OF ORDINANCE NO. 2017-007 - ORDINANCE ABATING THE TAX HERETO LEVIED FOR THE YEAR 2016 TO PAY THE PRINCIPAL OF AND INTEREST ON \$3,790,000 GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2005, OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS**
- K. APPROVAL AND PASSAGE OF ORDINANCE NO. 2017-008 - ORDINANCE ABATING THE TAX HERETO LEVIED FOR THE YEAR 2016 TO PAY THE PRINCIPAL OF AND INTEREST ON \$7,850,000 GENERAL OBLIGATION BONDS, SERIES 2012A, OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS**
- L. APPROVAL AND PASSAGE OF ORDINANCE NO. 2017-009 - ORDINANCE ABATING THE TAX HERETO LEVIED FOR THE YEAR 2016 TO PAY THE PRINCIPAL OF AND INTEREST ON \$1,625,000 GENERAL OBLIGATION BONDS, SERIES 2012B, OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS**

- M. APPROVAL AND PASSAGE OF ORDINANCE NO. 2017-010 - ORDINANCE ABATING THE TAX HERETO LEVIED FOR THE YEAR 2016 TO PAY THE PRINCIPAL OF AND INTEREST ON \$5,630,000 GENERAL OBLIGATION BONDS, SERIES 2014, OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS
- N. APPROVAL AND PASSAGE OF ORDINANCE NO. 2017-011 - ORDINANCE ABATING THE TAX HERETO LEVIED FOR THE YEAR 2016 TO PAY THE PRINCIPAL OF AND INTEREST ON \$2,005,000 GENERAL OBLIGATION BONDS, SERIES 2015A, OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS
- O. APPROVAL AND PASSAGE OF ORDINANCE NO. 2017-012 - ORDINANCE ABATING THE TAX HERETO LEVIED FOR THE YEAR 2016 TO PAY THE PRINCIPAL OF AND INTEREST ON \$5,255,000 GENERAL OBLIGATION BONDS, SERIES 2015B, OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS

VII. Unfinished/Additional Business

VIII. New Business/Communications

A. OTHER ITEMS

IX. Recess/Adjournment

Motion by Trustee Schultz, second by Trustee Williams, the Board meeting was adjourned. An Executive Session for discussion and approval of Executive Session minutes pursuant to Section 2-c-21 of the Open Meetings Act.

Roll call vote:

AYES: 5 – Marquardt, Grieb, Hebda, Schultz, Williams

NAYS: 0 - None

ABSENT AND NOT VOTING: 1 - Koch

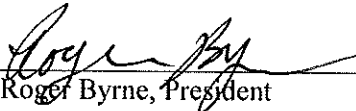
Motion carried.

The Village Board meeting was adjourned at 7:29p.m.

Approved this 7th day of February 2017



John Kalmar, Village Manager/Clerk



Roger Byrne, President