

**VILLAGE OF LAKEWOOD  
MINUTES OF THE VILLAGE BOARD MEETING  
JUNE 13, 2017**

The Village Board Meeting was called to order at 7:00 p.m. at RedTail Golf club by President Serwatka. Present were Trustees Davis, Ritchie, and Stephan. Trustee McMahon was absent. Also present were Deputy Village Manager Shannon Andrews; Village Clerk Janice Hansen; Village Attorney Michael Smoron; Chief of Police Leigh Rawson; and many members of the public.

**OATH OF OFFICE WAS ADMINISTERED BY ATTORNEY SMORON TO TRUSTEE AMY FUES ODOM**

**PUBLIC COMMENTS:** Peter Olson of 318 Hampshire inquired about the extension of utilities to Routes 176/47 and how the Village will pay for this extension. He believes the Village should address existing infrastructure issues.

Ken Santowski of 9804 Palmer and 9184 Falcon Green after paying his real estate taxes; asked how the Board is planning to lower the Village's real estate bills by 10% as promised during the election.

Cheryl Lockwood of 9517 Lenox was delighted that the Board discussed the Village's TIF District.

John Craig owner of Crystal Woods Golf Course commented that his family business, which is located in a high traffic area, was annexed into the Village in 2010 and believed it would be beneficial. He is disappointed that belonging to the Village of Lakewood has not benefited as expected. President Serwatka wants to see all Lakewood businesses succeed. There are no specific plans for Routes 176/47 at this time. Trustee Ritchie commented on what sort of agreement was proposed to the golf course. Mr. Craig was under the impression that future development at Routes 176/47 would benefit his golf courses.

Matt Norton Attorney for Craig Woods Golf Course suggested that the Board should table dissolving the TIF district and wait for businesses to approach the Village. The TIF district Ordinance can be adjusted to benefit the Village and its residents and could be used for the good of the Village and pay for the extension of utilities.

Cal Skinner of 275 Meridian commented on a letter from Past President Smith regarding TIF and believes that TIF has always cost residents money.

George Mueller of 7045 Fairway commented that TIF districts do work and give businesses an edge to succeed. His Crystal Lake business has benefited from Crystal Lake TIF district along Route 14.

Howard Frank of 8680 Shade Tree Circle commented that the Village of Lakewood is too small to support a TIF district and needs solid development.

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Walt Kalemba of 7801 Loch Glen Court commented on the possible 10% cut in property taxes but believes Board members and residents need to go to School District 155/47 Board Meetings and monitor their budgets.

Al Stenstrom of Pleasant Valley Road commented that he was never for the TIF district or the proposed Sportplex and believes that more TIF districts fail than succeed.

Joe Tirio McHenry County Recorder commented that TIF districts can be constructive for blighted areas within a municipality; but he believes, all in all, they are not a good things.

John Kavalunas of 8790 Shade Tree Circle questioned Woodland Hills Subdivision road final lift and the bond release. Deputy Village Manager Shannon Andrews replied that Taylor Morrison has satisfied all their obligations.

**CONSENT AGENDA:** The following were considered and enacted on a single motion by Trustee Davis, seconded by Trustee Stephan:

**APPROVAL OF MINUTES:** May 23, 2017 Regular Village Board Meeting

**APPROVAL OF BILL LISTS:** RedTail Golf Club Accounts Invoices Dated May 31, 2017 in the Amount of \$20,602.39; Accounts Payable Pre-Paid Invoices for May, 2017 in the Amount of \$114,090.17; and Accounts Payable Invoices Dated June 14, 2017 in the Amount of \$163,350.33

**APPROVAL OF FINANCIAL STATEMENTS:** Village Financial Statements for the Periods May 1, 2016 through April 30, 2017; RedTail Golf Club Financial Statements for the Periods May 1, 2016 through April 30, 2017; and Lake Patrol Financial Statements for the Periods May 1, 2016 through April 30, 2017

**APPROVAL OF A SPECIAL EVENT PERMIT BY THE VILLAGE OF LAKE IN THE HILLS FOR A TRIATHLON ON SUNDAY, JUNE 18, 2017 FROM 6:30 A.M. TO 10 A.M.**

Voting Aye: Trustees Davis, Odom, Ritchie, and Stephan. Voting Nay: None Absent: Trustee McMahan. Motion declared carried.

**ITEMS REMOVED FROM THE CONSENT AGENDA:** None

**APPROVAL OF (ADVICE AND CONSENT) THE APPOINTMENT OF PATRICK REXROAT AS TRUSTEE FOR A TERM EXPIRING MAY OF 2019:** President Serwatka highlighted Patrick Rexroat's resume and his sincere interest in Village policies and issues. He

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also commented that Mr. Rexroat has agreed to the self imposed recall and is waiving Trustee salary

Trustee Stephan, seconded by Trustee Ritchie, moved to approve the advice and consent of the appointment of Patrick Rexroat as Trustee. Voting Aye: Trustees Davis, Odom, Ritchie, and Stephan. Voting Nay: None Absent: Trustee McMahon. Motion declared carried.

**OATH OF OFFICE ADMINISTERED BY ATTORNEY SMORON TO PATRICK REXROAT AS TRUSTEE**

**APPROVAL OF ORDINANCE NO. 2017-18 – AN ORDINANCE DISSOLVING THE SPECIAL TAX ALLOCATION FUND FOR THE REDEVELOPMENT PROJECT AREA AND TERMINATING THE DESIGNATION OF THE REDEVELOPMENT PROJECT AREA AS A REDEVELOPMENT PROJECT AREA:** On January 27, 2015 the Village Board established and approved the Illinois Route 47 and Illinois Route 176 Redevelopment Project Area as a Tax Increment Financing District. On March 28, 2017 the Board approved TIF eligible expenses totaling \$220,997.56. In order for the Board to formally dissolve the TIF, all redevelopment project costs or obligations of the Village must be paid. This Ordinance includes a provision to forego any further reimbursement of the TIF eligible costs identified and approved in March. The final tax year is identified as 2016 and the first of two collections of those taxes has already begun. The Ordinance requires those surplus funds be paid to the relevant taxing districts in a proportionate manner. Fiscal Year budget contemplated \$8,485 in revenue from the TIF within Lakewood Utilities. This revenue will come from 2016 property taxes and will be transferred to Lakewood Utilities as a loan payment from the TIF fund. If dissolved, the loss in revenue will need to be accounted for within a budget amendment. The General Fund will have no impact in the current budget year. Future overall budgetary impacts include: General Fund TIF \$92,718 will not be reimbursed; Lakewood Utilities TIF \$74,809 will not be reimbursed; and Lakewood Utilities \$53,471 Loan paid in 2017; \$47,717 balance to be absolved. The Village will need to identify other funding mechanisms to cover the cost of future infrastructure should development interest occur along the Route 47 corridor and the burden of the cost will be on the Village residents.

President Serwatka commented on some resident's concern for new Trustees having ample knowledge regarding TIF districts. All new Trustees are interactive and versed on this issue and have read the TIF Ordinances, Redevelopment Agreements and School District 200 Agreement.

Trustee Stephan has always been concerned about the School District 200 Agreement which can risk residents' tax dollars. The Agreement will become void with the dissolution of the Village's TIF district.

Trustee Ritchie commented that he has had many conversations with Village residents regarding the TIF district and in 2 ½ years there is not a viable developer for Routes 176/46.

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Trustee Davis commented the \$220,000 in TIF reimbursable funds could be repaid if not dissolved. The TIF Ordinance can be amended to pay the extension of utilities and repay the \$220,000; or eliminate housing within the district. Make the TIF district a useful tool instead of eliminating it.

Trustee Davis moved to table Ordinance 2017-18. No one seconded this motion. Motion fails.

Deputy Village Manager Shannon Andrews commented that she has discussed several scenarios with Village Board members regarding infrastructure loan payments and how the Village can pay this issue without TIF funds; tap on fees and sale tax revenues. TIF benefits from property taxes as the EAV increases. Without TIF the burden falls on residents. With TIF the businesses are responsible for repaying these services. Based on the report reviewed with management, President Serwatka and Trustee Stephan understood that the best case development could not service the debt service on the basic water and sewer extension. Deputy Village Manager Shannon Andrews commented that having big development would help offset the debt service, without the development, the residents would have to pay for utility extension.

Trustee Davis expressed concern that he was not included in the discussion with Deputy Village Manager Shannon Andrews regarding TIF scenarios.

Trustee Rexroat, seconded by Trustee Ritchie, moved to approve Ordinance No. 2017-18. Voting Aye: President Serwatka, and Trustees Odom, Rexroat, Ritchie, and Stephan. Voting Nay: Trustee Davis Absent: Trustee McMahan. Motion declared carried.

**APPROVAL OF THE BILL OF SALE AND DEDICATION OF ROADS IN THE WOODLAND HILLS SUBDIVISION AND RELEASE THE SUBDIVISION BOND IN THE AMOUNT OF \$142,246.75:** Deputy Village Manager Shannon Andrews commented that in 2005 the Village entered into an annexation agreement for Woodland Hills subdivision with Elgin Investments, Inc. In 2014 a portion of the lots were sold to Orleans RHIL, L.P. and an Ordinance outlined the parameters of a memorandum of agreement with them relative to the subdivision. Orleans transitioned ownership to Taylor Morrison under the same terms. Per the Agreement Taylor Morrison installed the final lift of pavement in October of 2016 and is requesting the bond in the amount of \$142,246.75 be released. Taylor Morrison has provided a bill of sale, which is used to convey the streets on the land as personal property.

Trustee Davis seconded by Trustee Stephan, moved to approve the bill of sale and dedication of roads in the Woodland Hills Subdivision and release the Subdivision Bond in the amount of \$142,246.75. Voting Aye: Trustees Davis, Odom, Rexroat, Ritchie, and Stephan. Voting Nay: None Absent: Trustee McMahan. Motion declared carried.

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**APPROVAL OF ORDINANCE NO. 2017-19 – AN ORDINANCE ESTABLISHING PREVAILING WAGE RATES FOR THE VILLAGE OF LAKEWOOD:** Under the Act, the Village is required to annually make a determination as to the prevailing wage rates for various classifications of workers who may perform work for the Village; to adopt a local Ordinance verifying the prevailing wage rates that are to be paid on public works projects; and to

include that requirement with all contract and bid documents. If a public body does not pass the prevailing rate wages for their municipality, they will be determined by the Department of Labor for the county in which such municipality is located.

This Ordinance was not considered.

**APPROVAL OF ORDINANCE NO. 2017-20 – AN ORDINANCE AMENDING CHAPTER 34, SOLICITATION, OF THE LAKEWOOD MUNICIPAL CODE:** This Ordinance will lift the restriction and allow the sale of ice cream from commercial vehicles on public and private right of ways.

Trustee Stephan, seconded by Trustee Ritchie, moved to approve Ordinance No. 2017-20. Voting Aye: Trustees Davis, Odom, Rexroat, Ritchie, and Stephan. Voting Nay: None Absent: Trustee McMahon. Motion declared carried.

**APPROVAL OF AN ARCHITECT SERVICES AGREEMENT BETWEEN THE VILLAGE OF LAKEWOOD AND ANNIE PEYER:** Deputy Village Manager Shannon Andrews commented that Annie Peyer has served as the Village Architect since 2015 when the position was created. Prior to this, she has served as the chair of the Architectural Revenue Committee. She has a keen understanding of the Village's strict architectural standards and the Village's Zoning Code. The only addition to her previous agreement is a provision for general hourly services at the rate of \$100 per hour billed at a minimum of 30 minute increments. The budgetary impact is estimated to approximately \$3,000 annually or 2.5 hours of consultative services per month.

Trustee Davis, seconded by Trustee Stephan, moved to approve an Architect Services Agreement between the Village of Lakewood and Annie Peyer. Voting Aye: Trustees Davis, Odom, Rexroat, Ritchie, and Stephan. Voting Nay: None Absent: Trustee McMahon. Motion declared carried.

**APPROVAL FOR TRUSTEE STEPHAN AS LIAISON FOR THE MAINTENANCE FOR THE TURNBERRY LAKES 1, 2, 3, AND 4:** Deputy Village Manager Shannon Andrews commented that Trustee Stephan is the founding member of the Turnberry Lakes Club which has independently raised funds for the beautification of the public access areas adjacent to Lake 1. He has knowledge of the lakes' ecology and his commitment to beautifying the surrounding lake

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areas which makes him a good choice to serve as the SSA#8 Liaison and primary point of contact for the Turnberry Lakes.

Trustee Rexroat, seconded by Trustee Ritchie, moved to approve Trustee Stephan as Liaison for the maintenance for the Turnberry Lakes 1, 2, 3, and 4. Voting Aye: Trustees Davis, Odom, Rexroat, and Ritchie. Voting Nay: None Absent: Trustee McMahan. Abstain: Trustee Stephan Motion declared carried.

**APPROVAL OF FINAL PAYMENT REQUEST IN THE AMOUNT OF \$172,012.26 BY MERRYMAN EXCAVATION, INC. FOR WORK COMPLETED ON THE EAST SEWER PROJECT, CONTINGENT UPON RECEIPT OF RECORD DRAWINGS, LIEN WAIVERS, AND CERTIFIED PAYROLL:** Deputy Village Manager Shannon Andrews stated that the Board has approved four Progress Payments and this leaves a remaining balance on the project of \$172,012.26. This Final Payment includes the release of all retainage. Strand Associates, the project engineer, has reviewed and approved this pay request pending receipt and review of the required record drawings, lien waivers and certified payroll for the project. Payment will not be issued until after those items have been received by the Village.

Trustee Ritchie, seconded by Trustee Davis, moved to approve the final payment request in the amount of \$172,012.26 by Merryman Excavation, Inc. for work completed on the East Sewer Project, contingent upon receipt of record drawings, lien waivers, and certified payroll. Voting Aye: Trustees Davis, Odom, Rexroat, Ritchie, and Stephan. Voting Nay: None Absent: Trustee McMahan. Motion declared carried.

**REPORTS:** Deputy Village Manager Shannon Andrews commented that the Village Audit began on June 12, 2017. There will be a special audit supplement to record the Village's \$750,000 grant received last fiscal year. The Village will need to obtain a permit from the City of Crystal Lake to landscape around the east sewer control panel and the Village will need to sign an agreement for the Village to maintain the area. The Village is working with Baxter & Woodman and the City of Crystal Lake for a resolution regarding water pooling at Essex and Broadway. The Lake Avenue road project may have an extra expenditure of \$7,784 to pay for the damaged culvert on Pheasant Drive. She is going to post two part time positions; Finance Director and a Management Analyst.

President Serwatka commented that this was a mile stone meeting and the beginning of a new direction to the Village of Lakewood with responsible government practices.

Trustee Rexroat thanked the Board and residents for the opportunity to serve a Trustee.

With nothing further to discuss, Trustee Stephan, seconded by Trustee Davis, moved to adjourn the meeting. Voting Aye: Trustees Davis, Odom, Rexroat, Ritchie, and Stephan. Voting Nay:

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None Absent: Trustee McMahon. Motion declared carried. The Meeting adjourned at 8:53 p.m.

Janice S. Hansen  
Village Clerk

Approved: \_\_\_\_\_ Dated: June 27, 2017