

VILLAGE OF LAKE BLUFF - FINANCE COMMITTEE
MINUTES OF MEETING – June 24, 2019

I. Call to Order – Roll Call

The Finance Committee of the Village of Lake Bluff was called to order on Monday, June 24, 2019 at 6:00 PM in the Village Hall Board Room, 40 E. Center Ave., Lake Bluff, Illinois.

Members Present: Trustee Barbara Ankenman, Chair
Trustee William Meyer, Member
Trustee Aaron Towle, Member

Others Present: Kathleen O'Hara, Village Board President
Megan Michael, Village Clerk
Regis Charlot, Village Trustee
R. Drew Irvin, Village Administrator
Bettina O'Connell, Finance Director
Marlene Scheibl, Assistant Finance Director
Eric Bailey, Lake Bluff Library Director
Carole Stroh, Lake Bluff Library Vice-President
Dan Forbes, President of Speer Financial, Inc.
Paul Lemieux, President of the Lake Forest-Lake Bluff Senior Citizens Foundation
Steve Potsic, Vice President of the Lake Forest-Lake Bluff Senior Citizens Foundation

II. Approval of Minutes

Member William Meyer made a motion to approve the minutes of the April 22, 2019 meeting as amended; seconded by Member Aaron Towle and approved unanimously on a voice vote.

III. Business Items

1. Informational Update Regarding the General Obligation Bonds Sale to Finance a Portion of the Costs of Water System Related Projects

Finance Director O'Connell stated the Village bond sale was completed at 11:45 am this morning for \$1,830,000. Dan Forbes, President of Speer Financial, Inc., municipal advisors, said the sale did extremely well in the market. The market has been good and it was not a huge issuance so usually 1-2 firms would have shown interest, but there was interest expressed from 4 firms, which was very good. The winner was Baird at a rate of 2.56%. The bonds bid lower which lowered the bond issuance amount. Moody's comments were very positive regarding the Village and the Administration.

2. Discussion Regarding the LB Library Capital Fund Raising Campaign

Library Director Eric Bailey was present to discuss a request made to the Village on June 1, 2019 to consider contributing \$15,000 towards architectural design services related to the Library's capital campaign. There were three points from the request he wanted to highlight. First, the Library is a resource whose importance has been increasing and it has been busier in the past 8 years than at any other point in its history. In addition to books and references, the Library offers many new services such as meeting space, programs for all ages, notary service, voter and passport registrations, clubs, internet access, e-books, e-audiobooks, digital magazines, databases, streaming movies, STEM kits, a seed library and more. The Library's hours have been expanded following feedback from the public. Second, the library strives to be responsible with its money and to maximize its

resources. In recent years, the Library has achieved new efficiencies in the technical service workflow to save \$20K, reevaluated the HVAC maintenance contract aiming to reduce expenses, and they have also added passport services to increase revenue. Third, the need for renovation and expansion of facilities is great and much thought and work has gone into planning and preparation for the renovation project. The three areas focused on in Phase 1 are of particular importance: 1). Renovation of the current adult computer room will allow for the creation of a small meeting room, something which has been requested by patrons, 2). A more modern main desk which would better utilize the space, and 3). Updates to the Children's Department furnishings and technology. The architectural design for Phase 1, which the Library is requesting assistance with from the Village, is needed before Phase 1 and fundraising can begin. Chair Ankenman stated there have been discussions before about the need for a Capital Improvement plan. Library Director Bailey said the current plan is to renovate and expand the current facility. The Library does have spaces that may need to be shifted to better serve the needs of the patrons. The Board has looked at other options, such as moving or acquiring other property, but the feedback from the community indicated that the current Library location in the downtown area is best suited for residents as it is convenient to walk and bike to. The Library looked at purchasing the property across the street but the purchase price for land and construction would be \$8.5 million. Chair Ankenman asked what the cost of the addition estimate is. Director Bailey said approximately \$4 million for the lower level and main floor renovations, and also expansion of main floor. Chair Ankenman asked how this would impact parking and the History Museum. Director Bailey said the parking spots will not be impacted. Chair Ankenman asked about the 3,000 square feet expansion included in the request. Director Bailey said the expansion would be 1,500 square feet, not 3,000 square feet. Member Meyer asked what the difference was in the contemplated renovation price of \$4 million and the \$2.5 million stated in the request. Director Bailey said the \$4 million was to achieve the full amount of space expansion but the \$2.5 million captures the bulk of the space and is the most likely target. Member Meyer said on June 4, the Library was notified by the state they would receive \$100,000 in funds for renovation and expansion of the Library. He inquired how that \$100,000 fit into the renovation plan. Director Bailey said the Library has been asking questions of Senator Morrison and are unsure when the funds will be received but thought it would be soon. Member Meyer asked if the bill awarding the funds has been signed by Governor Pritzker and what the process is for receiving the \$100,000 and any additional funds. Director Bailey said it hasn't been signed yet and the library must register to be a recipient of the funds. Member Meyer asked if there are any restrictions on how the funds can be spent. Director Bailey said he has asked questions but the text of the bill simply states renovation and expansion. Member Meyer asked if the money could be used on the initial architectural design costs, what the price of the Engberg Andersen project was, and what that price covers. Director Bailey said the price was \$15,000 and would provide project specifications, information and renderings. Member Meyer asked if Engberg Andersen is charging full cost. Director Bailey responded he didn't know. Member Meyer asked if the intent of the Library was to ask the Village for any other additional funding requests and if the Library had any experience with private fundraising? Director Bailey said the Library had applied for 501c(3) to set up the Lake Bluff Public Library Foundation as a separate organization to raise funds, and has completed a feasibility study on the capacity of the Library fundraising. The Library has received one significant gift of \$45,000. Member Meyer asked why the \$45,000 gift wouldn't be used for the Andersen architectural design. Director Bailey responded that was earmarked for hiring someone to do the fundraising with Library employees providing support. Member Meyer asked when the Library intends to start on the Andersen design. Director Bailey responded as soon as possible in the next month or two. Member Towle said he is excited about the Library capital improvements. He asked what the schedule/timing of the project is after the fundraising is completed. Director Bailey said the schedule would be part of the architectural design. The last renovation, which was in 2011, focused on the main floor and the Library stayed open through the renovation. Member Towle asked what Plan B was if the Village Board does not approve the Library's request for \$15,000 in assistance. Director Bailey said the Library would continue to look for ways to support the design cost. The Library may look

for funds in the operating budget but this would present a challenge. Last year, the Library took \$288,000 from the fund balance to support capital expenses. Using more funds from the operating budget for the architectural design would put the Library in a situation early in the fiscal year without flexibility. Member Towle stated he hoped the \$15,000 wouldn't make or break the project and asked whether the Library had considered asking a local architect to do pro-bono work. Director Bailey responded that when they started the project, they wanted to use an architectural firm that had experience with libraries, was committed to the library long term, and was the most efficient use of funds. Member Meyer asked what percentage of the total renovation price of \$2.5-\$4 million would be used for architectural fees. Director Bailey said about \$400,000. Member Meyer asked if the Library had requested the architectural firms provide a pro-bono plan since they could likely earn \$250,000-\$400,000 on this project. Chair Ankenman added the Village does provide support to the Library by providing administrative support for the Library's audit, IMRF, payroll processing, etc. Director Bailey said the Library is thankful for that support and realizes they could not perform those functions as efficiently as the Village provides them. President O'Hara commented the Park District has just completed a survey and study on what needs to be done to the beach and bluff to continue current usage, and the cost was of that is \$5 million or more so there are other needs/requests.

The consensus of the Committee was to continue the discussion at a later time.

3. Presentation and Discussion Regarding a Request to Contribute Funds Towards an Affordable Senior Housing Project in Lake Forest, Illinois

Steve Potsic, Vice President of the Lake Forest-Lake Bluff Senior Citizens Foundation, and Paul Lemieux, President of the Lake Forest-Lake Bluff Senior Citizens Foundation, presented a request from the LF/LB Senior Resources Commission ("SRC") to the Village to consider contributing \$75,000 towards an Affordable Senior Housing project at the Lake Forest Grove Cultural Campus.

Member Meyer asked what the Village of Lake Bluff would receive if the Village were to contribute \$75,000 towards the project, such as, would the Lake Bluff Seniors receive priority on cottages or would there be a list of priority applicants. Mr. Potsic responded that the Community Partners for Affordable Housing receive the applications. Currently there is a waiting list of 20 applicants. None of the applicants on the waiting list are from Lake Bluff. When one of the existing five original cottages becomes vacant, it is filled with an applicant from Lake Forest. Once this waiting list is revised, Lake Bluff applicants would be added to the list. Member Meyer asked if a Lake Bluff senior has ever lived in one of the cottages. Mr. Potsic responded that there has never been any discussion about a Lake Bluff senior applying for the cottages. The eligibility is 200% of poverty level income and currently there are 229 Lake Bluff residents at that level. Mr. Lemieux commented that in the past there was never anything done to solicit demand for Lake Bluff seniors to apply for the cottages. VA Irvin commented that if the Village contributed to the project, it is possible to get credit for this contribution in the required number of affordable housing units required under the Affordable Housing legislation. Chair Ankenman said the Village needs a total of 218 affordable housing units and currently has 102, so there are 116 still needed. Member Towle said he would prefer if this project was located closer to Lake Bluff. He opined the Village would need the priority of the Lake Bluff applicants be in writing stating that one of the five units in the project would be provided for a Lake Bluff senior. Member Meyer stated he agreed the Village would need certainty as to what would be provided to Lake Bluff seniors for the Village contribution. Mr. Potsic said the land Lake Forest is donating will need to be appraised and Lake Forest will waive all fees, so their contribution will be much more than \$350,000. The ratio between Lake Forest and Lake Bluff make Lake Bluff's portion 22%. Applying that percentage results in a contribution of \$77,000. Member Meyer said if the 22% is applied, this would indicate Lake Bluff would have one unit available for its seniors. He opined there would need to be reasonable and fair negotiations if there is a contribution made by the Village.

IV. Informational Item

1. Community Solar Opportunity

The Village Administrator reported that there is the opportunity to participate in the first community solar project in the State of Illinois to come online later this summer. A memo was provided to the Committee with the details of the background and current proposal. Due to limited available community solar capacity, the Village would need to execute an agreement relatively quickly-most like the first week in July. As the contract technically authorizes a significant expense (the 90% of energy costs paid to the community solar provider), the Board of Trustees will be asked to approve the contract by resolution. The consensus of the group was that this opportunity should be supported.

V. Next Meeting

The next meeting is to be determined.

VI. Adjournment

Member Meyer made a motion to adjourn the meeting at 7:06 PM; seconded by Member Towle and all members voted aye.

Respectfully submitted,

Marlene Scheibl
Assistant Finance Director