



**MINUTES
COMMITTEE OF THE WHOLE MEETING
Monday, September 28, 2015**

Present:

Mayer Brandt	Trustee Feldman
Trustee Grujanac	Trustee Hancock
Trustee McDonough	Trustee Servi
Trustee McAllister	Village Clerk Mastandrea
Village Attorney Simon	Village Manager Burke
Chief of Police Kinsey	Treasurer/Finance Director Peterson
Public Works Director Woodbury	Community & Economic Development Director McNellis

ROLL CALL

Temporary Chair McDonough called the meeting to order at 7:16 p.m. and Village Clerk Mastandrea called the Roll.

2.0 APPROVAL OF MINUTES

2.1 Acceptance of the September 15, 2015 Committee of the Whole Minutes

The minutes of the September 15, 2015 Committee of the Whole Meeting were approved as submitted.

3.0 ITEMS OF GENERAL BUSINESS

3.1 Planning, Zoning and Land Use

3.11 Preliminary Evaluation of a proposed Amendment to the existing Phase II Tri-State International Office Center Planned Unit Development (PUD) to permit a proposed 116-room Aloft Hotel at 20 Westminster Way (Marko Jovic)

Community & Economic Development Director McNellis provided a summary of proposed amendment to Tri-State International planned unit development to permit an Aloft Hotel on the current vacant property located at 20 Westminster Way. If referred, this would go to the Architectural Review Board (ARB) for design review, and then a Public Hearing would take place to amend the Tri-State International Office Center Planned Unit Development. Community & Economic Development Director McNellis summarized the zoning exceptions necessary for this request related to height of the building and parking. Community & Economic Development Director McNellis summarized issues staff would like to bring forward for discussion during ARB and Zoning Board review.

Trustee Feldman ask for the height of the new CDW parking structure to use as a comparison. Community & Economic Development Director McNellis stated the CDW parking structure is approximately 50' – 60' and is in the same height range of the proposed building.

Mr. Joe Villanti, Principle of Baselab Architects, representing Marko Jovic provided a presentation related to the proposed Aloft Hotel and restaurant. Mr. Villanti noted the height of the building they are proposing is 55'. Community & Economic Development Director McNellis asked Mr. Villanti to confirm this since there is a discrepancy in the cover letter sent to staff from Marko Jovic. A brief discussion regarding the proposed building height followed.

Mr. Villanti continued his presentation showing photos of proposed rooms, elevations and the proposed restaurant to be located inside the hotel. Trustee McDonough asked if information on the restaurant occupant is known and can be shared with the Village Board. Ms. Donna Burris, daughter of George Jovic, stated the desire is to get a high end restaurant.

Trustee Hancock asked if the proposed is to be a W Hotel establishment and if so, where it ranks in line with other W Hotels. Ms. Burris stated Aloft Hotels are higher end business rank hotels. Community & Economic Development Director McNellis noted his opinion was the Aloft Hotel attracted a younger business clientele and would not compete with other hotels in the area.

Trustee McAllister asked why this location was being considered instead of the other location planned a few years ago. Mr. Villanti noted he was not familiar with the other location, and the Jovic family is completely on board for the current proposed location. Village Attorney Simon asked if Mr. Vallanti was familiar with the plans submitted for the previous Aloft Hotel in 2008. Mr. Villanti stated he is not familiar with the previous plans. Community & Economic Development Director McNellis stated staff would provide the previous plans to the petitioner.

Trustee Grujanac noted concern for the height of the building and parking. Community & Economic Development Director McNellis stated staff is recommending a parking study be done as part of the development review process.

Village Attorney Simon asked if the PUD called for detention on the site. Community & Economic Development Director McNellis stated the previous 36-unit condominium established detention and this was provided for offsite; the existing detention ponds account for stormwater needs for the entire PUD.

Trustee Hancock suggested landscaping be addressed to include more than what is on the proposed plan.

Trustee McDonough suggested the possibility of using the CDW parking garage to accommodate restaurant patrons since the hours of operation would differ. Mr. Villanti noted the Jovic family is open to discussions with CDW about using the parking facility and getting a letter of agreement to that effect in place. Trustee Feldman asked if it was possible to build a two tier parking structure. Mr. Villanti stated he did not think there would be a need for two tier parking.

There was a consensus of the Board to refer this to the Architectural Review Board for review and noted points to discuss by the ARB being architecture, vehicular circulation, parking, traffic study, and 50' verses 45' structure height.

3.2 Finance and Administration

3.21 Receipt and Consideration of Police Pension Fund Report (Village of Lincolnshire)

Mr. Steve Lee, resident appointee and President of the Police Pension Board introduced Mr. Jason Franken with Foster & Foster, Inc. the newly hired actuary firm for the Police Pension Fund.

Mr. Lee and Mr. Franken provided a detailed report on the status of the Police Pension Fund.

Trustee McAllister asked what the spread in age group is out of the 23 current participants and how this affects contributions. Mr. Franken noted no predictions are made regarding the future population of participants but just the number of current participants. Mr. Franken clarified that there are 40 participants; 23 active and 17 non-actives and his firm calculates the liabilities for the 40 total participants in the plan.

Trustee McAllister noted Lincolnshire is in very good shape and suggested Mr. Lee and Mr. Franken show the Board how Lincolnshire compares to other communities. Mr. Lee presented additional information showing Lincolnshire trends relative to other Police Pension Funds.

Trustee Hancock asked what the assumptions are regarding life expectancy. Mr. Franken stated life expectancy is the reason why the liabilities have increased significantly in the current year. Mr. Franken stated current life expectancy for males is approximately 81 – 82, and for females is 86. A brief conversation regarding life expectancy and how this is accounted for in the actuarial calculations followed.

Mr. Lee presented additional graphs illustrating financial condition of the Lincolnshire Police Pension Plan, contributions, and 10-year projections. Village Attorney Simon asked what salary increases were projected when figuring the 10-year projections. Mr. Franken stated there was a graded table assumption based on age used in the valuation projection.

Trustee Hancock asked how inflation is accounted for in the calculations, and does inflation affect the liabilities. Mr. Franken noted the inflation assumption is projected over a long period of time. Mr. Franken stated the cost of living adjustment for Tier 1 retirees is a fixed 3% so the inflation assumption does not apply. Tier 2 will be tied to the lesser of 3% or the rate of inflation.

Trustee Hancock asked how the Village will get comfortable with a 6.5% rate of return when current rates are much less. Mr. Lee noted this fund is long term. Trustee Hancock noted concerns in the next few years regarding funding ratio. Mr. Franken noted his valuation projects the appropriate Village contribution to the pension plan and limits the contribution requirements resulting from market volatility. Mr. Franken stated it is difficult to budget if the amount is constantly going up and down; for this reason, 6.5% is selected as the long term rate of return based on the asset allocation of the plan. A conversation regarding assumptions and rates of return followed. Trustee Hancock noted concern regarding the next few years projected rate of return versus reality and asked what it would take to get a 70% funding rate by the end of 2016. Mr. Franken stated it would take something unprecedented to get to 70%. Mr. Franken and Mr. Lee explained how the loss and gains work out to a smooth return of 6.5% rate of return.

Trustee McDonough asked if the change from 89% to 80% funding is due to a different mortality table. Mr. Franken confirmed the transition from the RP-2000 mortality table to RP-2010 is major contributor for the change in funding ratio. Trustee McDonough asked if they would be approving a change in one year for a mortality table based on many years. Mr. Franken noted the table they have adopted more appropriately reflects life expectancies today, and years from now the life expectancy is expected to be even longer. There is a lot of debate in the new RP-2014 mortality table, and Mr. Franken is not comfortable recommending its use at this time.

Finance Director Peterson noted the Board previously passed a Funding Policy in preparation of GASB67 Reporting. At the time the funding policy was approved, staff noted the Village Board should anticipate a policy amendment in 2015; which will be presented at the next meeting. The prior actuary wanted more flexibility to modify assumptions; however staff disagreed and recommended a funding policy with a detailed listing of assumptions be used. It was staff's intention to require the actuary to submit all future assumption changes and financial impacts to the Village Board for approval before implementing any changes to the Funding Policy. Foster & Foster's report includes a financial impact summary using the current assumptions versus the proposed change to the mortality table.

Trustee Hancock requested a list of the mutual funds invested to know what fees Lincolnshire Police Pension Fund is paying through this

process. Mr. Lee stated what was disclosed is what is mandated by the state to disclose, so formatting cannot change but a list can be provided. Mr. Lee noted the Department of Insurance puts restrictions on what can be invested and until fairly recently the Police Pension had to invest no more than 45% in equities; 55% had to be municipal bonds and treasuries. Only recently has the investments changed to allow for investing in corporates and increased amounts in equities.

Village Attorney Simon asked if the proposed change is a catch-up or will it be smoothed out in the next several years. Mr. Franken stated it is an immediate contribution catch-up going from what it was to where it is now and will continue to improve. There will be continuous updates to the table going forward.

Mr. Lee and Mr. Franken concluded the presentation with projected contributions, projected financial condition indicators, and reported Lincolnshire's funded status is ranked 4th compared to the 357 downstate police pension plans according to the Department of Insurance 2013 biennial study.

3.5 Parks and Recreation

Temporary Chair McDonough moved 3.51 up on the Agenda for discussion

3.51 Consideration and Discussion of Park Board Recommendation to Approve the Lincolnshire Sports Association (LSA) Request to Share LSA Summer Baseball Tournament Revenues with the Village of Lincolnshire (Lincolnshire Sports Association)

Public Works Director Woodbury provided a summary of the Park Board recommendation to approve the Lincolnshire Sports Association (LSA) request to share LSA summer baseball tournament revenues with the Village of Lincolnshire.

Mr. Lee Fell representing LSA provided additional information related to their request. Past funds donated by LSA to the Village were briefly discussed.

There was a consensus of the Board to place this item on the Consent Agenda for approval at the next Regular Village Board Meeting.

3.3 Public Works

3.31 Consideration and Discussion of Awarding a Bid to the Lowest Responsible Bidder, Green Acres Landscaping, Inc., for Landscape Corridor and Planting Area Maintenance Services at an Annual Cost of \$135,468.00 (Village of Lincolnshire)

Public Works Director Woodbury provided a summary of the request to award a bid to the lowest bidder, Green Acres Landscaping, Inc. for landscape corridor and planting area maintenance services.

Trustee Feldman asked if there were any complaints from staff regarding Green Acres. Public Works Director Woodbury stated staff did not have any complaints regarding Green Acres Landscaping, Inc.

There was a consensus of the Board to place this item on the Consent Agenda for approval at the next Regular Village Board Meeting.

3.32 Consideration and Discussion of Awarding of Bid to Alpha Building Maintenance Service, Inc., Homer Glen, IL, for Village Custodial Services at an Annual Cost of \$25,764.00 (Village of Lincolnshire)

Public Works Director Woodbury provided a summary of the request to award a bid to Alpha Building Maintenance service, Inc. for Village custodial services competitively bid every three years.

There was a consensus of the Board to place this item on the Consent Agenda for approval at the next Regular Village Board Meeting.

3.4 Public Safety

3.5 Parks & Recreation

~~**3.51 Consideration and Discussion of Park Board Recommendation to Approve the Lincolnshire Sports Association (LSA) Request to Share LSA Summer Baseball Tournament Revenues with the Village of Lincolnshire (Lincolnshire Sports Association)**~~

Item 3.51 was moved up on the Agenda.

3.6 Judiciary and Personnel

4.0 UNFINISHED BUSINESS

4.1 Watermain Update

Trustee Servi asked if the watermain work on Westwood Lane was complete. Public Works Director Woodbury stated connections were made to Bedford; the schedule is to make connections to Westwood Lane the next day, weather permitting. Pavement repairs should start end of the week/beginning of next week.

4.2 Detention Basin Study

Trustee Feldman asked if there is any work being done on surveying the sewer system and capacity. Public Works Director Woodbury stated staff is working with some engineering firms on the detention basin study and to determine what locations they want to start on first.

4.3 Pulte Homes

Trustee McDonough noted when Pulte presented last it was stated some of the fees had not been paid and some pavement issues had not been worked out. Trustee McDonough asked if staff could provide this information for review before the next meeting. Community & Economic Development Director McNellis stated staff will provide these items to the Board for review.

5.0 NEW BUSINESS

5.1 Budget Meetings

Trustee McDonough noted special Budget meetings are coming up and if any of the Trustees have not responded on the proposed dates to please let staff know availability.

6.0 EXECUTIVE SESSION

7.0 ADJOURNMENT

Trustee McDonough moved and Trustee Servi seconded the motion to adjourn. Upon a voice vote, the motion was approved unanimously and Temporary Chair McDonough declared the meeting adjourned at 9:24 p.m.

Respectfully submitted,

VILLAGE OF LINCOLNSHIRE

Barbara Mastandrea
Village Clerk