

Responses to Village Council Questions June 10, 2025

RES 2025-10802 C. Resolution: Approve a Master License Agreement with Ezee Fiber Texas, LLC for Use of the Village's Rights-of-Way for the Installation, Operation and Maintenance of an Underground Fiber Optics Telecommunications System

At the request of a Council Member, this item has been pulled from the Consent Agenda and will be considered individually. The petitioner, Ezee Fiber, has requested that this item be tabled to the June 17, 2025 Village Council meeting to provide an opportunity to respond to any questions from Council. Staff plans on placing the item on the First Reading agenda.

First Reading: ORD 2025-10806 A. Ordinance: Authorizing a Loan Agreement with the Illinois Environmental Protection Agency for Well House Replacement and Watermain Installation

1. What is the loan term?

The loan term is 20 years.

2. Will the final amount borrowed be based on a "true-up" from actual project expenses?

Yes, the final amount borrowed will be based on the actual cost of the projects.

3. Please explain how the contract amounts relate to the loan amount. Will the loan proceeds cover all project expenses?

The loan proceeds will cover all project expenses, up to a maximum amount of \$5,288,356.60, which excludes a \$75,000 line item for contingencies. However, the IEPA includes a 3% contingency to the loan amount for these types of expenses. The bid amounts, excluding contingencies, for the projects total \$5,209,327.

First Reading: MOT 2025-10797 D. Motion: Approve a Contract with Manusos General Contracting, Inc. of Fox Lake, Illinois, for the 71st Street Well Rehabilitation Project

1. It appears that the recommended contractor for the well rehabilitation project has more extensive experience in sewer and concrete projects. Does staff have any concerns about this firm's qualifications to complete this work?

Staff and the Village's consultant Engineering Enterprises, Inc. do not have concerns about the firm's qualifications to complete the well rehabilitation project. Many of Manusos's wastewater projects have similar components to the well rehabilitation, such as underground utilities and structures. In addition, one of staff's reference checks was made to Lake County Public Works, where Manusos is currently working on a \$7 million project for a pump station and water tank. Lake County Public Works had very positive feedback on Manusos's work and performance.

First Reading: RES 2025-10804 E. Resolution: Approve an Amendment to the Contract with Engineering Enterprises, Inc. (EEI) for the 71st Street Well Rehabilitation Project

1. *For design services for the well rehabilitation project, please explain why staff relied on an RFP published in 2019. Why was a new RFP not published? How was the recommended firm selected?*

A Request for Qualifications (RFQ) was issued in 2019, with four firms responding. After reviewing the qualifications, Engineering Enterprises, Inc. was identified as the firm that best meets the needs of the Village. Engineering Enterprises INC. (EEI) has extensive experience with wells, wellhouses, and water treatment plants. They work for many communities that utilize wells as their primary source of water, and have worked with many communities who use wells as an emergency back-up source of water. At the time of selection, EEI was working in Elk Grove Village rehabbing their six emergency back-up wells, exactly what Downers Grove was looking to do. In 2019 the RFQ was published, the selection of EEI was made, but the final scope of the project and final contract discussion were not completed prior to the COVID-19 pandemic, when this project was put on hold. In 2021, final scoping and contract discussions were restarted and finalized, with a contract awarded by council in August, 2021. Publishing a new RFQ or RFP in 2021 would likely have resulted in the same firm submitting that submitted in 2019.

First Reading: RES 2025-10811 F. Resolution: Approve a Contract with McKinstry to Complete a Phase 1 Facility Condition Assessment and Maintenance Plan

1. *Does the condition assessment include HVAC systems and roofing? If not, why not?*

Yes, the assessment will include HVAC systems and roofing. The Appendix to the proposal (pages 20 and 21 of 37) includes a breakdown of each system type and to what level of detail each asset will be evaluated. Roofs and HVAC systems will receive the highest level of detail (A).

2. *Did the Village receive Building Information Modeling for the recently constructed Civic Center?*

The Village will receive Building Information Modeling (BIM) data from Leopardo and certain subcontractors that used BIM in performing their work, including architectural, structural, systems and as-built models.

BIM refers to a process of creating and managing a digital representation of physical and functional characteristics of a building or structure. It involves using a 3D model to simulate, visualize, and analyze different aspects of a building project, from design to construction and operation.

3. *Will the Civic Center be included in the condition assessment?*

Yes, the Civic Center will be included in order to have a comprehensive assessment of the Village's major facilities. This information will help staff to plan for effective maintenance operations across all Village facilities. The assessment of the Civic Center will rely on information provided by the construction manager (including the Building Information Modeling described above), as opposed to field-based evaluation.

4. *Will McKinstry use artificial intelligence when completing the assessment or developing the maintenance plan in future phases?*

The McKinstry scope of work does not include use of artificial intelligence for the direct work involved in completion of the assessment or preparation of the maintenance plans. According to McKinstry, AI is growing in its critical thinking and functioning, but still cannot translate effectively the nuance of human experience learned from facilities managers and engineers that consider the day-to-day impacts of certain measures.

Manager's Report **REP 2025-10812** A. Report: Long Range Planning Discussion

1. *Will an increase in the HRST affect purchasing decisions and Village revenue projections? Have previous increases in HRST negatively affected sales?*

Purchasing decisions are affected by many factors driven by the overall economy and individual consumer habits, but an increase in the HRST is not anticipated to have a significant effect on consumer purchasing decisions. A 0.25% increase would result in a consumer paying \$0.25 per \$100 of eligible goods purchased. An increase in the HRST would result in slightly higher revenue projections, with the caveat that consumer purchasing habits remain consistent.

- In 2003, the Village initially adopted a 0.50% Home Rule Sales Tax with a three-year sunset clause.
- In 2006, the Village officially adopted the 0.50% rate.
- In 2008, the Village increased the rate from 0.50% to 0.75%.
- In 2010, the Village increased the rate from 0.75% to 1.00%.

Home rule sales tax revenue has fluctuated since it was first introduced in 2003 due to various factors, but has generally increased since first introduced. Previous increases did not appear to have a negative impact on retail sales activity within the Village.

2. *Please provide staff's thoughts on increasing the HRST by an additional .25% from 1.0% to 1.5%*

Staff generally supports increasing the HRST by an additional 0.25% beyond the 0.25% recommendation published in the LRP Report #1 to a total rate of 1.50%. This would result in total projected new annual revenue of about \$4.4 million. Staff recommends using the new revenue as follows:

- **\$1,100,000 in the General Fund** for operational expenses

If not all of this revenue is required for General Fund operational expenses, the remaining amount could be transferred to the Capital Fund and used for capital projects.

- **\$3,050,000 in the Capital Fund** for “new” infrastructure projects and Guiding DG recommended projects.

In this case, staff does not recommend issuing the \$15 Million bond noted in LRP Report #1. The \$3.05 million annual amount plus any additional funds transferred from the General Fund would allow the Village to construct Guiding DG capital projects expeditiously without the need for a bond issuance. Projects would be funded using cash through a pay-as-you-go strategy and planned through the Village’s multiyear CIP. This approach would provide more flexibility to adjust funding between capital projects on a year-to-year basis.

- **250,000 for Village maintenance.**

This amount remains unchanged and would be used towards maintenance of Village facilities

3. *If the funding for the GEMT program is cut completely, how would projected ambulance fees be affected?*

If the GEMT program is cut completely, projected ambulance fees would be reduced by approximately \$700,000 or 21%.

4. *Regarding the two graphs showing the projected percent funded amounts for both the police and fire pension funds, why is there a notable increase in the slope of the lines beginning in 2027?*

The Village's actuary provides the information on these graphs. In calculating the required contributions, asset gains/losses are spread out over 5 years. This is the primary reason for the smaller increases in percent funded in the first few years. The payments in these years contain amounts to compensate for these losses so less of the contribution goes toward the unfunded liability. Additionally, as the amortization period gets shorter, the payments towards Unfunded Liability start to become larger relative to interest on Unfunded Liability as the Unfunded Liability decreases. Paying off more principal towards the Unfunded Liability means that there is less interest growth on the Unfunded Liability. So as the percent funded goes up, the payments start to chip away at more of the underlying Unfunded Liability, leading to a more rapid improvement in funding.

5. *Is the State Motor Fuel Tax charged based on the amount of gasoline purchased (tax per gallon) or the purchase price (tax per dollar)?*

The State Motor Fuel Tax rate is based on the amount of fuel purchased, not the purchase price. The [current MFT rate](#) for gasoline is \$0.483 per gallon.

6. *In the Resource Guide, what value for a typical house was used to calculate the property tax amount?*

Property tax increases were calculated based on a typical single family house with an EAV of \$158,156 (estimated market value of \$474,468). This compares to the current average home value of \$480,250 per Zillow and median home value of \$460,000 per [Realtor.com](#) and [Rocket.com](#).

7. *In the Resource Guide, please explain the change in the number of payors of the Food and Beverage Tax. What caused the decline in the number of payors in 2024?*

The decline in 2024 was due to more businesses closing than opening in that year. The number of payors was calculated as the total number of registered businesses that paid any amount of Food and Beverage Tax in a given year. The number of payors varies from year to year due to businesses opening or closing.