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**VILLAGE OF SUGAR GROVE  
BOARD REPORT**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** SCOTT KOEPPPEL, VILLAGE ADMINSTRATOR  
MATT ANASTASIA, FINANCE DIRECTOR  
**SUBJECT:** RESOLUTION: AUTHORIZING WAIVERS OF  
POTENTIAL CONFLICT OF INTEREST  
**AGENDA:** OCTOBER 3, 2023 REGULAR BOARD MEETING  
**DATE:** SEPTEMBER 27, 2023

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**ISSUE**

Shall the Village Board approve a Resolution waiving a potential conflict of interest with Ottosen, DiNolfo, Hasenbalg, and Castaldo, Ltd.

**DISCUSSION**

On May 16, 2023 the Village Board adopted a resolution approving an agreement with Kathleen Field Orr for legal services. Ottosen, DiNolfo, Hasenbalg, and Castaldo, Ltd. represent Kaneland School District, Sugar Grove Fire Protection District, and Elburn Countryside Fire Protection District. On August 1, 2023 Kathleen Field Orr and Ottosen, DiNolfo, Hasenbalg, and Castaldo, Ltd. merged. The merger caused a potential conflict of interest for the law firm. Kathleen Field Orr has provided legal services to the Village on the potential creation of a new TIF and corresponding redevelopment agreement.

**COSTS**

There is no cost associated with the waiver.

**RECOMMENDATION**

The Village Board approve the Resolution waiving the potential conflict of interest.



**VILLAGE OF SUGAR GROVE  
KANE COUNTY, ILLINOIS**

**RESOLUTION NO. 20231003C**

**RESOLUTION AUTHORIZING EXECUTION OF WAIVERS OF POTENTIAL  
CONFLICT OF INTEREST**

**WHEREAS**, Ottosen, DiNolfo, Hasenbalg, and Castaldo, Ltd. represent Kaneland School District, Sugar Grove Fire Protection District, and Elburn Countryside Fire Protection District; and

**WHEREAS**, Kathleen Field Orr currently represents the Village of Sugar Grove; and

**WHEREAS**, a merger between Kathleen Field Orr and Ottosen, DiNolfo, Hasenbalg, and Castaldo, Ltd. caused a potential conflict of interest; and

**WHEREAS**, the Village of Sugar Grove Board of Trustees finds that it is in the best interest of the Village to continue the professional services agreement with Kathleen Field Orr;

**NOW, THEREFORE, BE IT RESOLVED**, by the President and the Board of Trustees for the Village of Sugar Grove, Kane County, Illinois, as follows:

The Village President and Village Clerk are hereby authorized to execute said agreements on behalf of the Village and to take such further actions as are necessary to fulfill the terms of said agreement.

**PASSED AND APPROVED** by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois on this 3<sup>rd</sup> day of October, 2023.

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Jennifer Konen  
President of the Board of Trustees  
of the Village of Sugar Grove, Kane  
County, Illinois

ATTEST:

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Alison Murphy  
Clerk, Village of Sugar Grove

	Aye	Nay	Absent	Abstain
Trustee Matthew Bonnie	_____	_____	_____	_____
Trustee Sean Herron	_____	_____	_____	_____

Trustee Heidi Lendi	_____	_____	_____	_____
Trustee Michael Schomas	_____	_____	_____	_____
Trustee Sean Michels	_____	_____	_____	_____
Trustee James F. White	_____	_____	_____	_____

August \_\_, 2023

Village President Jennifer Konen  
and Board of Trustees  
Village of Sugar Grove  
160 S. Municipal Drive, Suite 110  
Sugar Grove, IL 60554

District Board President Thomas Reynolds  
and Board of Trustees  
Elburn & Countryside Fire Protection District  
200 E. IL Route 38  
Elburn, IL 60119

District Board President David Blankenship  
and Board of Trustees  
Sugar Grove Fire Protection District  
25 S. Municipal Drive  
Sugar Grove, IL 60554

Re: Waiver of Potential Conflict of Interest

Dear Board Presidents Reynolds and Blankenship and Village President Konen and board members:

As you may be aware, our firm represents Elburn & Countryside Fire Protection District and Sugar Grove Fire Protection District (collectively, the "Fire Districts") as well as serving as special counsel for economic development for the Village of Sugar Grove ("Village"). We have been asked to facilitate the development of a new Tax Increment Financing District ("TIF Area") within the Village of Sugar Grove. Both the Fire District serve the potential TIF Area. Conflict between the Village and the Districts could potentially arise concerning the establishment of the TIF Area.

Due to the fact that our firm represents the Districts and the Village, the Illinois Rules of Professional Conduct require us to obtain your consent to provide further legal services on this matter. Specifically, Rule 1.7 of the Illinois Rules of Professional Conduct prohibits a lawyer (or law firm) from representing a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if the representation of one client will be directly adverse to another client, or if there is a significant risk that the representation of one or more clients will be materially limited by the lawyer's responsibilities to another client, a former client or a third person or by personal interest of the lawyer.

Notwithstanding the existence of a concurrent conflict of interest as set forth above, a lawyer **may represent** a client if:

- 1) The lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;
- 2) The representation is not prohibited by law;

- 3) The representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal; and
- 4) Each affected client gives informed consent.

We are obligated under the Illinois Rules of Professional Conduct, which govern the conduct of Illinois lawyers, to disclose to you the possible conflict of interest that may result in our firm's representation of the Fire Districts and the Village with respect to the development of the TIF Area. Under these Rules of Professional Conduct, the firm may not represent a client if such representation involves a concurrent conflict of interest without the client's informed consent.

To the extent there exists an actual or potential concurrent conflict of interest associated with the firm's representation of the Fire Districts and the Village in relation to the above-referenced matter, we need your written informed consent to continue to represent both parties at this time. Under the current circumstances associated with the firm's representation of both parties, we reasonably believe that the firm will be able to provide competent and diligent representation to the Village and the Fire Districts, the representation is not prohibited by law, and the representation does not currently involve the assertion of a claim by the Fire Districts and the Village against each other.

If you consent to this continued representation, please sign and return the following signed statement to me at your earliest convenience. Thank you for your consideration in this matter.

Sincerely,

OTTOSEN DINOLFO HASENBALG & CASTALDO, LTD.

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Megan Lamb

**Elburn & Countryside Fire Protection District:** The Board of Trustees consents to the representation of the Elburn & Countryside Fire Protection District by the law firm of Ottosen DiNolfo Hasenbalg & Castaldo, Ltd. with respect to the Village of Sugar Grove's development of a new Tax Increment Financing District, while the law firm concurrently represents the Village of Sugar Grove in this matter. By signing this consent, we acknowledge that we are aware of the law firm's dual representation but do not believe that the dual representation will be directly adverse to our interests or that the law firm's representation of the Elburn & Countryside Fire Protection District will be materially limited by its responsibilities to the Village of Sugar Grove.

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District Board President Thomas Reynolds  
Elburn & Countryside Fire Protection District

**Sugar Grove Fire Protection District:** The Board of Trustees consents to the representation of the Sugar Grove Fire Protection District by the law firm of Ottosen DiNolfo Hasenbalg & Castaldo, Ltd. with respect to the Village of Sugar Grove's development of a new Tax Increment Financing District, while the law firm concurrently represents the Village of Sugar Grove in this matter. By signing this consent, we acknowledge that we are aware of the law firm's dual representation but do not believe that the dual representation will be directly adverse to our interests or that the law firm's representation of the Sugar Grove Fire Protection District will be materially limited by its responsibilities to the Village of Sugar Grove.

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District Board President David Blankenship  
Sugar Grove Fire Protection District

**Village of Sugar Grove:** The Board of Trustees consents to the representation of the Village of Sugar Grove by the law firm of Ottosen DiNolfo Hasenbalg & Cataldo, Ltd. with respect to the Village of Sugar Grove's development of a new Tax Increment Financing District while the law firm concurrently represents Elburn & Countryside Fire Protection District and Sugar Grove Fire Protection District in this and other legal matters. By signing this consent, we acknowledge that we are aware of the law firm's dual representation but do not believe that the dual representation will be directly adverse to our interests or that the law firm's representation of the Village of Sugar Grove will be materially limited by its responsibilities to Elburn & Countryside Fire Protection District and Sugar Grove Fire Protection District.

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Village President Jennifer Konen  
Village of Sugar Grove



Ottosen DiNolfo  
Hasenbalg & Castaldo, Ltd.

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1804 North Naper Boulevard, Suite 350, Naperville, IL 60563  
Phone 630.682.0085 ♦ Fax 630.682.0788 ♦ [www.ottosenlaw.com](http://www.ottosenlaw.com)

September 27, 2023

Village President Jennifer Konen  
and Board of Trustees  
Village of Sugar Grove  
160 S. Municipal Drive, Suite 110  
Sugar Grove, IL 60554

Board President Adam Gonzales  
and Board of Education  
Kaneland Community Unit School District 302  
1601 Esker Drive  
Sugar Grove, IL 60554

Re: Waiver of Potential Conflict of Interest

Dear Board President Gonzales and Village President Konen and board members:

As you are aware, our firm represents Kaneland School District ("District") as well as serving as special counsel for economic development for the Village of Sugar Grove ("Village"). We have been asked to facilitate the development of a "redevelopment project area" (the "Project Area") pursuant to the Tax Increment Allocation Redevelopment Act (the "TIF Act") within the Village of Sugar Grove. The boundaries of Kaneland School District overlap the proposed Project Area and conflict between the Village and the District could potentially arise concerning the establishment of the Project Area.

Following the District's decision not to waive the conflict and have the Firm represent both entities, we have assisted the District to retain separate counsel for matters related to the development of the Project Area and will not use our services for any issues that may arise regarding the TIF. We are still required to apprise the Village and the District of our representation of the District in all other matters and gain your consent to our continuing representation of the District and the representation of the Village with regard to its implementation of the TIF Act.

Due to the fact that our firm represents the District and represents the Village with regard to the TIF, the Illinois Rules of Professional Conduct require us to obtain your consent to provide further legal services to the District on matters other than the development of the Project Area. Specifically, Rule 1.7 of the Illinois Rules of Professional Conduct prohibits a lawyer (or law firm) from representing a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if the representation of one client will be directly adverse to another client, or if there is a significant risk that the representation of one or more clients will be materially

# Ottosen DiNolfo Hasenbalg & Castaldo, Ltd.

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limited by the lawyer's responsibilities to another client, a former client or a third person or by personal interest of the lawyer.

Notwithstanding the existence of a concurrent conflict of interest as set forth above, a lawyer **may represent** a client if:

- 1) The lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;
- 2) The representation is not prohibited by law;
- 3) The representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal; and
- 4) Each affected client gives informed consent.

We are obligated under the Illinois Rules of Professional Conduct, which govern the conduct of Illinois lawyers, to disclose to you the possible conflict of interest that may result in our firm's representation of the School District and the Village with respect to the development of the Project Area. Under these Rules of Professional Conduct, the firm may not represent a client if such representation involves a concurrent conflict of interest without the client's informed consent.

To the extent there exists an actual or potential concurrent conflict of interest associated with the firm's representation of the School District and the Village in relation to the above-referenced matter, we need your written informed consent to continue to represent both parties at this time in matters not related to the TIF. We believe that the District's engagement of its own legal counsel shall permit the firm to provide competent and diligent representation to the Village and the School District in all other matters, the representation is not prohibited by law, and the representation does not currently involve the assertion of a claim by the School District and the Village against each other.

If you consent to this continued representation, please sign and return the following signed statement to me at your earliest convenience. Thank you for your consideration in this matter.

Sincerely,

OTTOSEN DINOLFO HASENBALG & CASTALDO, LTD.



Karl R. Ottosen, President



**Kaneland Community Unit School District 302:** The Board of Education consents to the representation of the Village of Sugar Grove by the law firm of Ottosen DiNolfo Hasenbalg & Castaldo, Ltd. in this matter. By signing this consent, we acknowledge that we are aware of the law firm's dual representation as general counsel for the District and as special counsel for the development of the Village's Project Area. We do not believe that the dual representation will be directly adverse to our interests, and we intend to retain separate counsel for all matters related to the development of the Village's Project Area.

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District Board President Addam Gonzales  
Kaneland Community Unit  
School District 302

**Village of Sugar Grove:** The Board of Trustees consents to the representation of the Village of Sugar Grove by the law firm of Ottosen DiNolfo Hasenbalg & Cataldo, Ltd. with respect to the Village of Sugar Grove's development of a new Tax Increment Financing District while the law firm concurrently represents Kaneland Community Unit School District 302 in other legal matters. By signing this consent, we acknowledge that we are aware of the law firm's dual representation but do not believe that the dual representation will be directly adverse to our interests or that the law firm's representation of the Village of Sugar Grove will be materially limited by its responsibilities to Kaneland Community Unit School District 302.

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Village President Jennifer Konen  
Village of Sugar Grove