



PUBLIC NOTICE

THE SPECIAL CITY COUNCIL TELECONFERENCE MEETING MINUTES OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PROSPECT HEIGHTS WILL BE HELD ON WEDNESDAY, MARCH 25, 2020 AT 6:00 P.M.

MAYOR NICHOLAS J. HELMER PRESIDING

CALL TO ORDER – At 6:01 PM, Mayor Nicholas J. Helmer called to order the Special City Council Teleconference Meeting to be held remotely in accordance with restrictions due to the coronavirus outbreak. Deputy Clerk read the preamble to the City Council Meeting

ROLL CALL FOR QUORUM – City Clerk Prisiajniouk called roll. A quorum was present.
ELECTED OFFICIALS PRESENT – Mayor Helmer, Treasurer Tibbits, City Clerk Prisiajniouk – Aldermen – Ludvigsen, Quinn, Cameron, Morgan-Adams, Dolick
OTHER OFFICIALS ATTENDING– City Administrator Wade, Assistant City Administrator Falcone, Attorney O'Driscoll, Finance Director Graefen, Deputy Clerk Schultheis, Director of Building and Development Peterson, Police Chief Zawlocki, Public Works Director Roscoe, and Digital Telecommunications Technician Colvin.

APPROVAL OF MINUTES

A. March 9, 2020 Regular City Council Workshop Minutes – **Alderman Morgan-Adams moved to approve the March 9, 2020 Regular City Council Workshop Minutes; seconded by Alderman Dolick. There was unanimous approval.**

VOICE VOTE: All ayes, No Nays

Motion carried 5 - 0

PUBLIC COMMENT ON AGENDA MATTERS (*Five Minute Time Limit*) - None

NEW BUSINESS

A. Staff Memo and Request for Approval of a Contract with Clarke Aquatic Services for Hillcrest Lake 2020 Lake Management Services for \$4836.00 (\$1,650.00 for survey and 3,186.00 for treatment) – City Administrator Wade said that the contract was for survey and treatment, and that the starting date was temperature-dependent. **Alderman Morgan-Adams moved to Approve the Contract with Clarke Aquatic Services for Hillcrest Lake 2020 Lake Management Services for \$4836.00 (\$1,650.00 for survey and 3,186.00 for treatment); seconded by Alderman Dolick. There was unanimous approval.**

Discussion – Alderman Dolick asked if the treatment could be delayed, and City Administrator Wade replied that the application had to be done in early Spring.

Alderman Cameron asked why the survey had to be done if the application is done every year. City Administrator Wade replied that the needs change every year and the company needs to know what kind of aquatic plants need application and where they are.

ROLL CALL VOTE: AYES - Dolick, Quinn, Morgan-Adams, Ludvigsen, Cameron
NAYS - None
ABSENT - None

Motion carried 5 - 0

B.R-20-12 Staff Memo and Resolution Authorizing a Bid Award with Landscape Concepts for Tourism Area Work at a Cost of \$47,387.00 – City Administrator Wade stated that the work for this was developed in January and February, and so it was submitted as a single bid. Public Works Director Roscoe confirmed with the winning bidder that the contract could be broken down into six different parts.

He noted that Landscape Concepts had been the lowest bidder. The contract could be separated into six categories –

- Landscape maintenance - \$8,210 per annum
- Mulch
- Summer landscaping - \$15,000 per annum
- Fall landscaping \$14,000 per annum
- Irrigation - \$1570 per annum

Director Roscoe said that holiday lighting would be an additional cost, as well as utility costs. There would be power supplied by ComEd and IL American Water – which is about \$550 per month. Attorney O'Driscoll cautioned that the Resolution would need to be tabled, because it was not designed as separate costs.

Alderman Morgan-Adams moved to Table the Resolution R-20-12 and direct City Administrator Wade to proceed with Landscape Concepts on landscape maintenance and irrigation contingent that the costs are under his \$10,000 threshold of spending without approval of Council; seconded by Alderman Dolick. There was unanimous approval.

ROLL CALL VOTE: AYES - Dolick, Quinn, Morgan-Adams, Ludvigsen, Cameron
NAYS - None
ABSENT - None

Motion carried 5 - 0

C.Request from Prospect Heights Hotels Regarding Use of Tourism District Funds – It was noted that Holly Allgauer of the Hilton Hotel Northbrook/Chicago and Jason Hager of the Crowne Plaza noted that during this outbreak crisis their cancellation rate for the months of April and May are between 90-95%. Between the two hotels, they said that 192 employees were laid off.

Ms. Allgauer noted that the Government has not provided funding to assist the bigger hotels, and that the Hilton company has not provided substantial assistance. She noted that there are many bookings going forward. She asked that the Council consider paying out \$200,000 as the City would the grant money, and then the City would have its “advancement” to the hotels paid back by collecting the grant allocation funds until the entire advancement has been paid back.

Holly Allgauer noted that the hotels are trying to rotate employees in so that they are receiving some salary. She also stated that not all laid off employees are eligible for unemployment.

Jason Hager stated that the Crowne Plaza is operating on one or two guests per night.

- No action was taken.

D. Consideration of Establishment of \$250,000 City of Prospect Heights Loan Fund to City of Prospect Heights Hotels and Motels – Finance Director Graefen stated that there were not cash balances in the Tourism Fund to advance payments. The \$407,000 in the fund is allocated to other projects.

The Mayor asked that the Council members consider the concept of an advancement to the hotels before making an actual motion.

Alderman Cameron asked what the hotels were doing for the employees? Holly Allgauer responded that was why the money was being requested, so that additional hours could be given to employees. It was noted that the \$200,000 would be split proportionally (as the grants are) by all six hotels.

Alderman Cameron asked if there was a policy whereby the hotel beds could be used for sick patients. She asked if this would give the hotel grant money from the government.

Holly Allgauer said that the President of the Illinois Hotels said that they are only looking for downtown properties at the moment. And, it would be to house hospital staff. The Hilton, she noted, is on that list and will only be used if there is an overflow. She added that this would not be grant money, but a pay per room per night.

Alderman Cameron said that it would be difficult to know how long the money would last, as this is a month by month situation.

Mr. Hager replied that the money granted to the hotels needed to be "immediate and impactful." They were looking at a need between 60-90 days before the situation would become positive.

Alderman Dolick asked if the transfer of money from the General Fund to Tourism was legal or appropriate?

Attorney O'Driscoll replied that an interfund transfer was possible through Council Approval.

Alderman Dolick is concerned about the City's finances. He noted that while there is cash reserve for some months, there is no way to know how long this will last. He suggested continuing this discussion at future meetings.

Alderman Quinn asked what was the difference between a furlough and a layoff.

Ms. Allgauer said that in some cases furloughed workers can work a few days, but that laid off workers don't work at all.

Alderman Quinn asked why some employees were not eligible for unemployment?

Ms. Allgauer replied that she did not know the personal situations of each employee.

Alderman Quinn wanted to know if the hotels had reached out to the SBA Disaster Loan for grant money. Holly Allgauer said that they are looking into it, but they do not meet all of the standards, and it takes a long time to get a loan.

Alderman Quinn responded that the disaster loans are being expedited.

Alderman Ludvigsen wanted to know how the hotels decided on \$200,000? Holly Allgauer said that the numbers came from Staff, though there was some confusion regarding the money that was actually available and not allocated.

Alderman Ludvigsen said he did not believe that the money being requested would resolve their issues long enough to survive this outbreak. He was also worried that the money they wanted advanced might cause the City to have to consider furloughing employees. He did not believe that the hotels would recover the lost revenue.

Alderman Morgan-Adams asked what is in the Tourism Fund that can be allocated? Finance Director Graefen said that there is \$31,000 that is not allocated of the \$407,000. And she said that there is \$21,000-plus check on the Warrant List that must clear. Alderman Morgan-Adams said that she will never support taking money from the General Fund to loan to the Tourism Fund. She noted that she was disappointed with the nature of the entire discussion. She said that money that belongs to the City cannot be a loan, and added that the City did not have \$200,000 to loan. She offered that hotels might have to collateralize their assets for loans. She did say that she would consider monthly instead of quarterly grant allocations for the hotels. Alderman Morgan-Adams said that it was discrimination to give money to hotels and not to other businesses in trouble.

Attorney O'Driscoll stated that it would have to be determined how and if public money for a loan could be used for a private company, and since the Ordinance called for a certain percentage to go to the Beautification and to for Police coverage, he was not certain how that could be backed out or kept in the loan.

Finance Director Graefen noted that the Police had been paid for the First Quarter; and additional money would be needed to pay them for the second quarter. Any future receipts would be needed to pay for beautification and the Police.

It was noted that payback for any loan would be based upon remittances, and if there were no remittances, the City would not recover the loan money.

Holly Allgauer stated that the Hilton had paid its taxes for January, but not February. They are hoping they will not have to pay that tax bill until July, 2020. Alderman Morgan-Adams stated that it was a risky proposition, and added that the State was offering tax relief. Holly Allgauer answered that the tax deferment had not passed yet.

Alderman Dolick asked if the lighting on Winkelman was accounted for? Finance Director Graefen said that the \$15,000 for engineering was accounted for. City Administrator Wade said that the expense was for preliminary engineering and the City was not obligated to go any further.

Alderman Ludvigsen said that a reduction in the hotel tax would negatively affect the City's budget. Holly Allgauer said that there were bookings being made for future dates. Alderman Morgan-Adams was concerned asked what the consequences would be and what actions the City could take if the taxes were not paid. Attorney O'Driscoll replied that penalties could be levied. Alderman Morgan-Adams' follow up question was whether or not the City could collect cash. Attorney O'Driscoll said that he would have to review the code.

Finance Director Graefen said that the state collects taxes from the hotels, but that the hotels paid their 5% room tax directly to the City. **no action was taken.**

APPROVAL OF WARRANTS

A.Approval of Expenditures

General Fund	\$95,004.51
Motor Fuel Tax Fund	\$0.00
Palatine/Milwaukee Tax Increment Financing District	\$0.00

Tourism District	\$21,919.42
Development Fund	\$0.00
Drug Enforcement Agency Fund	\$0.00
Solid Waste Fund	\$0.00
Special Service Area #1	\$0.00
Special Service Area #2	\$0.00
Special Service Area #3	\$0.00
Special Service Area #4	\$0.00
Special Service Area #5	\$669.52
Special Service Area #8 – Levee Wall #37	\$-900.00
Special Service Area-Constr #6 (Water Main)	\$0.00
Special Service Area- Debt #6	\$0.00
Capital Improvements	\$67,818.00
Palatine Road Tax Increment Financing District	\$0.00
Road Construction	\$0.00
Road Construction Debt	\$550.00
Water Fund	\$20,432.22
Parking Fund	\$1,610.38
Sanitary Sewer Fund	\$19,807.19
<u>Road/Building Bond Escrow</u>	<u>\$4,127.00</u>
TOTAL	\$231,038.24
<u>Wire Payments</u>	
3/13/20 PAYROLL POSTING	\$154,832.47
3/17/20 POLICE PENSION FUNDING	<u>\$75,493.88</u>
TOTAL WARRANT	\$461,364.59

City Prisiajniouk read the warrants.

Alderman Dolick moved to approve the warrants as presented, seconded by Alderman Cameron to include a TOTAL of \$231,038.24; 3/13/20 PAYROLL POSTING of \$154,832.47; 3/17/20 POLICE PENSION FUNDING of \$75,493.88; TOTAL WARRANT of \$461,364.59.

Alderman Cameron asked why there was a negative \$900.00 for SSA8. Director Roscoe said that it was due to a credit received from Xylem.

There was unanimous approval.

ROLL CALL VOTE: AYES - Ludvigsen, Quinn, Morgan-Adams, Cameron, Dolick
NAYS - None
ABSENT - None

Motion carried 5 - 0

PUBLIC COMMENT ON NON-AGENDA MATTERS (*Five Minute Time Limit*) -

City Clerk Prisiajniouk gave the phone number for the Disaster Assistance line as 800-659-2955. She believed that the hotel might be able to get relief. She also noted that Governor Pritzker has addressed the sales tax question.

Alderman Quinn said that she is confident that the Tourism Board is in contact with the correct agencies.

Alderman Cameron reminded everyone to support local restaurants and establishments.

EXECUTIVE SESSION - None

ACTION ON EXECUTIVE SESSION ITEMS, IF REQUIRED

ADJOURNMENT - At 7:41 PM, Alderman Dolick moved to Adjourn; seconded by Alderman Cameron. There was unanimous approval.

VOICE VOTE: All ayes, no nays

Motion carried 5 - 0

Approved by the City Council of Prospect Heights on this the 13th day of April, 2020




Deputy Clerk Schultheis


Mayor Nicholas J. Helmer