



THE CITY COUNCIL MEETING MINUTES
OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PROSPECT HEIGHTS
HELD ON MONDAY, MARCH 13, 2023 AT 6:00 P.M.

CALL TO ORDER AND ROLL CALL – At 6:04 PM, Acting mayor Dolick called to order the regular City Council Hybrid Meeting at City Hall, 8 N Elmhurst Road, Prospect Heights, IL 60070.

Deputy Clerk Schultheis read the preamble to the meeting.

City Clerk Prisiajniouk called roll. A quorum was present.

ELECTED OFFICIALS PRESENT – Acting Mayor/Alderman Ward 5 Dolick, Treasurer Tibbits, City Clerk Prisiajniouk Aldermen – Cameron, Ludvigsen, Dash, Morgan-Adams (at 6:06 PM)

OTHER OFFICIALS PRESENT – City Administrator Wade, Assistant City Administrator Falcone, Deputy Clerk Schultheis, Director of Building and Development Peterson, Public Works Director Roscoe, Co-Finance Director Graefen, Co-Finance Director Giacalone, Assistant Finance Director Tannehill, Digital Communications Technician Colvin, Police Chief Caponigro, Attorney Hess.

PLEDGE OF ALLEGIANCE - Led by Acting Mayor Dolick

APPROVAL OF MINUTES

A.February 27, 2023 City Council Regular Meeting Minutes – **Alderman Dash moved to Approve the February 27, 2023 City Council Regular Meeting Minutes; seconded by Alderman Cameron.**

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

Motion carried 4 – 0, one absent

At 6:06 PM, Alderman Morgan-Adams entered the Meeting.

Acting Mayor Dolick moved the Presentation of the Budget to later in the meeting.

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APPOINTMENTS, CONFIRMATIONS, AND PROCLAMATIONS

A.Appointment of John Mishevski as Plan/Zoning Board of Appeals Commissioner – Mr. Mishevski was in the audience. Current PZBA Commissioner is retiring from the Commission in May, 2023.

Alderman Morgan-Adams moved to approve the appointment of John Mishevski to the PZBA Board of Appeals as a Commissioner; seconded by Alderman Ludvigsen. There was unanimous approval.

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

ABSENT - None

Motion carried 5 - 0

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

CONSENT AGENDA - None

OLD BUSINESS

A.O-23-05 Liquor License Request and Ordinance Increasing the Number of C-3 Liquor Licenses from 3 to 4 (*Monday through Thursday and Sunday from 8:00am to 12midnight; and Friday and Saturday from 8:00am to 1:00 am*) for Eggcellence Café, 1279 N Rand Road (**2nd Reading**)- **Alderman Ludvigsen moved to Approve O-23-05 Liquor License Request and Ordinance Increasing the Number of C-3 Liquor Licenses from 3 to 4 (Monday through Thursday and Sunday from 8:00am to 12midnight; and Friday and Saturday from 8:00am to 1:00 am) for Eggcellence Café, 1279 N Rand Road (2nd Reading); seconded by Alderman Cameron. There was unanimous approval.**

ROLL CALL VOTE:

AYES -	Dolick, Cameron, Ludvigsen, Dash, Morgan-Adams
NAYS -	None
ABSENT -	None

Motion carried 5 - 0

NEW BUSINESS

A.O-23-06 Liquor License Request and Ordinance Increasing the Number of A Liquor Licenses from 8 to 9 (*Monday through Thursday from 8:00am to 2:00am; Friday and Saturday from 8:00am to 3:00am; and Sunday from 12noon to 2:00am*) for Bar Salotto, 1421 N. Rand Road (**1st Reading**) – Owner Tom Ragauskis was on Zoom. He said that his proposed business hours would be from 4 PM to 10 PM on weekdays, 11 AM to 1 AM on Saturdays, and 11 AM to 10 PM on Sunday. They are looking to open the end of June.

Alderman Morgan-Adams questioned whether or not the Class A was the most appropriate license since the Bar Salotto did not requires the late hours of a Class A.

Mr. Ragauskis noted that the hours given were just to get started. City Administrator Wade noted to that the Council had previously approved a Class A license when the Bar Salotto location was being Park going to be a Korean fusion bistro run by Mr. Brizzolara.

It was also noted that the Class A was the most restrictive liquor licenses for the hours and type of liquor being served.

No action taken.

B.Bar Salotto, 1421 N. Rand Road is Requesting a Sunday Brunch Addendum (*Sunday from 9:00am to 12:00noon*) to be Granted by the City Liquor Commissioner Upon Approval of their A Liquor License Request – Acting Mayor Dolick noted that it was an antiquated practice to separate the Sunday Brunch from the Class C and A licenses. – **No action was taken.**

C.R-23-04 Staff Memo and Resolution Authorizing an Agreement with Teska Associates, Inc. to Perform a Zoning Code Audit and Evaluation – **Alderman Ludvigsen moved to Approve R-23-04 Staff Memo and Resolution Authorizing an Agreement with Teska Associates, Inc. to Perform a Zoning Code Audit and Evaluation not to exceed \$10,000.00; seconded by Alderman Morgan-Adams.**

Discussion followed.

Director Peterson said that this will be a two phase approach – an audit and evaluation of the current situation. This is to make certain that the City is compliant with the most up to date practices.

Phase 2 – rewriting the code after evaluation and review.

There is money in the Department to start Phase 1, and Phase 2 will be in the upcoming budget.

This project will start in April.

Alderman Ludvigsen was asked if there would be updates in the code to make it easier to locate in the code? Director Peterson said Teska will go through the whole code, and determine what should be addressed first.

Alderman Morgan-Adams asked if the code would be reorganized and restructured; and Director Peterson said that it is still not known what they will do, because they need to conduct the audit and evaluation.

There was unanimous approval.

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

Motion carried 5 - 0

STAFF, ELECTED OFFICIALS, AND COMMISSION REPORTS

City Clerk Prisiainiuk – noted that the school districts are hiring all levels of educators. This is an ongoing process.

Acting Mayor Dolick asked that the City Council go back to the Budget presentation.

PRESENTATION

A.FY2023-2024 City of Prospect Heights Budget Presentation for Revenues and All General Fund Departments (City Council, Administration and Finance, Community Development, Police, and Public Works) and Capital Improvement Plan – City Administrator Wade thanked the Finance Team for putting together the budget proposal. He noted that revenue is on the upswing, and that there are major capital projects in progress that were heavily funded by grants applied for by the Staff. He said that the proposal for the contribution for the police pension is \$1.29 million (not as much as the pension Board requested but exceeding the minimum amount. SWANCC funding is a massive building that has a 30-year old roof that needs to be repaired – the City Staff is recommending a 2-year surcharge (of \$1 per bill to residents) to contribute to the City’s share of the roof repair.

He noted that this is a static budget

Co-Finance Director Graefen said that the major strategic financial considerations are the same as last year. In terms of capital projects, the City will end the year at \$2.5 million in the fund balance, and a FY 23/24 revenue of \$5 million.

The City expects to have \$1 million by the end of the fiscal year. This means that if capital improvements projects are to continue, there will be a need for more revenue sources – contribution from other funds and grants.

The Police Pension Fund contribution is \$1.29 million. The recommended range is between \$760,00 and \$1.4 million. The City’s proposed contribution would be 180% of the minimum and 89% of the recommended.

Alderman Morgan-Adams said that the proposed Police Pension amount was very high. Director Grant stated that contribution is made up of three components – the employee contributions, the property tax levy from Cook County, and the City’s contribution. The budgeted breakdown os \$450,000 for property tax, the members’ contribution will be about \$220,000, and the City contribution is proposed as about \$600,000. This can be adjusted.

Debt Service – The Road Bonds will be paid off in December, 2026 (or, FY 27).

The City is in early stages about talking about another Road Program, and will need to look at funding. There will need to be consideration of another bond referendum.

The Water Fund debt will also be paid off in December of 2024 (FY 25). The water rate is made up of four components, one of which is debt service. When the debt service is paid off the water rate is at risk for \$6 per resident.

Fund balance projections for the end of FY 23 – General Fund - \$145,000. Motor Fuel tax will be strong - \$896,000. Tourism did well - \$532,000 against expenses of \$348,000. DEA Funds did not have any significant revenue. Solid waste had a balance of (\$72.00). The Capital Fund is being reduced by \$4.3 million because of the Arlington Countryside project.

FY 24, General Fund is projected at a loss of \$400,000 (that includes the \$1,000,000 transfer to capital). The net bottom line is a projected (\$1,800, 000)

Projected results for FY 23 –REVENUES - \$10,238,476; Budgeted \$9,306,901; EXPENDITURES - \$10,238,476; Budgeted - \$9,344,188 due to deferral of some capital projects.

Unassigned Fund Balance at the end of FY 24 projected to be \$5 million. The Committed Reserve is jumping from \$3 million to \$3.3 million because it is based on future budgeted expenses. The capital improvements fund is committed to \$5 million.

General Fund – Asst Director Bob Tannehill said that the general Fund Revenue for FY 22/23 was \$10,238,476 and the projected revenue for FY 23/24 is \$10,106,448. Local taxes account for 32% of the budge and 36% from intergovernmental taxes.

Co-Director Giacalone discussed expenditures – the FY 22/23 Expenditures were \$10,092,584 and the proposed expenditures for FY 23/24 are \$10,509,802 from the General Fund. That is a 4% increase from the previous year. Part of that includes \$50,000 for IT upgrades. The employer portion of the IMRF rate dropped from 11.23% to 7.33% (about \$83,000). Police Pension Fund suggested contributions increased \$315,000. Increase in Health Insurance are costing \$170,000 more. 53% of the expenditures are for public safety. Expenditures are also reacting to the 7% inflation rate.

Co-Director Giacalone said that the Finance Department has put together a three-year projection of revenues and expenditures. That will be presented at a future date. This will encompass the entire budget and budgetary trends. Capital improvements will also have a three-year projection.

Alderman Ludvigsen asked if the \$1 million transfer from the General Fund to the projects fund was only for the next fiscal year. Director Graefen said that the surplus funds from the audit for fiscal 23 will a \$1.2 million contribution. In FY 24 another \$1 million will be proposed. Those funds are not specifically earmarked, but will be for projects.

ADMINISTRATION – Assistant City Administrator Falcone –increase in wages from \$95,000 - \$101,000; special events funding at \$43,000 (\$28K to Run and Rock the Runway/\$10K for Block Party/\$5K for City events).; Natural Resources Commission (a \$1000 incereae), A/V Dept increase in equipment from\$27,500 to \$28,650, technician with pay/insurance/IMRF - \$64,884).

Alderman Dash asked if the Run/Rock the Runway was a variable or fixed cost. Asst. Administrator Falcone replied that it varies. Administrator Wade said that if you add in the overtime of Police and Public Works the cost would be closer to \$40,000-plus.

Natural Resources Commission Sievertson said that the increase in the dollar amount for the NRC was mainly because of the increase in herbicides.

Treasurer Tibbits, head of the A/V Dept said that the one-thousand dollar increase was to get some newer computers. He said that the outlets in the back up room are not connected to the back-up generator that serves the entire building. Also, there is the cost of converting the coaxial cables to fiber optics on Comcast.

For the Administrative Staffing levels budget reduced \$16,653 (IMRF costs have gone down (\$25,235) and Health costs have been increased \$7,700. Finance have been increased to \$6,100 for audit fees, actuary, and financial services. Legal fees, based on historical trends, have been increased \$12,100 and there will be Local 150 Negotiations (Public Works).

DEPARTMENT OF BUILDING AND DEVELOPMENT – Director Peterson.

Last year budgeted \$440,725 – projected revenue was \$130,000 over budget. There were 2 SF homes, three restaurants, new retail space at HOME Bar, stabilization of construction costs, and audit of the licensing that brought in additional \$8,750.

Expenditures were projected \$26,000 less than the \$588,575

This year the proposed revenue is \$518,935. Expenditures will decrease to \$574,700.

PUBLIC WORKS – Director Roscoe

Total Budget - FY 22/23 - \$1,300,625; proposed 23/24 is \$1,267,950 due to PD parking lot patching, new stormwater inspections program, Public Works roof replacement, expanded parkway tree removal/replacement, street sign upgrades, summer events/overtime.

POLICE DEPARTMENT – Chief Caponigro

There will be a new graphic design on the Police vehicles. It will be black with the Prospect Heights Police Department seal.

In FY 22-23, hired social worker, records manager, administrative assistant, 3 FT officers, 1 PT officer, reduced printer costs \$10,200 per annum, replaced Xtivity camera saving \$9000, saved \$100,000 over five years terminating Motorola squad car cameras, updated PHPD policies, became compliant with juvenile and cannabis expungements, using two trained officers in-house to train officers in Saf-T Act mandates

27 police staff 23 FT officers/4 pt);9 Administrative staff (4 ft/5 PT).

FY 22/23 Actual Revenues - \$537,500/Expenditures - \$5,136,731

FY 23/24 Proposed - revenues - \$489,250; Expenditures - \$5,590,011

Projected FY24 3Traffic fines - \$275,000 (this was down from the previous year because the red light signal down during construction), Ordinance and parking fines were \$130,000, Administrative tows were \$36,750, and Alarm License fees were \$10,000.

Alternative funding sources –JAG grants to cover \$2000 for each of the 27 Body Worn cameras up to \$54,000; Illinois law Enforcement Training and Standards Board – same grant as the JAG. The Bureau of Justice Assistance Bulletproof Vest Partnership that pays up to \$440 per vest up to 4 vests per year.

POLICE PENSION FUND – Assistant Finance Director Tannehill

Prospect Heights Police Pension Plan is 72% funded – that is mid-range with surrounding municipalities. The City would be contributing 170% above what the State has required if it contributes the \$1.29 million.

Alderman Morgan-Adams noted that the required contribution is \$760,000; so that the City's recommended contribution is very high.

Assistant Finance Director Tannehill noted that since the Department of Insurance used to give the actuarial number, the State has assumed control of the pensions, and now the actuarial number is generated from the State's Pension Board (IPOPIF). The Pension Fund has an actuary that comes up with their number. The City's recommendation is between that range.

Alderman Morgan-Adams noted that in FY23 the state recommended \$747,000 and he fund actuary recommended \$1.45 million, and the City contributed \$975,000. She would like to see the City's contribution adjusted down.

City Administrator Wade said that it is a "pay now or pay later" situation. There was a spike that came with consolidation as many of the Tier II benefits were discontinued. The municipalities have asked for a longer amortization schedule for the pensions but there has been no relief as of yet to be fully vested by 2040.

Alderman Ludvigsen agreed with Alderman Morgan-Adams, because he noted that during the recent Covid emergency, the State funded the pensions. He noted that he did not think that the numbers were too far off.

The Finance Department said that they would introduce alternative contribution suggestions for the next meeting.

No action was taken.

APPROVAL OF WARRANTS

Approval of Expenditures

General Fund	\$155,036.74
Motor Fuel Tax Fund	\$0.00
Palatine/Milwaukee Tax Increment Financing District	\$0.00
Tourism District	\$14,139.23
Development Fund	\$0.00
Drug Enforcement Agency Fund	\$583.53
Solid Waste Fund	\$32,010.23
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	\$0.00
Special Service Area #8 – Levee Wall, #37	\$1,113.65
Special Service Area-Constr #6 (Water Main)	\$0.00
Special Service Area- Debt #6	\$0.00
Capital Improvements	\$52,167.41
Palatine Road Tax Increment Financing District	\$583.53
Road Construction	\$0.00
Road Construction Debt	\$0.00
Water Fund	\$50,122.48
Parking Fund	\$1,499.98
Sanitary Sewer Fund	\$11,058.63
Road/Building Bond Escrow	\$10,998.00
Police Pension	\$0.00
TOTAL	\$329,313.41
Wire Payments	

02/24/2023 PAYROLL	\$170,717.32
FEBRUARY ILLINOIS MUNICIPAL RETIREMENT FUND	\$17,433.36
TOTAL WARRANT	\$517,464.09

City Clerk Prisiajniouk read the warrants.

Alderman Morgan-Adams moved to approved the warrants as read; seconded by Alderman Dash to include a TOTAL of \$329,313.41; 02/24/2023 PAYROLL of \$170,717.32; FEBRUARY ILLINOIS MUNICIPAL RETIREMENT FUND of \$17,433.36; and a TOTAL WARRANT of \$517,464.09. There was unanimous approval.

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

Motion carried 5 - 0

PUBLIC COMMENT ON NON-AGENDA MATTERS (*Five Minute Time Limit*) – Richard Hamen – said he was looking for volunteers to help clean up along the levee wall. He noted that there was a of trash and graffiti. He noted that there were clean-up projects handled through the Prairie State Canoe Club along the rivers. He said if there was any interest, he should be contacted at firstwardph.com

Regarding SSA5, Mr. Hamen would be holding a pool tournament. He noted that he is a semi-pro. The community pool tournament will be held at Rocky's on April 2. Fifty percent of the proceeds will go as a grant to SSA 5. Mr. Hamen will be adding \$1000 to that tournament.

Mr. Hamen added that based on a "settlement" he would be receiving he will pledge \$25,000 of the settlement to SSA 5.

He stated that there have not been many events on the east side of the City in the last 12 years. He would like to have Rocky's host a Taste of Prospect Heights event, around Fourth of July on Palwaukee Plaza.

EXECUTIVE SESSION - None

ADJOURNMENT – At 8:05 PM, Alderman dash 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 27th day of March, 2023.


Deputy Clerk Schultheis




Acting Mayor Dolick