THE CITY COUNCIL MEETING MINUTES
OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PROSPECT HEIGHTS
HELD ON MONDAY, MARCH 27, 2023 AT 6:00 P.M.

CALL TO ORDER AND ROLL CALL- At 6:03 PM, Acting mayor Dolick called to order the Regular Prospect Heights City Council 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, Morgan-Adams, Ludvigsen
ABSENT – Alderman Dash – with prior notification.
OTHER OFFICIALS PRESENT – Acting City Administrator Falcone, Director of Building and Development Peterson, Public Works Director Roscoe, Co-Finance Director Graefen, Co-Finance Director Giacalone, Assistant Finance Director Tannehill, Police Chief Caponigro, Attorney O'Driscoll, Deputy Clerk Schultheis, Digital Communications Technician Colvin.

PLEDGE OF ALLEGIANCE – led by Acting Mayor Dolick.

APPROVAL OF MINUTES
A.March 13, 2023 City Council Regular Meeting Minutes – **Alderman Morgan-Adams moved to approve the march 13, 2023 City Council Regular Meeting Minutes as presented; seconded by Alderman Cameron.**

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

Motion carried 4 – 0, one absent.

PRESENTATION
A.Chicago Executive Airport Monthly Update Presented, by Director Jim Kiefer – Director Kiefer stated that the CEA has approved its budget. The Budget will be presented to the Prospect Heights City Council on April 10.
- Every five years, the CEA updates the Noise Exposure Map. Wheeling will be hosting a public gathering for input from the residents. June 13, 2023.
- The RSIP Program – there were 613 applicants. 267 are from Prospect Heights. Approximately 44% are from the Willow Heights condo.
- The FAA just paid for the initial sale of the first nine homes. There is a 90/10 split with the CEA. The FAA has committed $2.5 million.
- the Master Drainage Study –the MWRD requires the CEA to do a study. The CEA just signed with Primera Engineers to do the study.

- The ALP –Airport Layout Plan –the CEA is still waiting for input from the federal government. This will come from Capital Improvement Funds.
- Executive Director Jeff Miller went to Washington DC to meet with the legislators. On April 27, Senator Duckworth will meet with the CEA. Senator Durbin is a TBD. The Airport has also contacted Congressman Schneider.
- Hawthorne, Hangar 22 – groundbreaking will be in April.
- Airfield lighting project is scheduled for April 17.
- the CEA has scheduled June 24 for Run/Rock the Runway. Last year's sold out.

Mayor Dolick asked that the Budget discussion be held later in the Meeting.

APPOINTMENTS, CONFIRMATIONS, AND PROCLAMATIONS - None

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

CONSENT AGENDA – None.

OLD BUSINESS
A. (Applicant Asked for *Postponement until April 10th*) 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 (***2nd Reading***) – the applicant has requested postponement of the Second Reading as they are out of town.

NEW BUSINESS
A.O-23-07 Staff Memo and Ordinance Establishing Water Rates for FY2023-24 (***1st Reading***) – Acting City Administrator Falcone said that there will be a 3.8% increase in the rates. It is a pass-through cost from Illinois American Water.
There are four elements to the water rate –
Delivery Charge
Debt Service Charge
Infrastructure Charge
Water Sales Rate

The increase is due solely to delivery charge.

STAFF, ELECTED OFFICIALS, AND COMMISSION REPORTS
A.February Financial Report Presented by Nate Giacalone of the Finance Department – Co-Finance Director Giacalone said that the City is at 95% of Revenues and 91% of expenses. Tax receipts are anticipated to be coming in on April 1.

B.FY2023-2024 City of Prospect Heights Budget Presentation (**Capital Improvement Plan, Tourism, Motor Fuel Tax, Water, Sewer, Special Service Areas, Solid Waste, Road Construction Debt Service, and Police Pension Fund**) –
Assistant Finance Director Tannehill noted that the MFT Funds will remain consistent with prior years. There was better than expected revenue this year due to a payment from Rebuild Illinois and interest returns were higher this year.
Expenditures are budgeted for $493,000. Unused funds will remain restricted for MFT future products.

TIF FUND – Palatine TIF Fund expired in 2023. There is no budgeted revenue for 2024.

TOURISM – Hotel tax is projected to be $671,000; the City receives 42.5% of the net revenue. Police Services will be paid out of this Fund.

SOLID WASTE FUND – anticipated $1 rate increase in FY24. Expenses – service charge to General Fund remains at $100K in FY24, with SWANCC Charges expected to increase 5%.
There is a recommended transfer to Capital Improvement Fund of $40,000 in FY24.

SSA FUNDS – there are no revenue streams in SSA 1 – 4; Tax levies totaling $193,000 approved for SSA 5 and 8. No significant expenditures planned.

PARKING FUND – Parking Fund continues to drop due to lack of demand from remote workers. Expenditures funded by City's General Fund, $112,000 budgeted for FY24.

DEA FUND – there is no revenue budgeted for FY 24 due to federal guidelines. Expenditures include one police squad car and outfitting.

ROAD CONSTRUCTION DEBT FUND – Revenue per 2022 Tax levy request, budgeted at $1.27 million.

WATER FUND – rate increase of $2.14/per month per water customer represents a 3.8% increase from FY23. Expenditures are projected to have a $35,000 increase.

SEWER FUND – Revenue fees are expected to be flat at $800K; expenditures are budgeted for $407K for system improvements and to adjust for inflation.

Intrafund Transfers include $112,000 from the General Fund to the Parking Fund for operating expenses, $40,000 transfer from Solid Waste and $1 million to the Capital Improvements Fund.

Police Pension Fund - $1.29 million contribution from 2022 tax levy and general fund. This amount is 89% of Actuary recommended and 170% of state minimum required.

Capital Plan Fund – approval of projects totaling $7.5 million to be funded $5.7 million from grant awards and $1.8 million from City support.

Water Rate – increase of 3.8% from $55.80 in FY 23 to $57.94 in FY 24 to offset costs of maintenance, insurance and personnel increases.

Alderman Ludvigsen asked if the $1.8 million was all from the general fund? Is the $800,000 from FY24 or older money moved? Isn't all money in the Capital Fund transfers from the General Fund? Assistant Finance Director Tannehill said that there will be a request for another $1.2 million in April. So, the movement of the $1.8 million is all new money being transferred.
Co-Finance Director Graefen added that the Intrafund Transfer the General Fund and the City Share of local projects– that is why the number is a $1.8 million and not $1MM.

Acting Mayor Dolick asked if the DEA Funds are still having long delays. Assistant Finance Director Tannehill said that the long delays are typical, as the money needs to be processed through the courts.

Co-Finance Director Giacalone discussed the three-year Budget forecast from 2025 through 2027. Major funds forecasted – General Fund, MFT, Tourism, DEA, Solid Waste, Capital Funds, Water, Parking and Sewer. Key assumptions were made for revenue and expenses.

GENERAL FUND – transfers to the Capital Fund are forecasted with slight increases, and increases for expenses.
MFT FUND – includes expenses for the Capital Improvement and any additional identified projects.
TOURISM Fund – budgeted on continued upswing in occupancy rates.
DEA Fund – revenues have restricted use. Cannot fund City operations.
SOLID WASTE – Did not build in any additional revenue after the $1 increase for FY24. Expenses increase in charges for the new roof at SWANCC.
CAPITAL FUND – there is a possible referendum in the FY 25/26.
WATER FUND – identified costs for maintenance and repair.
PARKING FUND – transfers from the General Fund have continued to increase. Revenue anticipated to remain flat.
SEWER FUND – recommend a waste study within the next few years. Expenses are increasing due to inflation.
In summary, there is a forecasted decrease in cash due to the forecasted CIP Road program. The Funding source for the Road program has yet to be determined.

Alderman Ludvigsen asked to go through the cash breakdown. Co-Finance Director Graefen said that the restricted funds are the cash accounts that the City has like the SSA's, DEA, Water. The money from those funds can only be used for what those funds are for. The Capital Fund is negative and the MFT Fund cash is not identified for capital projects. Non-spendable are liabilities and assets that are considered non-spendable. Capital committed is the $5 million for future projects. The expenses on the forecast do include about $6 million for the road program – there is no revenue associated with that cost currently. That will be left to Council consideration.
The Emergency Reserve Cash is in accordance with the Fund Balance policy. The increase from $3 million to $3.2 million is due to expenses increasing.
The unrestricted cash is approximately $9.5 million.

Acting City Administrator Falcone added that while MFT does not have the same restrictions as some of the enterprise funds, there are restrictions on the usages for MFT funds. They are quasi-restricted, and require approval for use.

Alderman Ludvigsen asked about the Capital and MFT (-$467,000) going all the way out to FY 27. Co-Finance Director Graefen stated that the number was the projected FY27 amount.
Alderman Ludvigsen asked if that included $6 million for roads? Co-Finance Director Graefen responded that there would be $3million in FY26 and $3 million in FY27 for roads. Public Works Director Roscoe said that the funds would have to be obtained before the FY 26 and FY27 road projects. He added that there will be another road assessment in FY24/25.

Alderman Ludvigsen asked if the City has 40% of what is needed to cover the roads when the bond expires. He noted that there is already $6 million set aside. Acting City Administrator Falcone said that the $6 Million is in the MFT balance. Co-Finance Director Graefen said that is assuming the MFT money is not used for other projects.

Alderman Ludvigsen asked if the balance of the Capital Fund makes the assumption of transfers from the General Fund that are shown on the General Fund forecast – about $1.1 - $1.3 million moved from the General Fund every year. Co-Finance Director Graefen said that was correct.
Alderman Ludvigsen noted that by the end of the projected forecast the City will have set aside $4 million for projects. Co-Finance Director Graefen added that grant money will also be included. The City does not know the funding source yet.

Alderman Morgan-Adams asked if there any assumptions of grant money? Co-Finance Director Graefen said that the only grant revenue in the capital fund are where the City has already been awarded the money.

Alderman Morgan-Adams asked if the assumptions from local distributive funds are flat? Co-Finance Director Graefen answered that there were slight increases to all the revenue. The local distributive tax is based on income tax, so that is expected to rise. Nothing significant.

Treasurer Tibbits asked about the former road bond? He asked if it was for $5million. Alderman Ludvigsen felt that it was a much greater amount. Treasurer Tibbits was wondering what would actually be needed. Alderman Morgan-Adams said that there will be another road bond referendum needed. Staff said that there will be a need for about $15milllion for the roads.
Director Roscoe said that when the last bond referendum was done in 2011, almost all of the City streets were in dire need of repair. As the City moves forward now, there will be a staggered approach. When the pavement analysis is done in FY24/25, the City will know which streets need to be done first.

Alderman Ludvigsen stated that the City would need the money for the project before starting to do the roads, and would not start doing some roads and then ask for a referendum.

City Engineer Strahan said that there is the underlying assumption that there will be a referendum to complete the road program. $12.2 million dollars would be needed to resurface 60% of the City roadways that would be spread out over four years.

Drainage Improvements – Director Roscoe said that the funding sources for the projects are MFT, RBI, MWRD, CCDOT. Engineer Strahan discussed the Willow Road Project. He noted that the parcels necessary for compensatory water storage have been located, and as of March 17 there was a 60% design submittal. Willow Road is a county road. The project will start this year.

The Alton Road project is a small project but will alleviate the swamp-like condition in that area. The project is in design stage.

214 S Wheeling Road Property Acquisition – demolition and grading for open space.

Arlington Countryside – there have been delays in getting the pieces and parts. There was a proposed piecemeal workaround that the City rejected. The City is waiting for the parts that were initially ordered – the City wants the correct parts installed. The City chose not to "Frankenstein" the project with makeshift parts.

Engineer Strahan said that the City had secured $$2.4 million in a FEMA grant for Willow Trails Park – in order to get the grant, the City must demonstrate that it meets the eligibility standards.

East Arlington Countryside – five year CIP with Design Engineering in 2025/2026 for drainage improvements.

There are two sidewalk projects – Wolf Road and Camp McDonald. Wolf Road is near completion. The City has received an Invest in Cook grant for Camp McDonald Road.

Sewer System Maintenance – MPI lining will be installed this year. the City had budgeted for a cost of $90,000 and the bid actually came in for $60,000. This adds the potential to add more work to the maintenance.

First Read for the Budget will be at the April 10, 2023 Meeting. The Second Read will be at the April 24, 2023 Meeting.

No action was taken.

Director of Building and Development Peterson – Wimbledon Lakes and Country Pines HOA's on eastside had a full audit, and ownership meetings. There was representation of 85% of the homeowners from Wimbledon Lakes and 55% of the owners from Country Pines. To date, 1/3 of those owners have turned in their remediation plans for review. Improvements are already being seen in the area. – **No action was taken.**

APPROVAL OF WARRANTS

A.Approval of Expenditures

General Fund	$83,370.01
Motor Fuel Tax Fund	$0.00
Palatine/Milwaukee Tax Increment Financing District	$0.00
Tourism District	$106.41
Development Fund	$0.00
Drug Enforcement Agency Fund	$953.00
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	$405.16
Special Service Area #8 – Levee Wall #37	$0.00
Special Service Area-Constr #6 (Water Main)	$0.00
Special Service Area- Debt #6	$0.00
Capital Improvements	$0.00
Palatine Road Tax Increment Financing District	$0.00
Road Construction	$0.00
Road Construction Debt	$0.00
Water Fund	$3,967.40
Parking Fund	$701.01
Sanitary Sewer Fund	$1,120.66
Road/Building Bond Escrow	$0.00
Police Pension	$0.00
TOTAL	**$90,623.65**
Wire Payments **03/10/2023 PAYROLL**	**$169,616.27**

TOTAL WARRANT	**$260,239.92**

City Clerk Prisiajniouk read the warrants
Alderman Morgan-Adams moved to approve the warrants as presented; seconded by Alderman Ludvigsen to include a TOTAL of $90,623.65; 03/10/2023 Payroll of $169,616.27; and a TOTAL WARRANT of $260,239.92.

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

Motion carried 4 – 0, one absent.

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

EXECUTIVE SESSION - None

ADJOURNMENT – At 7:12 PM, Alderman Ludvigsen moved to Adjourn; seconded by Alderman Cameron.
VOICE VOTE: All Ayes, No Nays

Motion carried 4 – 0, Alderman Dash absent.

Approved by the City Council of Prospect Heights on this the 10th day of April, 2023.

Deputy Clerk Schultheis

CITY OF PROSPECT HEIGHTS CORPORATE SEAL Incorporated A.D. 1976 ILLINOIS

Acting Mayor Dolick