



THE CITY COUNCIL MEETING MINUTES
OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PROSPECT HEIGHTS
HELD ON MONDAY, MARCH 11, 2024 AT 6:00PM

CALL TO ORDER AND ROLL CALL – At 6:00PM, Mayor Patrick Ludvigsen called to order the Regular Meeting of the City Council of the City of Prospect heights 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 – Mayor Ludvigsen, City Clerk Prisiajniouk Aldermen – Cameron, Dash, Dolick, Anderson, Morgan-Adams

ABSENT – Treasurer Tibbits – with previous notification

OTHER OFFICIALS PRESENT – City Administrator Wade, Assistant City Administrator Falcone, Deputy Clerk Schultheis, Attorney Peck, Director of Building and Development Peterson, Public Works Director Roscoe, Digital Communications Technician Colvin, Finance Director Grieco, Assistant Finance Director Tannehill.

PLEDGE OF ALLEGIANCE – Mayor Ludvigsen led the pledge.

APPROVAL OF MINUTES

A.February 26, 2024 City Council Regular Meeting Minutes – **Alderman Morgan-Adams moved to approve the February 26, 2024 City Council Regular Meeting Minutes as presented; seconded by Alderman Anderson. There was unanimous approval.**

ROLL CALL VOTE:

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

Motion carried 5 - 0

PRESENTATIONS

A.FYE 2023 Audit Report Presented by Cheryden Juergensen of Eccezion – Eccezion Partner Juergensen noted that the 2023 audit was delayed due to the delayed Chicago Executive Airport audit. It was noted that there were less journal entries this year than in past years, showing that the financials kept by the City are in good order. There were no issues of significance.

The most important part of the audit report is the opinion. It is an unmodified opinion, which is the best opinion that you can have. The auditors felt that all the financial statements were free from material misstatement.

They look at internal controls to look for fraud – no issues were found.

Management Discussion and Analysis- summarized what happened during the year.

There are two sets of financial statements in the audit report – the long term government wide (fixed assets, long term debt, and the Airport) and the fund financial statements which includes the results of each of the funds. There was an increase of \$1.5 million, the majority of which was due to the General Fund.

This year they will be looking at IT subscriptions because of new standards that have been implemented.

Alderman Dolick moved to approve the audit report as presented; seconded by Alderman Morgan-Adams. There was unanimous approval.

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

Motion carried 5 - 0

B.FY2024-2025 City of Prospect Heights Budget Presentation for Revenues and All General Fund Departments (City Council, Administration, Finance, Legal, Community Development, Police, and Public Works)

City Administrator Wade noted that revenues have continued to rebound in the recent year.

Director Grieco said that the budget will be presented in two meetings – this will be the meeting to discuss the budget by departments and the March 25th meeting will be to discuss Capital improvements.

She said that the focus of this meeting would be on the general Fund, which is the main fund of the City.

There are three financial strategic issues

City contribution to the Police Pension Fund – the City’s recommendation for contribution in FY 2025 is \$1.62 MM, which represents a 12% increase over FY 24. That includes 100% of the recommended contribution (Tax levy \$480,000 and City contribution of \$1.146 MM). That represents 200% of the required contribution and 100% of the recommended contribution. State legislators are considering eliminating Tier II from the plan and making all participants Tier I. If that legislation is passed, that would increase the City’s recommended contribution by \$370,000 annually for inflation.

Debt Service – The City’s GO bonds Series 2013 and 2020 are scheduled to pay off in FY27 (December 2026). At this time, it will be necessary to consider another bond referendum.

Funding of the Capital Improvement Plan – it is expected that the FY25 will be adequately funded by reserves and grants. Of the \$6.9 MM in the proposed budget, \$5.4 MM is in federal and state grants awarded to the City.

Alderman Morgan-Adams asked when the City would need a bond referendum? Director Grieco replied that the bond will pay off in December of 2026. A new bond issue will need to be voted on in the first half of 2026 to allow the County to be aware of it so that it can be included in the City’s levy.

General Fund Revenues are projected to be \$11,493,457 and were budgeted at \$10,558,448. The higher increase is due to better than expected returns from investments and intergovernmental agreement of \$500,000.

Expenditures are projected at \$9,540,748 and were budgeted at \$10,059,802 (a budget savings of 5.5%). It was noted that all departments were under budget.

April 30, 2024 unassigned Fund balance projected at \$10.8 MM.

It was noted by Assistant Finance Director Tannehill that the budget has remained consistent.

The amounts for City Council and Commissions were as follows:

City Council wages from \$101,000 to \$104,000

Special Events funding - \$43,000 Rock the Runway/Block Party/City events

Natural Resources Commission – funding flat at \$20.126 (two interns- \$12,000). One is paid by the City and one is paid by the Park District and equipment/supplies (\$8,126)

Audio/Visual Department - \$22,950

Assistant City Administrator Falcone – Administration – four full time staff members.

Budget increased from \$726,050 to \$747,450. The Finance Budget is flat. Caselle enhancements for software costs.

Legal fees are increased \$44,500 –that includes City Attorney, Housing attorney, Labor attorney, outside Counsel.

Director of Building and Development Peterson – said that the budget is flat. Revenues are forecasted to decrease by \$2000 and expenditures are proposed to increase about \$93,000. Last year there was a slight uptick in permits.

He noted that there has been a stabilization on material costs, however, labor costs and timing remain a problem.

There are currently no projects in the pipeline. Home remodeling is projected to stay high. High interest rates are limiting some construction projects.

Three strategic budget initiatives:

- Zoning Code update
- Building Department records digitalization – Phase I
- Records Management Software

FY25 Possible Budget impacts

- CEA/Sky Harbour Redevelopment Project
- Prospect Crossing Shopping Center Out Lot redevelopment
- Prospect Pointe/Muir Park – townhome development

Public Works Director Roscoe – this will be part one of his Budget. Public Works will be a main part of the Capital Improvement budget discussion.

The Public Works Budget for FY 24/25 is \$1,253,065 – which represents a \$14,885 drop from last year.

Initiatives and projects include city hall and police department parking lot sealing and patching; neighborhood storm water inspection; Public Works roof replacement; expanded parkway tree removal and replacement; continued street sign upgrades to MUTCD standards; and City summer events/overtime expense.

Director Roscoe is looking to add a part-time administrative assistant to answer phone calls, review invoices, document management, crew scheduling; website maintenance, purchase order, etc. The position would call for 4 days per week, under 1000 hours annually.

He noted that there had been a 2.25% increase with the labor union contract.

Police Chief Caponigro – noted the 2024 accomplishments of the police department including creation of a new position that combined the records management and administration assistant, hired two full time officers, east side cameras have been repaired, three FLOCK (license plate readers) have been installed, one part-time officer has been hired, Records destruction of ten years of files through Document Destruction regulations, have been compliant with Safe-T Act unfunded mandates and Social Services has made an impact with Prospect Heights Helping hands.

The Police Department has 27 Police Staff (23 full time and 4 part-time) and 8 administrative staff. The Police Department is looking for one part-time, weekend desk officer and one full time desk officer.

The Police Department will be looking at a new employee recruitment tool to search for police candidates all over the country – National Testing Network

The Police are budgeting for a 19% increase in public safety revenue in FY 24/25 to \$585,500 and public safety expenditures increase of 12% to \$618,579.

Chief Caponigro said that the Police applied for a Bureau of Justice Assistance grant to cover the purchase of 14 Body worn cameras/unlimited storage – mandated for January 1, 2025.the grant will save \$40,000 over a five-year period.

The PHPD made an agreement with Country Pines HOA to pay half of the FLOCK cameras up to \$3500.

The Bureau of Justice Assistance bulletproof vest partnership grant will pay \$440 for up to four vests.

DEA Task force revenue will pay for the new PD office furniture and upgrade.

Total expenditures will be \$5,578,601 (up from FY 34/24 by \$618,579).

Alderman Dolick asked about VOCA grants. Chief Caponigro replied that the grants were used for social services. City Administrator Wade added that the grant is used for victim assistance. Alderman Dolick asked if Outreach is funded? Chief Caponigro said that it is fully funded by private donations, business owners, the Lyons Club and Rotary.

Mayor Ludvigsen clarified what is different about the City of Prospect Heights budget process. Director Grieco complimented the Staff and elected officials as to how they work with each other and have strived to increase revenues and cut expenses. But, as a non-Home Rule there are limited ways in which the City can collect money.

Mayor Ludvigsen stated that the capital budget is leveraged 80% with grants. Director Grieco said that it is not common to have to rely on so much grant money to pay for capital improvements. The City is compelled to have shovel-ready projects in order to be considered for grants.

City Administrator Wade noted that because of other taxing districts like the Park District, Fire District and school districts, the City has an “extremely limited” tax base. He noted that Prospect Heights is a city of homes, not industry.

Mayor Ludvigsen suggested that the City sponsor meetings to educate the residents as to how lean the City runs. He noted that in Springfield nothing is being done for the non-home rule cities to absorb lost revenue when new initiatives and mandates are issued by the state government.

Alderman Dash suggested collecting information as to how much revenue is being denied the City because it is not home rule. That information would need to be disseminated to the public.

Mayor Ludvigsen suggested a comparison of the money that the City would get if it were home rule versus non-home rule. He suggested it as a supplement to the Budget.

Alderman Morgan-Adams said that once the City had compiled a list, it should be given to the public to educate them as to the amount of revenue the City is losing.

City Clerk Prisiajniouk said that in the last Home Rule vote in 2018, very few residents came out to vote. She believed that there had to be more participation.

APPOINTMENTS, CONFIRMATIONS, AND PROCLAMATIONS - none

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

CONSENT AGENDA - none

OLD BUSINESS - none

NEW BUSINESS

A. O-24-03 Staff Memo and Ordinance Approving of Sale, Donation, Destruction of Surplus

Property (**1st Reading**) – Follow up to the Council’s approval to use DEA funds. This is surplus that can be auctioned or given away. **First Read only. No action.**

B.R-24-11 Resolution Relating to the Semi-Annual Review of Closed Session Minutes for the City Council for Prospect Heights – **Alderman Dolick moved to approve R-24-11 Resolution Relating to the Semi-Annual Review of the Closed Session Minutes for the City Council of Prospect Heights; seconded by Alderman Morgan-Adams. There was unanimous approval.**

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

Motion carried 5 - 0

C.R-24-12 Staff Memo and Resolution Authorizing Professional Services Agreement for 2024 Lake Management Services for Hillcrest Lake with Tigris Aquatic Services in the amount of \$8,550. – **Alderman Morgan-Adams moved to approve R-24-12 Staff Memo and Resolution Authorizing Professional Services Agreement for 2024 Lake Management Services for Hillcrest Lake with Tigris Aquatic Services in the amount of \$8,550; seconded by Alderman Anderson. There was unanimous approval.**

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

Motion carried 5 - 0

D.Requested Waiver of First Reading O-24-04 Staff Memo and Ordinance Granting Certain Variations for the Property at 208 E. Euclid Avenue for the Reduction of Yard Setback (**1st Reading**) – **Alderman Dolick moved to request a waiver of First Read for O-24-04 Staff Memo and Ordinance Granting Certain Variations for the Property at 208 E. Euclid Avenue for the Reduction of Yard Setback; seconded by Alderman Morgan-Adams. There was unanimous approval.**

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

Motion carried 5 - 0

D.O-24-04 Staff Memo and Ordinance Granting Certain Variations for the Property at 208 E. Euclid Avenue for the Reduction of Yard Setback (**2nd Reading**) – it was noted that the property owners were present. **Alderman Morgan-Adams moved to approve O-24-04 Staff Memo and Ordinance Granting Certain Variations for the Property at 208 E. Euclid Avenue for the Reduction of Yard Setback (2nd Reading); seconded by Alderman Cameron. There was unanimous approval.**

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

Motion carried 5 - 0

STAFF, ELECTED OFFICIALS, AND COMMISSION REPORTS

Director of Building and Development Peterson – said that there have been several cases of contractor fraud in which fake contractors entice residents to have their driveways paved for a lower price. They always ask for cash and they are not licensed contractors. Resident Jill Moskal asked why residents do not ask to see a solicitor’s permit. Director Peterson said that people are willing to spend money on a project that they did not solicit.

City Administrator Wade – thanked retiring Deputy Clerk Schultheis for her service to the City.

APPROVAL OF WARRANTS**A. Approval of Expenditures**

General Fund	\$129,374.96
Motor Fuel Tax Fund	\$0.00
Tourism District	\$269.94
Solid Waste Fund	\$33,731.77
Drug Enforcement Agency Fund	\$0.00
Palatine Road Tax Increment Financing	\$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	\$150.71
Special Service Area - Constr #6 (Water Main)	\$0.00
Special Service Area - #8 Levee Wall #37	\$9,209.50
Capital Improvements	\$0.00
Special Service Area - Debt #6	\$0.00
Road Construction Debt	\$0.00
Water Fund	\$9,399.58
Parking Fund	\$162.95
Sanitary Sewer Fund	\$3,740.11
Road/Building Bond Escrow	\$0.00
TOTAL	\$186,039.52
<u>Wire Payments</u>	
02/23/2024 PAYROLL	\$180,996.42
TOTAL WARRANT	\$367,035.94

City Clerk Prisiajniouk read the warrants. She noted that there had been a scrivener's error in the published Agenda.

Alderman Anderson moved to approve the warrants as presented; seconded by Alderman Cameron to include a TOTAL of \$186,039.52; 02/23/2024 Payroll of \$180,996.42; TOTAL WARRANT \$367,035.94. There was unanimous approval.

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

Motion carried 5 - 0

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

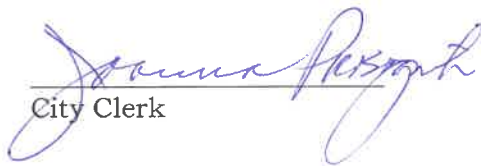
EXECUTIVE SESSION – (No Items)

ADJOURNMENT – At 7:37 PM, Alderman Cameron moved to Adjourn; seconded by Alderman Anderson. There was unanimous approval.

VOICE VOTE: All Ayes, No Nays

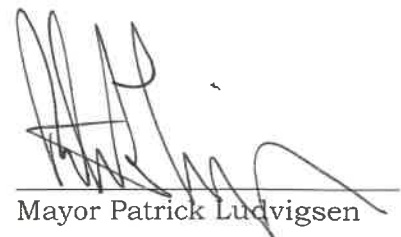
Motion carried 5 – 0

Approved by the City Council of Prospect Heights on this the 25th day of March, 2024



City Clerk





Mayor Patrick Ludvigsen

