CITY OF PROSPECT HEIGHTS
REGULAR CITY COUNCIL MEETING
November 13, 2012

MINUTES

CALL TO ORDER
The meeting was called to order at 6:30 p.m. by Mayor Helmer at City Hall, 8 North Elmhurst Road, Prospect Heights, Cook County, Illinois.

ROLL CALL
Present: Mayor Helmer, Aldermen Higgins, Ludvigsen, Mendez, Styler, Williamson
Absent: None

A quorum was present. Also present: City Clerk Adamson, City Treasurer Tibbits, City Administrator Marrin, City Attorney John Zimmermann, Deputy City Clerk Sabo, and Finance Director Hannon.

PLEDGE OF ALLEGIANCE
Alderman Williamson asked everyone to stand and join her in the Pledge.

INVOCATION
The invocation was given by Reverend Thomas Kim of the Korean Central United Methodist Church.

PRESENTATIONS
A. <u>Chicago Executive Airport FY 2012 Audit Report.</u>

Chicago Executive Airport Manager Dennis Rouleau and Chicago Executive Airport Finance Director Rita Boserup discussed the financial statements from the Chicago Executive Airport. Airport Manager Rouleau stated that the comprehensive annual financial report will be awarded a certificate of achievement for excellence in financial reporting as the airport has received the award for the past twenty two years. Some of the highlights include operating income in the amount of $837,851, which is a 17% increase over the prior year. The main factor for the increase was a mild winter which caused expense reductions in overtime, savings in fuel for snow equipment, and fewer deicing chemicals used for runways. Capital contributions were $2,628,403 in the form of grants received for the Taxiway Lima project. Approximately $2.5 million was from a federal grant and $138,000 was from a state grant. The airport expects to receive $2.5 million in grants in the current year for the Taxiway Echo project. Operating revenues were up by $260,000 over the prior year due to the new international aviation hanger on August 1, 2011 and the January 1, 2012 start of the lease payments for the Sovereign/Hawthorn development in the Southeast quadrant in addition to a full years lease income from T-hangers. The airport revenue sources are $1.9 million or 55% from long term leases, $600,000 or 17% from fuel flowage fees, $366,000 or 11% from T-hanger rentals, and $278,000 or 8% from US Customs charges. Investment income is still down due to poor interest rates on investment which they don't see improving in the near future. Total operating expense increased by 6% over the prior year to $2.6 million. In the Administration Department, personnel expenses increased from the filling of a previously vacant administrative assistant position and the cost of the 25th anniversary gala. Lease development expenses increased by $35,000 due to the planning of a number of new projects. The Operations and Maintenance Department expenses decreased by 4% due to the lack of snow removal expenses. Personnel Services did

increase due to the filling of a previously vacant airport operations coordinator position. Pavement marking expenses decreased by $30,000. Interest expense increased by 4% or $25,000 due to a full years interest being paid on a fully drawn Northeast T-hanger construction loan. In capital projects, other than the taxiway, $243,000 was spent on pavement, drainage and sewer improvements. $54,000 was spent completely overhauling airport 12. $55,000 was spent for various improvements to the administration building including a new roof. The airport is overhauling one to three pieces of major equipment a year to extend their useful life. The airport has budgeted in 2013 to start a vehicle replacement fund for when those items can no longer be refurbished and need to be replaced. Net assets increased to $93 million after depreciation.

Mayor Helmer asked if there was an increase in total expenses.

Airport Finance Director Boserup commented that airport expenses have increased by about 6%.

Mayor Helmer asked how much would be contributed to the savings of not having a grand display at the NBAA this year.

Airport Manager Rouleau commented that the cost to display at the NBAA was $75,000 which helped the decrease in expense.

Alderman Ludvigsen commented that the Airport did a great job. He has never seen an auditor's report that says there are no issues or disagreements.

Airport Manager Rouleau commented that the benefit of submitting the comprehensive annual financial report to their peers is that they offer input on what can be improved in the future.

Alderman Mendez commented that the airport is doing a good job. The airport needs to compete with Waukegan, DuPage, and Aurora which is not an easy task.

Mayor Helmer asked to clarify if the bottom line was at $800,000 to the positive.

Airport Finance Director Boserup commented that the $800,000 was the operating income. After debt, the bottom line is about $500,000.

Mayor Helmer asked if there were any plans for capital improvements.

Airport Manager Rouleau commented that the airport takes leftover money and puts it back into grants. None of the money for matching grant funds comes from the Village of Wheeling or the City of Prospect Heights. It comes directly from airport revenues.

NEW BUSINESS

Mayor Helmer moved item K up to after item A.

K. Discussion of Concept Plan for Parcels Located at 31-33 E. Palatine and 25 & 29 E. Piper Lane.

Larry Nora commented that he is the president of a company called U-store-It Group which develops, owns, and operates self-storage centers in light industrial buildings throughout the Chicago metropolitan area and in California. Many years ago, he approached brokers about a piece of property the City currently owns. There was going to be an arena on it and he is familiar with the property. He has a strong interest in the

property. He has a lot of history with looking at properties here. There are some certain challenges that Prospect Heights has at this location. The City tore down a self-storage facility that was ineffective and had some issues with it. The City had invested a lot in a future vision that never germinated and subsequently the City has this property and the question becomes what to do with it. He is really interested in a portion of the property but as he looks at the whole circumstance, he thinks he can provide a solution to some challenges that the City currently has. It comes from his 25 years he has had in the industry of developing self-storage in light industrial warehousing. The property owned by the City does not produce any revenue. There is currently a $5.4 million note on the property. The question is what to do with the property. Being a self-storage operation, he would like to see about having something up front but there is an opportunity to put the large piece of land into production. It offers the City the opportunity to help extinguish the $5.4 million of debt and to put land back into production. His proposal is to develop the front portion as self-storage and to turn the back portion into outside storage. The back portion would be serviced and officed out of the front offices that serve the self-storage facility and in the back, it has 570 units and there people would be able to store their cars, boats, trailers, R/V's in a secure, safe environment adjacent to Palatine Expressway. With the presentation on Palatine Expressway, it affords the lot a lot of visibility. Mr. Nora presented a diagram of what the proposed development would look like.

Mayor Helmer commented that the depiction shows two buildings.

Mr. Nora commented that they will develop a second building just to the east of the existing building. There is enough room and engineers and architects have designed and measured the property to construct a second building. Self-storage facilities are low impact. There are five to six tenants per day. There is no electricity provided to tenants. Tenants can't work in their units or on vehicles in their units. The units are strictly for storage. Lighting and a computer access code will be placed on the facility so they know who comes in when and when they leave, as well as cameras capturing all movement on the facility. They propose that a manager live onsite at the front of the facility so that they are able to monitor through cameras and easy access to follow up if an alarm goes off. Self-storage facilities are low impact on City services. They don't have a high demand on the fire department, police departments, and city services. He distributed two scenarios to the Council. He discussed one scenario which indicates what would happen if the City held the land until the market improves in 2015. It shows debt of $5,430,000 amd shows various interest payments that need to be made on a biannual basis. When the note comes due, by the end of 2015, the City would be paying $6,186,995. Another scenario is holding the property an additional five years until 2020. It shows the debt at $7,272,995. He passed out two more scenarios to the City Council.

Alderman Higgins commented that the property abuts multifamily property and with a parking lot there, there will need to be lighting which will spill over into the residential areas. The area also has issues with flooding. She asked if there will be any more retention since the proposal takes away most of the green space.

Mr. Nora is not proposing asphalt and proposes a gravel surface.

Alderman Higgins asked what makes Mr. Nora think they will rent enough spaces to make money back on the investment.

Mr. Nora explained that the two additional scenarios he passed out addresses Alderman Higgins' question. Scenario three shows that if the building on Palatine Road sold for

$800,000, of the proceeds from the building $400,000 would go to reducing the debt on the bond thus reducing the bond to $5,000,000 remaining on the debt load. The question becomes how the parking lot will be put in place without the City paying additional money. The City would take proceeds from the sale of the building up front and create the parking lot in the back. The excess money left over after the parking lot in the back would go towards reducing debt. Under this scenario, at the end of 2015, the City would owe $5,200,061 with this scenario. The monthly stabilized income is anticipated to be $35,000 per month. The monthly debt service is $31,151. From the outside storage, there will be a positive cash flow of almost $52,000 per year. If the building is sold and the back is turned into a parking lot, in five years the City sells off the land to an interested party and they continue to use the facility for parking, the City will have a profit of $1,376,232 for the City of Prospect Heights. Instead of paying $6,000,000 on the backside, a situation creating value would be in place. This is anticipating a 60% lease rate which is approximately 300 units. Scenario four shows the potential profit that would occur if the parking facility were leased 80%. There would be a huge swing from $6,000,000 deficit to a profit of $4,067,728. That is his proposal at this time.

Mayor Helmer commented that the proposal is that Mr. Nora's company buys the front building and builds a second building for storage. The City will still own the back 10 acres and will bring it up to a scale where it becomes rentable to automobiles and boats. The City would own that facility. To pay it off and to turn it into a profit picture, with the proposal that Mr. Nora laid out, he asked how long it would take to get to a 60% fill up.

Mr. Nora commented that it would take three years.

Mayor Helmer asked if 80% was grabbing for the sky.

Mr. Nora commented that 80% is not grabbing for the sky. There are many facilities that become a magnet where people store boats and recreational vehicles. There is still a recession and people need a place to put their possessions. There are facilities that have well over 500 pieces of parked vehicles.

Mayor Helmer commented that Industrial Lane and Sumac Road in Wheeling have this type of uses.

Mr. Nora commented that the Village of Wheeling has indicated that they want the people on Industrial Lane and Sumac out. Sumac Road would in itself be able to satisfy most of the City's needs for customers alone. Sumac Road would already put the City at 60% or 70%. There are opportunities out there.

Mayor Helmer commented that the land can't necessarily have 500 cars on it. It could have a tenant that would need forty spaces for itself. The idea as he understands it is that the land would be bought from the City and no one is agreeing to it. The amount to purchase the building would be $800,000 which is a figure that is not being agreed to at this point, but the proposal states that $400,000 would go to pay down the debt.

Alderman Williamson asked if the back space would be leased to commercial entities.

Mr. Nora commented that it would be for commercial and consumer use.

Alderman Williamson commented that there is a concern about the height of the fence. The current depiction shows a three foot berm and a six foot fence but there could be a trailer that is thirteen feet tall. Ultimately, nobody wants to look at the trailer.

Mr. Nora commented that he agrees on that. A taller fence can be put up.

Alderman Williamson commented that the plan looks very nice on paper. He feels that a six foot fence is not tall enough.

Mr. Nora commented that he feels that fences are there to keep honest people out. He was trying to stay within the code of the City but an eight foot fence would be preferable. The trees that will be planted will grow quickly. The fence would be a solid fence.

Mayor Helmer commented that the City would be the one who puts up the fence.

Alderman Williamson commented that the parking lot would be a complete City improvement.

Mr. Nora commented that $400,000 would be adequate to turn the back lot into a parking lot.

Alderman Mendez asked where the $800,000 came from.

Mr. Nora commented that he got the number from discussing the value of the building and land and they addressed how much it would cost to refurbish the building. It is one step away from being scraped. It is not functional very well. The $800,000 was arrived on based on market conditions, broker input, and bank advice.

Alderman Mendez commented that there was an article about a business that leased land from farmers where they built a building and if the business makes it, they extend the lease and if not, the business walks away and the farmer is left with an empty building and costs. In this case, Mr. Nora wants the City to take half of the $800,000 and fix the parking lot. He does not agree with that. He feels the $800,000 is a low number. He asked how long Mr. Nora would want the lease.

Mayor Helmer commented that the parking lot would be the City's.

Mr. Nora commented that he would be bringing business to the parking lot. When people come into his self-storage facility, he will be advertising for outside storage for R/V's, vehicles, and trailers. The U-Store-It Group would receive a commission to lease the back lot. They would act as a broker on behalf of the City.

Alderman Mendez commented that U-Store-It would basically run the parking lot operation. He assumes that U-Store-It would want some kind of contract to run that parking lot. He asked if U-Store-It has any idea of how long of a contract they would want.

Mr. Nora commented that it would be a year to year agreement.

Alderman Mendez commented that the idea sounds good if it were privately owned land but being government, he does not feel the City should run a business.

Alderman Ludvigsen asked if Mr. Nora knows what the per square foot price of the front portion that U-Store-It would buy.

Mr. Nora commented that it would be approximately $8.32 per square foot.

Alderman Ludvigsen commented that Mr. Nora is proposing $8.32 right now but asked if he was suggesting that by 2020, it would be at the $18.56 square foot range.

Mr. Nora commented that the remaining land would sit around $18.32 per square foot.

Alderman Ludvigsen commented that basically the City will owe the same amount as owed now in 2020, so it would be a requirement of $18 per square foot to satisfy the debt. He asked if Mr. Nora sees real estate in the area doubling in ten years.

Mr. Nora commented that he does not see it doubling.

Alderman Ludvigsen commented that for the scenarios to work, it would need to be assumed that rates would go to those levels.

Mr. Nora commented that scenario three and four will work because it is not just about buying and selling land.

Alderman Ludvigsen commented that at the end of the day, there is a debt load of $5 million by 2020, and in order to satisfy that debt the City would need to get approximately $18 per square foot. It would need to be assumed that the City will go from the $8.32 now to $18 per square foot.

Mr. Nora commented that buying dirt is one thing but buying a cash stream is another thing. He proposes bringing value to the piece of property.

Alderman Ludvigsen asked if Mr. Nora knows what kind of value future profit brings in present value. If this is such a good deal for the City to make moving forward to satisfy the debt of the property, wouldn't someone be willing to pay for that now.

Mr. Nora asked why would someone pay $5 million for a raw piece of dirt.

Alderman Ludvigsen asked if someone would pay $3 million at the moment if it is generating $420,000 right now.

Mr. Nora said absolutely. The City would need to get to the $420,000. He is asking the City to give him the opportunity to work with the City to get to that number.

Alderman Ludvigsen commented that the City would sink $400,000 into the property on the hopes that the City can generate $420,000 a year, why wouldn't someone buy that property and do it themselves. There is no bottom to the proposal.

Mr. Nora commented that revenue from the parking lot goes to the City.

Alderman Ludvigsen commented that the City can go upside down if the rental levels are not obtained.

Mr. Nora commented that the City makes nothing on the property right now. The City is losing money at the moment on the property by paying debt.

Alderman Ludvigsen asked if Mr. Nora would be willing to create a bottom threshold as the leasing agent.

Mr. Nora commented that he would look into that.

Alderman Ludvigsen commented that with respect to Sumac and Industrial, Wheeling is paying to see how to get them out of there. What is different in this property that the City can't do what Wheeling is doing to create development there as opposed to taking their businesses from Sumac and Industrial.

Mr. Nora commented the City could certainly try to develop the property.

Alderman Ludvigsen commented that the estimated market value in scenario three and four shows a $900,000 repayment and then there is five years of net income. It seems like it is being counted twice because the City is giving up $400,000 of the $800,000 which leaves the City with only $400,000 in debt reduction and then the City would take in $400,000 or $500,000 over 9 years. He feels that the income is overstated. He asked if net income includes the principle reduction over five years.

Alderman Styler asked if the City was responsible for snow removal of the parking lot.

Mr. Nora commented that the City would maintain the snow removal.

Alderman Mendez asked if the parking lot is turned into a profitable operation, if the property would need to have property taxes paid.

Mayor Helmer commented that it would be a leasing function. The airport leases the hangars and the City does not pay taxes on those.

Attorney Zimmermann commented that it would depend on how the entire thing is structured with the Ordinances. Some municipalities want the schools and park districts to get the benefits of the income. If that is not the situation, an Ordinance can be structured so the parking lot is set up so that no taxes would be paid.

Alderman Higgins commented that because this is a City owned parking lot, different parameters could be established on what types of vehicles could be held there. There is more expenses for the City in having to maintain the lot. There is no accounting for those expenses in the scenarios. If U-Store-It leases the spaces, she asked how much they would take.

Mr. Nora commented that there would be a 6% management fee out of each customer.

Alderman Higgins commented that she would like to see more green space on the east and west side of it with grassy areas and getting rid of a minimal amount of spaces.

Alderman Williamson asked if the City is responsible for billing the leases.

Mr. Nora commented that this would be similar to the Chicago's parking lease. U-Store-It would collect rent and pay the City rents. They can also take care of maintenance and charge it back to the City. That is how it is envisioned. His presentation is to say there is a $5.4 million bond note and he wanted to present what could be done with the land to get rid of that debt.

Alderman Williamson commented that the storage in the front is a fantastic idea and he has reservations with the parking in the back but they could be addressed.

Alderman Mendez commented that the City needs to take into consideration other fees associated such as liability and attorney fees associated which are not included in the project.

Mr. Nora commented that the parking lot would be substantially less than $400,000 which is a conservative figure. This is a conceptual presentation at this juncture.

RESIDENTS COMMENTS (Agenda Matters)
There were none.

REPORTS AND COMMUNICATIONS
City Clerk Adamson commented that there are Cub Scouts and Boy Scouts were present at the meeting who are working on their citizenship in the community badge which is an eagle required badge. They need to sit in on a Council meeting and discuss an interesting topic.

Tim Day from Boy Scout Troop 140 based in Buffalo Grove explained that the Scouts are at the City Council meeting to fulfill some of the requirements for the Citizenship in the Community Merit Badge which is required for the eagle which is the most prestigious award that can be gotten in the boy scouts.

The City Council thanked the scouts for attending the meeting.

City Administrator Marrin reported that the City received its new electronic sign and it will hopefully be up and running shortly. The City did get approval on the emergency operations plan. Department heads are reviewing the plan and the final portion will be signed off on by the Mayor and will be returned to the County for a final stamp of approval. This opens up the City to numerous grants and funding. She and the Mayor will be attending an award presentation on November 19, 2012 for Corporal William Caponigro who is being honored by the Sheriff's Department. He is an excellent officer and has done much for the community.

Deputy City Clerk Sabo reported that residents can bring various batteries, holiday lights, sharps, compact fluorescent bulbs, medications, and e-waste to the City for proper recycling.

City Treasurer Tibbits commented that he attended the Putting on the Ritz event held by the Wheeling/Prospect Heights Chamber of Commerce and he was impressed with the event. He attended a conference by the Illinois Treasurer's Office. E-pay and banking regulations were reviewed as well as investment maximization. The holiday tree lighting will be November 24 at the Police Department.

Alderman Styler reported that the Fire District is holding its annual Christmas raffle to benefit needy families in the City. Tickets are $5 per ticker or 5 for $20. Last year, over $4,300 was raised which was enough to buy clothing, toys and holiday food for over twenty families and twenty six kids. Tickets can be purchased at City Hall. He commented that residents can contact him for tickets as well.

Alderman Williamson asked what the current state of the Old Town Sanitary District is. He saw an article in the newspaper that stated that the City will ultimately need to absorb or take over the Old Town Sanitary District. He would like to know where the City stands with that.

Mayor Helmer commented that he is not sure that is the case. The question is what happens if they go broke. It looks pretty clear that without a tax levy increase that they will go broke. They take care of more than 80% of the City's sewer systems. It is not owned by the City or directed by the City. They own and maintain the sewer system. They have one employee. That employee has been off the job for some time and the City's Public Works is handling any repairs that need to be made as they come up. The City is charging back to the Old Town Sanitary District for services rendered. His understanding is that there is about $60,000 left to work with which is not enough to sustain them very long.

Alderman Williamson commented that the Council should discuss these items before statements are made in the paper.

Mayor Helmer commented that all he can say is what Old Town Sanitary District reports.

Alderman Styler commented that they are a separate entity from the City.

Alderman Williamson commented that he feels it should be on the agenda for discussion.

Alderman Mendez commented that the Chicago holiday tree looks very nice and congratulated the resident from who it came from.

Mayor Helmer commented that Mrs. Theiszmann was the resident from who the tree came from. This was a positive event for the City.

ADOPTION OF CONSENT AGENDA

B. Approval of Minutes, Regular City Council Meeting, October 22, 2012.

Motion made by Alderman Styler, seconded by Alderman Mendez to approve Item B of the consent agenda as presented. The motion was unanimously approved by a roll call vote.

ROLL CALL AYES: Aldermen Higgins, Ludvigsen, Mendez, Styler, Williamson
NAYS: None
ABSENT: None

Motion carried.

APPROVAL OF EXCEPTIONS

There were none.

APPROVAL OF CONTRACTS

C. Approval of a Contract with Baxter and Woodman for Bridge Inspection Program and Services for $2,500 for the Years 2013-2016.

Motion made by Alderman Williamson, seconded by Alderman Ludvigsen to approve a contract with Baxter and Woodman for bridge inspection program and services for $2,500 for the years 2013-2016 as presented. The motion was unanimously approved by a roll call vote.

ROLL CALL AYES: Aldermen Higgins, Ludvigsen, Mendez, Styler, Williamson
NAYS: None
ABSENT: None

Motion carried.

D. Approval of an Agreement with Baxter & Woodman for Preliminary Engineering for Phase III Road Program.

Alderman Williamson asked to confirm that this would be for premliminary engineering.

John Ambrose of Baxter and Woodman commented that this would be to provide field evaluations of the streets and to prepare simple schematics to estimate what the costs are based on the strategies that they recommend. This would not be to prepare bids and specs or going through a bidding process.

Alderman Williamson commented that within the past couple of phases which Baxter and Woodman has done, sample corings have been done and he would like to add to the specifications that there be a before and after comparison of the work.

Mr. Ambrose commented that the proposal includes pavement cores. The value could be increased to get borings of three to five feet or limit the amount of cores that are taken.

Alderman Ludvigsen commented that he doesn't think the City should limit the amount of cores. He thinks the samples that were taken of the roads is what would like to be seen for a before and after.

Mr. Ambrose commented that a sub consultant does that work and then Baxter and Woodman invoices the City.

Alderman Mendez asked if the sidewalk extension was included for Apple Drive.

City Administrator Marrin commented that it is included.

Alderman Higgins asked if there is a guarantee that there will be more hands on and eyes on work by the contractor so that the issues that have come up with phase one and phase two do not come up again.

Mr. Ambrose commented that they can go through that after the project is bid and before Baxter and Woodman submits a proposal to the City. Sometimes there have been two and three people on site so full time inspection has been provided for the City. If more needs to be provided, that could be looked at.

Alderman Williamson asked what type of added expense would be looked at to go to the full depth of three to five foot borings.

Mr. Ambrose commented that it would be an additional $10,000.

Alderman Ludvigsen asked if that is because they still would need to do pavement cores.

Mr. Ambrose commented that a different machine would be needed plus there would need to be an analysis done.

Alderman Ludvigsen asked if Mr. Ambrose could provide information on what would be done differently on phase three.

Mr. Ambrose commented that without completing the evaluation of phase three, it is his understanding that most if not all of the worst streets have been completed. Phase three

will not have as extensive work as phase one and two. There will not be the same amount of reconstructions or the volume of pulverization. It will be more overlay type work but that is the purpose of the preliminary engineering.

Alderman Ludvigsen commented that the City would need to provide direction on whether the work would be overlay or full depth.

Mr. Ambrose commented that they would work with City Engineer Jim Johnson. There was a cursory overview last year when looking at phase two and phase three. The work in phase two was the worst streets.

City Administrator Marrin asked if the contract was being approved at $10,000 more for deeper borings or if the contract was being approved as presented.

City Attorney Zimmermann commented that the approval was for what was on the agenda.

Alderman Williamson asked if Baxter and Woodman can come back with the new price with the full depth borings and the item would come back in two weeks.

Mr. Ambrose commented that an amendment can be made at the next meeting to move forward.

Mayor Helmer commented that the item was approved a written and the amendment can be approved at the next meeting for full depth borings.

Motion made by Alderman Williamson, seconded by Alderman Ludvigsen to approve an agreement with Baxter and Woodman for preliminary engineering for phase III road program. The motion was unanimously approved by a roll call vote.
ROLL CALL AYES: Aldermen Higgins, Ludvigsen, Mendez, Styler, Williamson
NAYS: None
ABSENT: None

Motion carried.

E. <u>Approval of a Contract with Verizon Wireless for Cell Phone Services.</u>
City Administrator Marrin explained that there have been big issues with the City's current cellular carrier, Sprint/Nextel. They have begun earlier in the year to redo all of their antennas in the State of Illinois and elsewhere. Because of this, there has been a lot of difficultly experienced with connectivity. The Police Department, Public Works, and the Fire Department have been using Sprint. The City talked to other cell phone carriers to see how their service was. The City talked to Verizon and T-Mobile and got to sample phones and service. Verizon holds the State of Illinois government contract. Their pricing is cheaper than Sprint/Nextel. The connectivity for Verizon was very good. The Police squad cars have Verizon mobile cards in them which provide excellent connectivity. In keeping with the emergency operations plan, the City would like to keep everyone with the same provider. Staff is recommending that the City go with the Verizon plan. Sprint's response to the City's complaints stated that they were unsure of when the connectivity issues would be solved. The Sprint rep commented that Sprint would credit the City when all phones are returned. The City will schedule the switchover to avoid a double billing period.

Motion made by Alderman Mendez, seconded by Alderman Higgins to approve a contract with Verizon Wireless for Cell Phone Services as presented. The motion was unanimously approved by a roll call vote.

ROLL CALL AYES: Aldermen Higgins, Ludvigsen, Mendez, Styler, Williamson
NAYS: None
ABSENT: None

Motion carried.

LEGISLATION

F and G. **Omnibus motion to approve Items F and G.**

Motion made by Alderman Styler, seconded by Alderman Mendez to approve items F and G by omnibus motion. The motion was unanimously approved by a roll call vote.

ROLL CALL AYES: Aldermen Higgins, Ludvigsen, Mendez, Styler, Williamson
NAYS: None
ABSENT: None

Motion carried.

F. **(O-12-41) An Ordinance Amending Title 10 of the Prospect Heights City Code Related to Yield Signs.**

ORDINANCE ADOPTED
OMNIBUS VOTE

G. **(O-12-42) An Ordinance Amending Police Title 10, Chapter 14 of the City Code Related To the City of Prospect Heights Automated Traffic Law Enforcement System.**

ORDINANCE ADOPTED
OMNIBUS VOTE

APPROVAL OF EXPENDITURES

H. **Approval of Warrants.**

General Fund	$ 163,561.45
MFT Fund	$ 466.21
Palatine/Milwaukee TIF	$ 20,809.77
Convention & Visitors Bureau	$ 86,980.20
Development Fund	$ 486.74
Non-Home Rule Sales Tax Fund	$ 0.00
DEA Fund	$ 5,903.25
Solid Waste Fund	$ 34,264.01
SS Area #1	$ 52.64
SS Area #2	$ 53.13
SS Area #3	$ 59.24
SS Area #4	$ 814.35
SS Area #5	$ 15,645.07
SS Area #8–Levee Wall #37	$ 219.64
SS Area–Constr #6 (Water Main)	$ 102.14
SS Area-Debt #6	$ 1,019.32

Road Construction	$	654,786.92
Water Fund	$	22,661.86
Parking Fund	$	1,877.73
Road/Building Bond Escrow	$	1,500.00
Total Expenditures	$	1,011,263.67
Wire Payments, Service Charges, & Payroll	$	191,447.45
TOTAL	**$**	**1,202,711.12**

Motion made by Alderman Higgins, seconded by Alderman Ludvigsen, to approve warrants in the amount of $1,011,263.67 and wire payments, service charges, and payroll in the amount of $191,447.45, for total expenditures of $1,202,711.12. The motion was unanimously approved by a roll call vote.

ROLL CALL AYES: Aldermen Higgins, Ludvigsen, Mendez, Styler, Williamson
NAYS: None
ABSENT: None

Motion carried.

COMMITTEE APPOINTMENTS

I. Appointment of Andrew HeLal to the Tourism Board (Crowne Plaza Hotel).

Motion made by Alderman Styler, seconded by Alderman Mendez, to approve the appointment of Andrew HeLal to the Tourism Board. The motion was unanimously approved by a roll call vote.

ROLL CALL AYES: Aldermen Higgins, Ludvigsen, Mendez, Styler, Williamson
NAYS: None
ABSENT: None

Motion carried.

RESIDENTS COMMENTS (Non Agenda Matters)

Richard Tibbits

Mr. Tibbits presented binders to the City Council regarding Special Service Area 9. This proposes extending the City water system from Camp McDonald Road to Palatine Road, from Wheeling to Elmhurst Road. Most of the City Council has a good idea of how this has been moving along over time. This is a procedural situation. He would like the City Council to read the presentation and contact him with any questions. It includes the feasibility study, the summary of the water survey, and a letter of support signed by a number of residents in the community. Beyond that, he asks that the City Council direct the City Attorney to draw up a proposing Ordinance relative to the SSA and to set a date for a public hearing on this matter. That would be the next step.

Alderman Higgins asked for time to review the information before directing the City Attorney to draft a proposing ordinance for a new SSA.

Mr. Tibbits commented that the ordinance would be for a proposing ordinance.

Alderman Higgins would like to review the information.

Alderman Mendez commented that Mr. Tibbits has worked on this for a long time and has spent his own time and money on this. He sees no problem in directing the City Attorney in preparing an Ordinance for SSA9.

Mayor Helmer asked to obtain consensus from the Board. There is no need to have a vote on asking the attorney to move ahead and draw up an Ordinance.

Alderman Williamson commented that he would like time to review the submission before giving direction to the attorney.

Alderman Styler commented that he feels the City should move forward as soon as possible.

Alderman Ludvigsen commented that he has some questions about the map boundaries and moving the lot further west to incorporate the park district and library. The boundaries are part of the Ordinance which needs to be discussed. He does not feel the Ordinance is to be taken lightly because it is binding on the boundaries. It should be put on an agenda and talked about at the next meeting before drawing up an ordinance.

Mayor Helmer commented that the straw poll is 2-3 to direct the attorney to draft an Ordinance. It will be discussed at the next meeting to review the proposal.

UNFINISHED BUSINESS

J. Approval of Signage Proposal from US Signcrafters, Inc. for the Fabrication and Furnishing of Welcome to Prospect Heights Signage Along with Decorative Poles and Mountings.

Motion made by Alderman Ludvigsen, seconded by Alderman Williamson, to approve the signage proposal from US Signcrafters, Inc. for the fabrication and furnishing of welcome to Prospect Heights signage along with decorative poles and mountings as presented. The motion was unanimously approved by a roll call vote.

ROLL CALL AYES: Aldermen Higgins, Ludvigsen, Mendez, Styler, Williamson
NAYS: None
ABSENT: None

Motion carried.

NEW BUSINESS

L. Approval of 2012 Proposed Property Tax Levy as Required Under the Truth in Taxation Act.

Motion made by Alderman Styler, seconded by Alderman Higgins, to approve the 2012 proposed property tax levy as required under the Truth and Taxation Act as presented. The motion was unanimously approved by a roll call vote.

ROLL CALL AYES: Aldermen Higgins, Ludvigsen, Mendez, Styler, Williamson
NAYS: None
ABSENT: None

Motion carried.

M. Approval of Tourism Board Recommendations for Grant Disbursement for the Hilton Northbrook and Comfort Inn and Suites.

City Administrator Marrin commented that the Tourism Board met in October. It was created in order to assist the Tourism District. Disbursements of the Hotel/Motel Tax go back to the hotels for portions of their advertising. At the October meeting, two hotels submitted for their first quarter advertising reimbursements as outlined in the Ordinance. The first one was the Hilton Chicago Northbrook in the sum of $69,671.76 and the Comfort Inn and Suites at $3,003.00. Staff went through all paperwork submitted as required and determined that the expenditures were legitimate expenses as outlined in

the Ordinance. The Tourism Board recommended approval for both disbursements for the first quarter. The disbursements will happen quarterly throughout the year. This year, the Tourism Board's budget cycle began July 1 due to the fact that the City had to go with a new CVB. This year will be a shortened budget from July through April 30.

Alderman Ludvigsen commented that he assumes all the expenses are allowable under the grant.

City Administrator Marrin commented that staff went through each item page by page. Some of the submitted requested expenditures were rejected as well.

Alderman Mendez asked to review the invoices with staff to address questions he had about their submittals. He stated that it could be tabled and brought back to the next Council meeting.

Mayor Helmer commented that tabling the approval is discouraging and he encourages passing this subject to review.

Alderman Styler commented that he suggests amending the motion to approve the item with exceptions if there are discrepancies in the billing which would be audited by the CFO.

Alderman Higgins commented that she would like to just approve the item.

Alderman Ludvigsen asked Alderman Mendez to meet with the City Administrator and Finance Director to review the bills.

Motion made by Alderman Higgins, seconded by Alderman Mendez, to approve the Tourism Board Recommendations for grant disbursement for the Hilton Northbrook and Comfort Inn and Suites as presented. The motion was approved by a roll call vote.

ROLL CALL AYES: Aldermen Higgins, Ludvigsen, Williamson
NAYS: None
ABSENT: Alderman Mendez and Styler

Motion carried.

ADJOURNMENT

Motion made by Alderman Styler, seconded by Alderman Higgins, to adjourn the Regular City Council Meeting. The motion was unanimously approved by a voice vote.

VOICE VOTE AYES: Aldermen Higgins, Ludvigsen, Mendez, Styler, Williamson
NAYS: None
ABSENT: None

Motion carried.

Motion carried by voice vote at 8:10 p.m.

Approved by the Prospect Heights City Council this 26th day of November, 2012.

Stacey Adamson, City Clerk

Nicholas J. Helmer, Mayor