



**MINUTES OF THE HIGHWOOD CITY COUNCIL  
COMMITTEE OF THE WHOLE  
COUNCIL CHAMBERS, APRIL 6, 2010**

**1. CALL TO ORDER**

Mayor Pecaro called the meeting of the Highwood City Council Committee of the Whole to order at 6:05 p.m.

**2. ROLL CALL**

Present: Aldermen Bruni, Cahnmann, Harpster, Falberg, Fiore, Murphy-Pieri, and Sepulveda

Absent: Alderman Linari

Also present: M. Burke, City Clerk; T. Lenzini, City Treasurer; G. Jackson, City Manager; A. Marrin, Assistant City Manager; R. Pieri, Deputy Fire Chief; J. Ponsi, Superintendent of Public Works; J. Harding,

There being a quorum present, Mayor Pecaro announced the meeting to be in session.

**3. EXECUTIVE SESSION**

None.

**4. ANY ACTION NECESSARY COMING OUT OF EXECUTIVE SESSION**

None

**5. REVIEW OF MINUTES**

**5.1.** COW: March 16, 2010

**5.2.** City Council: March 16, 2010

**5.3.** Executive Session of the COW: February 16, 2010

All minutes to be accepted as presented with the exception of the Executive Session February 16 minutes which will continue to be deferred until all aldermen present at the meeting have had the opportunity to review.

**6. APPOINTMENTS**

None. The Mayor requested that anyone who wants to be on the Library Board should let him know.

**7. REVIEW OF BILLS**

2<sup>nd</sup> meeting of the month only

**8. SPECIAL BUSINESS -- DEFERRED UNTIL ALL OTHER BUSINESS COMPLETED.**

**8.1. Review and Discussion of Fiscal Year 2010-2011 Budget**

**AGENDA ITEM 10. OLD BUSINESS - TAKEN BEFORE AGENDA ITEM 9 - NEW BUSINESS AT THE REQUEST OF MAYOR PECARO**

**Agenda Item 10.6 Review and Discuss Contract for Production of Highwood Parisian Market**

Ms. Marrin presented the contract negotiated with CMI. Mayor Pecaro led the COW through a line-by-line review and agreed on changes will be requested. He directed anyone who had any additional changes to send the request directly to Alderman Falberg.

Alderman Falberg emphasized to the aldermen that this review is a matter of details and maintaining a balance. He also said that the logistics meeting that has needed has not yet been held.

Clerk Burke was directed to prepare a document requesting the changes suggested by the aldermen to return to CMI. CMI will be asked to have their comments on the requested changes back to Alderman Falberg on Tuesday, April 13 so it can be reviewed by the Special Events Committee. The Special Events Committee will either request further changes or present the contract as returned by CMI to the council.

**Disposition: to be considered by the council at its April 20 meeting. May be voted on.**

**Agenda Item 10.4 Discussion of a Resolution Allocating Illinois Department of Transportation Motor Fuel Tax Funds for 2010-11 Expenditure**

Ms. Marrin explained that this is a yearly resolution that allows the City to spend MFT funds. These monies can only be used for expenses related to salt, road maintenance, and special road projects. MFT funds come from two sources; Illinois and federal. Ms. Marrin reported that there is currently \$220,000 in the fund with revenue of about \$10,000/month. The City needs to contribute \$161,168 (original estimate \$241,000) for the Sheridan Road project which is 30% of the cost. In fy 2010-2011, the MFT will cover \$20,000 of Mr. Ponsi's salary

**Disposition: to April 20 city council meeting for final action.**

**Agenda Item 10.1 Discussion of Items Listed on Council Agenda for Action at the Regular Council Meeting:**

None.

**Agenda Item 10.2 Discussion of the Water Study and Rate Increase**

Over the last 30-45 days staff has been discussing the DCEO Report on water rates. According to Mr. Jackson, the report shows that Highwood's water rates are about 25% below competitive levels. *(Note: the staff recommendation on increasing rates had been included in the material for the previous meeting.)*

The proposed plan is to use the funds generated by a rate increase for the Western Avenue project. Alderman Falberg said that a separate line item for the rate increase

should be created to show the funds generated to service the bond financing that will be used for Western Avenue. Mr. Jackson confirmed that separate line items are planned for the monies generated by the rate increase only and a line item for the expenses related to it. (Director of Finance will establish this as a reserve fund.)

Alderman Sepulveda requested that Mr. Jackson provide a spreadsheet showing the rates of neighboring communities for the council to review prior to making a final decision. Decisions are needed on the number of rates: one blended rate; two rates, one commercial and one residential; or three rates adding a commercial high-volume rate. The third rate would impact Ft. Sheridan Place Apartments only.

Mr. Jackson also reported that property on Western is very interested in selling to the City.

**Disposition: Draft of ordinance to be available for review at April 20 meeting; supported by confirmation of whether or not this action falls under home rule authority and comparison to rates charged by neighboring communities.**

#### **Agenda Item 10.5 Discussion of an Ordinance Placing a Moratorium on the Accrual and Collection of Parking Shortfall Fees**

Alderman Falberg reported that the Finance Committee looked at the Parking Fund at their meeting last night. There appear to be a lot of "due-to's" for this account plus a significant amount of uncollected shortfall fees. \$51,000 was borrowed from the fund for a capital project and still waiting for the grant revenue to come in on that. There is also a significant uncollected amount from past parking shortfall. There should be about \$100,000 in the fund, however because of borrowing from the fund there is only \$16,000. Alderman Falberg reminded the COW that they had previously discussed requiring that businesses be current on past parking shortfall assessments in order to be eligible for the moratorium. Alderman Bruni suggested that this should be extended to requiring all monies owed to the city had to be paid.

Mr. Jackson said that, at Alderman Sepulveda's request, he had staff prepare a delinquency report showing name and amount owed. This report will be ready for presentation on Tuesday.

What the proposed ordinance would do is give a one year grace period on payment of any newly assessed parking short-fall amount. ~~Because of the depleted condition of the fund, Alderman Falberg suggested postponing further consideration of this for one year.~~

**Disposition: Mayor Pecaro requested that a draft ordinance be ready for review at the April 20 city council meeting.**

#### **Agenda Item 10.7 Discussion of Ambulance Fee Increase**

Deputy Chief Pieri reported that the last time there was a rate increase was 2005 and that Highwood has missed out on five rate increases from the insurance companies. He is recommending a \$75 increase for transport involving basic life support and a \$110 increase for transport involving advanced life support. He said that the company

that handles the ambulance billing estimated that revenue would increase by 15% if call volume stays the same and the proposed rate increase is approved.

The ordinance will also include cleaning up some language to clarify our past practice of taking assignment on our residents who have insurance. Deputy Chief Pieri assured the council that residents who had insurance coverage would not see a bill. Alderman Bruni asked about what happens if a resident doesn't have insurance. Deputy Chief Pieri said that if they come in and talk to him about it, he would meet with the Mayor and take it out of the Nordstrom Fund if funds were available.

**Disposition: An amendment to the 2005 ordinance will come to the April 20 city council meeting for final action.**

**Agenda Item 9. New Business**

**Agenda Item 9.2 Review and Discussion of Telecommunications System Proposals. (Company representatives in audience.)**

Ms. Marrin reported receiving three proposals. The goals were to have: a more integrated telecommunications system; direct dialing of extensions; easily accessible mailboxes for elected officials; and a T1 line for the Police Department. (The Police Department has a grant for high speed communications equipment for which they need a T1 line.) Of the three proposals the staff recommends TDS. The cost would be \$1,943.65/month which is \$500/month less than the City is currently paying. The contract would be for five years and would include all new equipment and installation. In response to a question from Alderman Murphy-Pieri about Highwood's total cost for telephones, Ms. Marrin said that cell phones are totally separate and are through Sprint-Nextel.

**Disposition: will bring formal contract to council for approval at April 20 meeting.**

**Agenda Item 10.3 Discussion of Employee Health Insurance Renewal**

Alderman Fiore reported that he had met with the employee committee (M. Fiore, G. Jackson, M. Mansfield, D. Mohry, M. Tosi) on March 26 to discuss where the city could best reduce the amount of money it spends on employee health care insurance. The employees on the committee did not want the city to change the percent of premium paid by the employees. (The City pays 100% of the employee premium and 80% of dependents' premium.) They suggested a looking at a higher deductible instead. Also other carriers.

A new quote was requested from our current broker. It showed the effect on cost of several design changes plus quotes from two other carriers.

Alderman Fiore noted that the broker said that some changes may result in additional underwriting. He will meet with the committee again to discuss the need to reduce the City's cost of insurance.

Mr. Jackson said that what they were asking the council for was the okay to move ahead with the employee group go to the employees they work with and see what they have to say so that they can firm up which plan they want to go with.

Current broker can extend our current insurance for 30 days so can get this done.

Mayor Pecaro requested that the group consider a mix of additional employee contribution and a higher deductible.

**Disposition: present the council with a proposed modification to the group health plan at the April 20 meeting.**

**Alderman Fiore made a motion, seconded by Alderman Falberg to recess the COW and reconvene after the regular council meeting.**

Vote:

Yes: Aldermen Bruni, Cahnmann, Harpster, Falberg, Fiore, Murphy-Pieri, and Sepulveda

Absent: Alderman Linari

**Motion to recess passes by a vote of 7 yes, 0 no with 1 absent. Meeting was recessed at 7:28 p.m.**

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**The meeting of the COW was reconvened at 8 p.m.**

**Agenda Item 9.3 Review and Discussion of a Lease with the Highwood Bocce Club.**

The Bocce Club has requested an alteration to section R-15A of their lease. They want to define the membership process in more detail. They have assured the City that this does not provide for the adoption of any exclusionary rules.

Club president Joe Ori was assured that he would be given a copy of what the fully conformed lease prior to the Council voting on it.

**Disposition: on city council agenda for consideration and approval on April 20.**

**Agenda Item 9. NEW BUSINESS**

**Agenda Item 9.1 Discussion of a Resolution Reallocating 2010 Volume Cap for the Illinois Private Activity Bond Allocation to the Lake County Clearing House Located in the Village of Buffalo Grove.**

Ms. Marrin reported that Highwood does not have a project ready to go. The bond allocation has to be used by May1. However, Highwood can roll over our allocation to the Lake County Clearing House. We will get ½ of ½%, which will be \$1,400.

She said that this pools all of the money from participating municipalities that otherwise just sits there. Offers Highwood the opportunity to get additional low interest bond financing when we need it. She said that if Highwood has a project, we can go to the clearing house and other municipalities can waive their allocations for us.

Alderman Harpster noted that this was also done last year. He said we hadn't had a project in at least two years. Mr. Jackson replied that some projects had been considered although none were done.

**Disposition: to be considered and acted on at the April 20 city council meeting.**

**Agenda Item 9.4 Review of Contract for Water Testing by McHenry Analytical Laboratory for the period July 1, 2010 – June 30, 2011**

Jeff Harding reported that this is a renewal of Highwood's usual contract for the water testing that is done over the course of the year.

**Disposition: to be considered and acted on at the April 20 city council meeting**

**Agenda Item 9.5 Review of new wall signage for Subway Restaurant at 818 Sheridan Road.**

This was considered and recommended for approval by the ARC at their March 17 meeting. The new sign will be similar to the current sign. It is required by the franchise.

**Disposition: this will come before the council for consideration on April 20.**

Mr. Harding took the opportunity to report on the status of the Sandwich Sign Ordinance enforcement. All businesses have been notified of the new ordinance. Several applications for sandwich sign permits have already been received. He also said that staff has identified a number of property maintenance violations and that the property owners have all been notified of them.

**Agenda Item 8.1 Review and Discussion of Fiscal Year 2010-2011 Budget**

Mr. Jackson said that the council should be using the version he handed out at the meeting (April 6) which has most of the changes the Finance Committee has made to date. Treasurer Lenzini pointed out that there were a number of highlighted line items for which explanations had been requested of Mr. Jackson by the Finance Committee for which they were still waiting.

Alderman Falberg asked Treasurer Lenzini to review Highwood's revenue since 2007, showing the decline the City has experienced. Mayor Pecaro explained that our revenue expectations are declining further. Alderman Murphy-Pieri noted that the revenue projection in the budget for 2009-2010 had been \$4.7million. She said it was only in February that it got taken down to \$4.3million and that it is still going down.

Alderman Murphy-Pieri noted that in looking at the revenue projections for 2010-2011, that the council was taking a chance on Park & Rec fees because we do not yet know what the impact of Mr. Baker's retirement will be. Mayor Pecaro said that for the coming fiscal year, wherever possible he will try to restrict the money flow to 1/12 of the budget amount per month rather than releasing it all at once.

The IML estimate was used for the state income tax amount. Treasurer Lenzini told the council that they had tried to be very conservative this year in their revenue estimates so that spending was guided by a realistic number.

Mayor Pecaro asked if anyone saw any other revenue items that seemed to be too high, stressing that they needed to be extremely conservative. He emphasized that this year the lowered revenue expectations were going to guide expenditures.

Mr. Jackson said that the new Finance Director was going to review all revenues to make sure they had been booked in the proper line item.

Alderman Falberg pointed out that in 2007, our revenues were \$4.4 million and our expenditures were \$4.3 million. In 2008, our revenues rose to \$5 million and spending increased to \$5.2 million. In 2009 it was \$5.3 million that came in and Highwood spent \$5.3 million. He said that Highwood needs to stop spending everything that it has. The City needs to lock itself into a budget and stick with it if revenues increase.

Alderman Murphy-Pieri pointed out that money had been taken from other funds to cover general fund expenditures. Those funds have already been drained.

Alderman Bruni voiced his concurrence with Alderman Falberg's statement. He said that we can't spend more than comes in.

Treasure Lenzini noted that to comply with Alderman Bruni's statement, \$132,999 still had to be cut.

On expenditures, Alderman Falberg suggested that all elected officials forgo their compensation which would be a \$26,000 savings. He said that there could be at least a \$50,000 saving in health care insurance.

Alderman Bruni said that whatever money we take out has to come from the right places.

The discussion moved on to expenses.

**Administration.**

Alderman Falberg announced that Mr. Jackson had agreed to forgo his car allowance which was a \$4,800 savings.

Mayor Pecaro said that the budget for legal expenses was very aggressive at \$60,000 when it had been running at \$80,000. Mr. Jackson noted that there was an RFQ on legal services that was outstanding and that the council had to see what came in there before setting the legal budget. Five responses have come in. Mr. Zimmerman chose not to respond. Alderman Falberg stressed that we have to be very careful about what we are spending on attorneys and how we are spending it.

Mayor Pecaro said that no one should ask an outside attorney a question that might result in that attorney calling Highwood's City Attorney, thus generating additional fees. All questions should come through the council.

Computer support: Treasure Lenzini said looking at consolidating all departments use the same service.

E-pay: The intent was that the city would not pay the fees, that users would pay a convenience fee. However, the contract wasn't written that way.

**Police:**

Budgeted at six (6) officers, one detective, two (2) Lieutenants, a Deputy Chief, a Chief, and a Clerk. The budget for overtime was reduced but was partially offset by an increase in the budget for part-time officers.

Health insurance: reduced for the two laid off employee and with 80/20 50/50 premium cost sharing for non bargaining unit employees.

The Chief needs to be approached about cost lowering changes in his contract. Mr. Jackson will do this.

Asked if we were looking at other alternatives on dispatch. Said yes, but that they entailed start-up costs. Mr. Jackson agreed to talk to Mr. Kiley about a price decrease.

Liability insurance: Treasure Lenzini asked why liability insurance fluctuates so much.

Seized Vehicles, DUI and Narcotics: Alderman Murphy-Pieri asked for detail from the Police on spending from these funds. Mr. Jackson said that he needed to find out if the council could legally stop the Police Chief from spending these funds.

Training: Alderman Falberg said that he thought that there needed to be more training for the police.

911 Fund: Alderman Murphy-Pieri said that the council needs to take a look at where 911 funds were being used and to find out what where they paying for.

Uniforms: The \$10,000 budgeted for uniforms is required by the contract.

Alderman Murphy-Pieri requested a report that showed all of the police revenues and expenses on one page. Finance Director noted that these funds could be included in the general fund if they were accounted for proper

Alderman Murphy-Pieri said that the actual police budget was \$1,322,462 including additional spending of \$71,900 from the other funds. She also noted that with the 2010-2011 budget, these funds would be totally depleted. Treasurer Lenzini said that the police have been asked for more detail on spending, including spending on these funds.

Total actual expenses in 2009-2010 is \$1,353,355. Even with two less officers there was almost no decrease in the police department's planned spending going in to 2010-2011.

Mr. Jackson pointed out that the police department was not affected by the move on health insurance change to 80/20 and 50/50. He will also check the contract to see if the uniform expenditure required is \$10,000 for the department or if it is by officer. He also said that all of the funds recently created were coming back in to the general fund.

**Fire:**

A discussion about Fire Department staffing began. Salary numbers reflect FT \$475,276. Part-time could be reduced from 3 to 1 pt and the other pt will go to on-call status.

Need to have 3 part-timers to have 4 person shift. Treasurer Lenzini said that the Finance Committee had intended for the shift size to be determined by the council, that the Finance Committee was not making a recommendation on this.

A discussion ensued about our ISO and how we could avoid having our rating impacted for a long time. Also, Alderman Falberg challenged whether the ISO rating would immediately result in all homeowners being faced with dramatically higher home owners insurance costs.

Per Deputy Chief Pieri, 3 paid-on-call = 1 full-time according to ISO.

Mr. Jackson said that assuming a set amount for firefighter's salaries, he would allocate it to try to protect the full-time career firefighters.

**11. ADJOURNMENT**

Because of the lateness of the hour, upon a motion made by Alderman Harpster, seconded by Alderman Bruni, and passed by voice vote with no objections, at 9:31 p.m. the meeting was recessed until Monday, April 12 at 6 p.m.

Respectfully submitted,

/s/ MBurke  
MARCIA BURKE, CITY CLERK

REVIEWED AND ACCEPTED AS CORRECTED BY THE CITY COUNCIL ON APRIL 20, 2010  
(LAST SENTENCE IN 10.5 WAS STRUCK)