COMMITTEE-OF-THE-WHOLE
MINUTES OF THE MEETING OF THE MAYOR AND THE BOARD OF TRUSTEES OF THE VILLAGE OF ARLINGTON HEIGHTS COMMUNITY ROOM
MONDAY, JULY 8, 2013 7:30 P.M.

BOARD MEMBERS PRESENT:	President Hayes, Trustees Blackwood, Farwell, LaBedz, Rosenberg, Scaletta, Sidor and Tinaglia
BOARD MEMBERS ABSENT:	Trustee Glasgow
STAFF MEMBERS PRESENT:	Bill Dixon, Village Manager; Diana Mikula, Assistant to the Village Manager; Tom Kuehne, Director of Finance; Charles Perkins, Director of Planning; Michael Mertes, Business Development Coordinator; Eileen Hellstrom, Recording Secretary

SUBJECTS:

4. Proposed Small Business Development Agreement between Village of Arlington Heights and the Chamber of Commerce
5. Capital Plan/Proposed One-Time General Fund Transfers
6. Other Business
7. Adjournment

President Hayes called the meeting to order at 7:30 PM. The Pledge of Allegiance was recited.

4. Proposed Small Business Development Agreement between Village of Arlington Heights and the Chamber of Commerce

Mayor Hayes said this Agreement provides an opportunity for business development that will move our town forward in months and years to come. This will also establish a relationship with the Arlington Heights Chamber of Commerce (AHCC) and all the businesses in Arlington Heights that are currently here or will be attracted to Arlington Heights in the future. This Agreement is a work in progress and will serve the Village of Arlington Heights for years to come.

Mayor Hayes said this is a small business development Agreement between Arlington Heights and the Chamber of Commerce. The definition of a small business for purposes of the Agreement is a business having no more than eight full-time employees or occupying space of 2,000 square feet or less. He talked about not being too limiting as far as the definition of a small business.

Mayor Hayes discussed the length of the Agreement, which has a term of three years. It is up to the Board's discretion in terms of funding provided on a year to year basis, depending on the budget approved by the Board.
See Attachment A

Mayor Hayes talked about the Agreement being a "working document" and that it was put into as final a form as possible over the past couple of months. One change that was suggested by Mr. Dixon, Village Manager, was in section six, stating the Planning Department would be the primary liaison between the AHCC and the Village.
See Attachment B

Trustee Sidor gave a presentation on this proposal which demonstrates how to help small businesses move forward in a business friendly atmosphere.

Trustee Sidor said the purpose of this Agreement is to provide development initiatives designed to educate, facilitate and assist small business owners through a proactive retention, expansion and an identified needs process. Also to build upon and strengthen an engaging, dynamic and positive collaboration between the Village of Arlington Heights and the Arlington Heights Chamber of Commerce.
See Attachment C

Trustee Sidor talked about the boundaries, where they begin and end for the Village and the AHCC. There are approximately over 500 small businesses in Arlington Heights. The main points talked about from the small business development initiative are:

- Broaden small business outreach while increasing the visibility of the Chamber and the Village.
- Identify small business needs and collectively supply solutions.
- Utilize community resources to accomplish collaborative goals.
- Educate business owners on proven successful best practices and navigate available resources for implementation.
- Increase engagement of the small business in the Arlington Heights community.
- Building upon our strength and engaging dynamic and positive collaboration between the Village and Chamber.

Trustee Sidor said the Village and AHCC are more powerful working together than working separately and feels this is a great opportunity to help small businesses.

Board President of the AHCC, Dianna Ehrenfried, spoke about the Chamber's goals which are to develop a stronger working relationship with the Village. She believes this proposal is one way to start working together to develop a program between the Village and the Chamber that will foster a better working relationship and will really help the small businesses in town succeed. Our goal is to facilitate, navigate and educate the small businesses to put them in a more positive position so they can prosper and grow.

Tony Guido, Chairman of the Arlington Economic Alliance, spoke about the process for new businesses being confusing not knowing where to go first between the Village, the Chamber and the Economic Alliance. The process would be so much easier if everyone would work together. The Alliance currently performs retention visits and talks with businesses, and the AHCC was doing the same thing. The Alliance felt this was a great time to work together and make the process easier for new businesses.

Charles Perkins, Director of Planning, spoke about the proposal. The Village went into this asking how this proposal can add value to the Village. He feels there are several good components to this proposal. One is the ability to work closer with the Chamber. Having the Chamber help with retention visits will allow more visits to be accomplished throughout the year.

The second major component is communication channels between the Village and the Chamber. This will help make the process more efficient.

Trustee LaBedz asked if a small business would include someone who works out of their home.

Mr. Perkins replied it could be a start-up business out of their home. Any time a new business license is approved, the Planning Department keeps track of the business.

Jon Ridler, Executive Director of the AHCC, talked about home based businesses that would be a part of this Agreement would be if they were looking to expand into a retail spot or commercial building since the Village would want to keep them in Arlington Heights.

Trustee Farwell said he thinks this is a fantastic idea and commends everyone who worked on the proposal. He would like to add two sentences to section one of the Agreement to be considered, one being, "These parameters are established as a guideline and not to be read as an absolute." The second sentence would be, "It is further understood that should the small business expand beyond these parameters the AHCC liaison shall remain the main contact to carry out the purposes of the Agreement." If the business grows and is successful and expands, the liaison should stay with the business since they were working well together.

Also, the Agreement is silent on the protection of the Village should the Agreement be cancelled. Trustee Farwell would suggest a sentence in section three, "Should the Village decide to terminate the contract prior to the three year term, the AHCC should be barred from any legal action for breach of contract or to recover any damages."

Trustee Farwell talked about section five, concerning the reports for retention visits and survey results, expansion plans and opportunities, and identified needs. He would like to see some sort of quantification within the reporting and also would like to add, "At the request of the Village, the AHCC reports be audited by the Planning Department in case there are discrepancies."

Trustee Farwell asked about section six and the new version that the Planning Department shall serve as the primary liaison between the AHCC and the Village. He asked if someone had a question that was relevant to the Building Department, would you have to call the AHCC first instead of calling the Building Department directly.

Mr. Dixon said if the AHCC knows the answer would be readily available from the Building Department, that would be understandable and we know there will be exceptions. The one thing that the Planning Department has is a global view because they are working with the brokers, developers, and business owners.

Trustee Farwell would like section six to say that the AHCC would communicate "primarily" with the Planning Department where appropriate; however AHCC may contact other Village Departments in the furtherance of the duties delineated. We are tweaking the first sentence and saying your primary contact is the Planning Department but you have the ability to contact other departments.

Mr. Dixon replied that he is open to adding the word "primarily" as long as section six stays true to the philosophy.

Trustee Scaletta talked about how it would be helpful if the AHCC, on behalf of the Village, would need to contact a department by email, if they would also copy Charles in the Planning Department on the same email so Charles is kept in the loop and knows what is going on. Charles needs to be the primary liaison and contact.

Trustee Farwell said this is not in any part of the Agreement but it has got to be in there. It is understood that all work product created or attainted by the AHCC and the carrying out of its duties of this Agreement is owned by the Village and a copy of such work product shall be delivered upon request or upon termination Agreement.

Trustee Farwell asked if the AHCC's role in the Agreement is for retention and expansion through education and not for attraction.

Mayor Hayes replied that one of the reasons the word attraction was kept out of the Agreement directly was because they did not want to duplicate things that Charles and the Planning Department were already doing.

Trustee Blackwood said that communication will be the main factor and as long as Charles is the primary liaison, this will work out well. She asked why the Woodfield Convention Center is included in this small business development initiative.

Trustee Sidor replied that they are a resource and an entity that is looking to enhance business in Arlington Heights.

Mr. Ridler said that the Woodfield Convention Center represents small businesses that are tourism based. Working with them to leverage their resources and utilize them for retention or recruitment would be beneficial.

Trustee Rosenberg talked about this Agreement being a huge undertaking. He is concerned about one person having the resources to do all of things listed in the Agreement. He said sometimes a small business can consume your time and this would prevent this person from servicing other potential businesses.

Mr. Ridler replied that this is not going to be a person; it is going to be the resources of the AHCC. There are going to be situations where there will be only one or two staff members. This Agreement is not just about a position, it's about the resources of the AHCC. The 21 member Board, the 110 volunteers that are on different committees, and the 400 businesses that are Chamber members, will deliver to make businesses stronger.

Trustee Scaletta said he feels this is the best collaboration he has seen come together between the Village and the AHCC. This will be a good opportunity for the AHCC to take on a larger responsibility and form relationships with small businesses.

Trustee Scaletta asked if two part-time employees would equal one full-time employee in regards to section one of the Agreement.

Mr. Ridler replied that it would be collaboration between Charles Perkins and the Chamber so it is known who is considered a small business.

Trustee Scaletta asked when the report documents that are mentioned in section five, a, b, and c would be due after the quarter is over.

Mayor Hayes asked Mr. Ridler once the quarter ended, would 30 days be enough time to submit the reports.

Mr. Ridler replied that giving the AHCC the 30 days to format the reports in a way that communicates effectively, would be helpful since this is new to the Chamber.

Trustee Scaletta asked about section eight, number six; and wanted to clarify when a telephone call would be made vs. a personal meeting with a small business.

Mr. Ridler replied that it depends upon the business owner and some will make time to sit down and meet with the AHCC and some won't. Some businesses would prefer a phone call. To do a qualified retention visit would be most effective. For some businesses, to find out how they are doing or maybe conducting a follow-up, then a phone call would be appropriate.

Trustee Scaletta agreed that a retention visit would be best conducted as an in-person visit.

Trustee Tinaglia talked about the Village, AHCC and the Arlington Economic Alliance coming together to give small businesses an opportunity to know how to get things done and who to talk to. He is excited to see this come about.

Mayor Hayes said as a summary some of the additions or changes that need to be made to the Agreement are:

- Section one to have different verbiage to define a small business
- Section five should have a time frame added for the quarterly reports
- Section three should have legal protection for both sides

Trustee Farwell added a change to section six by adding this sentence, "Where appropriate AHCC may contact other departments in the furtherance of its duties delineated in this Agreement."

Trustee Farwell said changes in section eight were also discussed:

- Upon the request of the Village, the financial records governing this Agreement may be reviewed for accuracy on an annual basis.

Trustee Scaletta said in section nine, 1.a. he would add that a qualified visit would be in-person when possible.

TRUSTEE SCALETTA MOVED, SECONDED BY TRUSTEE BLACKWOOD, THAT THE COMMITTEE-OF-THE-WHOLE RECOMMEND TO THE VILLAGE BOARD APPROVAL OF THE PROPOSED SMALL BUSINESS DEVELOPMENT AGREEMENT AS AMENDED BETWEEN THE VILLAGE OF ARLINGTON HEIGHTS AND THE CHAMBER OF COMMERCE.

Upon a voice vote, the motion passed unanimously.

5. Capital Plan/Proposed One-Time General Fund Transfers

Mr. Dixon talked about over the next few years the Village Board will likely be addressing the funding for some extraordinary capital projects in addition to ongoing capital needs, a new Police Facility, the Emerald Ash Borer challenge, and Flood Remediation. During last year's CIP process the Board established a multi-year plan to fund the Police Facility by issuing bonds when other existing Village debt matures. Last year's CIP also included a plan to fund the EAB project by issuing bonds when other Village debt matures. Funding for any proposed Flood Remediation projects remains undetermined until the completion of the recently approved flood studies.

The fiscal year that ended April 30, 2013, produced a significant surplus of about $3.5 million. This was due largely to an unusual occurrence of quite of few one-time revenue receipts.

To assist with securing funding for the Village's capital projects, staff recommends the $3 million be transferred from the General Fund to the following funds as of FY2013:

1. $1 million to the Flood V Fund-to provide additional funding for the Village's ongoing Sewer Back-up Rebate Program and to provide initial cash funding toward future flood remediation work.

2. $1 million to the EAB Fund-as outlined in the CIP the Village has planned to sell an $11 million EAB bond issue during 2014. By transferring $1 million the EAB Fund the Village could reduce next year's bond issue to $10 million thereby enabling lower bank qualified interest rates on this bond sale.

3a. $1 million to the Capital Projects Fund-to provide additional one-time funding toward the FY2015 Street Resurfacing Program

or

3b. $750,000 to the Capitol Projects Fund and $250,000 to the Housing Trust Fund-additional one-time funding toward the FY2015 Street Resurfacing Program and one-time funding to provide seed money for the new Housing Trust Fund.

Mr. Dixon also discussed the opportunity to refinance some bonds this summer for a savings of at least $300,000.

Trustee Farwell talked about the $3.5 million surplus being a one-time surplus. He does not have a problem with numbers one and two, but he has an issue putting $250,000 into the newly created Trust Fund at this time.

Trustee Rosenberg agrees with Trustee Farwell and thinks that the money should be left in the General Fund not knowing what the future holds.

Trustee LaBedz would like to see the $250,000 put into the Housing Trust Fund. She thinks it shows a commitment by the Village towards Affordable Housing. We require developers to either add additional units or put money into a fund so it's important that the Village is willing to put money into the Housing Fund. She feels this is a small amount that shows a big commitment.

Trustee Blackwood said she agrees with Trustee LaBedz and would like to see an amount of a least $50,000 go into the Housing Fund as a nice opening deposit and show our commitment.

Trustee Sidor agrees with both Trustee LaBedz and Trustee Blackwood and would like to see something funded into the Trust Fund, not necessary $250,000 but maybe $50,000.

Trustee Scaletta said he would not vote for any transfer of General Fund dollars into the Trust Fund.

Trustee Tinaglia said he agrees with Trustee Scaletta. He said that flooding is an issue that keeps surfacing and would like to put the money into flood control.

Mayor Hayes said he is not saying that he is never going to utilize General Fund dollars for the Trust Fund. He does not think the timing is right at this point and even if it was a smaller amount, he would be against any transfer of the General Fund to the Trust Fund at this time.

TRUSTEE FARWELL MOVED, SECONDED BY TRUSTEE SCALETTA THAT THE COMMITTEE-OF-THE-WHOLE RECOMMEND TO THE VILLAGE BOARD THAT THE BOARD APPROVE, AS PART OF THE LONG-TERM CAPITAL FUNDING PLAN, THE TRANSFER OF $3 MILLION FROM THE GENERAL FUND, WITH $1 MILLION GOING TO THE FLOOD CONTROL V FUND, $1 MILLION TO THE EAB FUND, AND $1 MILLION TO THE CAPITAL PROJECTS FUND EFFECTIVE APRIL 30, 2013.

Ayes: (5) Farwell, Rosenberg, Scaletta, Tinaglia, President Hayes
Nayes: (3) LaBedz, Blackwood, and Sidor

THE MOTION CARRIED.

6. Other Business

None

7. Adjournment

TRUSTEE SCALETTA MOVED, SECONDED BY TRUSTEE SIDOR TO ADJOURN THE MEETING 9:36 P.M.

AGREEMENT

THIS AGREEMENT is made and entered into this __ day of July, 2013 by and between the Village of Arlington Heights, a municipal corporation, ("Village") and the Arlington Heights Chamber of Commerce ("AHCC").

WHEREAS, the Village and AHCC agree that it is important to the well-being of the Village to provide a small business development initiative designed to educate, facilitate and assist small business owners through a proactive retention, expansion and identified needs process; and

WHEREAS, in order to provide that initiative, the Village and AHCC agree that it is beneficial to build upon and strengthen an engaging, dynamic and positive collaboration between the Village and AHCC; and

NOW THEREFORE, in consideration of the foregoing premises, the mutual covenants and promises herein contained, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

SECTION ONE: This Agreement is intended to establish a program whereby the Village provides funds to the AHCC in order for the AHCC to utilize its resources to assist the Village in retaining small businesses. For purposes of this Agreement, a small business is defined as having no more than eight full-time employees or occupying space of 2,000 square feet or less.

SECTION TWO: AHCC will perform the services stated in this Agreement and provide the equipment, staff and materials to achieve them. In performing the services under this Agreement, AHCC is an independent contractor and its employees and agents are not employees of the Village. Employees and agents of AHCC will not hold themselves out as Village employees. Neither AHCC nor its employees or agents has authority to make any agreement or commitment on behalf of the Village.

SECTION THREE: This Agreement shall run for three years, commencing on the date that both Parties have signed. This Agreement shall continue in force for up to three years, as long as the Village continues to provide funding. The Village will review funding on an annual basis as part of its regular budget process. The determination as to whether to provide funding shall be made by the Village in its sole discretion. If not terminated prior, the Agreement shall expire on April 30, 2016.

SECTION FOUR: For the services rendered by AHCC under this Agreement, the Village agrees to pay AHCC $12,500 for each quarter of service, payable quarterly upon the Village's receipt of an invoice from the AHCC. The first invoice should be submitted for the first full quarter following execution of this Agreement by both Parties.

SECTION FIVE: The AHCC will provide the Village with the following reports on the activities pursuant to this Agreement on a quarterly basis. The Village may request reports more frequently or additional reports and such reports shall be provided by the AHCC in a timely fashion. At a minimum, quarterly reports shall include the following information:

a. Retention Visits and Survey Results
b. Expansion Plans and Opportunities
c. Identified Needs - Educational, Promotional, Developmental

SECTION SIX: The AHCC will communicate frequently with the Planning & Community Development and Building Departments along with other village officials as needed.__ AHCC shall cooperate with any other economic development-related boards and departments as requested by the Village, including but not limited to all Village departments, the Village's Economic Alliance Commission, and the Woodfield Chicago Northwest Convention Bureau.

SECTION SEVEN: It is recognized that the handling of information related to small business prospects may require access to confidential information. Both Parties agree to keep such information confidential, to the extent permitted by law. Such information may be shared between the AHCC and the Village as appropriate. All confidential information shall be identified as such, in order to prevent the identity of the small business prospects from being publicly known until such time as it is deemed appropriate or required by law.

SECTION EIGHT: The duties and responsibilities of AHCC are as follows:

1. AHCC shall provide qualified and competent staff for the retention of and assistance to small businesses as well as for the expansion of existing small businesses, providing all management and administrative services necessary to present a viable program.
2. AHCC shall be responsible for the operation of the programs carried out under the terms of this Agreement.
3. AHCC shall provide office space, general office supplies, office equipment, rent, accounting and legal services, insurance, payroll taxes, general postage, and telephone necessary for carrying out the terms of this Agreement.
4. AHCC shall ensure that the funds provided by the Village pursuant to this Agreement will be used only to further the small business initiative and not to support traditional AHCC activities that generally serve and benefit only the AHCC membership.
5. AHCC shall operate the programs contemplated in this Agreement for the good of the general public and for the promotion of small businesses, industry, marketing, and trade within Arlington Heights.
6. AHCC shall conduct telephone or personal meetings with all small businesses referred to AHCC by the Village and shall regularly provide

the Village with progress reports on each small business referred to AHCC by the Village.

7. AHCC shall provide collaboration with and assist the Village in its on-going strategy for small business economic development based upon current initiatives.
8. AHCC shall provide financial records concerning the funds expended under this Agreement quarterly to the Village.

SECTION NINE: The following are the core services and deliverables to be achieved through this Agreement:

1. Small Business Retention: AHCC shall implement an annual small business retention program in which existing businesses and employers are identified and personal contact is made with business owners by the AHCC through on-site visits, mail or email surveys or both. The AHCC small business retention program shall be designed to identify and address the needs of existing small businesses and the manner in which AHCC and the Village can better assist those businesses, through the following components:

a. Meet with small business owners to understand their business needs.

1) Conduct a minimum of ten qualified retention visits a month (a qualified retention visit is a scheduled interview with the small business owner, completion of the AHCC retention survey, and a follow-up plan initiated on issues presented).

2) Conduct monthly email and phone retention calls using brief talking points to establish a communication line and a possible qualified retention visit appointment

b. Connect small business owners with necessary resources for the successful retention of their business.
c. Guide and assist small business owners coordination with the appropriate Village officials regarding local codes and regulations and assist with the process of applications and permits requested.
d. Develop and implement cost savings programs to minimize overhead and maximize profitability.
e. Invite small business presidents/owners to meet with the Mayor for open discussion.

2. Small Business Expansion: As a result of small business retention visits, the AHCC shall provide assistance to small business owners seeking to expand their business both physically and in employee size. In addition, the AHCC shall provide assistance to small business owners seeking to expand their customer base domestically or internationally.

a. The AHCC shall coordinate with the Village regarding small business expansion needs and provide local business contacts needed to physically expand their existing building or space or relocate within Arlington Heights.
b. The AHCC shall provide local business contacts needed to recruit and hire qualified employees for positions needed to expand.
c. The AHCC shall provide local business contacts needed to promote and communicate more effectively to existing and new consumers.
d. The AHCC shall provide contacts if needed to begin relationships for the development of regional, national, or international trade and partnerships.

3. <u>Small Business Identified Needs</u>: AHCC shall assist in the coordinating of small businesses needs identified as a result of retention visits.

a. The AHCC will develop a comprehensive follow-up plan for each business' identified needs and connect them with resources within government and private organizations based upon the needs plan.
b. The AHCC will provide coordination with the Village and outside agencies to assist in the successful resolution of identified needs to aid in the retention, and expansion, of small businesses.
c. The AHCC will work in collaboration with the Village on any qualified new business leads resulting from a retention visit or survey along with unsolicited contacts made by prospective business owners.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

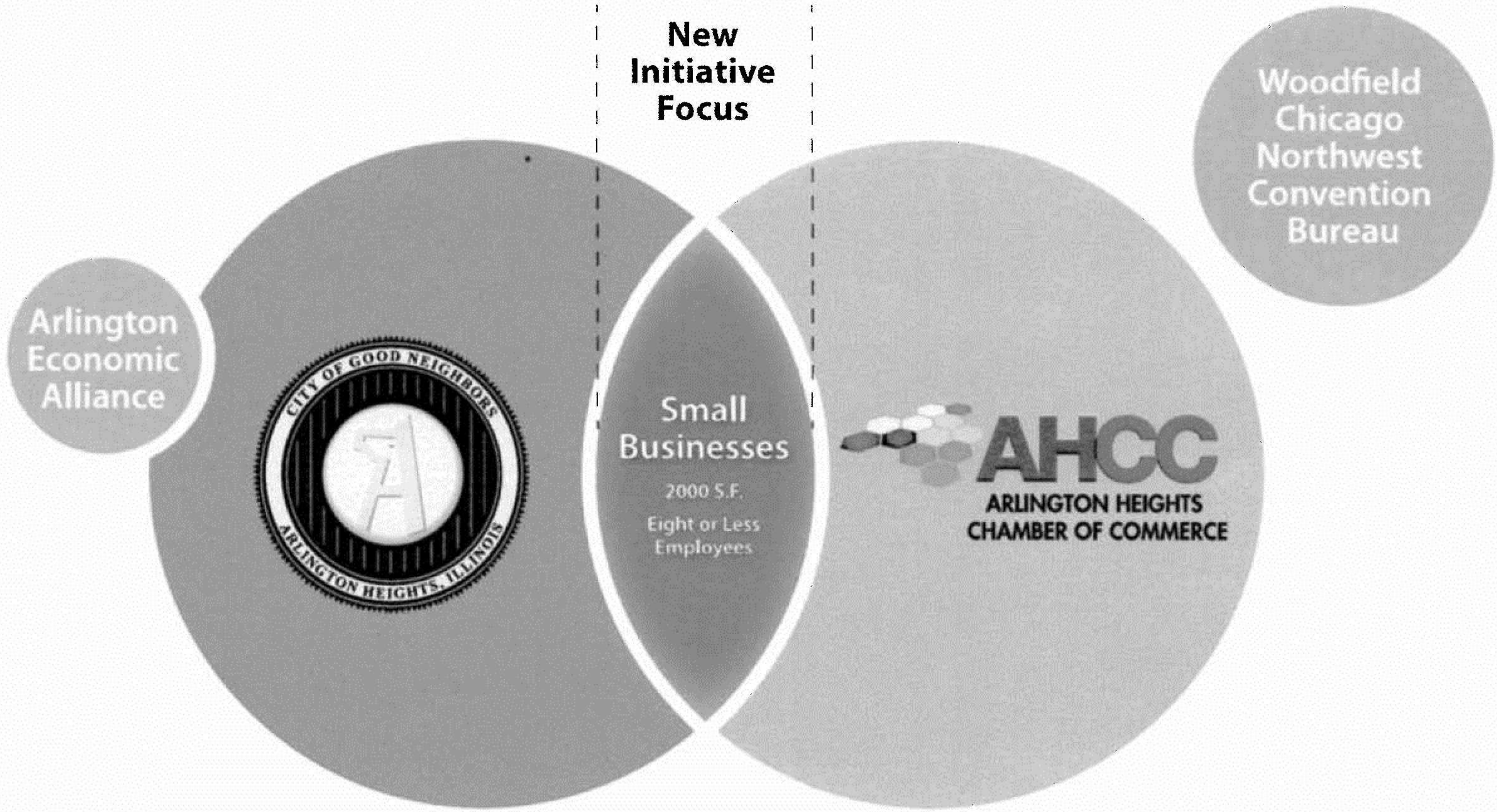
ARLINGTON HEIGHTS CHAMBER OF COMMERCE	VILLAGE OF ARLINGTON HEIGHTS
______________________________	______________________________
President	Village President
______________________________	______________________________
Date	Date
ATTEST:	ATTEST:
______________________________	______________________________

SECTION SIX: The Planning and Community Development Department shall serve as the primary liaison between the AHCC and the Village for this Agreement. It is expected that the AHCC will communicate regularly with the Planning and Community Development Department. If requested by the Planning and Community Development Department, AHCC shall cooperate with any other economic development-related boards and departments, including but not limited to all Village departments, the Arlington Economic Alliance, and the Woodfield Chicago Northwest Convention Bureau, in furtherance of this Agreement.

Attachment C

July 8, 2013

Small Business Development Initiative



- Broaden small business outreach while increasing visibility of Village and Chamber
- Proactively identify small business needs and collectively provide solutions
- Utilize community resources to accomplish collaborative goals
- Educate business owners on proven successful best practices and navigate available resources for implementation
- Foster increased engagement of small businesses with the Arlington Heights Community
- Build upon and strengthen an engaging, dynamic and positive collaboration between the Village and Chamber