



MINUTES
President and Board of Trustees
Village of Arlington Heights
Board Room

Arlington Heights Village
Hall 33 S. Arlington Heights Road
Arlington Heights, IL 60007
December 2, 2024
7:30 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF MEMBERS

President Hayes and the following Trustees responded to roll: Richard Baldino, Wendy Dunnington, Nicolle Grasse, Robin LaBedz, Tom Schwingbeck, Scott Shirley, Jim Tinaglia. Trustee James Bertucci was absent.

Also present were: Randy Recklaus, Diana Mikula, Tom Kuehne, Hart Passman, Michael Lysicatos and Becky Hume.

IV. APPROVAL OF MINUTES

A. 11/18/2024 Village Board Meeting Minutes

Trustee Tinaglia moved to Approve. Trustee LaBedz Seconded the Motion.

The Motion: Passed

Ayes: President Hayes, Trustee Baldino, Trustee Dunnington, Trustee LaBedz, Trustee Schwingbeck, Trustee Tinaglia

Nays: None

Abstain: Trustee Nicolle Grasse, Trustee Scott Shirley

Absent: Trustee Bertucci

V. APPROVAL OF ACCOUNTS PAYABLE

A. 11/30/2024 Warrant Register

Trustee Baldino moved to Approve in the amount of \$5,707,508.32. Trustee Schwingbeck Seconded the Motion.

The Motion: Passed

Ayes: President Hayes, Trustee Baldino, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia

Nays: None

Absent: Trustee Bertucci

VI. RECOGNITIONS AND COMMUNICATIONS

VII. PUBLIC HEARINGS

Trustee LaBedz moved to Open the Public Hearing. Trustee Grasse Seconded the Motion.

The Motion: Passed

Ayes: President Hayes, Trustee Baldino, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia

Nays: None

Absent: Trustee Bertucci

A. Proposed 2025 Budget

Mr. Recklaus gave a brief overview of the Budget and Tax Levy process. He acknowledged Finance Director Tom Kuehne's planned retirement after 21 years. This Budget was discussed at the November 12th and 14th Committee of the Whole meetings as well as at a preliminary discussion in June. This year we have a \$211 million plan. It's not just the wish list, it's a balanced policy document that does its best to move the community forward based on the anticipated challenges, obligations, and opportunities that lie ahead. The Budget also reflects strategic priorities adopted by the Village Board with an eye to the long tradition of fiscal conservatism.

For the past five years, the Village has benefited from increasing sales taxes and income taxes, which allowed us to take the pressure off of property tax increases. The last five years were unprecedented with no property tax increases. 2025 is projected to be a more normal year with inflation returning to normal levels. Revenues have begun to flatten. The Village has seen a 15% increase in EMS calls over the last 10 years. So, we have been adding a 5th ambulance whenever staffing permits. We are proposing a fully staffed 5th ambulance by 2026. Due to the flattening of our revenues to normal levels and increased service demands, we're recommending a modest 2.46% increase to the Village's property tax levy. Homeowners' property tax bill for a \$425,000 home would see a \$29.00 increase. The proposed Levy and Budget will also continue the Village's prudent investments in infrastructure, including the recently accelerated water main project, road enhancements, storm water system, and the mandated replacement of our lead service lines.

Trustee Dunnington said during the Budget hearings she asked if we could use our fund balance to cover the amount proposed for the tax increase. For the next Budget cycle, she asked if we could look at the reserves other towns maintain for 3–5 years to see how we compare. Mr. Recklaus said yes, this year we had figures comparing fund balances for one year, but we can look at an expanded time frame in the future.

Martin Bauer said an increase of 2.5% is exactly in line with inflation. The Budget has his full support. He said it is important to remember longer term trends as far as the General Fund is concerned over the last 20 years. It increased from \$48.3 million to \$92.9 million. That's a 92% increase. The expenses of the Village are going up more than inflation. Looking at his own property taxes, his overall property taxes have increased from \$6,500 20 years ago to \$12,500. That's a 92% increase. Today, the Village's portion of his tax bill is 12%; twenty years ago it was 8 1/2%. The increase in position has been the largest at

150%, which is significantly more than any other position.

Keith Moens asked the Board to consider two amendments to the existing 2025 Budget. First, amend the budget to reduce the tax levy increase of \$934,500 or 2.46% levy increase by utilizing the fiscal year 2025 ending fund balance of \$36.5 million. This would allow a fund balance of 38% for fiscal year 2025. He believes the current balance is subjectively set by staff, without any formal Board reserve policy. A Board policy on this matter should be passed as soon as possible. A 38% reserve requirement is sufficient going forward and would keep the Board and the bond traders happy. According to his research, many neighboring communities average around 33%. Secondly, he asked the Board to amend the Public Works and Police budgets to include infrastructure funding for increased enforcement measures to address the epidemic of speeding on our neighborhood streets. This includes passing a common-sense speed policy that sets realistic thresholds to direct staff when infrastructure should be installed. Mr. Moens said staff had set an excessively high-speed threshold.

Trustee Grasse reminded residents that the Board eliminated vehicle stickers which produced about \$1,000,000 in revenue. In deciding to add the 5th ambulance, the Board is supporting an additional pension to increase public safety. Municipal government is not like running a business. Fiscal responsibility is a huge part of what we do, but it's also about providing for the health, safety, and welfare of all of us. The proportional increased tax burden was to make up for our police and fire pension obligations. She said she was grateful we paid extra from our surplus for these long-term goals to reduce what would have had to be paid down the road. We have experienced above normal premiums for healthcare, as has every citizen. These kinds of costs add to why we have to raise this Tax Levy. These difficult decisions are for the betterment of our community.

Mr. Recklaus explained the reasons why the Village discontinued vehicle stickers. There was a lot of non-compliance, and it was difficult to enforce, making it unfair for those who complied. The other issue is that when comparing property tax increases to vehicle stickers, property taxes have to be paid by everybody, including businesses, so the impact on the typical homeowner for the same amount of money is going to be less. Also, there aren't inequity issues. The vehicle sticker process was intensive for staff, and we were able to reduce our staffing in the Finance Department. Budgeting is a difficult balancing act, and we employ a thoughtful approach to do it right to ensure we continue serving the community.

President Hayes said it's always been one of our strategic priorities to provide the highest quality services at the lowest possible cost. He said he was proud of the fact that we've been able to do that for so many years, and it's a tribute to the great leadership that we've had at our Village management level, and our staff.

Trustee LaBedz moved to close the Public Hearing. Trustee Schwingbeck Seconded the Motion.

The Motion: Passed

Ayes: President Hayes, Trustee Baldino, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia

Nays: None

Absent: Trustee Bertucci

VIII. CITIZENS TO BE HEARD

Anyone wishing to speak on a subject not on the Agenda should fill out a card, located in the back of the room, and hand it to the Village Clerk. Please limit your comments to three minutes.

IX. CONSENT AGENDA

This Agenda consists of proposals and recommendations that, in the opinion of the Village Manager, will be acceptable to all members of the Board of Trustees. The purpose of this Agenda is to save time by taking only one roll call vote instead of separate votes on each item. Consideration of this Consent Agenda will be governed by the following rules and procedures prior to roll call vote:

1. Any Trustee who wishes to vote "no" or "pass" on any Consent Agenda items should so indicate.
2. Upon the request of any one Trustee, any item will be removed from the Consent Agenda and considered separately after adoption of the Consent Agenda.
3. Citizens in the audience may request that the Board remove any item from this Consent Agenda for separate consideration after adoption of the Consent Agenda.
4. One roll call vote will be taken and will cover all remaining Consent Agenda items.

Trustee LaBedz moved to Approve the Consent Agenda. Trustee Grasse Seconded the Motion.

The Motion: Passed

Ayes: President Hayes, Trustee Baldino, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia

Nays: None

Absent: Trustee Bertucci

- A. Ordinance Approving an Amendment to the 2024 Budget for the Replacement of a Dimmer Rack at the Metropolis Theater

2024-65

- B. Resolution Approving the First Amendment to Tyler SaaS Agreement Regarding Payment Processing Fees

R2024-77

- C. Resolution Approving Vendor Expenses Over \$25,000 in Aggregate for Calendar Year 2025

R2024-78

- D. Resolution - Employment Agreement Adjustment - Village Manager

R2024-79

- E. Resolution Approving Village Hall - 2nd Phase of Carpeting Removal and Installation

R2024-80

- F. Resolution Approving Village Fuel Island Dispenser Sumps

R2024-81

- G. Resolution Authorizing the Agreement for the 2025 MFT Street Rehabilitation and Street Reconstruction Engineering Services

R2024-82

- H. Resolution Approving Aerial Truck Vehicle Purchase for Public Works

R2024-83

- I. Resolution Authorizing a Contract for Kensington Road at Waterman Avenue Traffic Signal Design

R2024-84

- J. Resolution Awarding a Contract for ComEd Shared-Use Path Project – Phase I Engineering Services

R2024-85

- K. Resolution Approving the Disbursement of Cash Paid by Developers in Lieu of Land Dedication

R2024-86

- L. Resolution Authorizing the Agreement for the Phase II Design Engineering Services required for the Windsor Drive Road Diet & Resurfacing Project

R2024-87

- M. Resolution Approving Vail Garage Elevator Modernization Contract

R2024-88

X. NEW BUSINESS

- B. An Ordinance Adopting a Budget and Appropriations Ordinance and Amounts Set Forth Therein for the Year Commencing January 1, 2025 and Ending December 31, 2025.

Trustee Schwingbeck moved to Approve the Ordinance adopting a Budget and Appropriations and Amounts Set Forth Therein for the Year Commencing January 1, 2024 and Ending December 31, 2025. Trustee LaBedz Seconded the Motion.

The Motion: Passed

Ayes: President Hayes, Trustee Baldino, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia

Nays: None

Absent: Trustee Bertucci

- A. An Ordinance Abating Taxes Levied for the Year 2024, Heretofore Levied to Pay Principal and Interest on the \$9,530,000 General Obligation Bonds, Series 2018, of the Village of Arlington Heights.

Trustee Grasse moved to approve an Ordinance Abating Taxes Levied for the year 2024, heretofore levied to pay principal and interest on the \$9,530,000 General Obligation Bonds, Series 2018 of the Village of Arlington Heights. Trustee LaBedz Seconded the Motion.

The Motion: Passed

Ayes: President Hayes, Trustee Baldino, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia

Nays: None

Absent: Trustee Bertucci

There was some confusion regarding the passing of the Tax Levy Ordinance (which was moved to the meeting of 12/9/2024) and the Budget Ordinance. A subsequent motion by Trustee Baldino passed the Budget Ordinance in addition to the motion initiated by Trustee Schwingbeck. The second motion is reflected below:

Trustee Baldino moved to approve an Ordinance adopting a Budget and Appropriations ordinance and amounts set forth therein for the year commencing January 1, 2025 and ending December 31, 2024. Trustee Grasse seconded the motion.

The Motion: Passed

Ayes: President Hayes, Trustee Baldino, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia

Nays: None

Absent: Trustee Bertucci

C. Chapter 28 Text Amendments - Permitted Use Table - PC#24-016

Mr. Lysicatos introduced the proposed Chapter 28 Text Amendments to the Zoning Code. There are changes to the "permitted use" table, definitions and off-street parking requirements. The purpose of the amendments is to modernize the Zoning Code and address conflicts between some terms. It makes it hard to match up the sections for petitioners. The edits will ensure that the Code is more consistent and reflects some of the latest trends. Mr. Lysicatos highlighted some of the changes as outlined in the Memorandum of November 19th which is attached to the agenda. For example, health clubs, martial arts schools and art studios are now under a broader category. In amending the definitions, staff tried to ensure that the existing business licenses would remain in compliance so there weren't unintended consequences. Some definitions were deleted for lack of relevance, such as "auction rooms."

Staff simplified what was allowed into different P-1 or P-2 categories and revised the zones and standards where certain uses were allowed. An example of this are the senior living facilities. They are now consistent with how we normally review them to take away some of the paperwork that's required to build those facilities.

The parking section was updated to match the new terms in the definitions and permitted use table. Some requirements were clarified, so applicants can understand the parking requirements a little bit easier. There were some remnants of the old code that made the parking standards unclear. Now, there is some guidance on how to calculate parking specifically in the collective parking requirement and when you would need a variation.

Lastly, flexibility was added to some standards to include green infrastructure to mitigate some storm water standards. An example is to accommodate brick pavers. Also modified was parking for duplexes to give them some additional driveway parking. The Plan Commission voted 7-0 in favor of the changes.

Trustee LaBedz asked why the library was classified as a commercial establishment. Mr. Lysicatos replied that it wasn't based on for profit or nonprofit but rather that it is not civic institution per se. The reasoning was there is a dichotomy between uses where people would assemble for commercial uses, such as a theater, library or museum.

Trustee LaBedz countered that our library is operated by an elected board, so it is a civic institution. She asked for consideration in separating it as its own separate definition.

Trustee LaBedz also asked why health was grouped with art schools. Mr. Lysicatos explained the health reference is in relation to aerobics, martial arts, and yoga. Those uses have the same kind of parking standards as art schools. They're all very similar types of uses as far as the applications are concerned. Staff is trying to make up a broader category for similar uses in regards to zoning. Now, there are somewhere around six or seven different definitions and zones that all end up in the same types of buildings.

We're just trying to put them all together. A health club would be a larger gym with whirlpools, a pool, and locker rooms. That would be a different zone.

Trustee Tinaglia asked how the information would be shared. Mr. Lysicatos said the intent was to share the information with property brokers and property owners. Regular communication to stakeholders on regulations and code changes is being considered. Trustee Tinaglia suggested partnering with the Building Department at their stakeholder meetings and sharing the information then and via email. Mr. Recklaus said he will be working with the new Planning Director to have representation at the stakeholder meetings. However, zoning rules can sometimes apply to a different group of folks. A similar kind of approach in regards to the Planning Department will be developed.

Trustee Dunnington said she appreciated the flexibility for the green infrastructure. She said she has read about cities eliminating parking minimums. They feel that developers and businesses should be the ones to provide and decide the amount of parking that they think is necessary. The idea is that the people that are investing in the business and taking on the financial risk of the project are best suited to determine the parking needs of their business. Without parking minimums, a more flexible and inviting environment for development is created. It also allows for small and non-conforming lots to be developed. This option would reduce a lot of administrative work in the village, freeing up a lot of staff time. Parking spaces drive up the cost of housing and make neighborhoods less walkable. From an environmental perspective, asphalt traps heat and creates runoff. She thinks it would be a good idea for the Board to discuss if parking minimums are always necessary. Perhaps they wouldn't be necessary in all parts of town or in all developments? Especially if they're close to public transportation or in senior housing areas.

Mr. Recklaus said we're starting to see some of that already with some of our developments. For example, Arlington 425 has some parking variations because it's close to a commuter area. We require businesses to present data on units/parking ratios. We are looking at these things a little bit differently. This revision is more of a reflection of current goals and housekeeping. We are going to be looking broadly at parking as part of the business plan in 2025 and that's something that could be researched as part of that exploration if the Board wishes.

President Hayes said he is willing to grant variations, as we have done for years, on a case-by-case basis, but he doesn't think eliminating all parking minimums makes any sense. He would not want a business owner deciding how many parking spots they need without input from the neighborhood. He would not be in favor of revisiting that policy.

Trustee Grasse concurred with Trustee LaBedz on reclassifying the library. She said she has a great appreciation for the inclusion of green infrastructure. She asked if any of these changes in description would affect any of our current businesses or entities. Mr. Lysicatos said conflicts were looked at between what exists now and what would occur. We don't want this to put a business in violation of the zone that they are already in. We tried to consolidate the ones within the same zones. We're not 100% sure, but we tried to anticipate that. Trustee Grasse said there might a lot of businesses coming in, so having flexibility and communication is really important.

Trustee Tinaglia agreed with Mayor Hayes 100% regarding the current review process. In regard to Trustee Dunnington's comments, he agreed that there are times when it's appropriate to look at each development and use land banking parking to avoid excessive parking lots when they are not necessary. This conversation can start when a petitioner comes to the Planning Department. If the Planning Department understands the Board is

open-minded on a particular issue, they can communicate that to the petitioner. He believes we should be looking at the kinds of variances that Mayor Hayes suggested as opposed to just changing everything. Flexibility helps everybody.

Trustee LaBedz moved to direct staff and the Village Attorney to prepare final documents approving the proposed amendments at a future Board meeting for PC #24-016, Amending Chapter 28, Section 3 Definitions, Section 5.5-1 Permitted Use Table, and Section 10 Off Street Parking and Loading, and changing the classification of the Library. Trustee Schwingbeck Seconded the Motion.

The Motion: Passed

Ayes: President Hayes, Trustee Baldino, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia

Nays: None

Absent: Trustee Bertucci

D. Proceed at Own Risk Request - ICON Studio - 3375 N. Arlington Heights Rd, Units A, B, G, H

Artemiy Novik and Inha Stankevich appeared to request permission to proceed at-their-own-risk in developing a beauty salon. They began demolition with permits and then applied for construction permits, at which time they learned that their use was not allowed.

Mr. Lysicatos said the request would allow them to move forward with submission of the building permits to construct the beauty salon upon execution of the Proceed at Your Own Risk Declaration. There are multiple owners within this PUD. They risk losing their contractor due to the time frame of the variation process. The petitioner applied for their building permits and subsequently learned of the need for a zoning change. Their request has been circulated to staff, and they've been following all the steps in good faith in accordance with staff recommendations.

The Declaration would be with the owner of the property, which is NRFIXLC, and with the petitioners. The construction activities would only begin upon a Planning Commission recommendation of support following a public hearing. That hearing will be scheduled in the next several weeks. Operation of use would not begin until the full entitlements are approved by the Village Board.

The variation would be for a barbershop-beauty salon in the M-1 District. The last PUD amendment from 2019 limited the medical uses that could be on the site. They're not violating that now and are under 12,000 square feet. The anticipated parking use triggers the PUD amendment and the variation that's needed. Information on parking usage was submitted, and they would be using 59 of the 238 spots on the site. Staff are not concerned about the parking demand that would be generated by this use. Even if the building changed all of their general office spaces to medical uses, it would only trigger approximately 84 space demand for parking. For that reason, staff recommended to the petitioner that the ownership should anticipate how much medical space they need so that we don't have to revisit this every time they change the use or sign a new lease.

The area is not strictly an M-1 district in terms of the whole area, there are a number of types of uses which lends to the credibility of being able to use it for different types of uses. Staff recommends approval.

Trustee Schwingbeck said it sounds like there have been a lot of discussions and this should move through.

Trustee LaBedz asked if this was the same location where the music school opened up a couple of years ago. Mr. Lysicatos said no, but it was a similar situation. Trustee LaBedz said it speaks to what Trustee Tinaglia said earlier. Communication with property owners is important because the property owner is responsible for letting future tenants know what is allowable and not allowable. This is something we really need to work on.

Mr. Recklaus said our dialogue internally started with how to communicate about these types of issues. We're starting to pull together lists of property owners and different management companies in order to reach out. The goal is to avoid some of these hurdles. There's another element to this: we don't want to stand in the way of someone who's making the investment to come here as a business owner. Mr. Recklaus believes there are some business owners and/or property owners who feel it's easier to ask for forgiveness than permission. They may market their properties as a use that is not allowed, which puts the Village in the position of being the bad guy. We're considering consequences for the property owners to make sure that they're marketing their properties appropriately.

Trustee LaBedz asked if there are other types of uses here that have required a PUD amendment. She wondered if M-1 is the appropriate zoning for the location. Mr. Lysicatos said that we are having a dialogue with them to determine the square footage for the medical uses that is appropriate. That way, they don't have to revisit this every four to six months.

Trustee Grasse asked if there was a way to ensure that property owners know what the process is? Mr. Recklaus said we are looking at some of the steps to actively talk about zoning with property owners and managers. There may be other tools we need to look at to ensure that people are knowledgeable. We want to protect the property owners and the businesses wanting to come into the Village.

Trustee Schwingbeck asked when we hear from petitioners like this, is there any way we can set it up where the property owner has to come during these discussions to hear what we're talking about? It would be good for them to hear what's going on. Mr. Recklaus said we can talk about ways to ensure participation in the process. We can always do better, but there's a broader issue that needs to be addressed.

Trustee Grasse moved to authorize the Village Manager to execute an acceptance of a Proceed at Own Risk Declaration by and between NRF IX-Arlington Heights, LLC, Artemiy Novic and Inha Stankevich with respect to a proposed beauty use at 3375 N. Arlington Heights Road, Suites A, B, G and H. Trustee Tinaglia Seconded the Motion.

The Motion: Passed

Ayes: President Hayes, Trustee Baldino, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia

Nays: None

Absent: Trustee Bertucci

XI. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact Erin Mercado, at 33 S. Arlington Heights Road, Arlington Heights, IL 60005, emercado@vah.com or 847/368-5793.

Trustee Baldino moved to Adjourn at 8:36 p.m.. Trustee Schwingbeck Seconded the Motion.

The Motion: Passed

Ayes: President Hayes, Trustee Baldino, Trustee Dunnington, Trustee Grasse, Trustee LaBedz, Trustee Schwingbeck, Trustee Shirley, Trustee Tinaglia
Nays: None
Absent: Trustee Bertucci

Becky Hume
Village Clerk