COMMITTEE-OF-THE-WHOLE
MINUTES OF THE MEETING OF THE PRESIDENT
AND THE BOARD OF TRUSTEES OF
THE VILLAGE OF ARLINGTON HEIGHTS
BOARD ROOM
THURSDAY, NOVEMBER 14, 2024
7:00 P.M.

BOARD MEMBERS PRESENT:	Mayor Thomas Hayes, Trustees Bertucci, Dunnington, Grasse, LaBedz, Schwingbeck and Tinaglia
STAFF MEMBERS PRESENT:	R. Recklaus, T. Kuehne, M. Juarez, K. Baumgartner, M. Mattio, C. Perkins, C. Papierniak, Deputy Chief Hanselman, and Various Department Support Staff
OTHERS PRESENT:	David Victor, Jay Nelson and various Metropolis Theater staff and Board Members

SUBJECTS:

A. Staff Follow-up from Previous Meeting
B. Metropolis Performing Arts Centre
C. Review of Department Budgets
D. Final Recommendation of Committee-of-the-Whole to Board of Trustees for Property Tax Levy
E. Final Recommendation of Committee-of-the-Whole to Board of Trustees for the 2025 Budget

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President Hayes called the meeting to order at 7:00 PM.

Staff Follow-up from Previous Meeting

Mr. Recklaus said there wasn't anything notable from the prior meeting to follow-up on.

Metropolis Performing Arts Centre

Mr. David Victor said that 2024 was yet another tough year in the theater business, with low audience attendance, lack of grant funding, restructured or limited programming, and increased cost of goods, materials, costumes, labor and licensing fees. However, he said that 2024 was a promising year for Metropolis. There have been staff improvements, new in-office culture, great audition turnout, increased donations, and a 60% increase in enrollment in the School of Performing Arts. The Theater has begun to offer a pay what you can show for three main stage productions which allows for all to enjoy the arts.

In regards to the 2025 budget, Mr. Victor said they budgeted conservatively and are projecting a $150,000 loss. The budget took into consideration that only half of the season is programmed, 60-65% attendance based on industry standards, and a decrease in member subscriptions. He also mentioned that some mechanicals are beginning to fail such as the dimmer racks and HVAC. Despite the projected loss in revenue, the Theater is not requesting additional support from the Village. Instead, there will be new fundraising campaigns, one to honor Former Mayor Arlene Mulder by naming the box office after her. Staff is also exploring lengthening some of the shows to 5-6 weeks based on purchasing habits and trends.

Trustee LaBedz was happy to hear of the increase in actors auditioning for roles at the Metropolis. She asked how sales for A Christmas Carol were going and for a further explanation on the pay what you can shows. Mr. Victor said that sales for A Christmas Carol are currently about 60% but anticipated a 90% sell out. In regards to the pay what you can shows, he said the shows are advertised in their marketing material and via social media. Patrons can pay as little or as much as they'd like to see the show.

Trustee Bertucci inquired about the 78% increase in income from 2023 to 2025. Mr. Victor attributed the increase to several upcoming fundraising events and the outperforming revenues from tuition and fees at the School of Performing Arts. He said that to celebrate the Metropolis' 25th anniversary, there will be an elevated gala experience at the Sanfilippo Estate with a goal to raise $200,000. In addition, they are planning a special fundraising benefit concert towards the end of summer.

Trustee Schwingbeck asked if the Theater will meet their 2024 projected subscription budget of $195,500 and inquired about the announcement of the new season. Mr. Victor said there is about $40,000 outstanding in memberships and if those all convert, they will surpass the 2024 budgeted amount. He added that some memberships may not be renewed due to out-of-state relocation. In regards to announcement of the new season, he said they are working on show ideas with the Board and senior staff members and hope to send a subscription letter in April with the list of shows.

Trustee Dunnington asked if the Theater developed a strategic plan and if they could make Board meetings open to the public or share the minutes for transparency purposes. Mr. Victor said that a strategic plan has not been developed, but discussion has begun with the Board and possibly hiring a 3rd party company to assist with the planning. In regards to opening Board meetings or sharing the minutes with the public, Mr. Victor said that has also been discussed, but a decision has not been made.

Trustee Grasse asked what the Theater is doing to increase community outreach. Mr. Victor said marketing efforts included mailings, postcards and advertisement at the Theater lobby and social media, with a focus on attracting new families in the area. He added that 38% of ticket sales are new patrons.

Review of Department Budgets – Department Representatives

<u>Boards & Commissions</u>

Mr. Recklaus said the Boards & Commissions budget was a maintenance budget and there were no changes projected for 2025.

President Hayes asked if there were any requests for new programs. Mr. Recklaus said the Special Events Commission was exploring new ideas but they are also looking for ways to increase their revenues to offset any additional expenses.

Trustee Grasse asked for an explanation on the Arlington Economics Alliance's budget change from 2023 to 2024. Mr. Perkins attributed the change to new programs. There is a proposal for a new breakfast program, and a manufacturing program that would transport students to various manufacturing facilities for exposure in the field, and a welcoming program which mails cards to new businesses welcoming them to the community.

<u>Planning & Community Development</u>

Mr. Perkins mentioned some key areas of focus in 2025, including the implementation of the Gateway Redevelopment, negotiation of TIF IV Urban Street Redevelopment, sewer improvements at South Arlington Heights Road TIF, further enhancements in the Uptown

Shopping District, and continued assistance with the Arlington 425 and Eastman developments.

In regards to the budget, Mr. Perkins said the General Fund has a status quo budget, with significant increase in 2025 subscriptions. The Affordable Housing fund has a healthy fund balance and proposed $30,000 for consulting services in 2025. He explained that as more developments are built and have affordable housing units, more reporting and managing is required.

Mr. Perkins went on to discuss the different TIF districts. In regards to TIF V, he said it has been a great success story with five shopping centers and highlighted that it generated about 1/3 of the Village's sales tax revenue. He proposed a $1M surplus distribution in 2025 to the taxing districts on a proportional basis. In regards to the Hickory/Kensington TIF, he projected a $75,000 distribution to the school districts and mentioned there are pending construction projects, including one at 5 N. Douglas and a pending contract with ComEd to bury utility lines. As it pertained to the South Arlington Heights Corridor TIF, Mr. Perkins reported that the Board previously approved the Gateway redevelopment project and there is a $1M initiative for sewer improvements. Lastly, the Village will continue to work with Urban Street on their proposed redevelopment. There is a memorandum of understanding and $3.3M in the budget.

Trustee Schwingbeck noted the decrease in performance measures as it related to the review of building permits and asked if there was any data available for 2024. Mr. Perkins said he did not have the information available, but would report back to the Board.

Trustee LaBedz and Tinaglia thanked Mr. Perkins for all the hard work he has done for the Village throughout the years and congratulated him on his retirement.

Public Works

Mr. Paperniak reported that Public Works has experienced significant turnover in the past few years. In 2025 on-boarding of new staff and employee development will be a priority.

The Village will continue to invest in its capital improvement program including road construction, watermain replacement, sanitary sewer upgrades, water meter replacements, water tank improvements, sidewalks, building refurbishments and the new lead service line replacement. Beginning in 2027, the Village has 10 years to replace 4,000 service lines. In addition, the new mandate will require considerable staff time for years to come.

Although improving, Mr. Paperiniak said that contractual work and procurement of supply continue to be challenging. In an effort to address those issues, staff has been performing more work in-house and are planning replacements multiple years in advance.

In regards to the 2025 budget, he noted there are minor changes and attributed any significant changes to the ongoing effort to improve details and reduce the "Other Charges" line items.

Trustee Schwingbeck asked if the new water meters had captured any changes in water usage, and if the new meters allow for homeowners to be notified when their usage is unusually high. Mr. Paperniak said they need about a full year worth of data to determine any changes in the reporting of water usage. The data should be available in March or April of 2025. Homeowners will now be able to set their own water usage parameters. In addition, the Finance Department can perform daily water readings allowing for a quicker detection of any water leaks.

Trustee Bertucci asked if the large decrease in IMRF contributions is related to reverting to the recommended actuarial contribution rate and inquired about the reduction in professional services and 11% reduction in equipment maintenance. Mr. Kuehne said that the decrease in IMRF contributions correlated with the recommended actuarial contribution rate. In regards to the reduction in professional services, Mr. Paperniak said it was due to a prior year encumbrance rollover and the reduction in equipment maintenance was due to staff performing more in-house projects.

<u>Fire</u>

Deputy Chief Hanselman thanked the Board for their support in obtaining the 5th ambulance. He mentioned they were in the first phase of implementation which is to operate the ambulance 100 days during peak hours, Monday through Friday from 8:30AM to 4:30PM. As a result, the Village has seen a decrease in its reliance from mutual aid. In 2025, the ambulance implementation will increase to 260 days during the same days and hours. The 5th ambulance will be staffed with current firefighter-paramedics, increasing overtime expenditures by $292,000.

Also reflected in the 2025 budget, was a line item to replace 13-year-old portable radios and accessories in the amount of $500,000 using the Federal Improvement Program to cover the cost. However, Northwest Central Dispatch funded the radios using monies from 911 surcharges and saved the Village the budgeted amount.

Trustee LaBedz asked if each Firefighter has a second set of turnout gear. Deputy Chief Hanselman confirmed everyone has a second set, and the department purchases 20 new sets of gear annually for maintenance purposes.

Trustee Tinaglia asked if the re-zoning of the Village's parking garages helped the Fire Department with the problematic overnight behavior, and what impact has the 5th ambulance had as it related receiving assistance from neighboring communities. Deputy Chief Hanselman confirmed that the Department has noticed a decrease in calls for services in the parking garages since the adoption of the ordinance. In regards to reliance on mutual aid from neighboring communities, he said they have seen a 25% decrease.

Trustee Bertucci inquired about the 54% increase in overtime and asked if there was a long-term staffing plan for the 5th ambulance. Deputy Chief Hanselman said that in 2025 the 5th ambulance would operate with current staff. In 2026, they intend to hire six additional Firefighter-Paramedics to staff the ambulance and eliminate the additional overtime costs.

Trustee Dunnington mentioned that while the Ordinance in the parking garages has helped, the problem has not been completely resolved. Mr. Recklaus agreed and said the Ordinance has provided the Police Department with a tool to enforce rules. In addition, the Cook County State's Attorney's Office can upgrade charges to trespassing aside from the Village's Ordinance Violation.

Final Recommendation of Committee-of-the-Whole to Board of Trustees for the Property Tax Levy

TRUSTEE LABEDZ MOVED, SECONDED BY TRUSTEE TINAGLIA THAT THE COMMITTEE-OF-THE-WHOLE RECOMMEND TO THE VILLAGE BOARD OF TRUSTEES TO AUTHORIZE STAFF TO PREPARE THE VILLAGE'S AND THE ARLINGTON HEIGHTS MEMORIAL LIBRARY'S 2024 TAX LEVY ORDINANCE REFLECTING AND ESTIMATED TOTAL TAX LEVY OF $54,101,500 OR 2.33% INCREASE OVER THE 2023 TAX LEVY FOR THE VILLAGE AND LIBRARY PORTION OF THE LEVY.

Final Recommendation of Committee-of-the-Whole to Board of Trustees for the 2025 Budget

TRUSTEE BERTUCCI MOVED, SECONDED BY TRUSTEE SCHWINGBECK THAT THE COMMITTEE-OF-THE-WHOLE RECOMMEND TO THE VILLAGE BOARD OF TRUSTEES THAT THE BOARD APPROVE THE PROPOSED 2025 BUDGET AS AMENDED THROUGH THE REVIEW PROCESS.

TRUSTEE BERTUCCI MOVED, SECONDED BY TRUSTEE LABEDZ TO ADJOURN THE MEETING AT 8:23 P.M.