

December 17, 2007

The regular meeting of the Board of Trustees of the Village of Deerfield was called to order by Mayor Steve Harris in the Council Chamber of the Village Hall on Monday, December 17, 2007 at 7:30 p.m. The Clerk called the roll and announced that the following were:

Present: Steve Harris, Mayor
Robert Benton
Michelle Feldman
Thomas Jester
Harriet Rosenthal
William Seiden
Barbara Struthers

and that a quorum was present and in attendance. Also present were Village Attorney Peter Coblentz and Kent Street, Village Manager.

PLEDGE OF ALLEGIANCE

Mayor Harris led those in attendance in reciting the Pledge of Allegiance.

MINUTES OF PREVIOUS MEETINGS

Trustee Rosenthal made a motion to approve the minutes from the December 3, 2007 Board of Trustees meeting. Trustee Seiden seconded the motion. The motion passed unanimously.

BILLS & PAYROLL

Trustee Rosenthal made a motion to approve the Bills and Payroll dated December 17, 2007. Trustee Struthers seconded the motion. The motion passed by the following vote:

AYES: Benton, Feldman, Jester, Rosenthal, Seiden, Struthers (6)

NAYS: None (0)

TREASURER'S REPORT

Bob Fialkowski presented highlights from the Treasurer's Report for the fiscal year through November 30, 2007 representing seven months. Mr. Fialkowski explained that sales tax is down, and it is becoming a trend. He noted that the hotel tax is above projection and budget. Some expenditures are running higher than expected. With the inclement weather, the Police and Street Departments have overtime, and there is a negative position in the Water Fund since the Clavinia project was budgeted over two years but completed in one year. He will be coming before the Trustees for a Water Fund budget amendment, as previously noted.

PUBLIC COMMENT

There was no Public Comment.

REPORTS

There were no Reports on this Agenda.

NEW BUSINESS

REQUEST OF CONGREGATION B'NAI JEHOSSUA BETH ELOHIM FOR A SIX MONTH EXTENSION OF PREVIOUSLY APPROVED PLANS FOR A SYNAGOGUE AT 1101-1201 LAKE COOK ROAD

Due to funding and other issues, the Congregation is requesting a six-month extension. The time is needed for additional fundraising.

Trustee Rosenthal made a motion to grant a six month extension of the previously approved plans for a synagogue at 1101-1201 Lake Cook Road in

the Deerfield Business Center, as requested by the petitioner. Trustee Benton seconded the motion. The motion passed by the following vote:

AYES: Benton, Feldman, Jester, Rosenthal, Seiden, Struthers (6)

NAYS: None (0)

CONSENT AGENDA

ORDINANCE O-07-39 AUTHORIZING AN AMENDMENT TO THE SIGNAGE PLAN FOR THE WALGREENS CAMPUS 200-304 WILMOT ROAD – 2R

An ordinance authorizing an amendment to the signage plan for the Walgreens Campus at 200 - 304 Wilmot Road. Second Reading.

ORDINANCE O-07-40 ADOPTING CABLE AND VIDEO CUSTOMER PROTECTION AND SERVICE SERVICES – 2R

An ordinance outlining the Village's role in enforcing new customer service standards for cable and video providers as approved by the State. Second Reading

ORDINANCE O-07-41 ESTABLISHING A CABLE/VIDEO SERVICE PROVIDER FEE AND PEG ACCESS SUPPORT FEE – 2R

An ordinance allowing the Village to collect franchise fees related to the new AT&T video service, U-Verse. Second Reading.

ORDINANCE AUTHORIZING AN AMENDMENT TO A SPECIAL USE TO PERMIT RENOVATIONS TO THE NORTH AVENUE LIFT STATION AT 845 NORTH AVENUE – 1R

An ordinance authorizing an amendment to a Special Use to permit renovations to the North Avenue Lift Station at 845 North Avenue. First Reading.

Trustee Rosenthal made a motion to accept the Consent Agenda and adopt the ordinances. Trustee Benton seconded the motion. The motion passed by the following vote:

AYES: Benton, Feldman, Jester, Rosenthal, Seiden, Struthers (6)

NAYS: None (0)

OLD BUSINESS

ORDINANCE APPROVING A TEXT AMENDMENT AND A SPECIAL USE TO ALLOW THE CONSTRUCTION OF THREE BILLBOARDS AT 909 LAKE COOK ROAD IN THE P-1 PUBLIC LAND DISTRICT – 1R

An ordinance approving a text amendment and a special use to allow the construction of three billboards at 909 Lake Cook Road in the P-1 Public Land District. First Reading.

ORDINANCE AUTHORIZING A SIGN LOCATION LEASE WITH ZEBRA OUTDOOR, INC. FOR PROPERTY AT 909 LAKE COOK ROAD – 1R

An ordinance authorizing a sign location lease with Zebra Outdoor, Inc. for property located at 909 Lake Cook Road. First Reading.

Village Attorney Peter Coblentz explained that the lease has been negotiated and provides for a \$100,000 impact fee for each structure. The annual rent will be \$33,000 per sign, with a 2% annual escalator in the base rent. In addition, there will be revenue sharing of 28% of the annual gross revenues greater than the base rent. There will be a \$50,000 contribution made to the Village for landscaping, and \$5,000 will be paid annually for the inspection of each sign. Mr. Coblentz reported that the three sites for land lease would have a fair market value of \$25,000 - \$40,000 annually according to the independent appraisal. He noted that the proposed lease compares favorably to the high end of the appraised value of the sites.

Phil Elbling, 465 Standish Drive, questioned why the proposal was not put through the competitive bidding process. Mayor Harris explained that the process used is an established practice and is fully compliant with regulations. Mr. Elbling stated his view that the Board should solicit competitive bids.

Trustee Feldman responded that if the negotiated rates were not at the high end of the appraisal range, the proposal should have gone to bid. She noted that the Trustees saw the actual contracts in place for other billboards along 294, and this proposal is competitive, given the location.

Marv Ehlers, 1650 Tall Tree Lane, is not a fan of billboards but is interested in the economics of the situation. He is concerned whether these billboards will generate the income that the Trustees expect. He noted that the yearly economic value is \$41,000 per structure. Using the Village's residential/commercial tax base split, \$26,800 could apply to residential properties. For approximately 6,000 residences, the annual return would be approximately \$13.50 per residence. Mr. Ehlers noted that his latest tax bill was more than \$12,000 and has increased more than \$500 each year over the past five years. He does not believe the tax savings will be visible to the taxpayers; however, the billboards will be visible. Mr. Ehlers explained there are also legal fees, audit fees and administrative overhead that is not being considered. He questioned whether the Trustees are concerned about setting a precedent. Mr. Ehlers asked if the Trustees could guarantee the public that there will not be numerous billboards along 294. He noted that other municipalities do not allow billboards. Mr.

Coblentz explained that under federal law, billboards could not be placed on properties without commercial zoning since 1958, and the Village Code amendment only permits them on public properties of 25 acres or greater.

Ken Birchard, 508 Grove, explained that in the past he has purchased outdoor advertising. Normally he would oppose billboards in Deerfield, but he believes the proposed location will have little impact on the residents. Mr. Birchard expressed concern because Zebra Outdoor is the only bidder for the Village business, and other companies cannot bid directly. With only one player, he questioned how Village officials could be assured they will get full value for the billboard financial opportunity. Zebra did bring the deal to the table but, if bids are sought, their proposal could still be in the running. He believes the Village should give other companies the opportunity to bid as well. In his opinion, Zebra does not have the experience with IDOT. He believes it is important for IDOT to only give the permits to the Village, and the Village should solicit bids from other outdoor advertising companies.

Mr. Elbling believes the Trustees are abdicating their fiduciary responsibilities by not going out to bid. Mayor Harris disagreed with Mr. Elbling. Mr. Coblentz explained that most billboard site transactions are handled through proposals, and the Board is using the independent appraisal to verify market competitiveness

Mr. Birchard expressed concern that the appraisal deals only with land; not the worth of the property. Mr. Coblentz responded that the appraisal was very specific and is for the value of the sites, including sign contracts for outdoor advertising.

Trustee Struthers expressed concern for the difference in the annual revenues the Village would receive when compared to the advertising revenues at \$12,000 to \$13,000 per month per sign fee. Village Attorney Coblentz noted that comparing the proposed lease with retail rates did not reflect all the costs to construct, operate, market and maintain the signs. Without seeing an actual contract for comparison, it would be hard to speculate about its rates. In response to further questions from Trustee Struthers, Mr. Coblentz confirmed that only the sales commissions, capped at 16.7%, come out of the gross sales figures used to calculate the 28% revenue sharing.

Trustee Jester advised that the Board was privy to a number of specific deals, and the appraisal came in higher than other deals. The MaRouse appraisal includes a listing of credentials and is from a reputable firm that works with the specialized field of billboard valuation. In addition, staff negotiated and came back with terms the Trustees had wanted. Trustee Jester is comfortable that other properties will not meet the criteria to permit billboards. He believes the rate will escalate over the next 20 years, and the potential numbers will be of greater value to the Village.

Trustee Benton explained that the Village has been very specific and is taking the opportunity to beautify an area of Lake Cook Road. He believes that Deerfield will benefit from the billboards.

Trustee Feldman explained there were a number of benefits that the Village has required, including requiring all lights to be turned off at 11:00 p.m. and not permitting any alcohol advertising or sexually explicit content.

Trustee Seiden explained that when the Trustees look into contracts or investments for the Village, they look at several things, including numbers. Zebra Outdoor brought the deal to the Village. He expressed regret that the Village didn't think of it first. He does not believe the Village should be in the sign operating business. Trustee Seiden noted that due diligence was completed. The proposal is comparable to the market, and the sign operator should make a reasonable return too.

Trustee Rosenthal is against billboards, on principle. She does not believe allowing visual pollution is a responsible choice by the Board.

Mayor Harris noted this would stand as a First Reading. The Second Reading will be in January.

ORDINANCE O-07-42 LEVYING TAXES FOR CORPORATE PURPOSES FOR THE CURRENT FISCAL YEAR, COMMENCING ON THE FIRST DAY OF MAY, 2007, AND ENDING ON THE 30TH DAY OF APRIL, 2008, FOR THE VILLAGE OF DEERFIELD, LAKE AND COOK COUNTIES, ILLINOIS – 2R

Finance Director Bob Fialkowski explained that this is the annual consideration of the property tax levy for the Village and the library. The total levy is \$8,203,430, less proposed abatements of \$2,607,824, resulting in a net levy, including the library of \$5,595,610. Staff is strongly recommending not reducing the tax levy due to the softening in other revenues. The proposed increase in the General Fund levy would help offset the increase in expenses and the use of the General Fund reserves for capital projects. The proposed increase would be 4.6%.

Mr. Fialkowski explained that the actual amount paid to the Village in 2004 was \$340 on a \$450,000 home. The projection in 2007 was approximately \$315. Trustee Seiden does not believe taxes should be raised because the money is not needed right now. He understands the philosophy of keeping the numbers stable, however. Trustee Feldman noted that the Village does not borrow to pay current operating expenses.

Trustee Seiden made a motion to amend the ordinance and reduce the Village's tax levy to \$100 less than last year, making the Village levy amount \$2,838,900. Trustee Feldman seconded the motion.

Trustee Seiden explained that the Village has a surplus, which came about over the last 40 years. Every year there is a budget, and the expenses are less than what was budgeted. That is why there has always been a surplus. Trustee Seiden does not believe the reserve needs to be so large. He believes it is proper to have a sufficient surplus to cover a catastrophe, but does not believe the reserve needs to be so large. Trustee

Seiden believes the expenses next year will be lower. He does not believe the tax levy should be increased when it is not needed.

Trustee Benton believes the Trustees should support the Village's professional staff. He noted that the surplus is beginning to erode, and he believes small increases, properly managed, are the proper way to go. Trustee Benton does not believe that Trustees should micromanage and should support the proposal before them.

Trustee Feldman questioned the amount of reserves in the General Fund. Mr. Fialkowski explained they have \$15,000,000, which approximately covers one year of expenditures. He explained that the Village has taken in more revenue than they have spent in the General Fund over the past few years, but they are making large transfers from the General Fund into the Capital Improvement Fund. Although there is a surplus, last year there was a deficit in the General Fund because of the transferred money. He believes the amounts should be adjusted annually. Mr. Fialkowski explained that the Village has revenue sources that cannot be controlled and is trying to manage finances in a prudent way. Trustee Feldman does not believe they should be taxing if money is not needed right now but does believe there should be reserves.

Trustee Rosenthal added that property tax is just one source of revenue in the General Fund and that diversity needs to be maintained. Trustee Rosenthal noted that the Board planned the budget in April. She does not believe changes should be made at the end of a calendar year just to look good.

Trustee Seiden does not believe it is a case of looking good; rather of what is right. He explained that they do not have a levy at the budget meetings. Mr. Fialkowski explained there were discussions at the budget meeting, and there was a chart that explained the levy in the approved budget.

There being no further discussion, the motion to amend the tax levy amount passed by the following vote:

AYES: Feldman, Rosenthal, Seiden, Struthers (4)
NAYS: Benton, Jester (2)

Trustee Seiden made a motion to approve the ordinance as amended. Trustee Feldman seconded the motion. The motion passed by the following vote:

AYES: Benton, Feldman, Jester, Rosenthal, Seiden, Struthers (6)
NAYS: None (0)

ORDINANCE O-07-43 ABATING ALL
2007 TAX LEVY REQUIREMENTS
FOR THE SERIES 2003 GENERAL
OBLIGATION REFUNDING BONDS, 2R

An ordinance abating the entire 2007 tax levy requirements for the Series 2003 General Obligation Refunding Bonds. Second Reading.

**ORDINANCE O-07-44 ABATING ALL
2007 TAX LEVY REQUIREMENTS
FOR THE SERIES 1998 GENERAL
OBLIGATION REFUNDING BONDS, 2R**

An ordinance abating the entire 2007 tax levy requirements for the Series 1998 General Obligation Refunding Bonds. Second Reading

Trustee Benton made a motion to adopt both ordinances. Trustee Seiden seconded the motion. The motion passed by the following vote:

AYES: Benton, Feldman, Jester, Rosenthal, Seiden, Struthers (6)

NAYS: None (0)

NEW BUSINESS

**AUTHORIZATION FOR MAYOR TO
SIGN AN INTERGOVERNMENTAL
AGREEMENT FOR WILMOT ROAD
INFRASTRUCTURE REHABILITATION**

Village Manager Street noted that this item was the legal instrument needed to implement the projects approved by the Board on November 19th, 2007. Bob Phillips, Staff Engineer, explained that the agreement defines the responsibilities of each party regarding the reconstruction project. The total cost of the reconstruction was \$252,000 and was approved by the Trustees. The intergovernmental agreement outlines an additional \$25,265 for construction engineering and \$7,579 for mobilization costs.

Trustee Struthers made a motion to authorize the Mayor to sign an intergovernmental agreement for the Wilmot Road infrastructure rehabilitation. Trustee Seiden seconded the motion. The motion passed by the following vote:

AYES: Benton, Feldman, Jester, Rosenthal, Seiden, Struthers (6)

NAYS: None (0)

**AUTHORIZATION FOR EMERGENCY
REPAIR TO WRF BLOWER #1**

Assistant Director of Public Works and Engineering, Brad Fink explained they have four blowers that are vital to the processes at the Wastewater Reclamation Facility. In November, blower #1 experienced bearing and shaft failure requiring an emergency repair. Because Natoma Electric Co., Inc. has provided preventative maintenance on the equipment, they were called for the repair. Staff requests the competitive bidding process be waived and payment authorized to Natoma Electric Co., Inc. for emergency repairs in an amount not to exceed \$10,120.

Trustee Rosenthal made a motion to waive the formal bidding process and authorize payment to Natoma Electric Co., Inc. in an amount not to exceed \$10,120. Trustee Struthers seconded the motion. The motion passed by the following vote:

AYES: Benton, Feldman, Jester, Rosenthal, Seiden, Struthers (6)

NAYS: None (0)

DISCUSSION

MERRY CHRISTMAS AND HAPPY
NEW YEAR

On behalf of the Mayor, Trustees and Village Manager, Trustee Benton wished residents a Merry Christmas and a Happy New Year.

ADJOURNMENT

There being no further business or discussion, the meeting was adjourned at 9:15 pm.

APPROVED:

Mayor

ATTEST:

Village Clerk