



## MINUTES

President and Board of Trustees  
Village of Arlington Heights  
Committee-of-the-Whole  
Board Room  
Arlington Heights Village Hall  
33 S. Arlington Heights Road  
Arlington Heights, IL 60005  
November 12, 2015  
7:30 PM

### **I. CALL TO ORDER**

President Hayes called the meeting to order at 7:42 PM

### **II. PLEDGE OF ALLEGIANCE**

### **III. ROLL CALL**

#### BOARD MEMBERS PRESENT:

Mayor Thomas Hayes, Trustees Blackwood, Farwell, Glasgow, LaBedz, Rosenberg, Scaletta, Sidor, & Tinaglia

#### STAFF MEMBERS PRESENT:

R. Recklaus, D. Mikula, T. Kuehne, M. Juarez, D. Ruda, P. Wilkiel

#### OTHERS PRESENT:

Dave Parulo, Meet Chicago Northwest, Steve Daday, Joe Keefe, Metropolis Theater, Village Department Heads and Various Support Staff

### **IV. NEW BUSINESS**

#### A. Staff Follow-up from Previous Meeting

Mr. Recklaus provided answers to some questions and additional information that the Board requested at the November 9<sup>th</sup> Committee of the Whole budget meeting which included a breakdown of the budget in actual for the Discover Arlington Heights Program, a listing property tax levy increases from the last several years, as well as a comparison of the proposed and approved budget for the Village over the past several years.

Mr. Recklaus stated that he has spent a lot of time in the last several days speaking with, corresponding with, and meeting with Trustees regarding the budget. He said that over the last year he has gained a high level of respect

for the Board in their level of involvement and engagement saying that he gained appreciation for the serious nature with which this Board takes the budget process and approach. Mr. Recklaus went on to say that as a new manager, the guidance and feedback that he has received from the Board has been very instructive in understanding what their expectations and interests are, and what they are looking for going forward.

Mr. Recklaus finished by saying that with the uncertainty that the Village is facing with the State's budget crisis, it is the preprogramed infrastructure improvements that are driving discussions. He added that this is a no frills budget and noted how difficult it was for the Board to compare to previous budgets, especially the 8-month budget. Mr. Kuehne presented and explained an analysis he put together of some of the items in the General Fund which compared the FY2015 and 2016 budget, in hopes of making things easier to understand.

Trustee Glasgow asked about the increased amount budgeted for additional police and fire testing. Ms. Rath explained that it is for testing that is done every two years for entry level firefighters and police officers, for promotional purposes, and for the extra fees for additional testing of recruits. Trustee Glasgow then asked why testing is only done every two years when the Village is down so many officers. Ms. Rath stated that it has been discussed with the Police & Fire Commission but that no decision has been made, noting that there may be State statute to look at. Mr. Recklaus added that the Police & Fire Commission is designed to be independent, saying that by statute they have a lot of authority to define how they want to test and said it is important to find ways to get this process to reflect that we are down staff. He said that he can ask them to consider doing yearly testing.

#### B. Meet Chicago Northwest Budget Review

Mr. Dave Parulo introduced fellow Meet Chicago Northwest (MCNW) Board members present, noting that Trustee Blackwood is on their Board as the delegate for the Village of Arlington Heights. Mr. Parulo started by talking about the impact on tourism, saying that the Village's hotels generate about \$55 million for the Village and that they are moving in pace in growth with the entire market. He gave an overview what MCNW has accomplished, saying that staff is focused based on their brand study; selling meetings, conventions, sports and leisure travel. He said they are proud of their direct sales efforts, saying that they continue to go to twenty five trade shows throughout the year and that they participate in both national and local promotion events. Mr. Parulo continued by saying that they have grown their digital platform, built a customer relationship management platform, rebuilt their website, and are using social media. He said that this past year they have moved to a lot more local trade and promotional events to promote their venue partners and attractions. He continued by talking about some of the events that they have brought in and also participated in.

Mr. Parulo stated that there is a threat for an additional 1% hotel tax in Cook County, saying that their organization and state organizations have voiced

their opposition to it to the County Commissioners. He also said that there is a stall in tourism funding because of the State budget impasse, noting that the State Association of Convention Bureaus, the Illinois Restaurant Association, and the Illinois Hotel Lodging Association's lobbying efforts and marketing campaigns have dropped because of tourism funding. He went on to say that last year MCNW had a \$1.7 million budget, and that \$1 million of that was received from the State Tourism Grant with the balance coming from community and miscellaneous funding. He went on to say that although there are indications by Governor Rauner and State Legislators that they will be funded, the question is when. Mr. Parulo said their strong reserve account is being used as a bridge fund, saying that they are making strategic choices by focusing on the core business that is important to their partners, which include continued meeting convention direct sales, attending trade shows, continuing with direct digital marketing programs and restaurant week, as well as printing the visitor guide. He said that because it is a very challenging time, they are looking at several cost saving measures. He thanked the Village for their continued trust and choosing them to be their marketing partners.

Mayor Hayes said that Meet Chicago Northwest's contribution to the Village's economic development team is greatly appreciated; noting that they are faced with the same limited and restricted funding challenges. He thanked MCNW for what they have done and are doing for the Village of Arlington Heights and the region. Discussion then took place regarding some of the marketing efforts that have been done.

Trustee Blackwood said that she appreciated MCNW partnering with Metropolis and some of the local entities, especially the park districts in bringing in more activities, saying that it is a worthwhile organization. Trustee Sidor asked if there have been positive results by having the Chicago name as part of their rebranding. Mr. Parulo stated that moving towards an inclusive brand has helped tell the message of their partnered communities, saying that the Meet Chicago Northwest moniker makes people understand how close we are to Chicago and to the airport. Trustee Scaletta told Mr. Parulo that he has listened to the Board and has reacted, saying that he felt their name change has helped tremendously. He said that he is pleased to continue to support the efforts of what MCNW brings forward to help the Village of Arlington Heights. Trustee Glasgow asked what the future of tourism is for Illinois. Mr. Parulo said that once we get past this budget crisis, that there will be some conversations on changing what the grant programs look like and how they are deployed in hopes that the money that the communities are collecting and going to Springfield get distributed fairly. Trustee LaBedz commented that she felt that the Restaurant Week that was instituted by the MCNW was beneficial to the community because it helps residents in all of the partner communities to see what is available and to take a chance at a restaurant they may not previously have tried.

**TRUSTEE SCALETTA MOVED, SECONDED BY TRUSTEE GLASGOW, THAT THE COMMITTEE-OF-THE-WHOLE RECOMMEND TO THE BOARD OF**

**TRUSTEES THAT THE BOARD APPROVE A THREE-YEAR BUDGET AGREEMENT FOR THE MEET CHICAGO NORTHWEST CONVENTION BUREAU WITH EACH YEAR BEING FUNDED AT 8% OF THE HOTEL TAX RECEIPTS. The motion carried unanimously.**

C. Performing Arts at Metropolis Theater Budget Review

Mayor Hayes said that there is a buzz in the community on how well the Metropolis is doing and the positive direction that it is moving in as a result of a lot of hard work and team effort.

Mr. Stephen Daday, President of the Board of Metropolis introduced the Metropolis Board members and staff that were present, saying that they have all worked so hard to get the theater on track and on an upward trend. He went on to say that they have presented a conservative budget, have realistically projected revenues, and have been conservative with expenses. He went on to say that they are seeking an operating contribution from the AE & E Fund in the amount of \$250,000 and a restricted contribution of \$50,000 from the Village of Arlington Heights. He noted that Village's support is crucial to the success of the Theater. Mr. Daday noted that although there has been a tremendous focus on the theatre side that the gem is the School of the Performing Arts which has had an increase in the number of students enrolled.

Mr. Daday added that on the Capital side they are looking at equipment replacement, theater lighting, a phone system, sound system, and a marquee. He explained that their budget does not include corporate sponsorships because there are no long term commitments, but said that as part of their development program continued efforts are being made to reach out to the business community in hopes to retain, reengage, and attract corporate sponsorships in order to continue with the upward trend they have had this past year. Mr. Daday said that subscribers, memberships, sponsorships, total number and value of tickets sold, and student memberships and tuitions have all increased this year. He finished that significant progress has been made this last year and that he believes that they will continue to make progress.

Mayor Hayes stated that the programming at Metropolis has been great and said that everything depends on the quality of programming.

Trustee LaBedz asked what was envisioned for the marquee for Metropolis. Mr. Daday stated that there are no designs yet, but that they will work with the Village to come up with a design that fits in and meets Metropolis' needs. Trustee Glasgow questioned the small amount budgeted for web advertising. Mr. Daday explained that as part of their social media program, a lot of work is going to be done in-house and be linked together. Mr. Keefe added that there is more planned for social media marketing but said that their website is not currently mobile friendly.

Trustee Scaletta thanked the Metropolis Board and staff for information

provided the Board and said he appreciates their conservative estimates on increases. He asked how partnership opportunities with the Library, Arts Commission and other entities are progressing. Mr. Joe Keefe, Director of Metropolis, gave an overview of the cooperative production with the Library called One Book, One Village, and said that there are 6-8 more plans with the Library in the next year including the Teen Fun Festival. He went on to say that they are also reaching out to the Arts Commission and Historical Society with support initiatives and to partner with them in trying to do one community outreach engagement each month. Trustee Scaletta asked about their new initiatives in marketing. Mr. Daday said that they have a fundraising group that will help with being aggressive in going after corporate sponsorships, and said that as far as marketing, they will have radio, print marketing and mail orders. Mr. Keefe went on to explain the new integrated marketing they are doing with radio marketing. Trustee Blackwood asked if there were specific outreach efforts for Arlington Heights including residents. Mr. Daday answered yes saying that in December and January there will be mailings and follow-up phone calls will be focused on Arlington Heights Chamber members and businesses. Mr. Keefe added that they initiate cultural outreach with the Library, the League of Women Voters, Northwest Community Hospital and Clearbrook, saying that they are actively looking to engage in community groups. Trustee Glasgow commended the Metropolis for their community outreach, especially with people with disabilities.

Trustee Scaletta stated that he is pleased with all the steps taken to put Metropolis on the right path and thought it was important that Mr. Keefe explain their expense management. Mr. Keefe stated that they have established a metric where that on a per production basis, they cap potential expenses at 40% of potential revenue based on the attendance per production. He explained by capping it at that amount their marketing is targeted to 40% or higher, saying that anything they make over that is their profit margin. Discussion took place regarding the importance of policy and reporting and with proper oversight.

Trustee Rosenberg asked about the School of Performing Arts compared to the production side of Metropolis. Mr. Daday said that it is being operated in a much more businesslike fashion than in the past and said he thought that having the school of a performing arts is a very important contributor to the quality of life in the community. He added that with continued success of the Theater that there may be more enrollments in the school. Mr. Keefe added that an initiative Metropolis has with the school is to begin to link their programming more closely with the educational initiatives that the school has .

Trustee Farwell said that there has been an incredible improvement from Metropolis in the degree of financial reporting which makes the Board's job a lot easier in promoting the Theater. Trustee Farwell stated that he has always been a supporter of the School of the Performing Arts and asked if there has been any talk of having a symphony. Mr. Daday said that there has been conversation but said it is not something they can do at this time.

The Mayor and Board members thanked the Metropolis Board and staff for all their hard work and are excited about the direction the Metropolis is moving in.

**TRUSTEE GLASGOW MOVED, SECONDED BY TRUSTEE LABEDZ, THAT THE COMMITTEE-OF-THE-WHOLE RECOMMEND TO THE BOARD OF TRUSTEES THAT THE BOARD APPROVE THE PROPOSED 2016 BUDGETED OPERATING CONTRIBUTION FOR THE PERFORMING ARTS AT METROPOLIS THEATER. The motion carried unanimously**

D. Village Budget - Questions from the Village Board

Trustee Sidor questioned the \$5,000 Discover Arlington website upgrades and improvements line item in Arlington Economic Alliance budget. He explained that when he asked about this in 2013, Ms. Kluz said that the Village and Discover Arlington websites can be combined and save the Village money, and that Trustee Blackwood questioned the same line item in 2014. He said that this line item is still being budgeted when there are still talks that the Village website may incorporate Discover Arlington, saying that he felt that it shouldn't be in the Arlington Economic Alliance Budget, but in an appropriate IT line item budget for the Village's website. Mr. Recklaus understood that the minutes reflected discussion but that direction was never given to eliminate that line item. He went on to say that staff is in the midst of the website review, saying that that decisions have not been made yet. Mr. Recklaus said that if the Board would like to direct staff to remove that line item from the budget they would do that.

Trustee Scaletta asked if this amount is budgeted in the Arlington Economic Alliance budget because they are the ones that give direction to the Planning Department on issues that relate to the Discover Arlington website. Mr. Perkins responded yes, and explained that the last three updates have been worked through the Alliance, which included making the Discover Arlington mobile friendly, allowing businesses to add their events and coupons, and adjustments for wedding vendors. Trustee Scaletta thought having that budgeted amount in the Economic Alliance would remind them that they are responsible for Discover Arlington and thought it more important to eliminate the Discover Arlington website and have it as a page on the Village's website. Trustee Rosenberg questioned charges for the Discover Arlington website being charged to the proper line items. Mr. Perkins stated that he will check with staff on the numbers.

Direction was given staff that it was the consensus of the Board that the Discover Arlington website be combined with the Village's new website as an added page.

**TRUSTEE SIDOR MOVED, SECONDED BY TRUSTEE BLACKWOOD THAT THE COMMITTEE OF THE WHOLE RECOMMEND TO THE VILLAGE BOARD THAT THE \$5,000 FOR THE DISCOVER ARLINGTON WEBSITE UPGRADES & IMPROVEMENTS LINE ITEM IN THE ARLINGTON**

**ECONOMIC ALLIANCE'S PROPOSED 2016 BUDGET BE REMOVED AND PUT INTO THE APPROPRIATE IT BUDGET LINE ITEM FOR THE VILLAGE'S WEBSITE UPGRADE.**

**AYES 7**

**NAYES 2, Trustees Rosenberg and Scaletta voted against**

**The motion carried**

- E. Final Recommendation of Committee-of-the-Whole to Board of Trustees for the 2015 Property Tax Levy payable in 2016

Trustee Glasgow stated that he appreciates his fellow Board members and staff for answering all his questions regarding this budget. He stated that he is upset that as a municipal body that he has to legislate based on the unknown and because of the State's inaction to pass a budget. Trustee Glasgow went on to say that although he doesn't like to make this levy, he is comfortable with staff's recommendation in order to keep up with up with Village street repairs and replacements for the safety and security of Village residents.

**TRUSTEE GLASGOW moved, SECONDED BY TRUSTEE SCALETTA that the Committee-of-the-Whole recommend to the Village Board to authorize staff to prepare the Village's and the arlington HEIGHTS memorial LIBRARY'S 2015 tax levy ordinance reflecting an estimated total tax levy of \$46,738,802 or a 2.79% increase over the 2014 extended TAX levy for the village and library portion of the levy. The motion carried unanimously.**

- F. Final Recommendation of Committee-of-the-Whole to Board of Trustees for the 2016 Budget

**TRUSTEE GLASGOW MOVED, SECONDED BY TRUSTEE SCALETTA, THAT THE COMMITTEE-OF-THE-WHOLE RECOMMEND TO THE BOARD OF TRUSTEES THAT THE BOARD APPROVE THE PROPOSED 2016 BUDGET AS AMENDED THROUGH THE REVIEW PROCESS. The motion carried unanimously.**

**V. OTHER BUSINESS**

**VI. ADJOURNMENT**

There being no further business to discuss,

**Trustee Scaletta moved, seconded by Trustee Glasgow to adjourn the meeting at 9:50 P.M. The motion carried unanimously.**