



MINUTES

President and Board of Trustees
Village of Arlington Heights
Committee-of-the-Whole
Community Room
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
October 10, 2016
7:30 PM

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

BOARD MEMBERS PRESENT: President Hayes; Trustees: Blackwood, Glasgow, LaBedz, Rosenberg, Scaletta and Sidor

BOARD MEMBERS ABSENT: Trustees Farwell and Tinaglia

STAFF MEMBERS PRESENT: Randy Recklaus, Village Manager; Charles Perkins, Director of Planning and Community Development; Michael Mertes, Business Development Coordinator; Robin Ward, In House Counsel; Kim Peterson, Recording Secretary

IV. NEW BUSINESS

A. Next Level Northwest - Regional Business Collaborative

Village Manager, Randy Recklaus, discussed how Staff has been talking with surrounding communities, including Elk Grove, Schaumburg, Hoffman Estates, Mount Prospect, Hanover Park, Rolling Meadows, Buffalo Grove, about the possibility of creating a new business accelerator program that would provide services that are not currently offered by the Chamber of Commerce, the Economic Alliance, the small business centers and community college, through an intergovernmental forum, on a regional basis. The Mayor did attend a meeting with the other Mayors a few months ago on this topic.

At this point, if we're going to continue with this project, we would have to consider providing some funding and start creating a formal management arrangement, such as an intergovernmental agreement with the other communities, according to Mr. Recklaus. If after receiving an overview of the program this evening, the Board wishes to continue with the creation of this project, Mr. Recklaus would like the Board to request any additional information they might need about the program before voting on it. If the Board directs staff to continue with the creation of the entity, funds would be included in the 2017 budget process. Other than a few thousand dollars to get the incorporation process started, no funds would be extended until further direction is received by the Board and a more formal arrangement is defined at a later date, according to Mr. Recklaus.

Charles Witherington-Perkins talked about how the eight communities got together to collaborate on how to promote the businesses in the northwest region. This regional collaborative approach would be somewhat similar to the Northwest Suburban Housing Collaborative, whereby the participating communities work together to develop different initiatives that are challenging to do on a community by community basis, but when you pull resources together, the outcome is much more desirable. The Next Level Northwest is a business accelerator that is meant to enhance and grow stage 2 businesses that are established and trying to grow. The liaison for the program is Dr. Ray Benedetto, a Chicago-area economic development consultant and President of GuideStar Inc. This would be an independent non-profit organization, guided through a public/private partnership. Each of the communities are discussing the possible partnership with their boards to see if there is enough interest to continue discussions and for some initial seed money to get the program established. The partnering communities would then financially support the endeavor through the next three years, with the intent that after the three years, this would be a self-sustaining 501c3 non-profit organization.

Michael Mertes explained to the Board what the definition of a stage 2 business is, which is a business that has been established for a few years, has anywhere from 10 – 100 employees and typically does less than 10 million dollars a year in gross sales. The leadership structure of Next Level Northwest would consist of a Board of Directors that would be comprised of representatives, more than likely the Village Managers, from all the municipalities that are participating in the program. They will be joined by four to eight private sector business leaders, from a variety of backgrounds, to try and give a broad perspective that would provide clients with the best direction possible. These directors will basically steer the ship, according to Mr. Mertes. The Board of Directors will determine which businesses qualify for acceptance into the program, and then they will be assigned a coach to establish an action plan for the 120 day duration of the program. The SBDC can refer businesses that are looking to get to the next level to the program. Our Village can also reach out to the businesses that are registered with a business license and fall within the 10-100 employee range, and there is also a marketing group that is associated with the program, to help get the word

out. After a business has been identified, there will be three to five pitch nights per year, where the business can pitch their concept to the Review Panel, made up of stakeholders in their community. If the concept seems feasible, it would then be presented to the Board of Directors for consideration. The goal is to create as much balance as possible within all of the participating communities and get five to ten companies funded in each community

each year. The program is still in its infancy stage and obtaining the not for profit status would be next in line, followed by putting the structure and budget together, determining the Board of Directors and then finding coaches. The initial funding would last through 2019, and then after that, the program will rely on fundraising dollars. The goal is to have the pitch nights around this time next year. Once a business has been selected and vetted by the Board of Directors, and the business owner is willing to be coached, the business will receive the financial award and an action plan will be devised. The coach and business will frequently report to the Board of Directors, according to Mr. Mertes.

Charles Witherington-Perkins discussed how this program will be funded. Each participating municipality will be responsible for a \$5,000 start-up fee, which includes the incorporation process, followed by a fee of \$15,000 per year, for three years. All of the communities will be talking to their Boards to get some feedback, and as of right now, the general consensus is that most of the communities are waiting to see what the other communities will do before making a commitment, according to Mr. Perkins.

Mayor Hayes is interested in knowing how this new program would complement the other programs we already have in the community. Mr. Perkins referred to this program as "another tool in the toolbox" to help those businesses get to the next level. Mayor Hayes would also like to know where the coaches will come from. Mr. Mertes explained that the process to find the coaches will be an extensive one, and they would come from the eight participating communities. They would also be required to have either business ownership experience or consulting experience. A pool of coaches would be developed and the Board of Directors would be responsible for pairing the businesses with the coaches.

Trustee Glasgow would like to know how we can be sure that the tax dollars we spend would come back to Arlington Heights. Mr. Perkins stated that one of the key components to this issue is how many Arlington Heights businesses have been helped through the program. If after year one, we find we don't have the businesses or they haven't been helped to the degree we had envisioned, in any kind of agreement we would have some type of exit strategy.

Trustee Glasgow also asked about what would happen if another community pulls out at this early stage. Mr. Perkins is unsure about the answer to this question. Trustee Glasgow also asked about the possibility of other communities joining the collaborative and Mr. Perkins believes this can

happen. Trustee Glasgow asked Mr. Perkins about how the coaches and businesses will be selected, as well as how much the coaches will get paid. The coaches will be chosen based upon their professional expertise and there will be an informational meeting to explain the program to businesses in the community. It has yet to be determined how much the coaches will be paid, according to Mr. Mertes. Trustee Glasgow does believe conceptually this is a good idea. Mayor Hayes clarified with Mr. Recklaus that staff is just looking for enough interest by the Board to continue this discussion. Mr. Recklaus agreed, however he did say that staff would probably not return to the Board for approval to spend the \$5,000 start-up fee.

Trustee Sidor asked Mr. Recklaus to explain further why this program is exclusive to stage 2 businesses and Mr. Recklaus discussed how the concept came out of the desire to want to help existing businesses grow. Trustee Sidor is curious as to why the businesses that could use some guidance and direction wouldn't just turn to someone such as Dr. Bennedetto for help. Mr. Recklaus stated that this program is meant to set up the framework for actual business owners to speak and mentor their peers. Trustee Sidor asked about what type of reporting we would receive and Mr. Mertes said there would be a process of reporting by the coaches to the Board of Directors. Trustee Sidor wants to be sure that our Village will get its fair share and Villages like Schaumburg don't dominate the program. Trustee Sidor asked what would happen if a business does reach the next level and possibly outgrows their current space. Mr. Perkins stated that this could happen and they may have to relocate to another larger space, or even out of town.

Trustee Blackwood asked what the annual revenue is that these Stage 2 businesses generate per year and Mr. Mertes said that it's typically between one million to five million. Trustee Blackwood is unsure if this program is truly designed for Stage 2 businesses. She sees the value but believes this program is very broad based and it might be too rudimentary.

Trustee Scaletta agreed with Trustee Blackwood that the information they received regarding the program is very general. He questioned if out of the 600 businesses that qualify in town, how many would actually choose to participate in the program. Mr. Perkins stated that the exact number is not known at this point. Trustee Scaletta believes this is a forward thinking concept, but he is not sure if we have enough businesses to sustain the program. Trustee Scaletta wants to know what's in it for our Village. Are these businesses going to buy another space, are they going to expand their existing space, or are they going to hire more employees? Mr. Recklaus believes this is an opportunity generator in that business owners who have a good experience in our town might influence other business owners to want to do business here as well. This program will distinguish our region from other areas in the county and as an innovative area, according to Mr. Recklaus. Trustee Scaletta asked about the Small Business Development Center (SBDC) at Harper College and if they will be steering businesses our way who have already reached out to them. Mr. Mertes explained that this could definitely happen. Trustee Scaletta also inquired about the cost to the

client, which will be determined after the 120 day trial period, according to Mr. Mertes. Trustee Scaletta would like to know when they would see the first success story, which Mr. Mertes believes it could be in 2018. Trustee Scaletta also inquired about where the money being collected by the municipalities will go and Mr. Mertes said that it will initially go to Mr. Benedetto, the fees associated with starting a 501c3 and to a marketing team. Trustee Scaletta believes this is a good idea, yet he is curious as to what the Economic Alliance has to say about it.

Trustee Rosenberg inquired about the results from the Fox Valley program and Mr. Perkins said that he can ask if they have any detailed reports to share with the

Board. Trustee Rosenberg asked about the pitch process and what are they pitching. Mr. Perkins said a business could pitch an existing product or something entirely new. Trustee Rosenberg is concerned with the time our Village representatives would have to commit to the program.

Trustee LaBedz believes this is a really interesting program and likes the regional approach. She asked about the idea of there being a lead community and was told there will not be by Mr. Mertes. Trustee LaBedz asked about the fundraising component of the program and what are the incentives for companies to donate to the program. Also, what are the incentives for the coaches. The hope is that businesses that experience successes will reinvest in the program, and the coaches will be paid, according to Mr. Mertes.

Trustee Blackwood asked who will determine who the coaches are and Mr. Mertes explained that it will be the Board of Directors that will choose them. Mr. Mertes went on to explain how the coaches ideally will be former business owners with an area of expertise. Trustee Blackwood hopes that the Board of Directors are qualified enough to make the right decisions.

Trustee Sidor is concerned with what a business is to do if they are assigned a coach they don't like, or work well with. There needs to be some options available. Trustee Sidor agrees with Trustee Scaletta that there are so many questions left unanswered and he would like to hear from the Economic Alliance about how they feel about the program.

Mayor Hayes believes this is a worthwhile endeavor to continue exploration of, and is a relatively small financial investment in regards to the return it could have.

Trustee Glasgow will make a motion to continue discussions, but he has reservations about the amount of information that was presented today and the number of questions that still need to be answered. Trustee Glasgow is uncomfortable with spending tax dollars before these questions are answered. Trustee Rosenberg is concerned with approving a motion that allows the expenditure of funds without the Board's approval. Mr. Recklaus stated that the approval of this motion only allows for the expenditure of the

initial \$5,000 start-up fee. Staff would come back to the Board for approval to spend the additional \$15,000. Mayor Hayes stated that the Board would like to seek input from the Economic Alliance before making any decisions.

Mayor Hayes provided the Board with an update to the motion as originally stated, which is:

Trustee Glasgow moved, seconded by Trustee LaBedz that the Committee of the Whole recommend to the Village Board to direct staff to continue their discussions both internally and with neighboring communities, and get the Board the answers to the questions that were asked, and return to the Board before any money is spent, to create the Next Level Northwest Regional Business Collaborative without spending any money until the questions that were asked during the October 10, 2016 Committee of the Whole Meeting get answered.

Upon a voice vote, the motion passed unanimously.

B. Proposed Renewal - Small Business Development Agreement with Chamber of Commerce

Mr. Recklaus discussed how Village staff met with Chamber staff on how best to utilize the strengths of the program to the Village's advantage and create new value. Mr. Recklaus wants to try and work with the Chamber to help solve some of the problems that the Village isn't necessarily equipped to deal with. Mr. Recklaus is looking for staff to provide a brief update to the Board on some of the ideas that have been generated and go over some of the minor changes to the agreement that they would like to recommend for the next three year renewal period. Mr. Recklaus thought it would be helpful to have Chamber representatives tonight to answer any questions. Mr. Recklaus discussed two of the new programs being considered in the renewal agreement this evening. The first program addresses the question: Can the Village help define a scope of services where businesses can go to the Chamber and get help. After identifying businesses in town that provide specific services and who are Chamber members, the Chamber then can formulate a list of these businesses, along with their associated costs, to any business owner asking for assistance. Mr. Recklaus used an example of a business that would like to hire an architect, but are hesitant to do so because of the potential high cost involved. This new program would allow this business owner to obtain a list of architects and what they charge for their services.

Another new program that staff would like the Board to consider is offering landlords of vacant buildings the ability to pay a fee to have the building pre-inspected with the idea of identifying any potential violations, thereby allowing them to market the property as being certified inspected to any potential tenants. Also, there will be an update of the zoning code proposed in the 2017 business plan that will be coming out in the next few days, according to Mr. Recklaus.

Mayor Hayes stated that one of the purposes of the small business agreement is to further enhance the Village's relationship with the Chamber and try to make sure that everyone works together for the betterment of the community. President Hayes thanked the Chamber for their willingness to work with the Planning Department, the Village's staff and the businesses.

Trustee Rosenberg asked about the first program that Mr. Recklaus discussed regarding the Chamber having lists of businesses to offer residents looking for specific services and questioned whether the architects would be just from Arlington Heights. Also, Trustee Rosenberg would like to know if the list will contain the fees that the various companies would charge. Mr. Perkins stated that ideally the architects would be from Arlington Heights and the costs for their services would be listed. Mr. Recklaus stated that the only entity the Village would be referring anyone to is the Chamber. The Village does not make business referrals. Jon Ridler, Executive Director of the Chamber, believes this program would be helpful in breaking down the perception that a business cannot afford to hire a particular company, such as an architect firm. Mr. Recklaus explained that he only brought up these two programs as examples of the types of things that they are coming up with while working with the Chamber. Mr. Recklaus stated that what he is looking for tonight is whether or not the Board is in support of renewing the agreement as drafted. Trustee Rosenberg asked about the 2 ½ increase and what it is for. Mr. Ridler explained that the increase was proposed by Mr. Recklaus to cover the increasing costs of the program, including staff expenses. Trustee Rosenberg is asking for a more detailed report of where the additional monies will go. Mr. Ridler is more than happy to provide this information.

Trustee Scaletta asked when the last agreement expired and Mr. Recklaus explained that it expired in July. Mr. Recklaus is willing to provide the Board with more information if that's what they would like. Trustee Scaletta appreciates the work of the Chamber, but would have liked a more detailed report of what the Chamber has done, why it is beneficial to the Village, and why they would like to continue to do it. Trustee Scaletta would like to know what the expenses are that directly impact the Chamber, by the Village and the Chamber having this agreement. Mr. Ridler indicated that they produce quarterly reports for the Village that provides this information, however they can produce these reports more often if needed by the Board. Trustee Scaletta asked if Jim Platt has a contract with the Chamber, and if so, does it run through the proposed three year agreement. Trustee Scaletta is concerned that if Jim Platt retires and an adequate replacement is not found, can we terminate the agreement. Ms. Ward said that the agreement can be terminated on its anniversary date each year. Trustee Scaletta believes Jim does a great job and that is why he continues to go along with the agreement.

Trustee Glasgow concurs with Trustee Rosenberg regarding his reluctance to approve the 2 ½ percent increase without any justification. This is tax payer money that needs to be accounted for. Trustee Glasgow would like the report

that the Chamber produces to contain detailed information as to where the money is going. Trustee Glasgow agrees with Trustee Scaletta that Mr. Platt does do a great job. Trustee Glasgow is also uncomfortable with the Chamber making referrals, because it could give the appearance of impropriety. Mr. Ridler stated the mission of the Chamber is to make connections and referrals. Trustee Glasgow said he would have to vote no then. Mr. Recklaus clarified what the Chamber's role is in that they simply provide a list of businesses, who are Chamber members, to residents/other businesses, who are looking for a particular service. They are not making recommendations, which is what Trustee Glasgow has a problem with. Trustee Glasgow questioned the change in the verbiage of Section 91A1 that the Chamber is requesting. Mr. Platt believes it is much more beneficial and a better use of his time and tax payer money to prioritize the criteria that the Village acquires information about the businesses to understand who is higher at risk so he can get to them as soon as possible.

Trustee Rosenberg asked about the elimination of the business survey and Mr. Ridler stated that the Chamber felt like the survey just wasn't working. Mr. Platt explained how the survey is more of a guideline and what he feels is more

important is finding out what the climate is like for the business owner and how they feel about being here in town. What things have been a great success for them and what things are they struggling with, that quite possibly the Chamber could help them with. Mr. Platt said the Chamber is trying to listen better, so the business owner can better understand what the process is.

Trustee Scaletta discussed the expiration date and how it seems like it would be a long time before the agreement would end. Ms. Ward said the funding could be pulled before the agreement expires. Mr. Ridler explained how this is a partnership between the Village and Chamber and reiterated what Mr. Platt said about the Chamber being a concept not a person. If Mr. Platt were to retire, Mr. Ridler is not going to get someone in that's ineffective. His goal would be to get a succession plan in place if Mr. Platt were to retire, the next person stepping in would be able to do the job and keep things going. Mr. Recklaus stated that Mr. Platt's employment is dependent upon this program.

Trustee Sidor knows this program works and would like to see it continue, however there does need to be a succession plan. This program is extremely viable and valuable to our community. Mr. Platt deserves any type of raise that he can get.

Trustee Scaletta asked about when the formal vote by the Board would take place, which would be November 7th. Trustee Scaletta would like the answers to the questions that were asked tonight, answered before the next Board Meeting.

Trustee Blackwood would like the Chamber to provide a formal presentation at the next Board meeting to stimulate some further discussion.

Mayor Hayes agreed with Trustee Sidor that he has seen the value of this program and would like to see it continue and does not need a full report to justify its continuation.

Trustee Sidor moved, seconded by Trustee Blackwood that the Committee of the Whole recommend to the Village Board to approve the renewal agreement as drafted with the Arlington Heights Chamber of Commerce to continue the small business development agreement through 2019 provided that the Chamber produces financial reports, as well as results, before the Board takes a formal vote.

Upon a voice vote, the motion passed unanimously.

C. Review of Board of Trustees Policy Manual

Mr. Recklaus explained how earlier this year an inquiry was made by multiple Trustees on a Village policy contained in the Board of Trustees Policy Manual. It was quickly realized that there are some old policies in here that could either be deleted or amended. Staff is also proposing to retain a number of these policies.

Mayor Hayes decided to go through the policies from the start, with the first being the Propose to Retain.

Trustee Glasgow moved, seconded by Trustee Rosenberg that the Committee of the Whole recommend to the Village Board to retain the items specified in the Board of Trustees Policy Manual as outlined in the staff recommendation.

Upon a voice vote, the motion passed unanimously.

The next policies are the Propose to Delete. Mayor Hayes asked Ms. Ward to define the difference between something that's operational and something that's policy. Operational is something that the Village staff does as a matter of course. A policy statement is a broader statement of a concept. In theory, the Board deals with policies and the manager and staff deal with operations.

Trustee LaBedz discussed two of the policies that are being proposed to delete, including, Policy Number 1975-8, Administrative Directions – Notification of Agenda Items to Interested Persons and Policy Number 1979-9, Board of Trustees – Agenda Package Material for Plan Commission Material and Available Material Regarding Other Major Items.

Trustee LaBedz moved, seconded by Trustee Rosenberg that the Committee of the Whole recommend to the Village Board to delete the items specified in the Board of Trustees Policy Manual as outlined in the staff recommendation.

Upon a voice vote, the motion passed unanimously.

The next policies are the Propose to Amend.

Trustee LaBedz discussed Policy Number 2003-01, Boards and Commissions – Open Meetings Act – Application to E-Mail and Telephone Conference Calls. Trustee LaBedz would like the policy to be more general than just state conference calls and e-mails. She would like it to be open to include some form of communication that we might not even anticipate. Ms. Ward distributed the updated policy to everyone.

Trustee Scaletta asked if there was any reason why the Boards and Commission manual was eliminated and Mr. Recklaus stated that because of the frequent changes, it's easier to update it electronically.

Trustee Scaletta moved, seconded by Trustee Glasgow that the Committee of the Whole recommend to the Village Board to amend the items specified in the Board of Trustees Policy Manual as outlined in the staff recommendation.

Upon a voice vote, the motion passed unanimously.

V. OTHER BUSINESS

VI. ADJOURNMENT

Trustee Glasgow moved, seconded by Trustee Scaletta to adjourn the meeting at 10:05 p.m. Upon a voice vote, the motion passed unanimously.