

**Elmhurst City Council Meeting**  
**November 18, 2013**  
**7:39 pm – 8:57 pm**

**12 present; 2 Absent Healy, Wagner**  
*Public: 18; Staff: 3 ; Police/Fire:2;*  
*Press: 3*  
**Observer: N. Talluto**

Mayor Morley called the meeting to order.

### **Public Forum**

- Claude Pagash attended a meeting on Hahn St. Development. It was interesting that both developers stated that they would spend extra money on a façade without using cheap materials. However, there was not much time for public questions. Someone asked if there would be a need to change the building code to implement this development. The answer was yes and Claude asks why would this need to be? The building code is put in place to protect residents. Claude asks the Mayor to have another meeting to allow for the public to ask more questions.
- Bill Trudeau spoke about the 2003 change to building code regarding radon, which is for informational purposes. His wife was diagnosed with lung cancer in 2003 and his wife passed away this past Wednesday. He begs the council to require radon systems in homes.

The **Consent Agenda** was passed (12 Ayes, 0 Nays, 2 Absent) with no items removed.

### **Committee Reports**

- A. 7.1 – Report – Refunding of the Series 2004 General Obligation Bond Issue and Series 2005 General Obligation Bond Issue (F, CA&AS)
  - a. Ald. York stated that this report calls to refund the aforementioned bonds to save over \$500,000 in interest charges related to the bonds.
  - b. Report passed (12 Ayes, 0 Nays, 2 Absent)
- B. 7.2 – Report – Sales Tax Rebate Incentive Request for the Napleton Group (F, CA&AS)
  - a. Ald. York stated that the Napleton Group will be making over \$1.5 M in property improvements and asked the city for some assistance in doing so. The assistance the city is contemplating providing falls within the sales tax incentive program that the Council approved recently. Ald. York suggests that these programs must be thought through as sales tax is important to the city. Also, providing businesses, which are major tax contributors assistance will help to keep them in the community.
  - b. Ald. Bram had a couple of specific questions that Ald. York answers below.
  - c. Ald. York responded:
    - i. 70% number accurately represents the dollars that would be related to Kia sales, used car sales and parts and accessories sales.
    - ii. Why 40/60 split between Kia vs. Napleton? Napleton was asking for 75% of the increment originally. All the committee discussions resulted in a 40/60 split.
    - iii. The total amount compared to the incentive that Napleton was provided in another community is simply a result of the sales tax base that Napleton has here in Elmhurst.

- iv. Ald. Levin asked a couple clarifying questions about the owner of the property and the percentage split. Ald. Levin represents a dealer as a client and therefore understands the other side of this. He wonders if the city is giving up too much in assistance to the dealer when the likelihood of the dealer leaving the city is low.
  - v. Ald. Dunn suggests that the investment that Napleton is making in their business in Elmhurst is beneficial to the community. The split that was arrived at was in line with the recommended 50/50 split in the sales tax incentive program.
  - vi. Ald. Deuter suggests that Napleton has shown themselves willing to move in the past. Additionally, Calumet City is trying to get Napleton to their community with an offer of \$600,000 over 6 years. This is not a revenue sharing offer.
  - vii. Ald. Gutenkauf is under the impression that franchisee's can't move without the approval of the manufacturer. Given this, she is not concerned with the car dealership moving and therefore not concerned with giving them too little in the sales tax incentive.
  - viii. Ald. Levin states that there is lower likelihood of this particular dealership moving because they own the property they are on and are less likely to move as a result.
  - ix. Ald. Dunn reiterates that this program does not pay out if there is no growth.
  - x. Ald. Bram makes two motions:
    - 1. Amend the report as written from a 40/60 City/Napleton split to 50/50 City/Napleton split on page 2, fifth bullet of the report.
      - a. Motion fails (4 Ayes, 8 Nays-Dunn, Leader, Polomsky, Hipskind, York, Honquist, Kennedy, Mulliner, 2 Absent)
    - 2. Amend the report as written from a maximum payout of \$750,000 to \$600,000 on page 2, bullet 2 of the report.
      - a. Motion fails (3 Ayes, 9 Nays - Polomsky, Deuter, Hipskind, York, Honquist, Kennedy, Mulliner, Dunn, Leader, 2 Absent)
  - xi. Ald. Dunn provided history that 50/50 is not out of the ordinary.
  - xii. Ald. Gutenkauf suggests that this is too rich and goes above and beyond the need to help the business.
  - xiii. Ald. Polomsky asked if the committee took into consideration that the Napleton Group owns the property.
  - xiv. Ald. York replied that it wasn't specifically considered, but that the committee knew they owned the property.
  - xv. Ald. Bram asked what the time horizon was for getting back the sales tax incentive.
  - xvi. Ald. York clarified that this program is a sharing of incremental sales tax. If they don't grow, the city doesn't get anything to split. Because of this, it is not appropriate to calculate a breakeven.
  - xvii. Ald. Dunn states that if they leave, the "breakeven" time will be quick.
  - d. Report Passed (9 Ayes, 3 Nays – Bram, Levin, Gutenkauf, 2 Absent)
- C. 7.3 – Report – 2013 Tax Levy (F, CA&AS)

- a. Ald. York states that the tax levy is on the agenda tonight even though there are still a couple of budget discussions remaining as there seems to be no material issues left that will affect the Tax Levy. There are four major buckets in the tax levy.
    - i. General fund, Public safety pension fund, Library, General Obligation Debt
  - b. The city council cannot impact the public safety pension obligation. The committee reports that they can reduce the General Obligation levy by \$50,000. However, the overall levy will increase by \$23.00 per household.
  - c. Ald. Bram asks about abating and that the city is following the same protocol as since 2009. What is the rationale for not abating more of the debt service? Additionally, he wants to clarify where the funds for future storm water mitigation will come from.
  - d. Ald. York states that if there are future improvements for storm water, they will be paid by General Obligation bonds. The abatement question regarding the bonds is a direct result of the financial recession. The committee does not feel that it is time to give back funds and then have to ask for them again given the economy is not fully recovered.
  - e. Ald. Gutenkauf questions why we are not abating but can afford to provide sales tax incentives. Her question is: How much does not abating bonds cost the average homeowner in Elmhurst?
  - f. Ald. York replied that it was on schedule C. And it was \$14 lower than last year.
  - g. Ald. Levin states that the reason the city does not abate is that the City cannot afford it. Ald. Levin is pleased that the city is in a good position here.
  - h. Ald. Bram asks why the city cannot afford to abate?
  - i. Mayor Morley states that the bonds are \$2M that would need to be abated. The City cannot pay off \$2M immediately.
  - j. Report passes (11 Ayes, 1 Nays - Gutenkauf, 2 Absent)
- D. Report – Case Number 13 ZBA-15/JTM Partners Subdivision and Variations – 184 N. Walnut St.
- a. Ald. Levin states that this was a unanimous denial of the application.
  - b. Report passes (12 Ayes, 0 Nays, 2 Absent)

### **Reports and Recommendations of Appointed and Elected Officials**

- Mayor Morley thanked members of the Senior Commission for hosting a tour of three facilities in Elmhurst. Congratulations to the IC Catholic Prep Girls Volleyball Team for winning state. Meeting immediately following this meeting to finish first pass of the Budget. Hahn street will be discussed during a committee of the whole following the next City Council meeting.
- City Manager Grabowski shared that we largely avoided any major impacts from the weekend's storm. Thanksgiving Turkey Trot has a new route to accommodate the size of the run. Public Works department will provide fryer oil recycling. Addison street project public hearing has not yet been scheduled and will likely fall into the new year.
- Ald. Polomsky spoke about the old Elmhurst hospital property. It is a private property but the city can influence the development. Ald. Polomsky asks that the council will consider a change to the code to prevent cookie cutter home being built on that property.

### **Other Business**

- None

**Adjournment**

Meeting was adjourned at 8:57 pm.