

MINUTES OF A SPECIAL MEETING OF THE ZION CITY COUNCIL HELD ON THURSDAY, APRIL 5, 2012, AT 6:30 P.M. IN THE CITY COUNCIL CHAMBERS, CITY HALL, ZION, ILLINOIS

Mayor Harrison called the meeting to order.

On call of the roll the following answered present: Commissioners DeTienne, Flammini, Jim Taylor, Shantal Taylor and Mayor Harrison.

AGENDA CHANGES

It was moved by Commissioner Jim Taylor, seconded by Commissioner Flammini to accept the Council agenda with amendments as follows:

- Move Item 9 to Item 6b (Request permission to fill Finance Director position)
- Move Item 11 to 6a (Comment on Ancel, Glink legal fees)

The vote on roll call was: Commissioners DeTienne, aye; Flammini, aye; Jim Taylor, aye; Shantal Taylor, aye; Mayor Harrison, aye. Motion carried.

PRESENTATION/INSURANCE AUTO AUCTIONS (IAA)

A memo (12-DOC-32) was received from Sonolito Bronson regarding a special presentation by Insurance Auto Auctions, Inc. (IAA) for a potential development project in Trumpet Park. IAA is a leading North American salvage auto storage and auction company. They process and acquire total-loss, recovered theft, fleet lease, dealer trade-in and collision damaged rental vehicles. IAA is interested in purchasing 30 to 40 acres in Trumpet Park to build a facility. Rick Delisle, Lee & Associates, real estate broker for Trumpet Park, stated the property, south of 9th Street in Trumpet Park, was trench & fill fifteen years ago and was not buildable and therefore was not on the tax roles. The IAA proposed project would convert this property into tax generating, productive land. Michael Madden, Vice President, IAA, stated that the parent company, Kar Auction Services, has 175 locations in the US and Canada. They turn the inventory six times year. They do no repairs, maintenance, dismantling or selling of parts. The cars go out in the condition in which they come in. Approximately 1.6 million cars are sold annually in the US. IAA needs to build a facility in the metro-Chicago area. Mr. Madden stated that the environmental assessment due diligence is complete. The facility would consist of a 10,000 to 12,000 square foot building and a large parking lot. Auctions are conducted once per week. Business hours are 8:00 am to 5:00 pm, Monday through Friday. An average of 155 cars per acre are stored on the lot. No environmental issues are expected as IAA is considered an insurable risk and is covered by an environmental insurance company. The company cannot lease or own property unless an insurance company can provide insurance on the land. They are subject to random environmental audits and their employees are well-trained to avoid creating environmental problems. They do not drain cars. There would be a positive economic impact on the City as IAA hopes to process 25,000 per year at this location. They would employ one full time employee for every 1,000 cars processed. They would plan to hire locally. It is anticipated that auction goers will use local services, eat in Zion restaurants, stay in the hotels, and buy gasoline. Security would be provided in the form of an 8-ft fence around the perimeter with a low-voltage electric fence 2 feet inside the fence. The fence will also serve to limit the view of the damaged cars from Green Bay Road and 9th Street. The area will be green screened. There will be no onsite security guard unless warranted by local conditions. The perimeter fence will be alarmed and night vision cameras will be installed. Mr. Madden assured the Council that if a security problem does arise, IAA will bear the expense, and there would be no drain on City police resources. Mr. Madden stated that IAA hopes to be open for business, at the latest, Labor Day of 2013. Commissioner Jim Taylor asked Mr. Madden what IAA needs from the City of Zion. Mr. Madden stated that all they need from the City is to be certain that the use is welcomed in the City and they will make the financial investment to move the project forward. It is his understanding that the use is not

barred from the property. Commissioner Jim Taylor asked if IAA is looking for incentives. Mr. Madden stated that IAA is not looking for incentives. He just needs to know what the City requires so they can reach full compliance. Rick Delisle stated that, with regard to the IAA project's impact on the remainder of Trumpet Park, Panattoni is very concerned with privacy and screening. There should be no negative impact on the Park. The Police and Fire/Rescue Chiefs stated that they had no concerns. Mr. Delisle stated that the next step is for the City to provide IAA with a letter of support for the project.

It was moved by Commissioner Jim Taylor, seconded by Commissioner Flammini to authorize Mayor Harrison to sign a non-binding letter showing support of the IAA project with no financial obligation to the City of Zion. The vote on roll call was: Commissioners DeTienne, aye; Flammini, aye; Jim Taylor, aye; Shantal Taylor, aye; Mayor Harrison, aye. Motion carried.

CELL TOWER LEASE SALES

A memo (12-DOC-33) was received from Rich Ianson stating that the City had received two revised proposals from Landmark Dividend and AP Wireless for purchase of cell tower leases. The cell tower sites are US Cellular at 4410 Douglas Drive, Global Tower Partners, 720 29th Street and Verizon, 3220 27th Street. The offers were as follows:

Landmark Dividend - One-time payment of \$880,000 (40 year term, after which, reverts back to City)
Optional - 6 payments of \$160,000 over 30 months for a total purchase price of \$960,000

AP Wireless - One-time payment of \$875,000 (40 year term)
Optional - 6 payments of \$159,500 over 30 months for a total purchase price of \$957,000

AP Wireless - One-time payment of \$785,000 (25 year term)
Optional - 6 payments of \$146,000 over 30 months for a total purchase price of \$876,000

Mr. Ianson stated that currently the City receives \$80,196 per year in lease payments for these sites. The proposed offer for a one-time payment equals approximately 11 years of lease payments. The 6 payment option equals approximately 12 years of lease payments. That leaves 28 years of future revenue the City will not receive for those sites. Both companies would market the sites for future tenants to help increase revenue. Landmark Dividend would market the sites with no cost to the City and the City would receive 100% of all future revenues. They would also like to have first option to purchase any future leases. AP Wireless would market the sites with no cost to the City and the City would receive 80% of all future revenues. Commissioner Shantal Taylor asked what the bottom line benefit of selling the cell tower leases would be. Mr. Ianson stated the benefit would be immediate revenue for the City.

It was moved by Commissioner Jim Taylor, seconded by Commissioner DeTienne to approve the sale of cell tower leases, including the US Cellular site at 4410 Douglas Drive, the Global Tower Partners site at 720 29th Street and the Verizon site at 3220 27th Street, to Landmark Dividend for a one-time payment of \$880,000 for a 40-year term, subject to attorney review of the final lease agreement. The vote on roll call was: Commissioners DeTienne, aye; Flammini, aye; Jim Taylor, aye; Shantal Taylor, nay; Mayor Harrison, aye. Motion carried.

2011/2012 CITY BUDGET

Commissioner Jim Taylor stated that in the 2012 budget, when first presented, the General Fund showed a \$196,000 surplus if all revenues built into the budget were received. \$800,000 is owed from the State of Illinois. He stated that approval of the budget was held until the bond issue was completed and proceeds were received. He stated that Fund 51 reflects the bond proceeds and that the first payment on the bonds had already been deducted prior to the City receiving the funds. Commissioner Shantal Taylor stated that it is a big disservice to employees and the City that there was only one budget workshop meeting. She stated that the Council should have come together to try to get things in order. The last time the Council met regarding the budget was in April 2011. She stated the Council should have been working all along to

strategize. Commissioner Flammini asked why the Mayor and Commissioners' salary line item didn't decrease when salaries were lowered by \$40,000 when Commissioners Flammini and Jim Taylor and Mayor Harrison agreed to salary reductions. Commissioner Jim Taylor stated that these salary reductions would be reflected in the 2013 budget. Commissioner Shantal Taylor questioned the "do not use" notation on the Liquor Control Commissions' stipends. It was noted that these stipends were provided for under the Liquor Control Commission heading. \$1,500 was budgeted for Commissioners' stipends in 2012. Commissioner Shantal Taylor questioned Mayor Harrison's Liquor Control Commissioner stipend. Mayor Harrison stated that he received \$100 per month as Liquor Control Commissioner and each Liquor Control Commissioner received \$50 per meeting. Commissioner Jim Taylor stated that Mayor Harrison took a \$40,000 cut in pay and two Commissioners took cuts and Commissioner Shantal Taylor took a raise. He stated that elected officials salaries are based on the cycle of elections. After the next election, salaries of newly-elected officials will be lower.

It was moved by Commissioner Jim Taylor, seconded by Commissioner DeTienne to approve the May 1, 2011 through April 30, 2012 City of Zion budget as presented. The vote on roll call was: Commissioners DeTienne, aye; Flammini, aye; Jim Taylor, aye; Shantal Taylor, nay; Mayor Harrison, aye. Motion carried.

2012/2013 CITY BUDGET

Commissioner Jim Taylor recommended delaying budget workshops until the tax levy revenue amount is known. He stated that the state multiplier from the Department of Revenue is due on April 11, and on April 20, rates are certified to the Treasurer's Office and their billing process begins. He stated that all department head budgets have been submitted. Commissioner Jim Taylor and Ms. Fitz-Henley will meet individually with each department head and their Commissioner regarding their budget. Once the revenue amounts have been firmly established, then the Council will come together to review the budget as a whole. No action was taken on this item.

COMMENTS ON ANCEL, GLINK LEGAL FEES

For information purposes only, Commissioner Jim Taylor read a memo (12-DOC-34) regarding Ancel, Glink legal fees he prepared in response to an article in an East Alton, Illinois newspaper, presented by Commissioner Shantal Taylor at a prior meeting, in support of her contention that Ancel, Glink's legal fees are excessive which resulted in the firm being fired as East Alton's attorney. Commissioner Jim Taylor stated that he contacted the Village of East Alton Treasurer, Joe Silkwood, and asked him if the change in law firms had anything to do with Ancel, Glink's legal fees, and he said no, the change was made to use a local attorney because of the hardship in communicating with a Chicago law firm that was five hours away. Commissioner Jim Taylor's memo stated that he would appreciate Commissioner Shantal Taylor checking her facts before making her continued accusations about Ancel, Glink's legal fees. Commissioner Shantal Taylor stated that the City of Zion is in hardship status and that she was given the assignment to call the Village of Antioch to learn why they dropped Ancel, Glink as their attorney. She stated that the Mayor of Antioch stated that Ancel, Glink was with them for two years too long due to excessive legal fees. Mayor Harrison asked if she had the results of her inquiry in writing. Commissioner Shantal Taylor stated that she did not. She stated that she had articles to present to the Council regarding Grafton Township, Island Lake, and Carol Stream who sought to drop Ancel, Glink due to excessive legal fees. Mayor Harrison stated that such a discussion regarding legal fees would be had during budget hearings.

FINANCE DIRECTOR POSITION

Commissioner Jim Taylor stated that, when Director Pannell left the City, he and Ms. Fitz-Henley were committed to doing everything possible to get through the fiscal year without a Finance Director. He presented a cost savings analysis which showed that \$35,165 was saved by using Mr. Pannell's consulting services. He stated that the consultant arrangement has worked well, but the City needs a CPA in order to function in the future. He recommended filling the Finance Director position. Commissioner Shantal Taylor stated that the City should work with a local CPA to do some consulting work and advertise and take applications. She stated the City needs to begin to save money and as many jobs as possible. The City

cannot save money if jobs continue to be created and new employees are hired. She recommended hiring a Lake County CPA to do a case-by-case analysis of each department so we can keep as many employees as possible. A Finance Director will continue to take away money in salary. Commissioner Shantal Taylor asked why the Council is looking at sending layoff letters when the City should bring in someone to analyze the situation. Mayor Harrison stated that letters notifying the unions of the possibility of layoffs 30 days in advance is required by law. Commissioner Jim Taylor asked Commissioner Shantal Taylor what the hourly retainer was for the Ancel, Glink law firm. Commissioner Shantal Taylor stated that she didn't know what the hourly retainer fee was but she knows it's too much.

It was moved by Commissioner Jim Taylor, seconded by Commissioner Flammini to fill the position of Finance Director in the Accounts/Finance Department and advertise the position. The vote on roll call was: Commissioners DeTienne, aye; Flammini, aye; Jim Taylor, aye; Shantal Taylor, nay; Mayor Harrison, aye. Motion carried.

CLOSED SESSION

It was moved by Commissioner Jim Taylor, seconded by Commissioner Flammini that the Council recess to Closed Session at 7:58 p.m. to discuss personnel, collective bargaining, and purchase and sale of real estate. The vote on roll call was: Commissioners DeTienne, aye; Flammini, aye; Jim Taylor, aye; Shantal Taylor, aye; Mayor Harrison, pass. Motion carried.

Mayor Harrison stated that he would not go into Closed Session based on previous events. He stated that Closed Session is a privilege designed to protect the City in sensitive matters regarding personnel, real estate and litigation and he has no confidence that the confidentiality will be kept by Shantal Taylor who has gone to the media and disclosed confidential Closed Session information. Commissioner Jim Taylor stated that two FOIA requests were received recently, which will be very expensive for the City to satisfy, due to Commissioner Shantal Taylor going to the media and disclosing Closed Session information.

It was moved by Commissioner Shantal Taylor, seconded by Commissioner Flammini to reconvene the Regular Council meeting at 8:47 p.m. with all members present. The vote on roll call was: Commissioners DeTienne, aye; Flammini, aye; Jim Taylor, aye; Shantal Taylor, aye; Mayor Harrison, aye. Motion carried.

ADVANCED PAYMENT RETAINER/ANCEL,GLINK

It was moved by Commissioner Jim Taylor, seconded by Commissioner Flammini to approve an Advanced Payment Retainer with Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer in the amount of \$250,000 for the purpose of guaranteeing that the law firm will perform services in defense of two lawsuits brought against the City of Zion regarding the baseball stadium project, up to the amount of the retainer, and to ensure that such funds are securely available to pay for these legal services. The vote on roll call was: Commissioners DeTienne, aye; Flammini, aye; Jim Taylor, aye; Shantal Taylor, nay; Mayor Harrison, aye. Motion carried.

POTENTIAL LAYOFF LETTERS/COLLECTIVE BARGAINING UNITS

It was moved by Commissioner Jim Taylor, seconded by Commissioner Flammini to authorize Mayor Harrison to send letters to the collective bargaining units, dated April 6, 2012, in notification of the possibility of employee layoffs due to the City's dire financial condition. The vote on roll call was: Commissioners DeTienne, aye; Flammini, aye; Jim Taylor, aye; Shantal Taylor, nay; Mayor Harrison, aye. Motion carried.

ADJOURN

There being no further business to come before the Council at this time, it was moved by Commissioner Jim Taylor, seconded by Commissioner DeTienne and unanimously approved the meeting be adjourned at 8:52 p.m. Motion carried.

City Clerk

Approved April 17, 2012