

SUMMARY NOTES
of the
REGULAR BOARD MEETING
OF THE BOARD OF TRUSTEES
VILLAGE OF NORTHFIELD
Tuesday, October 20, 2009 - 7:00 p.m.

The Board of Trustees of the Village of Northfield met in the Council Chambers of the Village Hall for the Regular Board Meeting on Tuesday, October 20, 2009. The meeting was called to order at 7:00 p.m. by President Fred Gougler. The Village Clerk called the roll.

PRESENT:	President Trustees	Fred Gougler John Chapin, Jr. Joan Frazier Terry Gottlieb Fred Teichert George Warga (left at 8:15 pm)
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ABSENT:	Trustee	Brian Kozminski
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Discussion with Meadowlake Condominium Association regarding ComEd's ROW

Manager Sigman advised that the Village had a request by the Meadowlake Condominium Association to appear before the Board to discuss some of the implications the herbicidal treatment of the ComEd ROW has had on their property and property values and some of the problems it has created for them.

John Schmidt of 2050 Arbor Lane in Meadowlake introduced himself and thanked the Board for allowing them to present their issue tonight. Mr. Schmidt noted that Carol Ruffolo a director of the Meadowlake Association was also in attendance. He reported that there are 175 residents at Meadowlake which he estimated is approximately 8% of the residents in Northfield. He stated they have two problems: 1) the west side of their property faces what they feel is now the "wasteland" of the ComEd right of way. He pointed out via PowerPoint the devastation of the vegetation that was sprayed with herbicide. He noted evergreens on the Public Works property and the fence that runs along the property. He pointed out what the residents on the west side of the building now see since the vegetation is gone. He thanked the Village for working with ComEd to clean up the area and the agreement to have ComEd plant native flowers and grasses. Their second problem focused on the Public Works yard area which has become more noticeable without the vegetation. He noted the timbers that are piled along the railroad right of way and that Dave Zare of Public Works is working on removing them. Mr. Schmidt pointed out an area in the yard where some of the materials could be stored to help clean up the PW Yard. He hoped that in a future budget there could be a program for the Village to provide funding to continue the use of evergreens to shield the Public Works yard since the current views do not help Meadowlake's real estate values.

Manager Sigman responded that staff has walked the area with some of the Meadowlake residents to figure out what types of general clean up the Village can do in the Public Works yard. She noted that the Village has begun work to help clean up the area. She reported that ComEd herbicided a very large area and through a lot of effort the Village has gotten them to clear the dead debris so it is not a fire hazard and has also gotten ComEd to commit to a native grass restoration project. Village staff plans to meet with ComEd next week to review their planting plan which they hope to execute this fall. Manager Sigman further noted that ComEd is adamant that nothing beyond grasses be planted in that area. Any of the taller vegetation removed will not be replaced and Meadowlake's view will be forever affected. With regard to the railroad tracks, she noted that since service was discontinued, Northfield has been trying to get Union Pacific Railroad to clean up their right of way and we have had no luck. Manager Sigman asked Village Attorney Hill if the Village has any legal standing to get UP to clean up their ROW.

Attorney Hill remarked that it is very difficult and jurisdiction over UP ROW is through the Illinois Commerce Commission. The Village would have to petition them and it is difficult to get them to move on this type of matter.

On the screening of the Public Works yard, Manager Sigman responded that she has had a chance to talk to Public Works Director Mike Nystrand and his staff did walk the property with some of the residents. One of the things that has been in the capital plan for a number of years and has not moved ahead due to funding constraints is a different treatment for the large concrete storage blocks used to store materials that come from the excavation of water mains and other projects. Public Works requires an area to keep that material contained. There is a plan to change that area but we have not had the \$30,000 or so needed to fund that project. She noted that with regard to screening with trees or plants, there is a problem because the property narrows. The Village has more area on the northern end to do planting. As the property goes further south toward the rear of our yard, that is Union Pacific and ComEd right of way and not under our jurisdiction. As the Village moves forward it will try to include in the budget some of the suggestions for cleaning up the Public Works yard.

Trustee Frazier asked if Meadowlake's Association is planning on doing any planting to help alleviate the issue. Mr. Schmidt noted that they have plantings on their berm and might be able to add a couple of more trees but the berm doesn't cover the whole area.

Manager Sigman noted that is one of her concerns regarding the screening, she did not feel that the Village has the room to do larger evergreen planting. Even if we put a six (6) foot high fence, for anyone on the second or third floors, they will still be looking down on the Public Works yard unless there was something in the 20 to 30 foot range. So there will continue to be visibility issues.

Mr. Schmidt responded that whatever can be done would be helpful.

Presentation of Long Range Financial Planning Sub-Committee Findings

President Gougler noted that next item on the Agenda is a report of the Long Range Financial Planning Sub-Committee formed by the Board and chaired by Trustee Jack Chapin with Trustee Brian Kozminski and Trustee George Warga.

Trustee Chapin presented the report with the use of a PowerPoint presentation. He noted that he has chaired the Long Range Financial Planning Sub-Committee over the past three months. He noted it has been an interesting and eye-opening experience. He noted he would review what the Committee has been doing, mythology employed and the concerns identified. He noted he borrowed from former Vice President Al Gore and the title of the report is "An Inconvenient Consideration." He asked that questions be held until after the presentation. Trustee Chapin noted that the financial concerns he is reporting on have been developing for some time. They were identified by the Village staff and the Board a number of years ago. A Board Committee was formed in 2004 to consider the issues and to make recommendations. That Committee recommended two referendums that went to voters in 2005 to seek to remedy the concerns. Both referendums failed. The financial crises of 2008-2009 have accelerated our need to address these issues. Northfield is rapidly approaching a defining moment. He noted that residents have undoubtedly noticed heightened concerns regarding taxes, spending, mounting debt, unfunded pension liabilities nationally as well as in the State of Illinois. He noted reports in the Chicago Tribune stated that the Illinois Pension system is under funded by \$80 billion. Concerns are pervasive at all government levels and Northfield is no exception.

Trustee Chapin noted the Sub-Committee focused on understanding our current situation and then projecting revenues and expenses for the next five years based on our history and a range of three scenarios: 1) rapid recovery from the recession; 2) a normal or expected best case scenario; and 3) worst case scenario (a long recovery). It became abundantly clear to the Sub-Committee that Northfield revenues are not keeping up with expenses. Unless something changes, the outlook for the Village's financial future is a concern. He pointed to a couple of historic windfalls the Village benefited from in earlier years. One resulted from a consent decree entered into with the U.S. government following World War II. The IBM Corporation agreed to the outright sale of data processing machines in addition to just leasing them. In the 1970s and into the early 1990s, IBM had an office located in Northfield. During this period, corporations, universities and businesses were purchasing large scale computer equipment outright. The office located in Northfield generated tax revenues for the Village in unusually large amounts. In addition, Northfield was the beneficiary of another windfall. When Mystik Tape wanted to sell the building and the buyer's use was inconsistent with the Village's Zoning Code, litigation followed and ultimately Bordens donated the property to the Village. The Village then sold the property to a developer who turned it into condominiums which today is known as Meadowlake. During this period the Village put some of the windfall cash into reserves and capital project funds. They used these funds to construct the Fire-Rescue and Public Works facility on Winnetka Avenue also to upgrade the

Village Hall, the Library Post Office and other Village owned properties. Over the years and into the 2000s, funds of \$1.5 million were contributed to the Northfield Community Center, water rebates at \$50 per quarter were issued between 1993 and 1998 totaling \$2 million, vehicle stickers were discontinued for seven (7) years and there were no property tax increases in 1997 and 1998. These are just some of the benefits from these windfalls. Since that time, the Village has made ends meet by tapping our reserve funds, leaving us with a current cash reserve equal to six months of general fund annual operating expenditures. This is the minimal amount for the reserve fund that the Board feels is necessary for a safety net to deal with unexpected contingencies. Going below this amount leaves the Village exposed and vulnerable in cases of emergencies.

Trustee Chapin noted the Sub Committee members Trustees Brian Kozminski and George Warga worked closely with Village Manager Stacy Sigman and Finance Director Steve Noble. He expressed appreciation for their efforts in helping the Committee members understand government accounting and Village's finances. Village President Fred Gougler attended all of the meetings as did most of the other Trustees and Caucus President Jim Henderson and Mike Sollitt head of the Caucus Finance Committee as well as other Caucus members and interested residents. The meetings were open to the public and agendas published in advance. The Sub-Committee met five times. They learned from Finance Director Noble the difference in Government accounting from other business accounting methods in reviewing the General Fund and the two enterprise funds, Water and Sanitary Sewer funds. Among other areas, they reviewed the Capital Fund schedules and projections, Northfield's unfunded Pension liability, Village capital assets including the Equipment Replacement plan, various fund balances, how they interrelate and how they are funded. They noted \$3,375,000 in designated funds, \$10 million in the Police Pension fund. These are not included in our discussions as being available for Village operations.

Trustee Chapin noted that realizing that we are currently in an economic recession, the Sub-Committee carefully considered Village five year projections using three scenarios, expected recovery, a poor or extended recovery and best possible recovery. They looked at the poorest recovery scenario and accentuated the negatives to determine the impact. Initially, they looked at Village budgets to obtain actual revenues and expenses for fiscal years ending 4/05, 06, 07, 08 and 09. They relied on Village reports for the five years mentioned and took a projection for 2010 from the budget with some adjustments.

Trustee Chapin then noted some revenue realities. Including the budget for 2010, over the past five years the average annual revenue growth for Northfield is 3.49%. Average annual expenses during the same period grew 5.59%. He noted that as you can see this leads to a considerable problem. During the time the Sub-Committee met, actual Illinois revenue results for the first seven months of 2009 were received and they heightened their concerns.

--Illinois municipal sales taxes were down 9.8% from the same seven month period in 2008.

--Illinois municipal income taxes were down 15.6% from the same seven months period in 2008.

--Illinois municipal use taxes were down 7% from the same seven month period in 2008.

These figures caused the sub-committee to adjust the budget. A closer look at the revenue sources for the General fund shows that since 2000-01, actual property tax revenue has increased from just under \$2,225,000 to just under \$3,500,000 projected for this year. What happened to cause those increases? Kraft expanded during this period, Northfield annexed the Longmeadow Subdivision and Sunset Ridge Country Club. There were numerous home upgrades and developments such as Fox Meadow. The \$1,225,000 increase is a 55% property tax revenue increase over 10 years. During this same period sales tax revenues decreased from just under \$1,700,000 in 2000-01 to a projected \$1,290,000 in 2009-10. This \$410,000 represents a revenue decrease of 31%. The IBM office is gone, the Village has lost other commercial businesses and car sales have experienced a significant decline.

In terms of expenses, expenses for the same period have increased 5.59% and many items are outside the Village control. Police Pensions were projected based on the past ten (10) year average of 18.1% per year for future growth. IMRF which was projected at 10% future growth and medical insurance benefits projected at 8% future growth. These are expenses over which we have little or no control because they are State mandated. Having identified this serious problem, let's look at some of the issues that influence Board actions.

--Revenue Issues. On Chicago's north shore, Glencoe, Kenilworth and Northfield are the only non home rule communities. Northfield is under 25,000 population which is the automatic cut off for automatically being home rule. Winnetka and Lake Forest also well under 25,000 passed referendums within the past few years in favor of home rule. Non home rule communities are tax capped. The Northfield Caucus reviewed home rule and came to no conclusion or recommendation regarding an initiative. Being non home rule requires Northfield to go to referendum to change tax rates. In 2004, recognizing anticipated budget concerns, a Board Committee studied potential solutions. The resulting recommendation was for the Village to go to referendum. Northfield did so in 2005 with two referendum questions, a \$7.00 property tax increase for \$10,000 of assessed valuation and a sales tax increase of ½ of 1%. At that time, the driving concern was to restructure the Fire-Rescue Dept. which increased budget expenditures about \$300,000. That \$300,000 paid for an all part-time Fire-Rescue department which is unique. Pensions and other benefits are not paid to part-time employees. This represents Northfield's efforts to control costs and find creative solutions to make ends meet. The second referendum was for ½ of 1% increase in sales tax which by State statute must be limited in its use for capital infrastructure. Both of these referendums failed by a considerable margin. Since that time, the Village has had two bond issues for capital infrastructure projects – one for water and one for road improvements. Because the Board believed the Village desired and deserved a Fire-Rescue Department staffed 24/7, 365 days a year instead of an on-call volunteer staff, the Board went ahead and restructured the Fire-Rescue Department in spite of the increased cost and no additional revenue sources to pay for it. This change in the Department drastically reduced response time for Fire-Rescue and reduced the risk for all residents which impacts residents'

homeowner insurance rates. At the time of the 2005 referendums, residents expressed concerns that the Village had too much money in reserves. Additionally, in Trustee Chapin's opinion, there was insufficient community-wide education on the referendum issues. In the 2008 Caucus survey completed last year, citizen responses to the hypothetical question of what course the Village should take if unable to sustain current services due to lower revenues. Of those expressing an opinion to the survey, 68% said cut whatever services are least important to balance the budget, 78% said "no" to whether the Village should raise property taxes; 59% said "no" to whether the Village should raise revenues by establishing or increasing charges for services, sales tax or license fees. In view of the responses everyone understands why the home rule initiative remains on the table without a stated Caucus position. The current Caucus expects to develop a revised platform from the 2008 survey. We have experienced huge economic changes since that Caucus questionnaire went out in 2008. In addition, we have the Sub-Committee's report being presented tonight. It may be in order to revisit that last questionnaire for current validity as the new platform is considered.

Trustee Chapin noted that he has been on the board for 2-1/2 years and stated that it is difficult to cut government expenses. He provided answers on why that is so. He noted that the State mandates unfunded initiatives to be paid for by communities and this is evident in the Pension fund projections discussed earlier. Over 70% of the Village's operating budget is for Village staff. The Village is in a service business. Northfield competes with neighboring Villages for quality talent and wants to be competitive in pay and in benefits. He also noted that Illinois has 43% more taxing entities than the next highest state in America. We have 6,994 taxing entities than the next highest state is Pennsylvania which has under 4,800. There is limited groundswell to address this issue and the impact is yet to be factually quantified. Trustee Chapin noted that the Village of Winnetka is seeking to establish an ad hoc committee to look into the issue of combining the four major Winnetka taxing bodies, Village Board, Library Board, School Board and Park District Board because of perceived inefficiencies and time consuming conflicts. The article on Winnetka also considered secession from Cook County by New Trier Township. Such a question passed overwhelmingly when considered by Barrington Township, Palatine Township and Hanover Township.

Trustee Chapin offered some thoughts for consideration. He noted residents may be asking themselves what is the real impact of the Village's situation. Is it as bad as he is making it sound? What will happen? For the past five years ending in April 2009, the drawdown on the Village's reserves was \$12,059 cumulative over five years. Village cuts were made, funds consolidated, socks emptied during this period. RedFlex generated over \$500,000 in revenue. The Village saved over \$360,000 in trash collection expenses and the Village's insurance was restructured for a savings in excess of \$160,000. That is a million dollars of savings. Our revised budget ending April 30, 2010 projects a decline in the Village's reserve of \$1,123,000. The over/under for the past five fiscal years showed four years where expenses exceeded revenues and one year ending 2008 where revenues

exceeded expenses. The items mentioned above made up for budget shortfalls. Each year since the referendums were rejected in 2005, the Board and staff has implemented cost cutting measures targeted to make ends meet. Staff reductions have been made; jobs left vacant, retirements not filled. The number of Police Officers has been reduced, the Police Psychologist's hours cut, there has been a reduction in the number of Village newsletters mailed having gone mainly to emailing it or providing it on the website, The Village no longer covers the cost of sidewalk repair or provides 50% of the cost of tree planting in the public right of way. There will be fewer holiday lights. It is also important to note that as a non home community our property tax increase is statutorily capped at the lesser of the CIP or 5%. The CIP that ended in December 2008 was 0.1% which is what the Board is faced with for the budget next year. The Village's duty to fund Police and other employee pensions is also statutorily mandated without limitation. Ten years ago, the Village paid \$153,000 into the Police Pension fund and it was 90% funded. This year, the Village will pay \$782,000 into the Police Pension fund and it will be 50% funded. The market has had grave impact.

Trustee Chapin stated that our combined unfunded liability in Northfield is \$9,990,000 for Police, \$4,330,000 for IMRF for a total of \$14,320,000. Recent market levels require the Village to continue to increase various pension payments between 10 and 18% per year for the foreseeable future. With the 0.1% CPI limiting revenue growth, coupled with the mandated expense growth discussed, there is every indication the Village is headed toward potential insolvency. The Village is fortunate to have reserve funds to cover short term requirements. Ideally, reserve funds should be available to use against unexpected circumstances. The current financial crises cannot be considered to be an expected circumstance. Our best cost projection shows we have to rely on our reserve fund to meet our operating expenditures for the foreseeable future. Our projections indicate the over and under for the next five years including depreciation to be a minus \$7,900,000 – not one year being over. It is a Board policy to “maintain a reserve balance equal to six months of general fund operating expenses. Our projection suggests we will violate this policy next year. By the end of the next five years, we will have depleted our combined balance working capital balances by over \$6 million, leaving about \$500,000 in reserves.

Trustee Chapin reported that their charge as a Sub-Committee was to identify the problem and their charge did not include recommending specific solutions. Solutions are up to elected trustees working with Village staff. There are many approaches to the consideration identified. None of them necessarily easy or optimum. Following are a few:

--The Board may consider a specific voter referendum similar to those that failed in 2005. Extensive voter education is recommended.

--The Board may want to increase fees and charges. Some of this has already been done but the scale would have to be increased significantly to make a dent in the gap between revenues and expenses. However, being non home rule, the Village is limited on what it can do on fees and expenses.

--The Village may consider a home rule referendum to give the Board greater flexibility in

appropriating revenue modifications. This also requires citizen education.

--The Board may reconsider Manager Sigman' list of possible budget cuts presented in February 2008. The list will need to be updated, added to and revised.

--The Board may consider having a cost reduction consultant reporting to the Board of Trustees assist in identifying possible excesses and areas of potential reduction for consideration.

--The Board may look more closely at the capital replacement items as they come before the Board and roll such purchases into the future. Trustee Chapin noted that every year the Board considers upcoming capital projects and considers whether to defer some or all.

--The Board may review services provided by the Village and continue to cut or scale back services as the last Caucus survey results suggest. However, most of the non-essential cuts have been made. He also noted that due to the large and increasing pension obligations, the Village cannot cut its way to a balanced budget and maintain the current service levels.

--A suggestion to merge with a neighboring Village was made.

Trustee Chapin continued, noting that the Sub-Committee discussed considerations for doing what many businesses have done with regard to switching to defined contribution plans versus defined benefit plans. However this is not currently permitted under Illinois law. He also noted the Sub Committee has considered the potential of expanding shared costs with other Villages, out-sourcing activities and selling some assets. He reported that President Gougler has joined a Committee of the Northwest Municipal Conference that is advocating pension reform on behalf of municipalities. Soaring pension costs are having a similar effect on cities and villages across the State and the country. Northfield does not have the authority to modify pension benefits. Pension benefits and obligations are imposed by the State government. Northfield continues to work with our sister communities to address pension reform but due to the political climate in Springfield, relief cannot be expected soon if at all.

Trustee Chapin reported that the Village of Kenilworth out-sources its Fire Department to Winnetka and is rumored to be looking at the possibility of outsourcing their Police function. These suggestions as well as other ideas deserve consideration from the point of practicality and impact and community acceptance.

The Sub-Committee's charter was to study Northfield Village finances and present a status report to the Board of Trustees and the community. Except for questions, Trustee Chapin noted the report is complete. He then summarized the material reported on using the charts in the PowerPoint presentation to point out the main points. He also noted that the Sub-Committee has been asked by President Gougler to continue meeting to study and consider solutions and report back on their findings. Their first meeting will be Thursday, October 29, 2009 at 5:29 p.m. He added that the most likely projection spreadsheet reflects the success the Board and staff has had in trimming and cutting, delaying and deferring, clipping and chopping, emptying socks and locating revenue sources which had previously not been available such as RedFlex. However, there is little room left for this type of management action. The Village's combined reserves go under the stated policy next year relative to

the General Fund. It is not a desirable position. He added that Northfield is approaching a defining moment which has been thrust on it by forces beyond its control. The question facing the community and Board is what type of services and Village amenities are wanted and whether the Village is prepared to respond.

Trustee Chapin thanked the Sub-Committee members, Trustees Kozminski and Warga, Village Manager Stacy Sigman and Finance Director Steve Noble for their work and assistance during this process.

President Gougler thanked Trustee Chapin for his leadership of the Sub-Committee.

Trustee Teichert noted that their numbers went out five years. He asked if it was safe to assume that after five years it is going to be much worse or the gap widening.

Trustee Chapin responded that anything in the future is difficult to project.

Resident and Caucus member Erv Hobson asked what level of funding does the Sub-Committee think the Village will need per year.

Trustee Chapin responded that until the Sub-Committee gets into the second phase of its work to look at solutions, he cannot answer that question.

Resident Tom Pick made a comment about certain issues that keep cropping up such as IDOT and Willow Road. He questioned whether it could be made a toll road.

Resident John Schmidt of Meadowlake restated the number of State 6,996 taxing entities in Illinois as reported by Trustee Chapin and asked whether that is because Illinois does not tax as high a percentage and asked where all the money goes.

Trustee Chapin noted that in Northfield alone we have two township districts, the Sunset Ridge School District and the Avoca School District, the Water Reclamation District, Forest Preserve District, Library Board, New Trier High School District, Northfield Park Board, Mosquito Abatement District, etc.

Graham Jackson asked whether the Village has talked to other communities with similar problems about ideas that have worked for them and how they have addressed this type of problem. He noted it is called "benchmarking" and stated that there may be some ideas out there that the Sub-Committee might not think of that might be helpful.

Trustee Chapin responded that is why he suggested hiring a cost reduction consultant.

Mr. Jackson noted that perhaps we would not need to hire a consultant and that staff has access to contacts in other communities that could provide the information.

Mr. Henderson, Resident and Caucus President, noted that a private sector analogy would be General Motors. Management and unions came together to discuss the pension and retirement plans that went so high that it put the companies at a competitive disadvantage or out of business. However, governments are not likely to go out of business. We need fire and police protection. But the legislature seems to be representing government employees and not taxpayers. The legislature is being politically funded by public employee unions. The legislators know they are not responsible for the taxes that Northfield has to levy to pay for the pension benefits. They also know that residents of

the community want to have quality police and fire-rescue services. That is our dilemma. He noted he looks forward to seeing what the Sub Committee comes up with.

Another comment was regarding the home rule referendum noting that if it was voted on and passed, it would not provide revenue for two years.

Trustee Chapin noted that home rule provides a broader flexibility and permits the Village to raise money in many ways including charge more fees and license other types of businesses. He provided some examples of what the Village would be able to do by being home rule and noted that these types of changes could provide extra revenue more quickly than taxes.

There was a question regarding whether Northfield is fully developed or has vacant property.

Manager Sigman responded that Northfield is considered to be fully developed. There may be a parcel or two where a business went out that is available for redevelopment but very little property is vacant.

President Gougler again thanked Trustee Chapin for his outstanding presentation and thanked the residents attending the meeting. He noted that the process does involve community education and their direct participation. He added it is the beginning of a six to nine month process.

APPROVAL OF CONSENT AGENDA ITEMS:

Trustee Teichert made a motion, seconded by Trustee Chapin, to approve Consent Agenda items 1 through 5.

1. Approve the Minutes of the September 15, 2009 Village Board meeting.
2. Approve the Bills and Disbursements from 9/3/09 to 10/7/09 in the amount of \$323,630.74.
3. Approve the 2010 Village Board meeting schedule.
4. Approve the Truth in Taxation Resolution for the 2009 Tax Levy.
5. Approve a Proclamation in support of the 2010 Census.

Upon the following roll call vote, the motion was approved.

AYES: Chapin
Teichert
Frazier
Gottlieb

NAYS: 0

ABSTAIN: 0

ABSENT: Kozminski
Warga

CONSIDERATION TO APPROVE AN ORDINANCE AUTHORIZING A FINAL PLAT OF RE-SUBDIVISION FOR FIELDS IMPORTS AT 700 AND 770 FRONTAGE ROAD

Trustee Frazier made a motion, seconded by Trustee Teichert to approve an ordinance authorizing a final plat of re-subdivision for Fields Imports at 700 and 770 Frontage Road.

Community Development Director Anne Kane reported that earlier this month the Plan and Zoning Commission reviewed a proposed plat of subdivision that reconfigures the two lots at 700 and 770 Frontage Road. In 2007, Fields expanded their group to the office building to the north. They presented plans to the Village earlier this year for a 32,000 sq. ft. automobile dealership that will be located on the 770 property. As part of the approval, they were asked to come back to the Village to

file the plat of consolidation. Subsequent to manufacture and financing purposes, they chose to re-subdivide. The Plan and Zoning unanimously voted to recommend its approval.

Director Frazier noted that she read the minutes of the Plan and Zoning meeting and she knows that the Village has hired a consultant. She wanted to know whether the project is on-going and noted there is some neighborhood concern regarding the matter.

Director Kane responded that it is on-going and that she had met with the consultant that afternoon and that he visited the site to familiarize himself with the property. She noted future meetings are anticipated not only with Fields representatives but also neighborhood representatives who have participated in the meetings to address their concerns.

Trustee Teichert noted that the next Architectural Commission meeting would also be dealing with this matter. They postponed the meeting to November 7.

Following discussion and upon the following roll call vote, the motion was approved.

AYES:	Chapin	NAYS: 0	ABSTAIN: 0	ABSENT: Kozminski
	Teichert			Warga
	Frazier			
	Gottlieb			

CONSIDERATION OF A REQUEST BY THE HAPP INN BAR AND GRILL TO ALLOW EXTERIOR MODIFICATIONS TO THE OUTDOOR DINING AREA

Trustee Gottlieb made a motion, seconded by Trustee Frazier to approve a request by The Happ Inn Bar and Grill to allow exterior modifications to the outdoor dining area to enclose the patio and provide year-round al fresco dining.

Director Kane noted that last month the Village was contacted by representatives of The Happ Inn inquiring about the permitting process to provide winter enclosure of the outdoor dining patio. While the special use does grant some authority to allow some modifications, it was felt the proposed enclosure went beyond the 3%. It was suggested they request the Village Board approve the modification which will include the enclosure of the outdoor dining patio but not have doors on the ends. Staff had concerns when it was presented that pedestrians at the mall will be forced to walk in the parking lot. Maintaining the pedestrian access along the mall was important, also the need to provide appropriate ventilation for the gas heater that was contemplated the merchants egress path for exiting the restaurant and that the enclosure remain temporary in nature so it does not fall under certain life/safety codes that would require fire sprinklers if it were to become a permanent expansion of the building. Provided all those conditions are met which are addressed in the plans presented, staff does not have concerns and does not anticipate that the enclosure of the outdoor dining area would create any negative effect on property owners. Director Kane also noted that as of yesterday, there was a modification to the heating method proposed and it has been reported that Friedman Properties is working with The Happ Inn and is now presenting a roof top HVAC unit that will resolve a lot of concerns regarding combustible air ventilation which is a better solution for this expansion.

Trustee Teichert asked if The Happ Inn will be happy with no doors and whether it will be functional temperature-wise.

Jim Weiss of Friedman Properties noted that they would be happy with a shower curtain and the restaurant does not need a door to keep the heat in for the outdoor dining area.

Trustee Teichert then remarked that there will be something there just not a structured door.

Director Kane noted she would have to verify that with the Fire Inspector who had concerns.

Manager Sigman also pointed out that this area is the only walkway along the center so it has to remain fully accessible and handicap accessible.

Mr. Weiss noted that the concept is that during mall hours the doorways would be open but they would like some consideration to put up a plastic sheet (shower curtain type) so it would hold the heat in after the mall closes.

Director Kane noted that it is acceptable as long as it meets the life/safety codes. Permanently enclosing it even on a temporary basis may trigger a fire sprinkler requirement.

Trustee Frazier asked if the Fire Inspector approved the plan.

Director Kane responded “yes” on the current plan which shows no enclosure at either end.

Trustee Chapin asked if The Happ Inn would plan to serve lunch outside.

Mr. Weiss responded “yes” if it did not require them turning on the heat. He noted that with Chicago weather, the restaurant would not expect to use it during January or February. The temporary outdoor area is just to extend the outdoor eating season a little longer in spring and fall.

Trustee Gottlieb asked for clarification on whether there will be times when because of weather they would not plan to use the enclosed outdoor area.

Mr. Weiss responded that was correct.

President Gougler asked what happens if they learn that pedestrians are walking into the driveway or the fire lane. Will the Village be monitoring that from a safety point of view in case we have to revisit this decision based on a hazard that arises, can we reassess the matter. He noted that if it is not safe to walk, he has a problem with it because we don’t want to divert traffic into the driveway.

Mr. Weiss responded that they will have signage up letting people that they can walk through the outside dining area.

President Gougler noted that he understands the proposal and the recommendation and the intent, but he would like having the option of seeing it work.

Trustee Teichert asked what the experience is now. Do people walk through the dining area or walk around. He felt they might be walking around.

Mr. Weiss responded that people walk through – that there is plenty of room.

Trustee Chapin asked if they had considered moving some tables and putting the walkway in another area. He also asked if the plan was going to the Plan and Zoning Commission.

Manager Sigman noted that it is not going to Plan and Zoning as proposed. That it does not need to go to them if the Village Board approves it.

President Gougler asked if Chief Lustig is okay with keeping the Board posted on how this works.

Trustee Gottlieb asked if the Board determines in six months that in fact there is a traffic/safety issue, then what does the Board do.

Trustee Teichert questioned whether the Board is changing anything that currently exists.

Manager Sigman responded “no” that the walk went through the area that exists today. The only thing the Board was doing by today’s action is extending the timeframe by which the area can get used. The walking pattern is there today and it has been since before she came 11 years ago. Brasserie T had outdoor seating.

President Gougler asked what we do if we find a pedestrian safety issue.

Manager Sigman deferred to Attorney Hill on the ability to go back to the issue.

Attorney Hill noted that the walking path remains the same but the perception of pedestrians because it will be more enclosed may push them to go around and into the driveway. He noted that they could make a condition that the Village Board has the right to revoke the additional amenity. He asked whether it was contemplated that this enclosed dining area would become part of their special use.

Manager Sigman noted that the special use ordinance allows the provision of minor changes so there would be no amendment to the special use.

Village Attorney Hill noted we can attach this as a supplement as approved by the Village Board and that the written supplement can contain the condition that the Board has a right to further review and require additional changes with regard to the enclosed dining area if it creates a safety issue.

President Gougler asked for a motion to amend the motion.

Trustee Teichert made the motion which was seconded by Trustee Chapin to amend the original motion to add conditional language giving the Board the right to review, require additional safety measures or to ultimately revoke the enclosure of the outdoor dining area if safety requires.

Following discussion and upon the following roll call vote, the motion to amend the motion was approved.

AYES:	Chapin	NAYS: 0	ABSTAIN: 0	ABSENT: Kozminski
	Teichert			Warga
	Frazier			
	Gottlieb			

The Board then voted on the amended consideration.

Upon the following roll call vote, the amended motion was approved.

AYES:	Chapin	NAYS: 0	ABSTAIN: 0	ABSENT: Kozminski
	Teichert			Warga
	Frazier			
	Gottlieb			

CONSIDERATION TO APPROVE A LICENSE AGREEMENT FOR USE OF A VILLAGE ROW FOR CONSTRUCTION OF A PRIVATE PERIMETER FENCE AT 515 SOMERSET LANE

Trustee Gottlieb made a motion, seconded by Trustee Teichert to approve a License Agreement for the use of Village right of way for construction of a private perimeter fence at 515 Somerset Lane.

Director Kane reported that the property owner who is present tonight is seeking approval of a temporary license agreement for a seven foot strip of Old Willow Road right of way that abuts his property at 515 Somerset Lane. It is temporary in nature noting the future consolidation of 515 Somerset parcel with his primary residence at 2211 Old Willow Road. In exploring that plat of consolidation it became evident to the property owner and staff that the southern property lines do not align. The 2211 property currently extends to the southern pavement line. The southern property line is located along the northern pavement line of Old Willow Road which is a fairly odd circumstance in the Village. 515 Somerset is part of a more recent subdivision and includes a 40 foot dedication of its southern portion of its property. She noted the misalignment will be resolved as part of the plat of subdivision, however, Illinois State statutes provide for specific manners in which Village Boards can take State right of way. The Village requires a public hearing conducted by the Plan and Zoning Commission and she became aware of that stipulation too late to accommodate the property owner's desired project time line to get this property fenced this year before snow falls. Working with the Village Attorney, they developed a temporary license agreement. The License Agreement allows the property owner to install the fence as well as attractive landscaping and berming in the seven foot strip prior to formal dedication and consolidation.

Trustee Frazier asked why the normal procedures are not being followed. She noted she understands the reason given but asked why regular procedures are not being followed. She asked if the neighbors have been noticed about this matter.

Director Kane responded that the neighbors have not been noticed.

Trustee Frazier asked if they had the right to know.

Attorney Hill responded that this is a temporary license and it will last only so long. This is not a substitute for a re-subdivision or a vacation of Village property; it is an interim measure and there will be a public hearing. If upon the public hearing and getting the recommendation from the Plan and Zoning Commission, the Village Board decides it does not want to vacate any property when the re-subdivision is done, then this terminates and the salient points that the Village has the right to terminate it and not accept his requested vacation or the subdivision and he waives any right to claim that he has acquired a property right for any reason whatsoever. Attorney Hill noted the Village has done this before at least a half dozen times. It does protect the Village interests and lets him use it. As soon as the Village says no, it is over and within 120 days things have to be removed.

Trustee Frazier noted she understands what has been said but wondered why the Village is being so accommodating. She is concerned about residents who live nearby and feels that they have a right to know and express whether they are in favor or not. The Village has a procedure that is

supposed to be followed and the reality is, once the change is made, that will be it. To go before the Plan and Zoning Commission and say they have already put up the fence and now they want to know if it is okay. She felt it shifts the burden of proof to some extent. Perhaps it is also not fair to the property owner because what if P&Z says “no”. Trustee Frazier stated the bottom line is his neighbors have a right to have a say in this matter and we are circumventing the process.

Trustee Teichert disagreed and felt neighbors might not approve just based on a drawing or plan but might approve it once they see what they are dealing with. If the property owner wants to take the risk and expense, he has no trouble approving it.

Trustee Frazier responded that she would be really surprised if one of her neighbors put up a seven foot fence and noted that the Village let them do it and there would be a hearing later. She related that when she put on an addition, the builder put the addition $\frac{3}{4}$ of an inch beyond the setback. They had to demolish that and push it back $\frac{3}{4}$ of an inch. She thought it was “draconian” but understood that was the process. For her to hear that someone else can come in and get a special license seemed unfair.

Director Kane noted that the public notice required by State statute does not require notice to neighbors. It simply requires notice in the newspaper. So unless the neighbors are all reading the legal notices in the newspaper, they will not necessarily receive notice of the vacation of the right of way. Because there is a plat of consolidation also going on, that will require notice to surrounding property owners within 250 feet.

Trustee Frazier noted that the bottom line is why special consideration is being made in this case.

Trustee Chapin asked what is code for the height of a fence in Northfield.

Director Kane responded it depends where the fence is located.

Trustee Chapin then responded in the front yard.

Director Kane stated that in the front yard, if it exceeds four feet, it needs to be at least 70% open. The property owners are installing a five foot wrought iron fence.

Trustee Chapin noted that their information says a seven foot fence. It states 7 ft. by 150 ft.

Director Kane responded that is not the height of the fence. It is the area that is proposed for the license agreement. It is a dimension of depth of the area.

Trustee Teichert noted that the people it would impact are within 250 feet. It looks like the property owner owns the property to the north and to the east which is up to 250 feet so it would impact mostly him. Perhaps there are some people across the street that would be impacted.

Trustee Gottlieb then asked for further clarification of where the fence would be put.

Following discussion and upon the following roll call vote, the motion was approved 4 ayes to 1 nay with 2 absent.

AYES: Chapin
Teichert
Gottlieb
Gougler

NAYS: Frazier

ABSTAIN: 0

ABSENT: Kozminski
Warga

CONSIDERATION TO APPROVE ADOPTING THE EMERALD ASH BORER ACTION PLAN

Trustee Frazier made a motion, seconded by Trustee Gottlieb to approve adopting the Emerald Ash Borer action plan.

Director Kane reported that various alternatives for the Emerald Ash action plan were presented last month at the Committee of the Whole meeting. There was consensus by the Board to go with a more conservative strategy rather than a “do nothing” policy or “a clear cut” approach. This action plan being considered calls for removing diseased ash trees on public rights of way and replacing them with smaller caliper trees as the Village budget permits.

Upon the following roll call vote, the motion was approved.

AYES: Chapin	NAYS: 0	ABSTAIN: 0	ABSENT: Kozminski
Teichert			Warga
Frazier			
Gottlieb			

CONSIDERATION TO APPROVE AN ORDINANCE AMENDING THE VILLAGE CODE, CHAPTER 10, VARIOUS SECTIONS AND CHAPTER 14 PERTAINING TO DISEASED OR INFESTED TREES

Trustee Frazier made a motion, seconded by Trustee Gottlieb to approve an ordinance amending the Village Code, Chapter 10, Landscaping, Screening and Tree Preservation, Sections 10-1, 10-11 and 10-12 and Chapter 14, Nuisances, Sec. 14-3, pertaining to diseased or infested trees.

Director Kane reported that these ordinance changes were also presented last month at the Committee of the Whole meeting. The ordinance will change the code to treat Emerald Ash Borer trees similar to how trees with Dutch Elm disease are handled.

Upon the following roll call vote, the motion was approved.

AYES: Chapin	NAYS: 0	ABSTAIN: 0	ABSENT: Kozminski
Teichert			Warga
Frazier			
Gottlieb			

CONSIDERATION TO APPROVE AN ORDINANCE AMENDING THE VILLAGE CODE, CHAPTER 16, ALCOHOLIC LIQUOR, SEC. 16-6, LICENSE FEE AND NUMBER OF LICENSES IN EACH CLASS AND APPENDIX D, SEC. 16-6, LICENSE FEES

Trustee Chapin made a motion, seconded by Trustee Teichert to approve an ordinance amending the Village Code, Chapter 16, Alcoholic Liquor, Section 16-6, License Fee and Number of Licenses in Each Class to increase Class J to two and to amend Appendix D, Fees and Bond Amounts, Sec. 16-6, License Fees to reduce first time liquor license fees applied for in the fourth quarter of the year.

Manager Sigman reported that the Village has received requests from two restaurants in town to have a carry in liquor license for wine and beer. Penny’s Noodle and Northfield Restaurant have both applied for Class J licenses. By code we have to amend Class J to allow for these two

licenses. Also, as stated, an amendment is proposed for the fee section of the Village Code, to pro rate the cost of the license for new license in the final quarter of the year.

Trustee Chapin asked for Police Chief Bill Lustig's thoughts on these changes.

Chief Lustig noted he has no problem with the changes.

Trustee Teichert asked if Northfield Restaurant planned to extend its hours.

Manager Sigman responded that she was not aware they planned to change their hours.

Trustee Gottlieb noted that these are essentially BYOB (bring your own bottle) licenses and asked if there are any time restrictions.

Village Attorney noted that there are time restrictions noted in the municipal code. He noted that the Village has experience with this type of license in the past. Hunan Chef held a corkage license but made the decision it was not economically worthwhile for them and discontinued it.

Manager Sigman noted that the prior occupants of The Happ Inn had a liquor license that allowed customers to bring in alcohol in as well as to purchase it there.

Trustee Gottlieb asked if the restaurants are doing this because they feel they need to compete with other restaurants.

Manager Sigman noted she has not spoken directly to either owner but noted that Penny's restaurant has had patrons bringing in wine and did not realize that they could not allow customers to bring in packaged liquor. When the Village became aware of this, we notified them that they need to have a liquor license. She noted that Penny's does not intend to charge a corkage fee and is having the J license as a service to its customers.

Trustee Teichert asked if the Class J is restricted to beer and wine.

Manager Sigman noted it is restricted to beer and wine by ordinance.

Upon the following roll call vote, the motion was approved.

AYES:	Chapin	NAYS: 0	ABSTAIN: 0	ABSENT: Kozminski
	Teichert			Warga
	Frazier			
	Gottlieb			

CONSIDERATION OF THE SEMI-ANNUAL PLACEMENT OF CLOSED SESSION MINUTES IN THE OPEN SESSION BOOK

Trustee Chapin made a motion, seconded by Trustee Teichert to approve placing the Closed Session Minutes approved by the Village Attorney into the Open Session Minutes book.

Upon the following roll call vote, the motion was approved.

AYES:	Chapin	NAYS: 0	ABSTAIN: 0	ABSENT: Kozminski
	Teichert			Warga
	Frazier			
	Gottlieb			

Attorney Hill commented that the only Minutes remaining in the Closed Session Minutes book are the most recent discussions on litigation issues.

Discussion of Information Items and Updates

Sub-Committee Reports

President Gougler noted that Trustee Chapin provided his report from the Long Range Financial Planning Sub-Committee earlier in the evening and will be continuing to head the Sub-Committee as they look for solutions to the Village's Long Range Financial issues.

Trustee Gottlieb who chaired the Personnel Compensation and Benefits Sub-Committee thanked members Trustees Joan Frazier and Fred Teichert for helping get through evaluating the Villages current policies with regard to personnel compensation and benefits. They took a hard look at what the Village is doing, whether there is a better way to do it. They spent the last two to three months evaluating various approaches and plans and found that they were comfortable with what the Village currently does. They will next roll their results in with Trustee Chapin's report.

Departmental Updates

Village Manager Sigman noted there will be a Traffic and Transportation meeting next Wednesday and expects it will be a fairly large meeting. The kick off of IDOT's Community Advisory Group is coming up. The Village has 13 full members out of a total of 25 and 26 members if you count the 13 Alternates. The T&T Chair Bob Hayward will use the meeting to help them understand their role on the Community Advisory Group (CAG). IDOT will hold its first CAG meeting on November 5 at New Trier West high school from 6:00 to 9:00 p.m.; however, final notice confirming the meeting has not yet been received.

Director Anne Kane reported on the progress on the Edens Bank site across the street. The hole was dug, the contaminated soil was removed and it has been filled in slowly and accurately over the past two days. She noted the Village has not received any plans from Edens Bank but anticipates that it will be after the new year. She also provided a status update on the Village Center Task Force. She reported they have not heard from the developer interested in the BP gas station site. She felt he got the message that his proposal was premature for the community to accept a modification to the Comprehensive Plan that they were proposing. A strong order was given to pursue all legal avenues to get BP to comply with cleaning up the property. There was a status update on Friday at the Judge's request in Skokie regarding the nuisance citation. It was up for a briefing schedule and the Village to respond to BP's motion to reconsider by October 30. BP then has 14 days to respond and a hearing has been scheduled on the matter on December 1. Notice was served on Sept. 25 to BP's representatives and they had 30 days to respond to the complaint.

Finance Director Noble reported that he attended a final inspection meeting yesterday with IDOT regarding construction on Willow and Waukegan Roads. He noted that hopefully our red light cameras will be back in working order soon. When he gets the exact date, he will relay that information.

Chief Nystrand reported that the Fire-Rescue Department had a great turnout at the Fire Prevention Pancake Breakfast. The next three weeks Fire-Rescue personnel will be participating in multi jurisdictional training at the training site in Glenview. The Public Works Department is almost finished with the roadway repair program. There are just a few items to finish. They were able to get the Water Reclamation District to do some river clean up maintenance on the Middlefork River. He noted they started yesterday and have done from Winnetka Road all the way down to the Skokie River. They anticipate they will be working for a couple of weeks on this. They are using large equipment and removing a lot of debris from the river which contribute to blockages. From what they have removed, the river is already down two feet.

Trustee Frazier asked if the work was being done as a result of the stormwater study done by Gewalt Hamilton Engineers.

Chief Nystrand reported that the Water Reclamation District is doing it to get rid of existing blockages which will significantly improve the flow of the river. He also reported that the County came out and repaired the storm sewer on Winnetka Road and removed the blockage there. However, he noted Public Works is not satisfied with their repair and has asked them to return and repair it to the Village's standards.

President Gougler asked if this information could be put on the Village's website under the stormwater section as an update to track the Village's actions to improve flooding.

Chief Lustig reported on Police Department activities and noted he received an award from the FBI in Washington crediting two Northfield officers with providing information about a known terrorist. The FBI now knows where he is and believes the suspect is laundering money through a gas station in another Village. He also noted that he is working very hard on the east side of town regarding burglaries. Even though we put information in the newsletter, residents aren't getting the message. His goal is to one day be able to push a button to alert residents that burglaries are on the rise in certain areas and to start locking up and taking precautions to protect their homes and valuables. He is working with a Caucus member on the east side making cold calls to residents before focusing on the west side. He reported on an arrest of two people with cocaine outside of Seuls.

ADOURN TO EXECUTIVE SESSION

Trustee Chapin made a motion, seconded by Trustee Frazier to adjourn to closed session at 9:20 p.m. to discuss on-going litigation.

Upon the following roll call vote, the motion was approved.

AYES:	Chapin	NAYS: 0	ABSTAIN: 0	ABSENT: Kozminski
	Teichert			Warga
	Frazier			
	Gottlieb			

RETURN TO OPEN SESSION

Trustee Chapin made a motion, seconded by Trustee Teichert to return to open session at 9:50 p.m.

Upon the following roll call vote, the motion was approved.

AYES:	Chapin	NAYS: 0	ABSTAIN: 0	ABSENT: Kozminski
	Teichert			Warga
	Frazier			
	Gottlieb			

ADJOURNMENT

There being no further business to come before the Board, Trustee Frazier made a motion, seconded by Trustee Teichert to adjourn the meeting. By voice vote all approved and the meeting was adjourned at 9:55 p.m.