

Committee-of-the-Whole Minutes
April 17, 2018

Mayor Prejna called the meeting to order at 7:30 pm.

COUNCIL IN ATTENDANCE: Aldermen Mike Cannon, Nick Budmats, Laura Majikes, Joe Gallo, Robert Banger, Jr.

COUNCIL ABSENT: Aldermen John D’Astice, Tim Veenbaas

STAFF IN ATTENDANCE: City Manager Barry Krumstok, Deputy City Clerk Ginny Cotugno, Assistant to the City Manager Lori Ciezak, Finance Director Melissa Gallagher, Fire Chief Terry Valentino, Police Chief John Nowacki, Public Works Director Fred Vogt, Assistant Public Works Director Rob Horne, City Engineer Gary Rozwadowski, City Engineer Ryan Lindeman, Business Advocate Martha Corner, and City Attorney Jim Macholl

1) Recycling Contract Renewal

Mayor Prejna: Mr. Krumstok I believe you are going to lead off the evening with the recycling contract renewal?

Mr. Krumstok: I’m doing a brief introduction before I bring in Public Works Director Fred Vogt who actually will turn it over to some of the folks from Advanced Recycling and Refuse and everything else. But we do want to bring this one back because obviously when we had the last COW we were asked twofold to go back and have a discussion with Advanced Disposal, our current provider since 2013, and then also to prepare an RFP, but at this point in time what we’re bringing back is that proposal that we feel comfortable with and it does have parameters within 3% and 5%. It would be a longer term that we felt comfortable with for recycling and with that obviously with the write up we have additional information and I know that at least one Alderman appreciated all the insights on recycling in China that we actually provided with that too, which was most of the packet this time too. But at that point in time I will turn this over to Public Works Director Fred Vogt to go over some of the pieces and we do have some additional information.

Mr. Vogt: Thank you Barry and thank you Mayor and Committee. I will not discuss the attachment unless anyone has questions.

Mayor Prejna: Thank you Fred.

Mr. Vogt: We’ll stick to the business items and point out some things in our recent discussions over the last several weeks with Advanced Disposal. We have negotiated with them for a couple of months now, back and forth. I’ve had several meetings with them. What we put in the cover page of the staff summary is a comparison small chart regarding what our current contract is this

year that we pay \$3.91 per month and that's included with the monthly utility bill and for refuse collection, yard waste collection is all added together. If we were, as council directed last month when we discussed this, to continue the current contract and add either 3% or 5% CPI, the range there next year would be \$4.02 at the higher rate, \$4.11 carried out its the third year of either \$4.26 roughly or \$4.54. Advanced's best offer to us as they presented to us about two weeks ago is to go to \$4.50 for the first year, which would be July 1, 2018 to June 30, 2019, and then the CPI at the same terms that we currently have would be eligible to kick in. So, roughly it's about 40 to 50 cents per month more than what the current expiring contract reflects. Now there's several things that we want to point out to City Council. One of them is not even here, that their staff and Cris Manley and Tish Powell are here from Advanced to answer any questions that the Council may have or to say a few words when I'm done, but we had talked a few times about carts that our recycling carts that the City bought in 2008 are at the end of their 10 year warranty. We will be faced with having to take on those replacement costs, repair costs after this year. Advanced has indicated that given that they typically have a surplus of carts that they may be able to negotiate with us and arrange for some terms that we could utilize their services to replace carts if we continue a contract with them for the recycling services. So that wasn't there because it's relatively not well able to be defined, but it's something that they have offered to us during some of our negotiations and discussions. We have reached out, and had several discussion, with the Solid Waste Agency of Cook County. We did get a sample contract for them three years ago when the last community within the SWANCC Agency put out proposals for just recycling services as opposed to refuse, yard waste, recycling services and that came in at about \$4.00 a month. Their Executive Director indicated that he would expect to see if we were to go out for proposals that we would probably be at that \$4.00 to \$4.75 per home monthly range. Also point out given that we changed vendors 5 1/2, 6 years ago, there's certainly a value to be had by retaining a contractor. Staff can't really tell you what that value is, but the changeover did come with some pain when we did it in terms of learning curves. Our service with Advanced over the last 5 1/2 years has been very good, once they passed that initial learning curve, and our complaints for missed pickups or other problems are very few. It's been good service. We do, if Council chooses to direct staff, we have request for proposals about 90% done. I would expect to be able to get those out within the next week, if we need to do so. We utilized the proposal request format from 5, 6 years ago to put that together if staff desires us to do that. We talked about waste swapping, the program that we started about 2 years ago with Advanced as they operate the transfer station on Berdnick Street, which has little to do with, nothing to do with the recycling services collected and we decided that because it really doesn't have anything to do directly with recycling to separate that issue out. We will continue discussions with Advanced in regard to costs that they see they are incurring and want to pass on to the City at some point in time for that given that we are saving the wear and tear on our trucks. We're saving the time from not having to go to the Glenview facility, but rather utilizing their facility, the transfer stations that they have on Berdnick Street. So for discussion purposes for considering a recycling contract we think that's not germane to the overall recycling consideration. The article that you have as an attachment amongst other things that it points out, the market has changed significantly with recycling. We don't see the opportunities currently for rebate programs and other incentives that we saw several years ago. We don't know what's going to happen in the future with the market. The article kind of points out a few things that may happen, but the market is much different than it was several years ago and that's one of the

reasons we see costs increase on behalf of proposals. Again, it's about a 50 cents per month cost. We have not looked at, from the standpoint of impacts to the Refuse Fund and what that would ultimately do. We certainly could do that, but just the raw numbers, based on the proposal we have for a 3-year contract extension, carry that with it. When we, or if we would go out for proposals, we could see better numbers. We could see numbers that are slightly higher than that. We really don't know, so we feel that Advanced Disposal is likely with their proposal close to what the, and in the ballpark of what we would see if we get proposals, but that's where staff is at this point in terms of going forward with a contract extension or to go out onto the market. So if there are any questions I'd be happy to answer them, or I don't know if you want to say anything Tish, certainly your opportunity.

Ms. Tish Powell: Good evening Mayor, City Council. My name is Tish Powell. I am the Municipal Marketing Manager with Advanced Disposal. I'm joined here today with Cris Manley, our General Manager for our Chicago/North Division which we proudly service your community. Here to answer any questions and hopefully get some feedback from you on our proposal.

Mayor Prejna: I guess we're going to start off with questions of clarification from what was provided in the packet. Mr. Banger.

Alderman Banger: Thank you. Tish, the only question that I would have and the way Fred posed this comment was its just in the exploratory stage, but carts, I was amazed when I got on Council to find out how much carts were, so that's actually kind of a big deal if we're at the end of their useful life and we're going to do a whole sale renewal, which we probably should do if we're going to be nickel and dimed with repair costs. How far have we gotten in terms of a cart replacement or are we just starting to talk about those?

Mr. Vogt: We were just starting to talk about that because we do still have this spring as the last opportunity and we're currently going through and inventorying cart conditions and replacements. We will turn in one more warranty order, but once that is completed this summer than we're on our own. So, we haven't really gotten into that too far yet in terms of replacement. We do have some spares, but certainly over the course of the next two, three years or more we'll be needing to look at that and how that would impact the budget if we replace them as needed and bought spares or at some point in time given that they're already 10 years old, a wholesale replacement or it may be something that at some point in the future it could even be a negotiating factor in a recycling contract or extension.

Alderman Banger: Alright. Thank you.

Ms. Powell: And if I could just add, and Fred mentioned this a little bit, that is something that we are wholly committed to do as part of this longer term contract extension that we understand that that is a, that could be a significant cost for the Village over time looking at replacing carts so we are certainly willing to replace and repair carts as needed during the course of our agreement.

Mayor Prejna: Thank you. Ms. Majikes

Alderman Majikes: Thank you. I know it says our current contract that was done in 2012 provided for an annual 3 to 5 percent increase and if you don't know this that's okay. I guess I could have checked my history of my bills, but I saw this. Have we seen an increase every single year since 2012? Do you know?

Ms. Powell: Yes, it's typically been based on CPI.

Alderman Majikes: Right, so it has gone up every single year. I figured it had. I just wanted to see. Okay.

Ms. Powell: Which is pretty standard.

Mayor Prejna: Mr. Cannon, sir

Alderman Cannon: Thank you Mr. Mayor. I was wondering, Fred, could you give us an idea how many carts a year we've been replacing? Just ballpark. I know you don't have the exact stats but are we doing 50, 100, 500? I don't have any idea how many we are replacing.

Mr. Vogt: It started low obviously because they were new, but I believe it's at least, in recent years, a couple hundred or several hundred per year.

Alderman Cannon: So right now, if I remember right, we're paying about \$75.00 a cart? Or that's what we project it to be or is it more than that even?

Mr. Vogt: My recollection was that the carts cost \$45.00, \$55.00 back 10 years ago so you may have a better idea than we do at this point as to what the....

Mr. Manley: They're about the same

Mr. Vogt: About the same. About \$45.00, \$55.00 per cart. There are two different sizes.

Mr. Krumstok: We have different sizes because some people didn't want the larger size because it didn't fit in their garage.

Alderman Cannon: Okay, the other question I was going to ask, could you just give me an idea. I know the recycling business has gotten really difficult. What do you do with the things you recycle now? Is there a market at all for like the paper and the metal? Does it go somewhere? Or does it go to the dump?

Ms. Powell: No, we do not send it to the dump. We don't want to end up on the news. So, yes part of the articles that were produced with your packet really just talk about the fact that China remarkably has been the largest consumer of single stream recycling that comes from the United States and as a result of some of their recent laws that were passed, they put some very tight

restrictions on incoming recyclables into their country and as a result of those restrictions they've really tightened up the amount of contamination as in like garbage that's mixed in with the recycling that is allowed to come in. And they've set that amount at about .5% which is really almost impossible to get to. If you look at some of the material recovery facilities in the Chicago area, and even in the United States, probably at best after all the sorting manually and with blowers and all the machinery they could probably get down to maybe about 5% so that .5% is a major problem. Things have actually been shipped over and have started coming back. So right now where things stand really looking at other markets, other international markets, to take material. Some domestic markets are starting to open up. That's going to take a lot more time so one of the things that we will be doing as a company is obviously working with all of our municipal customers to really reeducate our residents on what is and is not recyclable in our programs. Because I think a lot of people really want to do the right thing, but a lot of times put the wrong thing in the recycling bin which really adds to that problem.

Alderman Cannon: So like, so I assume what you're talking about mostly is metal, right?

Ms. Powell: Actually no. It's a lot of paper, a lot of paper and plastic. And the paper is what is really causing a lot of the problem because in the single stream recycling program, even though the carts are great, it gives people more capacity, it encourages folks to recycle more, the fact that we're mixing paper in with glass and metal when it goes in the trucks and it gets compacted, what happens to the glass? It breaks and it ends up getting mixed in with the paper and that is one of those contaminants that are a problem for China and many other markets to process that material.

Mr. Krumstok: And Alderman Cannon, actually Tish told us a story about there's a vendor in the State of Illinois out of business now, but the State actually asked them to pick up part of it and the bales are still there and you can see everything mixed altogether, and I can't remember where it was.

Ms. Powell: I can't either.

Mr. Krumstok: But again that's now you've got this product that's just sitting there and it can't be recycled because you've got all the contaminants, if you want to call it.

Alderman Cannon: Okay. Well I really appreciate you folks coming out and talking to us tonight, but that said, I would really think because of the price increase that we're looking at I think as a City we're almost forced to go out and take a look and see what the marketplace is offering. I appreciate the numbers you're throwing at us but I would just like to get them confirmed by some competition.

Ms. Powell: Understandable and one of the things that I know that we've discussed with staff is I know that as a SWANCC community one of, they had a sheet a couple of years ago looking at pricing for just all the recycling side of what the pricing was and I think it was closer to 6 or 7 dollars is what I saw for curbside recycling and the \$4.50 that we we're coming in at I thought was very competitive compared to what they were seeing in the area. Obviously we value your

business. We'd love to continue to work with you and we think we've provided a competitive proposal.

Alderman Cannon: I guess the other thing I would like to ask is if we could get apartment complexes in our town to get the recycling picked up by you, would that help at all with pricing?

Ms. Powell: You're looking at potentially franchising your commercial/apartment complexes?

Alderman Cannon: We've had a discussion. It's not going real far yet, but I think we all would, it's something that I think a lot of us would like to see happen.

Ms. Powell: We're certainly open to looking at that, definitely.

Alderman Cannon: Would it possibly change the price?

Ms. Powell: It would be a lot, probably a lot more interesting to us if it was garbage and recycling, than just the recycling.

Alderman Cannon: Okay thank you for your time. I appreciate it.

Ms. Powell: Sure

Mayor Prejna: Mr. Budmats

Alderman Budmats: The 3% and 5% CPI, are you going to charge us the CPI or 3% or 5%? Where does that come from? I'm looking at the CPI since your contract inception and I'm looking at year over year average increases of 1.5, .8%, .7%, 2.1, and 2.1%, so are we going to anticipate the actual CPI or a larger number?

Ms. Powell: Good question. The way we were looking at doing the price increase is because the CPI has really not kept up with what our actual cost increases have been, and as you know as a City, you're largest driver of cost is labor. We all have unionized labor. There are built in adjustments in all of their labor contracts which are closer to at least 2 ½ to 3% a year. So based on the CPI adjustment that we were seeking in this agreement would be based on CPI with a minimum 3%, maximum of 5%, but it's based on what the CPI is, but at least to get a minimum 3%. And we could relook at that if that's a problem.

Alderman Budmats: Okay, and your proposal also said something about the cost of fuel going up but since the (unintelligible) diesel (unintelligible) about a \$1.00 a gallon (unintelligible) so I guess the question is what base is that going to be on? The 2012 base or the current base?

Ms. Powell: It would be on, probably moving forward, the base where we are right now. Typically, unless things really get bad with the fuel prices, we don't generally come back to municipalities. One of the primary goal with that clause is the change in law clause. For example the big change in law that obviously affects, that has affected, the solid waste industry

over the past couple of years is the change in electronics recycling. That has had a major impact on operations or if you go back more than a couple of decades the change in requiring that yard waste no longer be landfilled. Those are the types of changes in law that are major that we would obviously come back to the City and need to renegotiate some pricing on.

Alderman Budmats: Thank you.

Mayor Prejna: Mr. Gallo, sir, Alderman Gallo

Alderman Gallo: You mentioned that if we were to go out looking for potential bids from other vendors that the going market rate is around \$7.00. How is it that you are able to provide this price to us vs. without giving any sensitive information, but how can you provide such a lower price.

Ms. Powell: Because we like you a lot. Besides that obviously we do have the equipment, we have the labor already here providing the service to you and we do value the partnership as Fred mentioned. We operate your transfer station and concurrently work with you on a swap agreement to help your internal operations be more effective in terms of your solid waste collection, so we did look at all of that and definitely wanted to provide you with the most competitive pricing that we could.

Alderman Gallo: Thank you.

Mayor Prejna: Any other questions for clarification? So then, I guess we'll open it up for discussion. Any questions on discussion? Mr. Krumstok?

Mr. Krumstok: No, we're just looking for again the question would be stay or as we said the RFP is ready to go.

Mayor Prejna: If there is no discussion we'll call the question of should we stay or should we go out to bid? All in favor of staying please raise your hand. Two, all opposed, or all in favor of going out to bid? Three. We normally do with four for the majority and since we're missing two members at the moment we could, the challenge is if we wait another month to go out to bid we're running into the end of our contract, correct?

Mr. Krumstok: That is correct and also what we, obviously Advanced knows if it is out to bid some of their numbers are out there at this point in time, but again you can always ask for bids and then you see what the numbers come back.

Mayor Prejna: Well based on that I believe the direction of the council is to go out for bid and when they come back we can hopefully have a fuller council and make a decision at that time. That's direction for staff.

Mr. Vogt: Thank you and just to clarify we have requests for proposals going out so it's not a formal bid process, but proposals and we'll actually talk more about bidding and proposals later in the evening. So thank you.

Mayor Prejna: Thank you. Mr. Cannon

Alderman Cannon: Fred, can I ask you one other question too? Could, since we bought up the issue about carts, could we address that?

Mr. Krumstok: Keep on going.

Mayor Prejna: Go ahead.

Alderman Cannon: Could we, I guess could we get a definitive answer from Advanced and anybody else we get a bid from as to what they would do with carts with us so we at least have an idea of what cost factors we're looking at there?

Mr. Krumstok: Yeah, we can put that in as one of the questions.

Alderman Cannon: Great, thank you.

Mr. Vogt: It's appropriate to add to the document that we have, but we will add that to it.

Alderman Cannon: Thank you.

Mayor Prejna: I'm sorry Fred to interrupt you, Mr. Cannon, I'm sorry. Thank you, we're done with this one? I know there are many people here tonight that we're coming up for the next item on the Agenda which is going to be chickens. We're going to move chickens from number 5 to number 2 because we do have someone who has signed in.

2) Chickens

Mayor Prejna: So, Mr. Krumstok would you like to give us the.....

Mr. Krumstok: Obviously it's been some time since we had a backyard chicken discussion. It is back again, but I would leave it to that. Again it does take four votes and with that I will obviously Alderman Banger knows anytime I see articles about chickens I've been sending them to him too. There are municipalities that do have backyard chickens. They changed some of their yard requirements and some of their other pieces, but again as mentioned in the write up again these are free range chickens, so they're not typically backyard ones, but with that I would turn it over to Alderman Banger.

Alderman Banger: Thank you. Those of you who were here in 2014, that's the last time we talked about backyard chickens, and that was the birds and the bees write up and bees advanced

out of Committee. Chickens got shot down. I think the final nail in the coffin was when Chief Scanlan came up and said he didn't want his police fellows chasing chickens, although at the time he had mentioned roosters and as you can clearly see in this write up that's not a part of my proposal. This is something, since 2014, that has caught on with a lot more suburbs. Several of our neighbors since then, St. Charles being the latest one, I think Bartlett also was in the newspaper recently with their backyard chickens. Bartlett was in the news recently because they dropped the minimum lot requirement. Some people fell just a few square feet shy of the minimum lot for backyard chickens. Bartlett reviewed it. They said you know what the important thing here is the side yard setbacks, not the actual size of the yard so let's just stick to the side yard setbacks and not worry about the lot size. I've added in my write up I don't think it would be fair to deny people just because they have a smaller house. These are, it's only going to be four chickens anyway under my proposal and the other part of my write up is basically punching holes in any of the folks who have the negative aspects of backyard chickens. Somebody sent me a write up titled the Dark Side of Backyard Chickens which essentially said they attract monkey wolves and mountain lions, but so do dogs and cats, so I don't think that's valid. Chickens smell, they don't. Chickens are noisy, they're not when you exclude roosters. They're not vectors for disease. The big chicken operations may be, but when you have four chickens in your backyard they're not. The write up I read also started talking about the costs of chicken coops and that's something that the residents can deal with and I don't imagine you would want to pour several thousands of dollars into something when you're buying \$16.00 worth of chicks. So I don't think that's a valid complaint. This is something that I'm kind of passionate about just because along with bees I just think it's weird that we can't do things that in my opinion we should be able to do. So I've been pulling these things out of our City ordinance that says no farm animals. Bees aren't a farm animal and I think they're both good for the environment and anybody should be able to run a beehive in their backyard if they want to and I tried initially, and I'm trying again, to get chickens taken out of that prohibition and ordinance and into residents backyards. What I'd be asking tonight is, my ask would be pass this out of Committee so we can at least get an ordinance in front of all seven members and then aldermen can vote it up or down as they wish. I have several people that have reached out and ones that reached out aren't with us tonight so I think to be fair I would ask for this to move out of Committee so we can get working on an ordinance and let those people be heard. This I think would be exactly like backyard beekeeping. Much ado about nothing. After year one of backyard beekeeping there were six beehives in the City of Rolling Meadows with one beekeeper. Starting this year there's going to be three beekeepers to my knowledge and six beehives in various locations throughout the City. So I think this is one of those things, and in a recent article about Evanston, it was much ado about nothing. They had a passing it back and forth about it and then at the end of year one there were seven total permits in the suburb of 70,000 people. So again, I would just ask if you have read the write up, get it out of Committee. Let me bring it back in the form of an ordinance. If you have any suggestions, if you have any amendments tell me now and then I can take those into considerations when we craft the ordinance to bring back to the full council. So if you have any questions I'm here to answer them.

Mayor Prejna: Does anyone have any questions for clarification from Alderman Banger's proposal? Mr. Cannon, sir.

Alderman Cannon: Thank you Mr. Mayor. I guess I would direct this to Barry. If we were to pass this, I think it's only polite that we push this forward to let the whole council vote on it. I'm not, I was kind of neutral on this, but I was recently on vacation down south and the roosters, which I know are not included in this, started doing their thing about 2:30 in the morning every day that I was there, so it was being awoken at 2:30 in the morning by roosters was not fun. But that said, one of the questions I would ask you is if we move forward with this it's inevitable that there will be some questions or concerns about how would we manage those and how, I won't speak for the police chief, but I'm guessing he wants nothing to do with this, is my opinion. I don't know if that's true or not.

Mr. Krumstok: I think it goes back into with bees. Any of those questions that come up come back to me, but I do go through the permits so my assumption is once an ordinance is crafted just like City Attorney Jim Macholl learns so much about bees and different kinds and everything else, I'm sure we're going to be educated on chickens and how many feet they have and what they walk like and everything else like that. Alderman Banger has stated that chickens that he's looking at the chicks cost \$4.00 each. I'm sure I'm going to find about the empire chicken and that costs about \$16.00, but at the same point in time, those questions really do get fielded through me when people have, and I'm glad that we're not doing the roosters and that was a big discussion last time because we used to have roosters in peoples garages and we had rooster fights and other things so last time we were talking about it the Police Department did go in there and I think it also goes back into the ordinance how you actually deal with the chickens and there's all kinds of coops and I will tell you that there's palace kind of coops and industrial coops and very small coops and that will also be part of the discussion that the City Council will have to have with the City Council because four chicks aren't a lot, but at the same point in time just like what we did with bees, there would be a sign. There would be making sure that your neighbors know what's going on, but again that comes back down later. So long answer, but it would be fielded back to me.

Alderman Cannon: Okay, thank you.

Mayor Prejna: Other questions for clarification? My question that when this write up came out, if we're going to have chicken coops do we get building department involved with permits. Is it, the question that was bought up to me was it's a structure. Do you buy one that is already pre-made or if someone builds one is it considered like building a playhouse or your kids swing set?

Mr. Krumstok: So the answer to that is probably going to be like bees, which we did not have Community Development go out to look at all the hives and all those. And again that goes back into the ordinance. What do you want to see and again from what I know, and from what I've read in a lot of the newspapers, most of these are prefabbed that people would be, so you're not going to have someone buying two by fours and I'm not saying it right, but making chicken wire to make a chicken coop, but most of these are all set up.

Mayor Prejna: That was simply just bought up to me. Mr. Banger I can assure you my only interest in eggs is buying them and having them for breakfast. Does anyone else have a point of clarification?

Alderman Budmats: A question

Mayor Prejna: Yes

Alderman Budmats: Are we going to be looking at a minimum square footage for a lot so that we have an idea of how close in proximity these chickens will be to their neighbors?

Mr. Krumstok: So in the write up Alderman Banger only talks about the 5 foot setback, backyard setback for the coop, so he is recommending that in the draft if we bought that back, so and again with the beehives we did have some parameters but again, a little bit different from a bee to a chick.

Mayor Prejna: Okay, well this is, we do have someone in on the signatory sheet. Andrea Rataiczuk, please come forward.

Ms. Rataiczuk: I just wanted to come to support this venture. I've had an interest in having chickens for a while now and I think they've grown in popularity all across the country and for me it would be to provide a more sustainable lifestyle and I've been into gardening recently and it would help to have me know where my food is coming from and I really think that it could help set the City apart from other cities in the area that are not allowing this. That's all.

Mayor Prejna: Thank you for coming forward. That was the only signatory in for tonight's meeting. This now brings us up to discussion. Do we have any points of discussion on Mr. Banger's proposal? Mr. Gallo

Alderman Gallo: I recall in elementary school we used to raise ducks and we watched them hatch and then we had the opportunity to bring them home and then set them free eventually, but I never remember my parents or any of my classmates parents having to come to the City to clear whether or not we could have the duck come home so I'm just kind of curious as to what would the difference be now if we raise chicks at home and have them roam around our yard vs. in elementary school when we got a duck to bring home.

Mayor Prejna: I'm not sure who wants to, but my thought would be that ducks were usually a project that you let go. This would be, from my understanding, this would be a renewable source of food that would go on for years and years and years.

Alderman Gallo: My ducks never went away, unfortunately.

Mayor Prejna: I guess unless somebody, Mr. Banger would you like?

Alderman Banger: No, actually when I was a 4-H leader we would send chicks home with kids for a week at a time, but then they went back to the farm that they came from. So I don't know of any that lingered, but one of the things that changed with backyard chickens lately is you know I guess just growing up on a farm we'd get our hundred chicks in the spring and the 70 or 80 that lived in the summer we'd butcher them so that's commercial chicken raising. Chickens nowadays they're ornamental chickens, they're show chickens, people are getting into chickens as family pets which I guess the farm boy in me thinks that's kind of strange, but there are tons of chicken enthusiasts out there who aren't necessarily in it for the eggs and these chickens typically age out of egg laying over the course of 18 months or 24 months and then on the farm they become stew chickens, but in the City people keep them as pets and they don't have that byproduct of eggs which to me what's the point, but to a lot of people they are now pets. And so it has changed a lot. I guess I would ask kind of think of it in those terms. It's not like having a farm animal anymore. It's some of these silkeys, if you're into chickens, are ornamental show chickens and yet the chicks aren't \$4.00 Mayor for those. They're a little more expensive, but yeah, this is kind of a low dollar hobby for a lot of people. If you're raising chickens to feed your family you definitely probably are on a farm. Like I said, this is something I'd like to see advance out of Committee so I could come back with an ordinance that we can vote on after getting feedback from residents in our Wards.

Mayor Prejna: Thank you. Any other questions for clarification? So the only, we only need four votes to make this go forward, is that do a straw vote on Mr. Banger's request to move this on to an ordinance before the council.

Mr. Krumstok: Well it would be an ordinance that would come back to a Committee-of-the-Whole for discussion.

Mayor Prejna: Okay, well I'm sorry

Alderman Banger: Most of my points are, I think are kind of, unless Mr. Macholl has any legalisms that I need to add to it. I think I've laid it all out right here, so I have five points. I'm not sure...

Mayor Prejna: I will defer to Mr. Macholl on this one. He is our parliamentarian.

Mr. Macholl: I think we could probably draft an ordinance.

Mr. Krumstok: If you want to do that. I know that when we did bees we bought it back because of some of the other things and the I know City Attorney Jim Macholl actually said one of those things which would be number 6 which is not a resident would need to make sure that their title allows for this because again that was one of the concerns that certain.....

Mr. Macholl: Well yeah that's, I mean that's up to the individual property owner, a potential concern, but that's not a City concern. That's a neighbor concern, so we could probably put something together. I'll kind of fly by the seat of my pants on this one.

Mr. Krumstok: We have so many acronyms I don't remember. Food for thought.

Mayor Prejna: If you would feel more comfortable if we bought it back to Committee-of-the-Whole so we had....

Mr. Macholl: No, I'd rather just....

Mayor Prejna: Draft it

Mr. Macholl: I'd just rather draft it if that's okay with everyone else.

Mayor Prejna: Alright, so a straw vote to move it forward for Mr. Macholl in an ordinance. All in favor raise your hand. One, two, three, four. Against, 1. Four and one against. Mr. Banger you're on the road.

Alderman Banger: Thank you.

Mayor Prejna: Mr. Banger, could I ask, they probably wouldn't be ready for the Farmers Market, or the City Market, right?

Alderman Banger: No, no, probably not.

Mr. Krumstok: If he does it on the farm they might be ready.

3) Kirchoff and Owl Vacant Property – City Owned

Mayor Prejna: Mr. Krumstok, we're talking about Kirchoff and the Owl vacant property.

Mr. Krumstok: Thank you very much Mayor and City Council. Before you is actually two different discussions, but it deals with vacant property. The first one that we're actually talking about is across the street. We designate it as Lot #2 in the write up, but it's actually Lot #4 as we talk about it. It's the last one that was not completed with the River Walk overall planned development over there, but when we were asked to bring back this property and the other vacant property that we'll be talking about on Kirchoff Road, but for folks who might be listening to this for the first time you look at this lot and based on the 2013 purchase price for the entire property of \$954,750, but since that time we've done four appraisals. Obviously a municipality has to do appraisals and it is in a TIF District, but in 2009 it showed it as \$940,000. In 2010 it showed it as \$700,000. In 2013 it showed it as \$425,000, and the newest appraisal that we actually have confirmed is as of December 12, 2017 which shows at \$575,000. This is in a TIF District so if the City Council decides that you would like to sell the property all proceeds from the sale have to go back into the TIF. It cannot go to other funds or other uses and obviously this TIF does have a life still until about 2023 is when it actually expires. It is a negative TIF right now that the General Fund is supporting in our CAFR, but now that we're done with our bonds and it does have the outlook that it will be positive on its own, but again if we do sell the

property it does go back into the TIF. It just makes the TIF overall positive quicker and then obviously when that TIF is dissolved any proceeds that are left in that go to distribution to all the taxing bodies. I do bring that up because again when you do look at Lot #2 by the designation that we actually call Lot #4 there's all kinds of utilities throughout that area. Obviously some storm water and there's some water and some other pieces. It was to be a carbon copy of Lot #1 which was retail on the bottom and then obviously some condos up on the top. So this is actually giving you a little more feedback, but staff's comments and thoughts does the City Council want to keep this as green space? That's really what it is now. I do appreciate the residents, especially the one that has the dog who's really great with Frisbees. He utilizes that as a dog park, but we do have a lot of people that do use it. If City Council decides to sell the property, and again its approximately 1.07 acres, can we please use a professional firm? I'd prefer that. Staff is not the one putting up the sign and actually starting to market it. And then obviously if you decide to want the property to be marketed, how would the City Council want to market this. And this is actually a discussion we would have with the Economic Development Committee. Is it just that hey anybody who knocks on the door we're going to change any zoning and some of the items or is it specific that you want it to look like what the original plan, or are you looking for something specific, but we really do need to know how this property needs to be marketed. And then the final item for the City Council to think about if you do proceed with marketing this, if you look at the corner, the main corner right by where the two sides of the sidewalk come together, you will see that the City has put up posts and we do advertise different community events from those posts. It's actually very beneficial and I can tell you that people on Kirchoff Road get those signs a little quicker than sometimes our electronic sign because it's a static sign, but staff would actually ask if we do market it, hopefully we can actually keep our post there on that carved out section or whoever purchases it maybe with having an understanding that those three posts are out there or maybe they make a community sign that we have something that we could put on there. But those are the four discussion items that we have for this item. Obviously you can see that the marketable point of the overall appraisals, it has gone down but now it has started slowly coming back up. So with that, those are the items.

Mayor Prejna: Thank you Mr. Krumstok. In regard to your fourth point, you're asking if the portion of the corner where we have a sign posted be carved out. Are you talking in regard to the City putting an easement in there?

Mr. Krumstok: It could either be an easement or as we discuss with whoever the eventual owner is, that maybe they put up a community sign and then they have to advertise what we put out there or something. There are ways of getting around that, but we do believe the easement is the quickest, but depending on what happens with the property, there are other ways of communicating what we're trying to do.

Mayor Prejna: Thank you. Questions for clarification? Mr. Budmats

Alderman Budmats: The current costs for upkeep of the property, cutting grass, where do those fall?

Mr. Krumstok: That's actually part of our landscaping overall for downtown and Kirchoff and everything else. So it's part of our weekly schedule even with our seeding and our overall landscaping, but it is part of our regular projects. So we don't carve it out per se.

Mayor Prejna: Mr. Cannon

Alderman Cannon: Thank you Mr. Mayor. To answer your first question, Barry, my opinion is it should not remain greenspace. I would like to see it put up for sale tomorrow if we could. I've been asking for that for a while. Obviously I think we need to use a professional firm. There is no one on staff that should be in real estate business so I think going outside to get a professional to market it for us I think is great. And how it's marketed, I guess my opinion is if we get someone to buy it let them come to us with a proposal of what they want. I mean I don't really have a specific thing. I doubt if we're going to get someone to build another building just like the ones that are there, but if that's what they want to do I'm fine with that. So again, with the sign post thing I would ask that we just negotiate with the person who bought it as opposed to putting, I don't want that to be a stop thing where they say okay you guys are already taking a part of the property away and I haven't bought it yet. I'd just ask that we negotiate with the potential buyer to do it. I'm not against what you want to do. I just don't think I want to put another caveat in there that might stop a possible sale. So I mean since we have a real estate person on staff here, I think maybe we could get some great direction as to what professional staff we should use to get this thing out there, but I would like to get rid of it as quickly as possible. Thanks.

Mayor Prejna: Do we have, I guess we're going into discussion so any further discussion on the property? Mr. Banger

Alderman Banger: What he said and I would echo his no strings attached comment. Let's get this out there. Let's find out what the market dictates what it wants to be when it grows up and get it off of our rolls. Thanks.

Mayor Prejna: Any further clarification? I mean is there any further discussion on the matter? Well let's just call the, we are running a little short staff here tonight, so first question, does the council want the property to stay green? All those in favor of having it stay green? We have 2. All those opposed? We're 2 - 2. Well in that case it stays the way it is at the moment. If the City Council wants to sell the property, approximately 1.07 acres, we ask for approval to utilize a professional firm. The TIF Fund and any proceeds from an eventually sale can pay for this service. All in favor of moving forward with that raise your hand.

Alderman Cannon: Mr. Mayor how can we ask that question. We just said green space.

Mayor Prejna: Sorry, so I guess we're done.

Mr. Krumstok: I guess we're done on this.

Mayor Prejna: Sorry. Thank you Mr. Cannon. I was just all of a sudden to try to figure out a way that we could move forward with it. So we're done with the Kirchoff and Owl.

4) Algonquin Road Vacant Property – City Owned

Mayor Prejna: And now we'll move on to Algonquin Road vacant property.

Mr. Krumstok: So now we're back to number two. Obviously what you have before you is the vacant lot on Algonquin Road. It's about 2400 W. Algonquin Road. The City has owned this lot for a long time. It's right by the closed bank on Algonquin Road. Obviously you have the parameters and some of the other pieces that we talk about. Put in a picture if you haven't driven on Algonquin Road to see our greenspace there, but in 2012 the appraisal for the .551 acres was valued at \$250,000. A recent verbal appraisal that we received, and that was part of the discussion that City Attorney Jim Macholl and I had with the appraiser, they feel that there's two parts of the appraisal. It could still be \$250,000, but they have a big caveat and that deals with the electronic, or the ComEd lines, that go by the property. They felt that whoever would purchase the property if they could not get ComEd to move the electronic, the ComEd lines, it devalues the appraisal all the way down to about \$25,000, I mean \$45,000. So with the verbal that we had the question really comes out to be do you still want to sell this and then obviously with this appraisal that we have its questionable what people could actually do with it. Originally this was the discussed area that Fire Station 17 was going to be built on. Obviously that did not happen and again this is just vacant land. The City has never really had any big plans for the property. It goes back into, from my understanding, when the construction behind it was actually being done it was discussed at one point a road that was sort of going to be in there and that's why it was dedicated to the City, but that's a long time ago. So, with that it's pretty much the same four questions that we had in the last one. Does the City Council want the property to stay greenspace? Does the City Council want to sell the property? And again its .551 acres. It's the greenspace and part of the parking lot that the City actually purchased back when we were talking about Fire Station 17 and then recently Keller Williams did contact me about when we were going to have this discussion and obviously I told them what it was and I told them what the old appraisal was and I don't know if he's still even interested in the property, but do I go back to him and say here's what the City's thinking about and then obviously the fourth question, if the property is to be sold, what does the City Council want with the property be marketed and do you really even care about this .551 acres that some people would just call a sliver.

Alderman Majikes left at 8:24pm

Alderman Majikes returned at 8:25pm

Mayor Prejna: Thank you Mr. Krumstok. Do we have any questions of clarification on the property from the write-up? Mr. Budmats?

Alderman Budmats: Same question, where's the maintenance fees being paid for from this one?

Mr. Krumstok: It's actually part of the landscaping, but limited because they don't go there all the time, but it is part of our landscaper's contract.

Mayor Prejna: Mr. Cannon, sir.

Alderman Cannon: So Barry, I never heard at all about this problem with ComEd before, so it's kind of news to me. I understand it's probably been there for a while, so when we bought this property we must have known about this problem.

Mr. Krumstok: We've known, well let's put in perspective. When we were thinking about constructing fire station, ComEd was going to move the items either that we were going to pay for the poles to be moved. It was really the new appraisal when the appraiser was actually discussing it, that he felt there's a burden to move that and that's why he gave us two verbal comments that its roughly \$45,000 if they can't move it, but if they can move it then it's still the \$250,000. So it's really the appraisal and the appraiser who's making this decision, but when we were talking fire stations and any other, the past one was always ComEd can always move anything for a price.

Alderman Cannon: But you're talking about a difference between \$45,000 and \$250,000?

Mr. Krumstok: That is correct. That's what we heard.

Mr. Macholl: That's the difference in the appraisals that we've received.

Alderman Cannon: So let's assume we got ComEd didn't like us when we asked them to move it, would they charge us \$10,000?

Mr. Krumstok: It would be whoever purchased the property would actually make that request. It would not be a City request anymore.

Alderman Cannon: I guess from my perspective I think assuming the numbers we're talking about here are correct, why wouldn't we want to get involved and have them move the post for \$200 and some thousand dollars? That's crazy money. It's hard for me to understand how that property hasn't gone up a dime in value since we bought it?

Mr. Macholl: Well first of all we bought it back in 2007 or 2008 when the prices were up there and they've done nothing but dive since then and that's why. One of the other characteristics of that property, that property is pretty unique, very narrow and very deep. So there's not a lot you can do with it except build a fire station is what the City thought several years ago.

Alderman Cannon: But then we found out we couldn't do that either.

Mr. Macholl: Well it wasn't you couldn't do it. You didn't want to do it, but that's the position we're in right now.

Alderman Cannon: So I guess, from where I'm standing, we don't need more green space down there. It's not the way its set up. It's not really, it doesn't really have a function other than just sitting there, so I guess I would like to see it marketed. I would ask us, as a City, to look into getting ComEd to move the pole since we're talking about \$200,000 plus and how it gets marketed I guess it's like the piece across the street what I said earlier. Let's see, I think a small franchise could fit on there if that would be appealing to someone. I don't think we should be here deciding how and who could move in there before we even get anybody interested in it. I'd like to see it opened up. I know, I've been told off record that the bank was actually marketing it as part of their property for a while so I don't know if the bank has had any feelers at all. I don't know where that's at. Do we have any interest in trying to marketing with us? I'm not really sure, but I think there's some options we have out there. I'd like to see us pursue some of those, but move quickly and get it on the market.

Mayor Prejna: Mr. Macholl

Mr. Macholl: Thank you Mr. Mayor. I will say that I did send a letter to the bank about a year ago or so because it came to light that that 20 foot strip that we actually purchased from the bank, the bank then sold to Byline Bank which now thinks it still owns that 20 feet, so I sent them a letter saying you don't own that 20 feet.

Alderman Cannon: Did they ever respond to you?

Mr. Macholl: No they have not, but be that as it may, they don't own that 20 feet, so when you say they're marketing part of that.

Alderman Cannon: I thought they were marketing the whole parcel.

Mr. Macholl: No, no, but they are marketing, they were marketing the parcel that included our 20 feet.

Alderman Cannon: Alright. Thank you.

Mr. Macholl: Sure

Mayor Prejna: Any other questions for clarification or discussion? Mr. Banger

Alderman Banger: Thank you. The same thing as the last parcel. I vote we unload it as quickly as possible and I think we should pursue aggressively the bank angle because I think it would, depending on who might purchase that and maybe trash the existing building and build something bigger there, they might be interested in this small strip and maybe we could make them a deal. So I, bottom line is let's get rid of it in my option, but if there's an angle with that bank property let's pursue that.

Mayor Prejna: Any other discussion? Ms. Majikes

Alderman Majikes: Thank you. May I ask the City Attorney a question? I agree with Alderman Banger that we get that marketed and maybe someone would want to buy the bank and that one too, even though the bank is asking way too much, but if the bank sells though that's going to show up on title that they've got....

Mr. Macholl: Yes it will

Alderman Majikes: Yeah, so that's going to cause a problem with their title and....

Mr. Macholl: Yes it will

Alderman Majikes: A dispute could delay things too.

Mr. Macholl: Yes it will.

Alderman Majikes: That's what I thought. Just wanted to make sure.

Mr. Macholl: You're absolutely correct.

Mayor Prejna: So my question is, Mr. Macholl, what can we do to make this easy? I mean is there something we should do before we even attempt to move forward with this to make it easier? Because Alderman Majikes brings up a good point.

Mr. Macholl: We've alerted the bank that they don't own that property. There's nothing more I can do about it. They just simply don't own it. That property has been on the market for a long time and I'm not a real estate person, but it's got a big tag on it.

Mayor Prejna: Ms. Majikes

Alderman Majikes: And correct me if I'm wrong, but it's not so much if we sell our lot we're fine. We know that. It's if the bank sells theirs prior to us that's where the hiccup with the title will come because it's going to show on their title that that's our property and they think it's theirs and that's where the hiccup comes. If ours sells first, we're fine, but if we have these hopes of trying to sell the bank, someone wants to come in and buy the bank and that one, there could be a little hiccup with title.

Mayor Macholl: If they came in and they wanted to buy both parcels, the bank and ours, that would immediately be straightened out as to who owns what. But they're buying the entire parcel being the bank and our parcel.

Alderman Majikes: Do you think, though, that the bank would try and be that their value is higher, taking property from us? See what I'm saying? What it is 25 feet?

Mr. Macholl: The 20 feet?

Alderman Majikes: Yeah, the 20 feet, yes

Mr. Macholl: Well we already own it.

Alderman Majikes: I know, but being that the bank says it's theirs. I'm just saying do you see that being a negotiating problem.

Mr. Macholl: If I'm the bank, yeah

Alderman Majikes: Yeah

Mr. Macholl: That wouldn't affect us.

Mr. Krumstok: And that would make the comment that I had Public Works actually spray paint on the concrete just to show the distribution.

Alderman Majikes: Thank you.

Mayor Prejna: Alderman Cannon please

Alderman Cannon: Barry, can you, you know I've read this a couple of times. I was a little bit confused. So how much money do we actually have in this property? We bought the one piece for \$250,000? And then how much did we pay for the original piece?

Mr. Krumstok: It was actually deeded to us as far as I know for this future road that was never produced.

Mr. Macholl: If I may, Mr. Mayor?

Mayor Prejna: Mr. Macholl, go for it

Mr. Macholl: When 20 years ago, or whenever it was, Kimball Hill put in that development on Algonquin Road and when they originally laid it out there was this small strip of land that came off the development and went north up to Algonquin Road. If I'm making that clear, and about $\frac{3}{4}$ of the way through it Kimball Hill said we really don't want it and so the City ended up with it. And that's how we got it.

Alderman Cannon: So we didn't pay anything for that parcel?

Mr. Macholl: No

Alderman Cannon: So we just paid \$250,000 for the extra piece.

Mr. Macholl: They just carved that out of part of the McGlaris property and said we don't want this. You keep it. That's what happened. That's how we got it.

Alderman Cannon: Thanks for the explanation.

Mr. Macholl: Sure

Mayor Prejna: Thank you. Any further discussion? Well I'll call the first question. Does City council want the property to stay green space? All in favor? Opposed? Okay, well it doesn't stay green space. Number 2, does City Council want to sell the property and ask the staff to approve to utilize a professional firm? All in favor? That's unanimous. And finally, if the property is to be sold what does the City Council want the property to be marketed as or do you care? So I guess the question is does, yes Ms. Majikes

Alderman Majikes: I'm sorry to interrupt. It's C1 now?

Mr. Krumstok: C2

Ms. Majikes: C2, okay.

Mayor Prejna: So in other words I guess the question would be if the property is to be sold, does City Council care what it is to be marketed, so straw vote for it to move forward. Does anyone care what it needs to be?

Alderman Gallo: I care. I think we should have a more proactive approach as to what we're doing with our space in our town and then we should use these as lessons, both this property on the other side of Kirchoff and that property. Thank you.

Mayor Prejna: Okay, and those who do not care raise your hand?

Ms. Majikes: I don't care. It's not that I don't care but it's such a weird lot of land that I don't think these crazy things are going to come to it. So I don't care.

Mr. Krumstok: Let me ask....

Mayor Prejna: Go ahead, clarification? We're still on....

Mr. Krumstok: I've heard some stuff tonight so obviously with the City Attorney over here, so I guess that we should go back to the bank/marketing that area first to see if they're interested in buying it first from us and then after that go back to the Keller Williams individual who contacted me and then I told him what the appraisal was and he didn't come back and then the third part would be going to the full marketing of the property and whatever the vote ends up.

Mayor Prejna: So in other words you should probably come back to us after this is, or.....

Mr. Krumstok: Well, what's going to happen is the City Attorney is going to approach the bank and approach who's selling it and we'll get you a staff report if we get a bite on it. If not, then we would be back.

Alderman Cannon: Hey Barry, do you, just out of curiosity, I'm sorry

Mayor Prejna: Go ahead Mr. Cannon

Alderman Cannon: Do have any direct contacts with Byline Bank?

Mr. Krumstok: It's been a long time and no. The people I used to communicate and deal with are all gone.

Alderman Cannon: Because I know for a fact that they just made a major acquisition just recently.

Mr. Krumstok: It was in the newspaper.

Alderman Cannon: And some of their branches are up this way so maybe if they got the other piece of land, maybe they might reconsider. I know on the south side they have a couple really nice new buildings that they built. Maybe that would be attractive for them to build a new building right there, possibly. I'm not saying they would, but just....

Mr. Krumstok: I think it goes back into the communication first to the bank to let them know and see if we get a bite at that point.

Alderman Cannon: But I mean, I have nothing against Mr. Macholl contacting them, but you need to go to a different level besides lawyers because they have all kinds of great work, but I mean you need to get a hold of a marketing vice president or something.

Mr. Krumstok: Like I said, the contacts that I had, they're all gone from that bank.

Alderman Cannon: Okay, thank you.

Mayor Prejna: That vote didn't go anywhere so our, we're going to move forward with Mr. Macholl first and then you're going to have a staff report and we'll bring this back as to the plan of attack. Mr. Macholl?

Mr. Macholl: Yes, I can investigate who to contact at Byline Bank. You're point is well taken and see if there's any movement there.

Mayor Prejna: I believe we're done, Mr. Krumstok.

5) Bidding and Proposals, Change Orders, and Construction Contract Management

Mayor Prejna: This is an intro for a fun filled, action packed bidding and proposals, change orders, construction and contract management.

Mr. Krumstok: If you didn't have enough up to tonight with chickens and property and now we're on to bidding vs. proposals, our fees/everything. We have a whole bunch of individuals who are going to be participating in this discussion, so obviously with that I'll have Public Works Director Fred Vogt start off and again, there is a PowerPoint that was provided to you too and for residents we hope that you enjoy this information.

Mayor Prejna: And Fred this is quite a roadshow you have assembled.

Mr. Vogt: Just the team to put this roadshow on. I'm just going to do the introduction here and because we've had a number of projects and equipment purchases that were proposed over the last several months with questions that came up with regards to our procedures for when do we bid projects. When do we do proposals? When do we seek statements of qualification for professional service? What are our thresholds in terms of bidding proposals? We have all of that but it's been I believe a number of years since we're really stepped back a bit and caught our breath and said okay well let's make sure that everybody's on the same page with understanding of what the City does. What the purchasing procedures are. Why we sometimes look for waiver of bids and the like. How we go about our construction project management with regards to authorizations in the field. Change orders, when we see change orders, when we don't see change orders. We have had our Public Works staff, as well as our City Engineers, spend the last couple of weeks assembling the presentation that you're going to see so that we can be as all-encompassing as we believe that we need to be and can be so that there's a better understanding. Hopefully you can, if you want to keep the materials that we have here in the packet tonight for future reference. We're always, with every project, every proposed purchase, more than happy to answer questions about why we're doing, or why we're proposing to do things the way we are, but to kind of have a resource guide and go over this. It may be something that every few years or several years wouldn't hurt for to us to go over if there's updates or things during the course of time that council wants to see differently that we kind of inventory that and keep track of that so everyone's on the same page. So, with that for the PowerPoint presentation I'll turn it over to Rob Horne first and Ryan Lindeman from Christopher Burke is also here for part of the presentation.

Mr. Rob Horne: Thank you Fred, Mayor, City Council. I'll go through this as quickly as I can. I know it's been a little bit of a long evening. We tried to prepare the presentation in a similar format as the memo so kind of follows some sort of a consistent pattern. The first item is public letting or bidding. These projects are usually more substantial projects, more substantial construction projects, more substantial equipment purchases or major service contracts. All of which are usually proposed, or assumed to exceed \$20,000 in cost. Examples of these projects would be major streambank stabilization, storm sewer projects, major road construction, significant landscape service contracts, things like that, or standardized vehicle and equipment

purchases. The \$20,000 threshold was established about a decade ago by the City Council during some changes that were consistent throughout the Northwest Municipal Conference from \$10,000 to \$20,000. Some other projects that I think are important for the City Council to be aware of are publically let projects that we don't actually publically let at the City. There are Municipal Partnering Initiatives that we take advantage of. There are federal, local, and state purchasing co-ops that we take advantage of, all of which are publically let projects. We do that to take advantage of savings and manpower and take advantage of economies of scale. For example, the pipelining, crack sealing, and sidewalk and curb replacement programs that we initially, or recently started participating with the Municipal Partnership Initiative, I think we recognized savings upwards of \$100,000 as part of that Initiative. I didn't mention this but if you have questions as we go please feel free to interrupt. The next item would be proposals. These are proposals, same types of projects, just have a value under \$20,000 that's proposed. Projects like this would be examples of small drainage improvements, small storm sewer improvements, specialized service contracts, or what I call them is relational or specialized service contracts in that they're very complex bid documents to try to put together because they have very unique circumstances to those and they're very unique to this specific municipality so they can't really be partnered on, and again small standardized equipment. Things that don't require a lot of specialized detail to the specifications or the equipment. Again, the \$10,000 threshold was established about a decade ago at the same time as the bidding for all proposals over \$10,000 do come to City Council before they're awarded. I did want to show the City Council this because this is really what has come up in previous discussions as a concern and rightly so. These are examples of purchases that we don't bid out. That we seek proposals on. That are over \$20,000. The primary reason for those few examples are related to the complex bid specifications that would be required, lack of knowledge by staff to be able to put together a bid specification for an item such as a sign printer, sign truck body. That was a very unique purchase that had to be customized. There are only two vendors in our area that even do that type of work so those are the proposals we received. And again, janitorial services, I in my previous life did try to establish some bid specifications on janitorial services, nearly impossible. It really is a proposal style contract that you have to meet people on site, talk them through what your expectations are, and to get that type of proposal. Just some examples of items where we bought to the City Council with less than three proposals and a brief explanation as to why. Fuel is a big one, leak detection, the well repairs, specialized truck bodies, these are all examples of items that we are either in a situation where there's limited sources, or limited amount of bidding opportunities, limited vendors that can provide that service. There's a technology proprietary issue with what they provide to the City specifically. There's familiarity with the City's infrastructure. That's one of the big issues we run into is if a vendor that has worked with us for many years has a unique understanding of our infrastructure, even if we put out the proposal, they can so clearly underbid any other vendor that it's a moot point to do that. So those are examples, about a half a dozen, that we do annually. Any questions before I move on to design services?

Design professional services, there's been a lot of conversation recently about bidding engineering services and I just want for the Council's benefit I want to clarify that. State law does not allow, or has regulations, related to how you select the design professional. That would be an architect, an engineer, or a land surveyor. It's specifically spelled out in their regulations.

You're required to look at their qualifications, not their proposal. As a matter of fact if you look at the last sentence, it says price quotations are not a consideration in the selection process so I just prepared a few pages on the QBS process, which is what City staff utilizes when selecting a design professional for significant engineering projects. We've used this process on three projects since 2016. We have it being utilized in two projects now. One is a watermain project. The other one is the Comprehensive Plan that we're currently going through. There's the, it's a seven step process which we invite or solicit engineering services from no less than three engineering firms. The most recent one we did, we sought qualifications from seven. Each proposal is reviewed by an individual staff member, no less than three, usually more than three staff members. Scores are compiled. A listing, a rating is established and then we hold interviews with engineers, or design professionals. Following those interviews we negotiate a proposal with the most qualified design professional. Lastly, just as a point of reference, I just threw this in there so the City Council understood. These are the number of different engineering firms we have worked with on projects since the beginning of 2017. So there are a lot of different engineering firms that we utilize this process with to select the appropriate engineer for the appropriate project. That is the end of my presentation. If there are no questions I can introduce Ryan Lindeman. Alderman Cannon?

Mayor Prejna: Any questions, clarification?

Alderman Cannon: So I'm a little bit confused by that last statement that you made about we're not allowed to ask about pricing. So if you ask for qualifications for competing firms, what if they both, what if all three of them come back and say they're all qualified to do the work. So what is the qualifying answer then?

Mr. Horne: Yeah, it's not that you're not allowed to ask for pricing, but during the review of the qualified firms you don't base your selection on the pricing. Once you've rated the firms, and you have the interviews, at the interview process you can ask for proposals at that time because you've narrowed the field down to three qualified design professionals to do the service. The idea is, the primary reason is you don't, as somebody said, when you bid out someone who is going to do surgery on you, you don't want to just offer the engineering services to the cheapest guy on the block because you get exactly what you pay for. So, I think the issue is the proposal absolutely comes into play, but not until you've narrowed the field down to the people you're seriously considering.

Alderman Cannon: So if we were in the position where we had, you and Fred or whoever else in your department came to the City Council and said here's the three firms that we've chosen....

Mr. Horne: Correct

Alderman Cannon: You're going to make a recommendation based on what then?

Mr. Horne: By that time we will have negotiated with the appropriate firm and would have compared their proposal to the other proposals along with explaining our review process. So for example, we're doing one for the Arbor Drive watermain replacement project right now. We're

in the process of setting up interviews next week with three engineering firms. Those proposals were reviewed by three, four members of staff. We're compiling that information. We selected, based on scoring, individual scoring the three top candidates. When we invite them to the interview we will ask them to bring a proposal for design services and a proposal for construction observation services. Once we, we don't want to consider that initially in the process.

Alderman Cannon: Okay, thanks for the answers.

Mr. Horne: Yep

Mayor Prejna: So Mr. Vogt

Mr. Vogt: Just kind of expand on that a bit. When we look at qualifications we look at experience. We look at our experience if we've used the firm. We look at the people that they are proposing to assign to the project and when we do get to the point of looking at their proposal the hours that they assign to various tasks, whether it be design services, the construction observation, project coordination, are all considerations. Sometimes we see that two firms are really equal in our mind in terms of their abilities, but one has assigned 200 more hours to the project and then has a higher cost. We'll talk to them about well why is that because maybe they have good points. Maybe they don't, but those are all considerations that we take, factors that we look at when trying to determine who's best for a job.

Mayor Prejna: Mr. Krumstok

Mr. Krumstok: And just to answer your question, so when we go through the RFQ, then narrowing it down and getting down, the final proposal that you're seeing is the one that we feel comfortable with. So we've already taken the big picture down to a little picture. That's why you don't see all the other pieces that we've gone through.

Alderman Cannon: Okay, thanks.

Mayor Prejna: Any other questions before we, for Mr. Rob. Okay, and your next introduction is?

Mr. Horne: Ryan Lindeman. He's an engineer for Christopher Burke Engineering. We work very closely with him on most of the Capital Projects that we are involved with, with the City Engineer.

Mr. Krumstok: And I also do want to reiterate if you're out on any of our street program projects, you will see Ryan. He is typically Burke Engineering eyes on our projects. So usually he is not in a suit and tie so it's really nice to see him kind of dressed up and congratulations on your new baby girl.

Ryan Lindeman: Thank you very much. Council members, Mr. Mayor, thank you for the opportunity to present.

Mayor Prejna: Mr. Lindeman, could you step up to the mic, or move the mic closer.

Mr. Lindeman: Thank you for this opportunity. Council members and Mr. Mayor the opportunity tonight, the presentation is to increase the understanding of Change Orders which is an aspect of construction projects that we frequently deal with. There's two main types, contract adjustments and change orders and then within change orders there's two subsets of that, agreed unit pricing and force account. The image on the slide is meant to illustrate how common and potentially costly change orders can be with the dingy being the original contract and the yacht being named change order. So we'll start first with contract adjustments. Contract adjustments, the definition from being an adjustment to the awarded contract line item quantities that add to or deducts from the awarded contract cost. I can run through some examples of a contract adjustment. A theoretical example would be pave marking contract where you have five or six different line items for different types of striping, with a round picker for the length of the different types of striping and when the contract is completed those final numbers will be tabulated against what the awarded contract quantities were. The final contract value would be adjusted to those final quantities. The next example is a real life example from Squibb Avenue extension this past year. Namely the subgrades stability line items. These are estimated when we put the plans together. This is estimated based on the drainage patterns in the area, the failure type of the existing pavement, any soil borings or pavement cores that we do, but in the end these are all estimates. When you do excavate the road the underlying conditions sometimes can be worse or better than what you expect. So the line items that are used to estimate these quantities, once the final quantities are used, depend on the conditions encountered in the field and the extent of the remediation as directed by the engineer, and of course Public Works staff is involved in assessing the remediation expense with an eye on the budget. Last example of this would be Arlingdale Drive reconstruction, also from last year. The adjustment for this was we went to bid and the bid prices came back so good and low that we were able to adjust the contract to add quantity to increase the limits of the scope of the project. We were able to increase, or improve a section of Highland Avenue. The image in the slide is the green section so the original awarded contract included the orange section. The adjusted contract, due to favorable bid pricing, included the green section of Highland.

Next we'll be talking about change orders. The first type being an agreed unit price. This is work outside the original awarded contract scope that is added in order to address different site conditions, design changes, or changes to specifications or special provisions. The line items are quantified by the City or the engineer, and unit prices submitted by the contractor are reviewed prior to approval and commencement of work. A theoretical example of this would be a proposal for a storm sewer improvement project calls to reconstruct the manhole, but upon getting into doing the work and exposing the manhole you see has failed, its collapsing, it's in disrepair, and the best course of action is to actually remove the manhole and replace it. However, the original contract does not have line items for removing the manhole and replacing it. In this case you would get a price from the contractor for these line items, the City would review, then decide to reject or approve the price to perform the work. A real life example of an AUP would be Squibb Avenue, Squibb Avenue extension watermain. In this case AUP pricing was requested of the contractor to revise the proposed watermain from an 8" diameter to a 12"

diameter. The AUP prices reflect the increase in cost to the contractor of workmanship, material, everything associated with those line items. The next subset of change orders is the force account, or time and materials, that's what T&M stands for. The definition of this would be when unit prices cannot be agreed upon, the time spent by the contractor's labor and equipment forces, and the amount of materials used to complete the work are documented and invoiced following IDOT construction memorandum, policy and guidelines. Theoretical example of this would be a watermain project or an improvement project storm sewer or any underground project where we excavate and observe there's an existing watermain that has a T that feeds an abandoned watermain. In this instance it's not desirable to have a T, a capped T, on an abandoned watermain because it just can lead to future leaks or problems within the watermain for which the City is maintaining. In this case the contractor's there, it's exposed, and we'd notify the City. Let them know the situation and tell the contractor proceed on a force account. They're there. We would track the equipment, material and labor they use to complete that task, if the City so desires. A real life example of this was also from Squibb Avenue this past year at the intersection of Apollo and Squibb. There was a storm sewer, a proposed storm sewer manhole that was going to be installed at a blind connection. However, upon exposing the subgrade excavating for this manhole was observed at this blind connection it was impossible to fit the precast manhole and as such we had to relocate. We had to excavate 8 feet further to the west, by the way this is the image. As you see in the picture the left side of that image is the blind connection that we could not place a manhole directly over it so it had to be moved. The time and materials that were required to excavate the additional hole and backfill the original proposed location was tracked on a force account basis.

The next portion of the presentation will be the construction engineering and project management. Start with bid opening and tabulation. Bid openings ensure better qualifications and bonding requirements are met, verify the accuracy of each bidder's unit price, quantity and cost calculations, tabulate bids of all qualified bidders, establishing a low bid contractor. Next we would move into the contract award recommendation where we review the contractor's affidavit of availability which is included in their proposal. The affidavit of availability indicates the contractor's volume of work already awarded and the low bid pending award at the time of the bid opening. This helps us assess their, the volume of work that they have, then whether they can accomplish our project in a timely fashion. We can also check contractor's references at this point in time and provide recommendation for award to the City. Once awarded we would schedule a preconstruction meeting. At this meeting we would communicate the City's expectations with the contractor, obtain 24-hour emergency contact information from the contractor and all subcontractors, determine start date, and establish progress meeting times and locations, discuss any special project considerations. It's important to note that this, these preconstruction meetings usually take place at Rolling Meadows Public Works with the Director and staff that will be involved in the specific project, whether it be underground utilities, or street superintendent, stuff like that. Other aspect of project management and construction engineering is utility coordination. This slide is meant to illustrate how complex this process can be before it even gets to the construction phase. There are very many stakeholders in this process. Privately owned, public utility locations are not part of contract documents. Requires extensive coordination with utility companies and often times their subcontractors. And this can significantly affect product schedule and costs. In some cases contractors are shut down because

of a delay in having the utility relocated and at times that can incur remobilization costs, in extreme cases. It's important to know here that utilities and easements require payment by the municipality outside of the awarded contract. In other words this is not accounted for in the awarded contract. It's separate with the utility contractors. The cost of these relocation efforts can sometimes be reduced through coordination efforts with the construction engineer on site. Squibb Avenue extension and Nicor is an example of this. There was a relocation with Nicor that original estimates put at \$70,000 of the relocation, but through coordination with Nicor and the engineer and the City, those prices have been significantly reduced. I don't believe we have the cost at this time, but indications are that they've been drastically reduced by more than half. Continuing on with the utility portion, this is Squibb Avenue. This is the northwest corner of Squibb Avenue and Apollo Drive showing the ComEd transformer in the lower left-hand corner there, along with Nicor gaslines and various telecommunication utilities buried within the footprint of the proposed roadway. The upper right image shows the relocated transformer and some shallow Nicor utilities that remained after the initial relocation. In this case the contractor was delayed until Nicor was able to lower those lines. More utility coordination, this is the Rolling Meadows Public Library where the Salt Creek bike path terminates. These are before and after images showing the overhead utility lines and utility pole. The image to the lower left shows a ComEd pole chopped in half. The intent of this illustration is to show you that multiple times, or commonly utility poles will have multiple utilities on the same pole. This requires much coordination with different utilities that share the same pole. As ComEd relocates their lines to a different pole, they chop off the pole above to the lowest point to the next service that's provided on that pole. In this case it was AT&T. Then AT&T's crews come in. They have to relocate their line off the pole. Once it's all finished the original owner of the pole, ComEd, comes in and removes that pole. So it's a complex process that can take significant coordination and time that can affect the project. I move on to another aspect of project management and construction engineering, material testing, quality assurance, scheduling. This is where various types of materials require extensive on site testing, concrete compressive strength, asphalt compaction and density, aggregate gradation testing, subgrade stability, mixed design verification, you go on and on. The frequency of these testing is, we follow IDOT procedures and guidelines for the frequency and this is also meant, QA services are also meant as a backstop to compare results with QC material testing which is on the contractor's responsibility, included in their contract. Another phase of construction engineering and project management is resident and business notification. These notifications are usually coordinated with Public Works staff. These are usually generated with direct knowledge and direction of the Public Works staff and this helps in making sure that the staff is aware when residents call or when residents have concern that they're on the same page as the engineering and the contractor. That everyone is aware of what notifications have been sent out and what those notifications state. They'll include start dates, upcoming schedule, project milestones, any access restrictions, utility service disruptions such as watermain shutdowns, and any special needs requirements, for example. Any residents that have upcoming doctor appointments or need wheelchair access, things like that. The City is very good about being out front and communicating with the engineer at the time. Construction observation inspection is the main day to day task that encompasses all the other things that I've been talking about. Observation inspection will include the project daily diary, keep track of the hours on site, weather conditions, labor and equipment forces, any significant material deliveries, visitors, traffic control, erosion inspection notes, etc. We're also

there full time on site to ensure materials and workmanship are in conformance with contract specifications. The work that is performed will be measured and documented. We'll keep as built record drawings, instruments to illustrate any deviation from proposed plan, especially useful for underground utilities because once its covered up you can't see it anymore. Those as built drawings can help, know, looking at the plan where something deviated or if they followed the plans there will be no change. Material documentation, verify producer and source of materials, in place measurements are usually by line item. Another aspect is change orders. We went through this earlier, hopefully you're all experts. And then invoicing and pay estimates. Usually once per month contractors will submit for payment invoicing of quantities. We will review those invoices and the corresponding submittals that are with those, waiver of liens, and certified payroll, and issue over letter recommending payment if upon review those quantities match with our documentation. On the Squibb Avenue extension there was an issue where the invoice quantities did not match with what the documentation and measurements that we had. We were able to resolve these discrepancies, saving the City approximately \$24,000. This was because our supporting documentation substantiated the City's position that the contractor's quantities exceeded the amount that was actually performed. Full time, on site construction engineering protects the City from overpaying for their work. Finally we've got to the last phase of project management and construction engineering, project close out procedures. We'll do a punch list inspection. Public Works staff departments are included in this walk through. The image on the slide shows a storm sewer manhole grate in a curb and gutter on Arlingdale Drive. It was observed that the frame was cracked due to some faulty work by a subcontractor. You can see from the image that the road, this inspection took place before the road was paved. We will do, some of these punch list inspections are interim inspections. They don't always necessarily take place at the end of the project. They'll be milestone inspections where they cannot move on to paving, for example, until subgrade and concrete work is finished, as an example of that. Also there are some inspections that take place well after a project is finished. For example a period of establishment acceptance for landscape items. This will be turf, grass, or plantings that require a period of establishment, usually the following spring around the middle of May. In this case maybe in July with the weather we've been having. Then there's a bunch of close out documentation submittals. These vary depending on the funding type of the project, motor fuel tax, federal aid, community development block grant, IEPA, MWRD, and Army Corps of Engineer. They're all different types of final closeout documentation required for those, which we take care of. And then final payment and releasing retention once all punch lists and landscape establishment and criteria are met. That's the end of my presentation. Thank you for your time. Any questions?

Mayor Prejna: Fred anything else you wish to add before we go to questions?

Mr. Vogt: Just in summary, one of the things that we've heard in some of the recent discussions and questions from council members is to provide timelier reporting on change orders, on project statuses. One of the things we intend to do this year with the 2018 Street Program, with watermain projects, some of the major construction and improvements, Capital Projects is to do that either via a monthly report included with our Friday Letters, tie it in with our payment requests which you'll see on the warrants from time to time. Typically our larger contracts make monthly payment requests so you've heard a lot of the complexities about this. Fortunately there

aren't a lot of projects, Squibb Avenue being one that was uniquely complex in that it was not only building a new road through a field, but rebuilding an existing road that was built 40 some years ago that had just a myriad of different utility easements and heights and it was really amazing how that road that was built, how all the utilities were assembled out there in the 70's kind of one by one and nothing was coordinated at all. So hopefully that's not something we will deal with on a regular basis, but there are a number of factors and things that we have to consider as we're doing construction projects that need decisions made in a relatively timely manner, whether that's back to Public Works staff as it typically is and consulting with the engineer. Be assured that we are watching these projects closely. We're documenting things and we're attempting in all cases to do what's best for the City in terms of not only the costs but the long term maintenance and operation of those roadways and utilities. So we'll work on this. Certainly welcome any feedback as we go through the summer in terms of our reporting efforts to you. So that's kind of the wrap up that I would have for you at this point, unless there's any other questions or materials.

Mayor Prejna: That's our next, any questions, clarifications, discussion? No further discussions? Thank you Fred. It was great.

Mr. Vogt: Thank you.

Mayor Prejna: Do we have a motion to adjourn? Alderman Banger made the motion and it was seconded by Alderman Budmats. All in favor? We are done. Thank you Rolling Meadows.

By unanimous consent the Committee-of-the-Whole meeting adjourned at 9:19pm.