

**Committee-of-the-Whole Minutes**  
**May 15, 2018**

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

**COUNCIL IN ATTENDANCE:** Aldermen Mike Cannon, Nick Budmats, Laura Majikes, Joe Gallo, Robert Banger, Jr., John D’Astice

**COUNCIL ABSENT:** Alderman Tim Veenbaas

**STAFF IN ATTENDANCE:** City Manager Barry Krumstok, Deputy City Clerk Ginny Cotugno, Finance Director Melissa Gallagher, Fire Chief Terry Valentino, Police Chief John Nowacki, Assistant Public Works Director Rob Horne, Business Advocate Martha Corner, and City Attorney Jim Macholl

**1) Fire Stations**

Mayor Prejna: Mr. Krumstok, the Fire Stations are up.

Mr. Krumstok: The first item is obviously the status report where we are sitting with the fire station project and obviously Fire Chief Terry Valentino will kick it off with who’s here, but we do have a Power Point to go through the presentation and again continue some of the discussions that we have, but again this is really in just for status at this point in time. Obviously we do have some other updates that we can provide, but when we get to the end we will proceed with that. And this is just one status report which leads to number 3 later on in the night too, but with that I turn it over to the Chief.

Mayor Prejna: Hey Chief, welcome aboard.

Chief Valentino: Thank you Mr. Mayor, Council, and people of Rolling Meadows. So this has been a long time coming. I’ve been the Deputy Fire Chief, and I’ve been the Chief for about six months now. This is an ongoing project, the fire station relocation and rebuild and so today is really exciting because we have some nuts and bolts and things to add and show you pen to paper for what’s going on. So I just want to introduce, so the Fire Chief, I’m tasked with providing the identified needs of the Department, not the wants, basically in regards to the operations of the Fire Department, logistics, safety, dispatching, any matters related to providing emergency services in the City. I’m not a construction project manager and I’m not a finance business major, and I’m not a contractor or an architect, but I have been tasked with steering this fire station project from land acquisition, development and design, and finally building of the two new stations which is multi-tiered and a complex project. But what I am is an advocate for the citizens and what I want to do is I need to provide the best service with the best trained personnel and with the best equipment no matter the time of day, no matter what comes our way, and what any internal or external forces come upon us. We provide the best service to the best people in

the northwest suburbs so to set the stage from where we were maybe many years ago, you can pick that number out of your hat, I've been here four, and where we are now and where we are headed and I'm going to ask Mr. Terry Bohr of R. C. Wegman and his team to provide an overview of how they have guided us through this complex project and I want to let you know their team has been overwhelmingly receptive and responsive from day one. So, I'm going to ask Mr. Terry Bohr from R. C. Wegman to take it from here. Thank you.

Mr. Terry Bohr: Thank you Chief and good evening Council. Before we get to the presentation, which will be done mainly by Scott Rihel from Healy Bender, I just want to review a few of the milestones to kind of set the stage of where we started and where we're at now. So as most of you know we were bought on a little over two years now, it was back in March of 2016, and since that time we started our first task was to work with a group of community stakeholders to identify the best possible sites for these two stations. So, you can check that off the list. That was accomplished. Next we got into the land acquisition phase and Healy Bender assisted in the land acquisition phase by doing some preliminary design just to see how the fire stations would fit on the desired sites. So that was kind of the second milestone. Then on October 31<sup>st</sup> of 2017 we held our first kickoff meeting to begin the design process. So, since that time, since October 31<sup>st</sup>, we've been meeting as a team every two weeks to review the status and work through design issues. Also during that time we prepared two budgets. A schematic design preliminary budget, as well as a design development budget for the Algonquin Road property. We've also completed a schematic design budget for the Hicks Road site and currently we are approximately 75% completed with the entire design phase for both buildings. The next milestone occurred in April, just this past month, when we completed the demolition of the existing restaurant at the Algonquin site, so that site is now primed, posed, and ready for a ground breaking. We are currently on course to begin construction on the Algonquin site in August of this year and we anticipate that Hicks Road site would be ready to start approximately 6 to 8 weeks after that. So that's kind of an overview of where we're at from start to finish, of where we're at now, and now I'd like to turn it over to Scott who's going to get into some nice pictures and show you really how the design has progressed. Thank you for your time.

Mr. Scott Rihel: Good evening. My name is Scott Rihel and if everyone kind of turns around and take a look at the screen there. So, first I'm going to go through this very quickly. This is some step by step process that we've taken from the beginning. The first step, as Terry stated, was the site acquisition. Again, 3201 Algonquin and 2320 and 2350 Hicks Road. Currently the Algonquin Road site, the demolition of the existing facility is complete and the other property at Hicks Road is currently in the process of closing on the property. Starting off the process we, the Committee, went on several tours of different buildings to get an understanding of size and scale and different programs to get an understanding of some of the things that they would want to be putting into the program. Once those tours were complete, we put together an Adjacency Planning diagram which was a basis for the site acquisition piece and this included all the parts and pieces that we noticed at those building tours. So, we started off with a building floor plan that was about 13,400 square feet, approximately, that was the planning diagram and over the course of the next several months we went through programming exercises to try to right size the building. We went through more building tours and we went through multiple revisions. We got it all the way down to approximately 10,900 square feet and it was like the bare bones program

of what we could be doing for the program that was identified and then we realized that we don't want to sell yourself short and be obsolete the very first day so we made sure that we included in additional square footage for things like making the apparatus bay a little bit larger than just the pieces of equipment that you'd have in it so in the event the future brings in bigger pieces of apparatus you'd be able to fit it in there. So you don't want to be obsolete the first day. So the floor plan ended up in this configuration. The blue areas are living quarters and the pink, or red, areas are the apparatus bays. The brown areas are the office areas and during the process of consolidating this we really were conscious about how people circulated through this because we understand that seconds matter and we made sure that we bought down the circulation to one single corridor through the middle and all of the living quarters are off that circulation so we were very conscious about how we were developing this to make sure it's as efficient as possible. In terms of the site, in siting the building on the piece of property, this is Algonquin Road, we pushed the building as far north as possible in order to save some funds and not have to construct as much apron space, which is conservatively expensive. There were some additional things like, if you know the site, the site is sloped from the south side where all that big green space is, down to Algonquin Road is much lower. So in order to take care of the stormwater requirements that MWRD requires there's going to be some additional under parking lot stormwater storage. The exterior of the building as of right now looks like this. The concept of the facility was to take materials that is in and around Rolling Meadows and the facility that's directly next to this building has some stone that's incorporated into the building so we're gleaming some architectural character from that facility and some pitched roofs making it fit into the community a little bit better. Again here's kind of the front view of what that facility would look like as it kind of goes into the evening of what that would look like. So, the front of the building has some offices that are associated with it and on Hicks Road there will be some training facilities so those are more office related and office kind of materials. This would be the day room in the back and the living areas. Again, incorporating a lot of residential feel to it. Residential materials to make sure that it has a comfortable feel to it. Moving on to the Hicks Road site, Hicks Road is following, I think we have to understand that both of these buildings are going to be extremely similar in nature. The configuration of the floor plan is not exactly the same, but very close. So all the images that you just saw would be very similar to how the Hicks Road building will be looking. In terms of the site plan that you're seeing here, we didn't have a lot of room to put stormwater on this site either so we're going to have to be putting underground tanks in this as well to get our stormwater requirements per MWRD. And again, this is the floor plan for Hicks Road. You can see, and everything from the pink apparatus bays to the right are almost exactly identical so therefore, all the living quarters and everything will still have that single corridor directly into the apparatus bay. In terms of the schedule we are, as Terry suggested, we are at 75% CD's and we're targeting the next month, within the next month, to be going out to bid. And that's it. Does anyone have any questions?

Mayor Prejna: Gentlemen, anyone on the Council have questions? This is only a status report. When will you be coming back to us with another status report?

Mr. Rihel: Probably in June.

Mayor Prejna: Six, eight, two months? August?

Mr. Rihel: Mid-July

Mayor Prejna: Yes, Ms. Majikes?

Alderman Majikes: Just a quick question. The Algonquin site is 12,000 some odd square feet?

Mr. Rihel: Right

Alderman Majikes: And the Hicks one the same or is it smaller?

Mr. Rihel: It's a little bit more because we had to rotate the apparatus bay and there are some engineering things that we had to modify, so it's about 12,900.

Alderman Majikes: Just curious, thank you.

Mr. Rihel: Approximately

Mayor Prejna: Mr. Cannon

Alderman Cannon: Thank you Mr. Mayor. I was curious, do we have, I'm assuming I know the answer, but there's no options on underground water retention? Is there any way we could do it up off ground to save money because I mean this is really expensive to do it that way.

Mr. Rihel: We really tried to do that. So, our first design incorporated an on-site water detention, but it was about 8 feet deep, 8 to 10 feet deep. So in that really, I would have to take for Algonquin Road site, I'd have to take out all the parking on the front of the building because of the way that, if you look at the....

Alderman Cannon: I know it's sloped pretty severely.

Mr. Rihel: Yeah, so the front of the building, the front of the building there's a whole parking lot out in the front.

Alderman Cannon: Yeah, you're talking about the one to the east.

Mr. Rihel: Yeah, we would have to take out, we would have to take out a big chunk of this in order to do that. So, the way that this works is trucks are able to come in here, they're able to go out in this direction. So this works really well for the way, a second configuration for a way for the trucks. So we researched a lot of different ways and we understood your exact question. We went through great lengths to try to do onsite stormwater detention. We understand exactly what you just said so we really tried to engineer it that way, but due to the way that the site is configured we were unable to get the volume that we needed for MWRD.

Alderman Cannon: Would it be possible on the Hicks site to even hook onto our neighbors at all? I know his answer. I want to hear your answer.

Mr. Bohr: Well, first of all the Hicks Road site is extremely compact. We're using every single stitch of land that we have in order to get the building on there. I think we would have to purchase another piece of property if we were to try to do onsite storage.

Alderman Cannon: Okay, the other question I would ask, you made the statement that the second station, Hicks, would not be built, started to build 6 to 8 weeks after, so I'm assuming you guys are pros at this so you're confident that we'll get it all under roof before winter? I know it's a goal but do you think that's doable with the crazy weather that we've been having this year?

Mr. Bohr: Yeah, I mean typically we look at it as we need to be done with masonry by December 1<sup>st</sup>.

Alderman Cannon: And you'll have the roof on it?

Mr. Bohr: I don't know if we'll have the roof on, but the roof isn't as weather dependent as the masonry. So you can still, you can set tresses, you can put standing seam roof, you can get it dried in even in cold temperatures, but the big issue is with the masonry. That's going to be where we really going to push to get the foundations in and get the masonry done by December 1<sup>st</sup>. That would be what we would strive for.

Alderman Cannon: Thank you.

Mayor Prejna: Anybody else? Mr. Budmats, sir.

Alderman Budmats: With us basically being finished with Phase I and Phase II and 75% on Phase III, where are we at with the budget compared to where you were on those initial three items?

Mr. Krumstok: We can tag team on this, Finance Director Melissa Gallagher and I. The original number that you talk about, or that we actually use, obviously the 9 million dollars that was about 5, 6 years ago. So then as each of the steps has taken over you can say that land acq was obviously more expensive than the original. MWRD stormwater management is showing much more expensive than expected. You can also look at even some of the overall vehicle exhaust system that needs to be put in, but right now the tentative number that we're sort of looking at is a little over 13 million dollars.

Ms. Gallagher: It's estimated at about 13 million at this point in time. That 9 million of course was generated several years back as part of the process. Right now the 13 million is with a contingency and it's also as a placeholder at this point in time. So when we're out in the process of the bid process in the July timeframe of this year, that's when we'll have that guaranteed price for the vendors when we go out to bid. And I think basically what we've been doing since about

October with the schematic design budget is ensuring that we're going out to vendors and we're talking about Wegman and Healy going out to vendors and making sure they're getting costs and prices for those specific items and the pages are long on those spreadsheets when we meet, but those are the things that are placeholders within each of those items, such as structural steel, the masonry, all those items. So those items in total with the land acq and the demo have been about 13 million, the 9 million to the 13 million. So that's kind of where we're sitting right now and that's why we're just giving you a ballpark and no action needed at this time. We just wanted to bring it back. And right now when you say you're 75% done with schematic design, as you were saying Scott, the overall plan at this point in time is pretty well set with that 13 million as a ballpark, placeholder estimate and once we go to bid in the July timeframe that's when we'll know the final number and that will assist us as our financial advisors here that will assist us in the bond process and also excellent timing with the Audit that we're presenting for the 2017 year in June to the City Council. Does that help you?

Alderman Budmats: Yeah, and I'm just curious as to Phase I, II, and III which are basically complete, right? Where are we at with those three before we get into any construction costs, where are we at with those three costs?

Ms. Gallagher: We're right, the milestones have been achieved so we're pretty much right in line where we should be at this point in time. The land acquisition has already taken place for Algonquin. The Hicks Road property is already been included within the all in price that we're talking about as far as the placeholder of 13 million. So right now we're there on line in achieving the milestones.

Alderman Budmats: Okay

Mayor Prejna: Anything else Mr. Budmats? No? Anybody else. Seeing nothing else, let's move on to the most exciting part of the evening is Animal Control.

## **2) Animal Control**

Mayor Prejna: Okay Chief

Chief Nowacki: Good evening everyone. Aldermen, Mayor. I am here to talk about animal control issues. This matter was brought up I think it was couple of weeks ago by Alderman Majikes during a Council meeting. Had some questions about animal control and so here we are. What I'm going to do is I'm going to give a brief presentation of some of the responsibilities of the Police Department. I know you have probably some questions. I think most of them are probably reflected or are going to be directed toward wildlife, skunks, and raccoon issues. At least that's what I think is what's going to happen. I'm going to start off by identifying what our responsibilities are, our main responsibilities for animal control are of the Police Department. First and foremost obviously is to protect the public. It's to protect the public regarding animals against dangerous and sick animals. One of the second responsibilities we have obviously is to locate lost and stray domesticated animals, hopefully reuniting them with their owners and the

third is to enforce City codes regarding animal violations such as letting your dogs run loose, owners not picking up after their animals on public property, and obviously also to enforce other state laws and to investigate complaints regarding animal abuse. So those are mainly our three primary responsibilities for the Police Department. That's the happy little camper right there. I think that his name is Rocky. But as we move forward we're actually pretty busy with just those couple things that I mentioned earlier. We average about 200 calls a year regarding animal related incidents. So that makes up about 2% of our service calls so we do spend quite a bit of time with those matters. Almost every day we're responding to some type of animal related call and there's a breakdown for the last 4 years of all the calls. Like I said, we average probably about 200 calls a year. I know most of the questions like I said I think are going to be directed toward wild animals. That was not taken in Rolling Meadows and I can assure you we have no grizzly bears here. I have seen a couple of Chicago Bears traveling through, but no bear problems. Controlling a nuisance wildlife in Rolling Meadows, all mammals, for the most part, are protected by Illinois Law. In addition, most of your birds and so forth are also protected by Federal Law. So wild animals, whether they're skunks, raccoons, coyotes, are protected by Illinois Law and really the authority on that is the Illinois Department of Natural Resources. Actually we have to comply with their regulations, the Police Department, regarding animal control measures. They really are the authority and responsible for the conservation of wildlife in the State of Illinois and one of the reason for that is animals are actually considered, the wildlife, are considered the property of the State of the people of the State of Illinois. What that means is basically if you own a home and say you do have a skunk living underneath your deck or raccoon living in your shed, just because it's on your property does not necessarily mean that animal belongs to you and you can take measures to do whatever you want with that animal. Actually, like I said, those animals are protected by State Law through the Illinois Department of Natural Resources and the Illinois Conversation Law. That doesn't mean, however, that if you do have a nuisance problem regarding a wild animal, skunk, a raccoon, you can take measures to remove that animal. You will first have to actually get a permit through the Illinois Department of Natural Resources. The permits are free, but in order to get that permit too you have to show that the animal is either destroying property or is a safety hazard to you. Otherwise they will not issue you that permit. So if you basically have say you had a raccoon that walks across your yard and you want it removed and you want to do the legal channels to do that, you probably could not be able to get a permit for that unless like I said it was actually destroying property, a hole through your roof, taking residence inside your attic and so forth. If you are able to get a permit there's also some regulations with that. Raccoons, skunks, if you do catch those you have to euthanize them. You cannot transport them to, a lot of people want to catch that animal. They don't want it in their property or whatever, and then they want to let it go somewhere, but you cannot do that. That's against the law. You can be fined, you should be arrested for doing that so you couldn't trap a raccoon or a skunk and actually put it in Busse Woods or Park District property or release it by a creek or a neighbor's property that you don't like. You can't really do that. You actually have to euthanize that animal. So there are several restrictions on that and for that reason recommendation from the Illinois Department of Natural Resources, I actually talked to their animal biologist and even the Police Department, if you do have a problem with a wild animal, because I think she, because I talked to her, they issued about 80,000 permits for skunks, raccoons, in the I think it was Division 2 District, which we're part of. So, it's a huge number regarding nuisance animals and so forth in Illinois, but the recommendation is really to contract

out with an organization that specializes, a company that specializes in that. Just like if you had a problem with mice or termites in your house, you call an exterminator. The Police Department and like I said the Illinois Department of Natural Resources does recommend hiring a professional. If you trap an animal obviously if you corner it they can be pretty vicious and dangerous. They do, some of them do have diseases. They could scratch you. They could bite you. So that really is the recommendation about hiring a professional. There's a couple things, though too, with wildlife. We really do, like I said, the numbers of wildlife in this area, and a lot of people do move to the suburbs, this area because of the wildlife, because of the parks, and so forth. It would be almost impossible to be able to remove all those animals. It would be a huge expense and really would be a very short term gain because they would just migrate back there. Once you clear out an area, those animals will then take up residence here. Most animals are territorial meaning that even the biologist told me if you caught a coyote or raccoon and you transported it to another location, that animal would most likely be attacked and killed by those other animals of the same species that have taken up that area. They are very territorial. So if we did remove all the animals it would be very short term goal. Really the recommendation is really to try to coexist with those and you can take steps as a resident, as a homeowner, to limit a nuisance animal and those are fairly easy as they show up there. First of all a lot of people feed them and that just attracts them to the home whether it's the homeowner that's having a problem or the neighbor. One of the recommendations obviously is don't feed the wild animals. If you have bird feeders out there make sure you clean up after the bird feeders because if you don't you're going to attract the skunks and the raccoons and then the other predators on top of that. If you do have openings like underneath your shed or underneath your deck try to secure those. Don't make it an invitation for those animals and you can control a lot of those nuisance problems. Like I said, I don't know if you have some specific questions regarding wildlife or animal control, but at this point I'll open it up for questions if anybody has any

Mayor Prejna: Thank you Chief. Does anyone have questions? Ms. Majikes, since you bought it up first.

Alderman Majikes: Thank you. I just appreciate Chief you taking the time to discuss this because with the weather and stuff we're seeing more and more critters out and about and stuff. So, but basically I know last year or the year before we had put some money in the budget on this subject.

Mr. Krumstok: Yeah, we have a \$3,000 line item that deals with animal control and I can tell you for the last few years we do use most of it for skunks, raccoons, vermin, other little critters, no chickens.

Chief Nowacki: Most of those funds are like also for stray dogs and so forth. I do have to pay the impound fees for the animals. I know Rolling Meadows Police Department, as a lot of police departments in the area, used to actually provide and actually trap those animals. Most agencies got away, I think there are very few who actually even do that. Obviously it puts our officers up for liability and risk also where it's easier to have a regular professional run around in attics or in crawlspaces trying to trap animals and I know some agencies either have a contract with some of these wildlife relocation, provide maybe some reduced fees to residents. A lot of them do that. I

know Vernon Hills, there was some discussion about the skunk issue. I think they went through about \$10,000. They ran out of money in a short time so it could be a very expensive proposition like if we start offering bounties on these animals.

Mr. Krumstok: And this year they actually lowered that amount because of how it was bleeding through the budget.

Alderman Majikes: I believe it. So, I know I had a neighbor who had a family of skunks take up residence and basically the solution they came to was that they, I don't want to promote anybody, but a company they called and came out and trapped them and removed them and stuff and it worked and I think that's the best.....

Chief Nowacki: Like I said, it's usually the property owners responsibility if you have property to maintain that and if you do have a problem. The problem is as you start to pay for those services, if the City or Police Department started to offer those services up, we would, you would see that we would burn through those funds quite a bit and if somebody has a unique incident or situation that maybe they don't have the means, we might be able to work out something or at least find some agency that could assist them at that point, but I could see if we just start offering those fees, because I said that does control my whole animal control budget, meaning all my stray dog fees, my kennel fees, all that and if you start, like I said the animals that are in this area actually travel I think a couple mile range so a skunk, they could be coming from Arlington Heights and Mt. Prospect and so forth, so there's thousands of these animals that if we actually started to say we're going to pay for that, I think that would be very expensive.

Alderman Majikes: No, I agree. I just want to thank you for bringing this forward and just so the residents are aware. We're not just ignoring this and we're doing our due diligence and you're right. It would bleed that one very quickly.

Chief Nowacki: And like I said, if there's a dangerous or sick animal we would definitely come out for that. Obviously public safety is first and foremost. I show that picture of that raccoon maybe being a little cute, but there is like the zombie raccoons you saw on TV recently. If there's a sick animal in the middle of the roadway at daytime causing a disturbance or hazard the Police Department will definitely come out and address that issue. No question about it. If there's a sick animal at a school ground or something like that, that is definitely a priority. We will address those. It's just when we start getting into the nuisance type things, like a skunk living under my deck. I really don't see it a lot. I can smell it every now and then. We really don't have the means to addressing all of those issues, but like I said if it's a rare situation where a person has no other alternative, we will definitely try to assist them as we can.

Alderman Majikes: Wonderful.

Mr. Krumstok: And just for additional clarification, obviously we've already done some research on this in the past. Vernon Hills did lower the amount that they were utilizing and also they put in some additional requirements and actually when we had this discussion last time the two main vendors who actually work around Rolling Meadows they contacted me and said they

were not appreciative that we were trying to make this into a governmental thing and I tried telling them it's not a governmental thing. We're trying to work with everybody. I know from additional comments from Vernon Hills they've also with their new program, again less money, they are also doing the house inspection, so let's say hypothetically you have that vermin critter, whatever you want to say, living under the stoop, if that was really where they were living they're going to make you do the full repairs before they do, so they put additional requirements into that. I know that there is one alderman sitting to the left of me that says critters are critters and they end up going their way with seasons, but again we've been watching that and I continue, there is one group that pretty regularly does call me and say did you do anything about that and I tell them we've had discussions. There is \$3,000 in the line item, but we haven't bought it back because of some of the other things that we're seeing with some of the other municipalities. But I can tell you with us it's limited. We get more complaints about raccoons. We do get a few about the red fox that does run in an area. Coyotes in another area. But again each of these areas we do monitor. I know that Chief has actually watched surveillance from people's homes where he can see some of the critters come up to the area, but again each of the pieces we do monitor and I can tell you that the professionals that do come in, they do a very good job and unfortunately as another alderman knows, when we take out one vermin, other vermin follow and it's not just one that we continue, and here at City Hall we have actually trapped and euthanized in the past skunks because they were living by our trash compactor and some of the other areas.

Alderman Majikes: Thank you.

Mayor Prejna: Mr. Cannon, sir.

Alderman Cannon: Thank you Mr. Mayor. Chief, this is just kind of a comment, not necessarily a question. Now I know in my area last year I had a street that was repaved so I went door to door to most of the people. One of the things that I found out was really interesting. Probably every second or third house had vermin underneath their stoop in the front yard and they never even realized it. You could see the holes dug under, so when I actually talked to people directly I mentioned to them that they should try to block it off. The reason I bring it up maybe if we do a newsletter about this in News & Views maybe it's something we could include in there. The other thing out in our area that I know is a big issue is Harper College let's a lot of their place go natural which is wonderful from an environmental standpoint, but from a critter standpoint all hell breaks loose.

Chief Nowacki: That's part of the challenge is I said a lot of the areas that we did receive complaints on even coyotes, its right next to unincorporated areas or forest preserve and unless they control those areas, like I said you'd be spending resources there that aren't really going to have any impact at all. I know coyotes have been recently on the topic. I don't know, there was a rumor floating around that a couple of dogs were killed by coyotes. We tracked down those to verify that. That did not occur and actually when I talked to the biologist about coyotes she had told me that in northeastern Illinois a coyote has never bitten a human being ever and you're talking about multi-million dollar population area, ever has a coyote ever attacked an individual. So like I said most of those animals I said you either coexist with them. They're really more

afraid of you and like I said they can live under your stoop and you don't even know it. But like I said if any animal is a problem we will try to address those, but there is a challenge regarding the geographic area where we are.

Alderman Cannon: Thank you.

Mayor Prejna: Anyone else? Alderman D'Astice

Alderman D'Astice: Thank you. Chief, you said the IDNR you can get a permit. Now is that to trap or to kill these nuisance vermin?

Chief Nowacki: You have to get a permit in order to trap them and part of their regulations are if you do trap one you must kill the animal. It's against the law to catch it and then release it to another area. So, if you had like skunks and raccoons she said specifically you have to get a permit, even for the Police Department, in order to trap and do any type of animal control like that. Like I said we actually have to get a permit from the Illinois Department of Natural Resources and she says you trap those animals you must euthanize those animals. You can't let them go.

Alderman D'Astice: But just to clarify for anyone who might be watching, you cannot discharge a weapon within the City limits, correct?

Chief Nowacki: Correct, there's no discharge of a firearm within City limits at all and there's no hunting in the City either.

Alderman D'Astice: Right, so you can't just pick off a raccoon or you can't trap a skunk and then take your firearm and go out in the backyard and shoot them.

Chief Nowacki: The Illinois Department of Natural Resource's has specific guidelines on how they euthanize those animals and if you go to their website all the information is on there. It's pretty extensive.

Alderman D'Astice: Thank you.

Chief Nowacki: You're welcome

Mayor Prejna: Thank you. Anybody else? Thank you Chief. It was great.

### 3) Bonds

Mayor Prejna: Mr. Krumstok, we're going to talk about bonds.

Mr. Krumstok: This is actually a place setter. This is a conversation that we're setting up for bond allocations that we'll purchase at a later date. We do have Robert Rychlicki here from Ken McKenna and Associates who's going to be here to go over some of the other pieces. Obviously most of the aldermen around the room know Ken McKenna and Robert Rychlicki from the past whenever we do bonds or refinancing or any of those other pieces. And Bob also sits through when we have to go through S&P and any of our other bond rating and any other pieces that we do, but right now staff is looking at a tentative 15 to 20 million dollar bond issuance and how is that calculated? That's really for all infrastructure, so it would be fire stations, it would be roads, it would be utilities, it would be a whole bunch of different things. Some of it, as the council has heard, might be catch up and some of it might be as we've used the Capital Improvement Committee, the ad-hoc committee has talked about this backlog that we actually have. And as the aldermen have also heard from Baxter & Woodman when we originally talked and that process is being redone again so we have a better number. Here's a litany of work that we need to do for the betterment of the City. So before we bring anything else, we are really here to talk about some of the additional information. We just want the go ahead, if you want to talk about it from City Council to continue as we maneuver on this. Our CAFR will be talked about in June and as you heard by July hopefully we'll be ready for that next stage. So with that I turn it over to Finance Director Melissa Gallagher who will also have Robert Rychlicki.

Ms. Gallagher: Thank you Mr. Krumstok. I'm going to keep my comments very brief and I have a one page memo that I'll hand out to the City Council as Bob Rychlicki from Kane McKenna goes through some of the initial scenarios. Again, these are working draft numbers. I will tell you that anybody that deals with the bond world knows that those numbers are going to change hourly. So, they'll change as we keep moving forward as we mentioned. The June Committee-of-the-Whole meeting is where our auditors, Lauder, Bach, and Amen will present our 2017 Audit, so that's being wrapped up right now and Baxter & Woodman is working on the Utility Rate Study so we can identify infrastructure improvements for utilities. And then we're also working with Public Works to identify the roadway improvements for bond issuance as well. And really at this point tonight's discussion is just continuing our discussion where we left it off in August. At the August 15<sup>th</sup> Committee-of-the-Whole meeting we provided a discussion that really gave an understanding of bonds to the public and also to City Council and answered some questions then, so this right now is a sort of a first look at what we've been working on since then. The range is about 15 to 20 million and Bob's going to go through all of those particulars and then tonight really we're just looking for direction to continue the discussion with the City Manager and authorize the City Manager and the Finance Director to continue. So I'm going to turn it over to Bob Rychlicki.

Mr. Rychlicki: Thank you. Thanks Melissa. Good evening everyone. What we did is take about 40, 50 pages and tried to put it on one page, so bear with us. The main, I think, points I want to make after talking with staff is, and the reason you do have various scenarios here, is to provide the City with flexibility over the next few months and as you evaluate decisions that you have to

make on behalf of the City we're going to try to identify some of the main variables here which really impact your flexibility and those variables really are, there's four big ones. One is the amount. Obviously the more you borrow the more there, the cost associated with it so you have some control over the amount that you're considering. Another variable that's key as you look over impacts on debt service and cost is the term. Shorter term is going to be slightly expensive because as you stretch out the term, the interest meter ticks on those extra years and you're going to have additional cost. Third consideration is the interest rate and that's really one of the more important variables because that is dictated by the marketplace which has great impacts on the City and moves over ways that we can't control. Really, some components of the interest rate have to do with the rating. Right now for S&P the City's very strong. You're AA+ and there's only one other rating above that and that would be AAA so you guys are very strong as it relates to the S&P rating. There's this thing called bank qualified vs. non-bank qualified and really that is, is it allows commercial banks a deduction on interest expense which again is tied only to what they call small issuer and small issuer is really a City, its public improvements, but its 10 million that's issued in a calendar year. So really that benefit to the banks and to the interest rate kicks in only if you're 10 million or less and that's, we're going to get into that a little bit why we broke out some of the issues between 2018 and 2019 to have a benefit of that and the third part of the interest is our call features. Right now again a shorter call allow you more flexibility, but the bonds then have a characteristic that the long term investor may think well wait a minute. If you could call it every five or seven or ten years, there's usually going to be a price associated with it. What we did here for this vanilla kind of first cut is the most standard feature in a market is 10 year no call, but it's possible again in discussions with underwriters and tracking the market to maybe make that a little shorter, a little lower for the City, but again there's a cost associated with it as it relates to the interest rate. Like I said, the standard or vanilla call features around 10 years, but again our job is to research that and provide flexibility for the City. If you look at the chart in front of you, Scenario One looks at just one bond issue. 15 million on either a 20 or 30 year maturity and again some of the principals that we talked about as it relates to by stretching it out you can see that total debt service between the 20 and the 30 there's a differential of around 5 million dollars. So, again, that's because of the longer term. Longer term and the meters running on the proceeds that you borrow so there is some differential there. You're average debt service though, it's kind of a seesaw. You're average debt service is a little lower with the 30 year, but again that's because you stretch it out, but again the other tradeoff for that is the interest cost. The interest cost on the 30 year because the investors have to wait longer for the receipt of the dollars and more risk associated with a longer period of time you can see there's a differential there of almost 30 or 40 basis points. So there is some differential there. Scenario Two leads to that again another important variable as I mentioned about the interest rate, we split the issues up into two tranches to allow for that 10 million in small issuer kind of definition and there are some savings there. You've got a slightly lower interest rate, about 10 basis points, but again there is some risk. The assumption is that when you do your second issue, let's say in this case it's assumed it would happen in 2019, this assumes that the interest rates don't move up. That's really the one issue that we don't have control over is time and what happens in the marketplace, but again all things being equal, if the rates stay about the same you could see that there are certain savings that could be attributable to the split. And we also looked at that from a 20 and a 30 year maturity. Again you've got the same kind of relationship that you saw on the single issuance, but again it's still defined by the fact that now you have two issues. Scenario

Three, and the others scenarios that follow, we looked at again adjusting another variable and that was the amount. So here you have a larger amount in order to get 19.5 or close to 19.5 of net proceeds and again you could look at what the differential is in terms of the gross interest cost which is either 28 or 35 million and again the average amounts. You could see that the average debt service again is going up and that's tied purely to the amount. You've got, again, more bonds that have to be issued. The interest rate situation is about the same as the scenario on the top. Again with the variable that we're adjusting here is the amount. And again when we look at the bank qualified scenario whether it's the 20 or 30 year, again we have a split. We split the amounts to keep it under 10 million each of those years and again there are certain savings. We have some savings associated with the fact that it is bank qualified. There's a little bit of a discount to the banks that purchase this. But again there's also the element of risk as it relates to what's the interest rate going to be in '19 or when you're going to issue the second tranch of bonds. So really the purpose of this is to, you've been talking as it relates to these improvements. Here's some idea and putting a sticker, so to speak, of a price tag associated with what some of those costs could be in the marketplace as we currently are experiencing. And again to the extent interest rates go up, we put in a little bit of cushion here. About ¼% over what you would have to borrow for now to allow for some fluctuation of the market, but obviously again if rates go up or inflation fears drive higher rates, the numbers would have to be modified.

Mayor Prejna: Thank you. Melissa, do you have another part to this?

Ms. Gallagher: And I'll just close and just add a couple minor points. Again, tonight's discussion was really so that Bob Rychlicki from Kane McKenna can walk through a couple of items. Obviously at the writing of this on May 15<sup>th</sup>, this is outdated already, so the second item is that we are also looking to manage the financial estimates that we're doing along with our Financial Advisors to figure out our annual debt service payments and how they would relate to our tax levy to make sure that the burden is not falling on the residents and also timing it out with our infrastructure improvements. So this really is just more of a first blush and then what we would do is fine tune this over the next couple of months. And so then we would come back to City Council with some further fine-tuned numbers before we would issue and I think the other important piece to remember too is that our annual debt service payments previous to the debt that had fallen off in 2017 and matured, was about 2.5 million dollars and if we are looking at around 1.2 to 1.4 million as an annual debt service, plus the additional amount that we have out until 2023, we're at about that amount as well. And so it's a level that the City has paid down every year and it's similar to that. So what we're trying to do right now just as a first blush, give you some basic scenarios to kind of, again these documents are about 70 pages every time we've run them through. We try not to kill too many trees, but at the same point what we're just looking now is any questions you might have initially and then just give us further authorization to move ahead with the scenarios.

Mayor Prejna: Thank you. Further discussion? Or questions from anybody on the Council? Mr. Cannon?

Mr. Rychlicki: I'm sorry, Mr. Mayor. I just wanted to point out that in order to implement this plan we would have to go to the market which requires an official statement, competitive bid

situation. We do have to go to the rating agencies, so you're looking at a time period of about 30 to 45 days in order to ramp up to the point where we're going to be able to take the bonds to market and get a bid for the securities.

Mayor Prejna: Okay, thank you. Mr. Cannon, you're first up please.

Alderman Cannon: Thank you. A couple quick questions. The first one, Melissa I guess you could answer this if you want or, I know there's been a lot of negative press lately with some of the southern suburbs that are upside down on some of their bonds. Does that affect us even remotely or does it make people more skittish about buying municipal bonds?

Mr. Rychlicki: You guys are strong. I mean a AA+ you're probably one of the top tier credits in the State and again if I remember reading the credit reports from both Moody's and S&P they identified the City of Rolling Meadows as a below average median debt service burden, so what happens with those suburbs and I'm talking some of those were just grossly overfunded as it related to some of the obligations they bought on. One good thing about the rating agencies, they will look at each credit individually. The umbrella we should be more concerned about is the State of Illinois. That affects everybody located within the state. That's unfortunately, that's more of a concern rather than let's say what some of these other suburbs have done. They will look at your management, professional management, the way your debt is managed as Melissa indicated. You guys have looked at a situation where as debt is rolling off, you're looking to replace, so you're not basically adding to the burden. A burden which already both rating agencies have considered below average.

Mr. Krumstok: And Alderman Cannon, they're also going to look for what it's actually being utilized, so when we talk about infrastructure that's another reason why we say that because that has long term uses instead of short term.

Mr. Rychlicki: That's the other thing. I mean the City's talking about public improvements. In fact one of the key things that we see, have seen over the years, is the rating agencies want to see what you're doing for your capital stock. If it's not going to be pay as you go because of some of the other costs of these, they actually think it's important that you're planning ahead and funding what you have to fund out of let's say bonds or in stretching out the payments with annual debt service payments, so they look at that carefully. And again, it's as I said what are the top three variables? It's the amount, the interest, and the term and they will look at, from a standpoint of what your amount is, what it's going to be used for and then what is your repayment plan and how it fits into your fiscal management. Those are key items.

Alderman Cannon: Okay, so if we took the 20 million out, would that be looked at negatively at all by either of the rating agencies?

Mr. Rychlicki: The question would be where are you in terms of implementing those capital improvements. If these are key public facilities that have to be done, their question will be how are you going to take care of that and we would have to have a response that would show how that would be done. Whether it was pay as you go, or in this case if it were bonds. The key that

they look at is your replacement on capital inventory, capital costs. I mean if these are considered items that are needed, they will want to find out how you plan to take care of it.

Mr. Krumstok: And they also want to know how you are guaranteeing that amount, so are you using property tax? Are you using utility funds? So they're always looking at that variable, how is it going to be paid.

Alderman Cannon: So at this point, theoretically we're still talking because you don't have anything locked down yet, we're not really looking at a tax increase for this program at the moment.

Mr. Krumstok: At this point I would tell you, and any of these scenarios, because we've not finished the 2019 budget, there would be some kind of change in the property tax overall, because what we have falling off and how we've been utilizing reallocating it into pensions and the overall, we would not be able on just one blush look to reallocate everything and be flush, so we would still have a potential property tax increase and then depending on what are the other pieces that we use? Are we using utilities? Are we using local roads? So all those pieces we have not worked on, but again typically we've been doing an increase on the property taxes for the pensions and the reallocations and some of the other pieces so at this point in time I can tell you that there will probably be a property tax increase.

Alderman Cannon: Okay, I guess the last point I would make, with the write-up that was given to us, I was a little bit concerned because I didn't see anything about another Public Works facility that we don't have included in here, so I guess, and I don't need an answer right now, but I mean I think it's something we need to address with this program one way or another. We can't just ignore that and let it go away.

Mr. Krumstok: That is correct and we deliberately, and I can tell you I deliberately, left it out because we've had those conversations and then people put it off to the side. What we're looking at, at this point in time with this issuance or double issuance if you want to call it, is specifically utilities, roads, and the infrastructure overall with the fire stations. So we did not take another shot at the Old Public Works Building because at this point in time we haven't talked about it again. We need to reevaluate it. We need to do the assessment and I know that certain aldermen have also mentioned in the past maybe we can have additional communication and conversation about that and with another governmental entity.

Alderman Cannon: Okay, thank you for the answers.

Mayor Prejna: Well my question that I would bring forward is I would like to know what the cost is going to be to the residents. We haven't been told that yet. I realize it's just a scenario planning. When you come back what is the cost to the residents. It's nice to issue all these bonds and two fire stations, but to me that's the most important is how are taxes going to be increased to the residents. We don't know that yet, so that question needs to be answered. Any other questions?

Ms. Gallagher: Mr. Mayor I would also just add if you take a look at the 2018 budget and the previous budgets to that, just to answer that just kind of briefly because we will come back to that at some point, relatively soon. One of the things you want to look at in the budget is that we've been staying under a 5% increase for taxes over the last couple of years. Mainly to address pensions, but we also added some funds for local roads. So it will be similar to that, but it may be something that we need to keep evaluating over the next course of weeks and months, but it's similar to the 2018 budget, but again we'll come back to you with that information.

Mayor Prejna: Thank you. Any other questions? Comments? Yes, Mr. Budmats.

Alderman Budmats: Do we have a breakdown of the life expectancy of what we're looking to buy. I understand that some of the things like the firehouse is going to last for the 30 years plus if we were to amortize it out to 30 years, but some of the roads if we're going to be looking at doing that? Do we know if those are going to even be drivable in 30 years or is that something that we would do over a 20 year period to make sure that we're not paying for it after it's no longer useful?

Ms. Gallagher: And that's something that we need, of course, need to evaluate when we're going through the piece as well.

Mr. Rychlicki: In fact, that's a good question. In fact one of the things we're going to have to do once the City engages a bond counsel is there has to be a schedule of the useful life of the assets that you're financing so when they look at the weighted average terms so to speak of the issue, they're going to compare it to the weighted average term of the assets and see if, they should sync up or line up at a certain point.

Mayor Prejna: Any other questions or comments? Thank you for the presentation. Do we have a motion to adjourn? Alderman Banger made a motion and it was seconded.

By unanimous consent the Committee-of-the-Whole meeting adjourned at 8:31pm.