



AGENDA

CAPITAL PROJECTS COMMITTEE MEETING **MAY 25, 2021 – 6:30 pm (Virtual Meeting)**

Capital Projects Committee – Hosted by City of Rolling Meadows

<https://cityofrollingmeadows.my.webex.com/cityofrollingmeadows.my/j.php?MTID=mfa0206d6e8a8ec0f1490a06ba22f5559>

Tuesday, May 25, 2021 6:30 pm | 2 hours | (UTC-05:00) Central Time (US & Canada)

Meeting number: 142 678 4814

Password: weKXtZ2R3E2 (93598927 from phones and video systems)

Join by video system

Dial [1426784814@webex.com](tel:1426784814)

You can also dial 173.243.2.68 and enter your meeting number.

Join by phone

+1-415-655-0001 US Toll

Access code: 142 678 4814

- A. Call to Order
- B. Roll Call
- C. Welcome to New Committee Member – Alderman Nick Budmats
- D. Approval of Minutes from April 27, 2021
- E. Recognition of Former Capital Projects Committee Member Bob Losh
- F. Overall Capital Planning Process (Calendar, Chargebacks, Long-Term Planning)
- G. Equipment Capital Items from the Vehicle & Equipment Replacement Fund
- H. Revenue Sources for Roads (State Motor Fuel Tax Fund & Local Road Fund)

Capital Projects Committee Meeting
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I. Review Meeting Dates and Upcoming Meeting Agenda Topics:

✓ Tuesday, June 22, 2021: (1) FY 2022 – FY 2026 Capital Improvements Program (CIP) Draft Sheets; and (2) Road Capital Projects (City Engineer will be presenting information.)

✓ Tuesday, July 27, 2021 – Review & Recommendation of Capital Projects.

J. Open/Other Items, as needed

K. Public Comment

L. Adjournment

Capital Projects Committee
Tuesday, April 27, 2021
Remote Meeting via WebEx, 6:30 p.m.
Meeting Minutes

Members in Attendance:

Melissa Gallagher, Director of Finance
Rob Horne, Director of Public Works
Jo Ellen Charlton, Assistant Director of Public Works
Mark Kilarski, Public Works Utilities Supervisor
Alderman John D' Astice
Alderman Lara Sanoica
Steve Holish, member

Absent: Bob Losh, member, Jack Eleftheriou, member

Meeting was called to order at 6:30 pm.

The minutes from the meeting of March 23, 2021 were approved by unanimous voice vote.

- FY 2020 Major Projects, FY 2021 Projects & FY 2021 Upcoming Projects:
 - Ms. Gallagher stated that the Utilities Fund was made up of three sections: Water, Sanitary Sewer, and Storm Water. Each section had different parts, including capital projects and operations budgets.
 - Ms. Gallagher reminded the Committee of the utility rate study that had been performed several years ago. Since then, there had been no increases in rates thanks to careful management of the accounts and budgets.
 - City departments were working on the Capital Improvements Plan for 2022-2026. At this meeting, the intent was to take a look at completed projects from FY2020 and upcoming projects for FY2021. Future meetings would discuss the recommendations for the FY2022 plan and budget. Through careful planning, \$4.3 million worth of projects were completed in FY2020, even with the impacts of the coronavirus pandemic. There had been some deferrals, but not really any in utilities.
 - Mr. Horne provided an overview of completed water projects.
 - § The South Street and Plum Grove Drive water main project had been completed. This was a bond funded project, and staff was working on finishing audit work for the bonds, and closing out the process.
 - § The Weber/Waverly area had also had a water main project completed. This was also bond funded, and punch list items were being completed in 2021.
 - § The Arbor Drive Water Main project had been going on since 2019. The initial year had bond funding, and the subsequent phases had outside funding sources.
 - § Phase 1 of the elevated tank painting had been completed with the water tower on Campbell Street having been painted. Phase 2 would be in 2021, with the water tower on Central Road.
 - § The SCADA system, the City's water control system, had on-going work on it. Large improvements had been made since 2015 after no improvements in over two decades. The capital plan will continue to show these expenses until the system is caught up and fully implemented. Then it will only show routine maintenance with occasional larger upgrades. This type of upgrade requires

some investment on the front end to save the City money in the long run, such as with telecommunications expenses. Upgrades to this system have the potential to save the City around one million dollars over the course of ten years in telecommunications expenses.

§ A water pressure system improvement had also been completed in 2020. The City did a study several years ago to try to improve the water pressure on the west side of town. Mr. Kilarski noted that pressure valves had been installed in strategic locations across the City to improve water pressure in the community as a whole. The valves are partially closed to allow the water to backlog in the system, increasing the pressure. This project needed to be completed in alignment with the SCADA system upgrades to allow for control of the valves remotely.

§ The City recently had a risk and resiliency assessment done on the water system, to be submitted to the IEPA in the near future. It indicated that a major deficiency was a lack of emergency power to the pump and lift stations in the City. These are critical systems for the health and safety of the community, and they are not currently protected. Mr. Holish asked if these emergency backup systems were the same as those in the fire stations. It was determined that they were not – the backup systems in the fire station was for the City’s backup server on a separate system than the backup for the pump and lift stations. It was also separate from the Public Works building backup power system that had been deferred, and would be requested again coming up.

○ Mr. Horne then provided information on 2020 sanitary sewer projects.

§ The manhole rehabilitation projects and sanitary sewer improvements were both annual programs that had been continued in 2020.

§ The Brookview/Sunset area engineering for the sanitary sewer project had also begun in 2020.

○ Finally, Mr. Horne provided information on 2020 storm water projects.

§ The City completed annual projects for storm water rehabilitation, and storm water management in conjunction with the street reconstruction projects.

§ Storm water improvements were also completed in the Owl Drive area.

§ 2020 also saw the completion of the drainage study in the Northwest Industrial area.

§ Baxter Woodman had provided an overview of the Park Street Drainage project at the April Committee of the Whole Meeting. A link would be provided to the Committee with the data and statistics, and the Committee was encouraged to watch the presentation. This item was a large project, phased over several years.

○ Ms. Gallagher stated that the City was able to complete \$4.3 million dollars in capital projects, up from the normal \$2.3-2.8 million annually, due to the bond issue. Despite the pandemic, there were still adequate fund balances to complete all the projects.

○ Ms. Gallagher noted that funding would be important for upcoming 2021 projects. The American Rescue Plan from the federal government was meant for pandemic relief. The City was anticipating receiving \$2.9 million over time, with the first disbursement coming as soon as May. With input from the Council, the City was planning to put that money towards continuing infrastructure improvements.

○ Mr. Horne then provided an overview of major projects planned for 2021.

§ The major water project had already been completed. Phase 3 of the water main replacement on Arbor Drive had gotten moving early. An IEPA permit to activate the water main had already been applied for. It was hoped that the

aligning resurfacing project, funded by CDBG from the County, would go out to bid in the near future.

§ Another water main project, in an area nicknamed the “Four Sisters” was on the books for next year. Engineering was proceeding to allow for a bid letting in January or February, hopefully gaining good pricing.

§ The second elevated tank painting project was also moving forward in 2021. There was a slight delay due to the need to ensure the temporary pole for telecommunications equipment was sound enough to last for 60-90 days.

- Mr. Horne noted that a presentation to the Committee of the Whole was planned for the future to talk about the water system, to have everyone understand where the system was in its development.
- Mr. Horne asked for an agenda item to be placed on a future agenda. He noted that that City does not have any “shovel ready” projects, and wanted to have a discussion to see if that was a policy that should be implemented. The benefit of pre-engineering these kinds of projects is that grants and other funding sources tend to look more favorably on projects that have already completed or are close to completing design engineering. When a project reaches the five-year capital plan, the City is committing to it, so the money will be spent. This recommendation is to spend the money on engineering a little sooner to be able to take advantage of possible funding opportunities.
- Mr. Horne noted that the big sanitary sewer project was the Bookview/Sunset area project. Residents had been waiting a while, but there was still some more work to do before the project could move forward, including work with the attorneys to establish a special service area.
- Ms. Gallagher noted that the five year plan is a snapshot, projects that the City is committing to. The Public Works Department plans out many years.
- Ms. Gallagher requested feedback on what had been discussed. Alderman Sanoica stated that the items presented provided a very optimistic look for the City. She was also in favor of having projects ready for grants and other funding sources.
- Review Meeting Dates and Upcoming Meeting Agenda Topics
 - Ms. Gallagher stated that next meeting would be May 25, 2021. It would likely be a virtual meeting. Staff had been working on trying to get the packets to the Committee sooner to be able to review them. The item for the agenda on the next meeting might be the first draft of the five year plan.
 - The following dates in June and July would be dedicated to working towards recommendations for the Council on the Capital Plan.
 - Mr. Horne asked if the Committee was meeting in August. Ms. Gallagher stated that they were not, as the Capital Plan would be provided to Council for review in August. Mr. Horne suggested that the first meeting after the presentation of the Capital Plan might be a good one to have the City’s GIS consultants present the tools staff use for planning purposes.
- Other Items as Needed
 - Alderman Sanoica stated that she had attempted to meet with IDOT twice over the past two months regarding noise containment, and IDOT had attended neither. In the meantime, she had contacted other municipalities that had successful attempts to have IDOT pay for noise containment. They had provided plans that they had used. She requested that this item be put on the agenda for the next meeting. Materials would be provided for the packet.

- Public Comment
 - There was no public comment.

Meeting adjourned at 7:22 p.m.

Meeting minutes by Rob Horne and Elizabeth Payne, Public Works Department.

CITY OF ROLLING MEADOWS

FY 2022 BUDGET & CAPITAL PLANNING CALENDAR (TENTATIVE/DRAFT)(Following past schedules & procedures)

DATE	DAY	ACTIVITY
February to July	---	Capital Improvements Committee Meetings.
March to June	---	Capital Improvement Projects - Inputted by Departments.
April to July	---	CIP Meetings & Review with City Manager & Finance Director.
April to July	---	Input Budget Entries, Review Budget Entries, Hold Departmental Meetings, Review and Edits by City Manager and Finance Director.
June 15, 2021	Tuesday	June Committee of the Whole Meeting. FY 2020 Audit Presentation & FY 2020 Year-End Fund Balances Presentation. FY 2020 Citizens' Annual Financial Report Presentation. FY 2022 Budget Parameters/Tax Levy Discussion Police & Fire Pension Fund - Actuarial/Tax Levy Discussion
July 20, 2021	Tuesday	July Committee of the Whole Meeting. FY 2022 Budget Parameters / Tax Levy Discussion (Tentative Continued Discussion - As Needed) (From the June COW Meeting - if needed)
August 10, 2021	Tuesday	CIP Released to the City Council & Public with the August 10, 2021 City Council Meeting Agenda Packet. (Friday, August 6th release.)
August 17, 2021	Tuesday	August Committee of the Whole Meeting. CIP presented to the City Council at the Committee-of-the-Whole Meeting for discussion & Revenues, Chargebacks, and Fund Balances. <i>Note: City Council one-on-one Budget review meetings with City Manager & Finance Director to take place in September 2021.</i>
September 14, 2021	Tuesday	FY 2022 Proposed Budget Released to the City Council & Public with the September 14, 2021 City Council Meeting Agenda Packet. (Friday, September 10th release.)
September 21, 2021	Tuesday	September Committee-of-the-Whole Meeting: City Levy/Budget Discussion.
September 2021	----	Publish the Public Hearings Notices in a Newspaper for the Tax Levy & Budget.
September 28, 2021	Tuesday	<i>City Council Meeting - Public Hearing - Tax Levy (i.e., Truth In Taxation)(City & Library).</i> City Council Meeting - Some Budget Ordinances - 1st Reading.
October 12, 2021	Tuesday	<i>City Council Meeting - Public Hearing - City Budget & Library Budget.</i> City Council Meeting - Some Budget Ordinances - 2nd Reading.
October 19, 2021	Tuesday	October Committee-of-the-Whole Meeting - City & Library Levy/Budget Discussion.
October 26, 2021	Tuesday	City Council Meeting - 2nd Reading of some Ordinances & 1st Reading of some Ordinances.
November 9, 2021	Tuesday	City Council Meeting - Approve City & Library Levy (1st Readings), and 1st and 2nd Reading of some Ordinances.
November 16, 2021	Tuesday	November Committee-of-the-Whole Meeting - City Budget (If Needed)
November 23, 2021	Tuesday	City Council Meeting - Approve City & Library Levy (2nd Readings), Adopt City Budget & Accept Library Budget; and 2nd Reading of some Ordinances.

Notes:

NOTES: * Budget filings must be completed before the December deadline to Cook County.**

The City Manager and the Finance Director will hold one-on-one meetings with the Mayor and City Council in September to review the FY 2022 Proposed Budget.

What are Transfers & Chargebacks?

Transfers or Interfund Transfers are transfers from one Fund to another. Transfers are approved during the annual budget process or during the fiscal year with a budget amendment resolution.

 *In the FY 2021 Budget, an example of a transfer is the funds transferred from the General Fund to the Debt Service Fund to pay for the 2012 General Obligation Bond (annual debt service payment).*

Chargebacks accumulate funds to allocate costs to Departments and Funds. An example would be the Chargebacks from various Funds pay for the services of Internal Service Funds. Chargebacks are approved as part of the annual budget process.

(Note: the City has not been able to fully fund chargebacks but continues to incrementally increase funding over time.)

 *In the FY 2021 Budget, an example of chargebacks are the funds accumulated from various City funds to pay for expenses in the Garage Fund; Vehicle & Equipment Replacement Fund; Building & Land Fund; Liability Insurance Fund; and Health Insurance Fund.*

Chargebacks and Transfers are tracked by General Ledger account numbers. The chargebacks and transfers are reconciled to the General Ledger and audited by the City's Auditors.

Capital Improvements Committee Review & Recommendations for the FY 2021 to FY 2025 Capital Improvements Plan

Resolution # 12-R-81, approved by the City Council on September 25, 2012, created a Capital Projects Committee to review and make recommendations to the City Council concerning capital improvement projects proposed by the City Manager. The Ad-Hoc Capital Improvements Committee reviews the projects that are detailed in the FY 2021 – FY 2025 CIP (reminder that the CIP is a plan, not a budget.) Staff provides the prioritization of the projects and makes recommendations for the FY 2021 Proposed Budget. The City Manager and Finance Director review the capital improvement projects in conjunction with available resources and future planning items. Not all projects will be added to the FY 2021 Proposed Budget. Due to COVID-19, there are projects that are deferred/delayed to future years.

In FY 2020, the Capital Improvements Committee held meetings throughout the year to discuss and review the City's Capital Improvement Plan. The following is a review and summary of recommendations by the Capital Improvements Committee to the City Council:

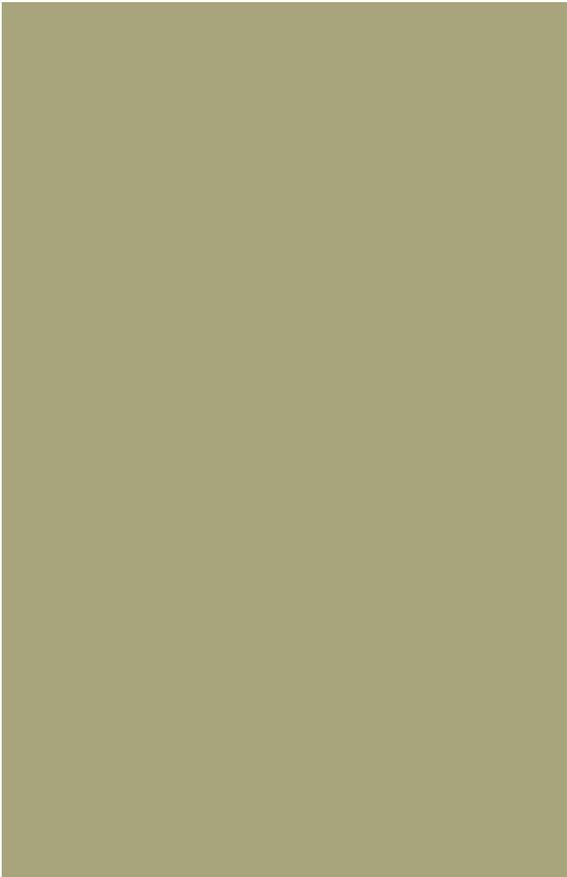
1. Recommend that the City Council determine the Annual Street Program at a minimum range of \$1.0 million to \$1.5 million contingent on available resources. *[This is an updated recommendation to show a range and contingent on available resources.]*
2. Continue to follow the Annual Street Program planning calendar with September 2020 as the month to determine the annual funding (by the City Council) at the September 15th Committee-of-the-Whole Meeting. Typically, following the September COW Meeting, the City Council awards the contract for engineering for the Annual Street Program. *[This schedule was followed for FY 2015 to 2020's Annual Street Programs which resulted in savings to the City.]*
3. Develop a plan which includes priorities for year-end priorities for FY 2020 and make FY 2021 recommendations to the City Council for needed maintenance, repair, and/or replacement of City facilities and infrastructure.
4. Continue to engage businesses and residents by providing timely capital project improvements' updates and information on the City's website, the City's Newsletter, the Business Messenger Newsletter and other communication platforms. *[This recommendation continues to be implemented.]*
5. As part of rate stabilization, the City was able to stable utilities' rates in FY 2020 as part of a bond issuance for underground utilities. *[This recommendation continues to be implemented.]*
6. Continue to review the City's stormwater management plan and review possible additions to projects (where possible and as part of the overall plan). The Capital Improvements Committee suggests identifying and making plans to address areas of concern in the City. *[New recommendation for this year.]*
7. The Ad-Hoc Capital Improvements Committee recommends that the City Council use the FY 2021 – FY 2025 Capital Improvements Plan (CIP) as a "working and planning document" for the FY 2021 Budget process which will assist in making decisions on future infrastructure improvements. [City Council should also look at planning for financial items as resources are needed and fund balances are taxed.]

FUND & PROJECT NAME - CAPITAL PROJECTS - FY 2021 to FY 2025 Proposed Projects					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Vehicle & Equipment Replacement Fund					
Community Development Department-Vehicles					
Vehicle Replacement-SUV/RM-276/C-433 <i>(Deferred - FY 2020)</i>	\$ 32,000	\$ -	\$ -	\$ -	\$ -
Fire Department-Equipment					
Personal Protective Equipment	\$ 55,000	\$ -	\$ -	\$ -	\$ -
Automatic External Defibrillators-15	\$ 6,500	\$ 9,000	\$ -	\$ -	\$ -
Fire Department-Vehicles					
Vehicle Purchase- Rescue Squad/ FD <i>(Deferred - FY 2020)</i>	\$ 300,000	\$ -	\$ -	\$ -	\$ -
Vehicle Replacement-Ambulance/624	\$ 300,000	\$ -	\$ -	\$ -	\$ -
General Government-Equipment					
City Fueling Station-Upgrade	\$ 20,000	\$ 120,000	\$ -	\$ -	\$ -
Information Technology Department-Equipment					
City-Wide Software Replacement-ERP	\$ 100,000	\$ 200,000	\$ -	\$ -	\$ -
Proximity Card Readers & Camera Security <i>(Deferred - FY 2020)</i>	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Disaster Recovery Site (City-wide IT Equipment)	\$ 100,000				\$ -
Network Equipment	\$ 90,000	\$ -	\$ -	\$ -	\$ -
Wireless Back-Up System <i>(Deferred - FY 2020)</i>	\$ 80,000	\$ -	\$ -	\$ -	\$ -
Phone System Upgrade	\$ 75,000	\$ -	\$ -	\$ -	\$ -
Email System Upgrade <i>(Deferred - FY 2020)</i>	\$ 65,000	\$ -	\$ -	\$ -	\$ -
Desktop/Laptop Replacements	\$ 55,000	\$ 55,000	\$ 60,000	\$ 60,000	\$ 60,000
AV Upgrades	\$ 8,500	\$ 7,500	\$ 24,000	\$ 30,000	\$ -
Public Works Department-Vehicles-General					
Vehicle Replacement-Pick Up Truck/RM-283/T-373	\$ 57,000	\$ -	\$ -	\$ -	\$ -
Public Works-Vehicles-Utilities					
Vehicle Replacement-T.A. Dump Truck/RM-034/T-341	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Vehicle Replacement-Pick Up Truck/RM-282/T-368	\$ 57,000	\$ -	\$ -	\$ -	\$ -
Vehicle Replacement-Service Truck/RM-112/T-356	\$ 57,000	\$ -	\$ -	\$ -	\$ -
Sub-Total Vehicle & Equipment Replacement Fund	\$ 1,908,000	\$ 2,105,500	\$ 1,048,000	\$ 1,208,000	\$ 910,000

This is a snapshot from the FY 2021-FY 2025 CIP. The Equipment capital items are shown in a highlighted blue. The Vehicle Replacement Committee reviews vehicles. As a reminder, the FY 2022-FY 2026 CIP is under review and development.

Local Road Funding

Capital Projects Committee – May 25, 2021



Local Roads

The City of Rolling Meadows maintains approximately 62 miles of streetways to maintain; 350 streetlights; 49 traffic signals; and miles of sidewalks and curbs/gutters.

Two Primary Sources of Funding for Local Roads

State Motor Fuel Tax Fund

(Governed by State Statute on how you may spend the funds)

This Fund receives funding per a state allotment based on the City's population. Funds are audited by the City's Auditors and by IDOT's Auditors.

Local Road Fund

(Revenues derived from a diverse mix of sources)

This Fund has grant-funded projects and needs an influx of revenues. There are many projects which require expenses to be spent first and then the City is reimbursed. This means these reimbursements may take years from the State of Illinois.

The Fund needs additional fund balance for as the City waits for reimbursements.

Funds are audited by the City's Auditors

State Motor Fuel Tax Fund (Approximately \$850,000 per year)

- The State Motor Fuel Tax Fund's primary funding is from the State of Illinois' motor fuel taxes. These funds have strict rules on how to utilize the funding. The funds are audited by the City's Auditors and IDOT's Auditors.
- State MFT Funds are a critical revenue source for roadway infrastructure.
- Over the last few years, the City's State MFT revenues partially fund road resurfacing projects across the City.
- The amount received is based on the City's population (per capital basis) at a rate of 49.1% to municipalities.
- There are two revenue types: (1) annual allotment – approximately \$500,000 per year (down from \$600,000 due to COVID-19); and (2) a new funding source (called TRF*) – approximately \$350,000 per year.

[Effective July 1, 2020, the State of Illinois doubled the state gas tax from \$0.19 per gallon to \$0.387 per gallon. The new funding is called TRF* or Transportation Renewal Fund.]

State Motor Fuel Tax Fund – Rebuild Illinois Bonds

(One-time funding of approximately \$1.6 million)

- The State of Illinois authorized a \$1.5 billion grant program called REBUILD Illinois. The funding is allotted to municipalities based on the State’s Motor Fuel Tax formula.
- The Illinois Department of Transportation has been authorized to implement the program. IDOT disburses the funds two times a year over three years. (The City received its first deposit in FY 2020.)
- Currently, the City is working with the City’s Engineer, Burke Engineering, on the project plan for completing roadway projects of approximately \$1.6 million.

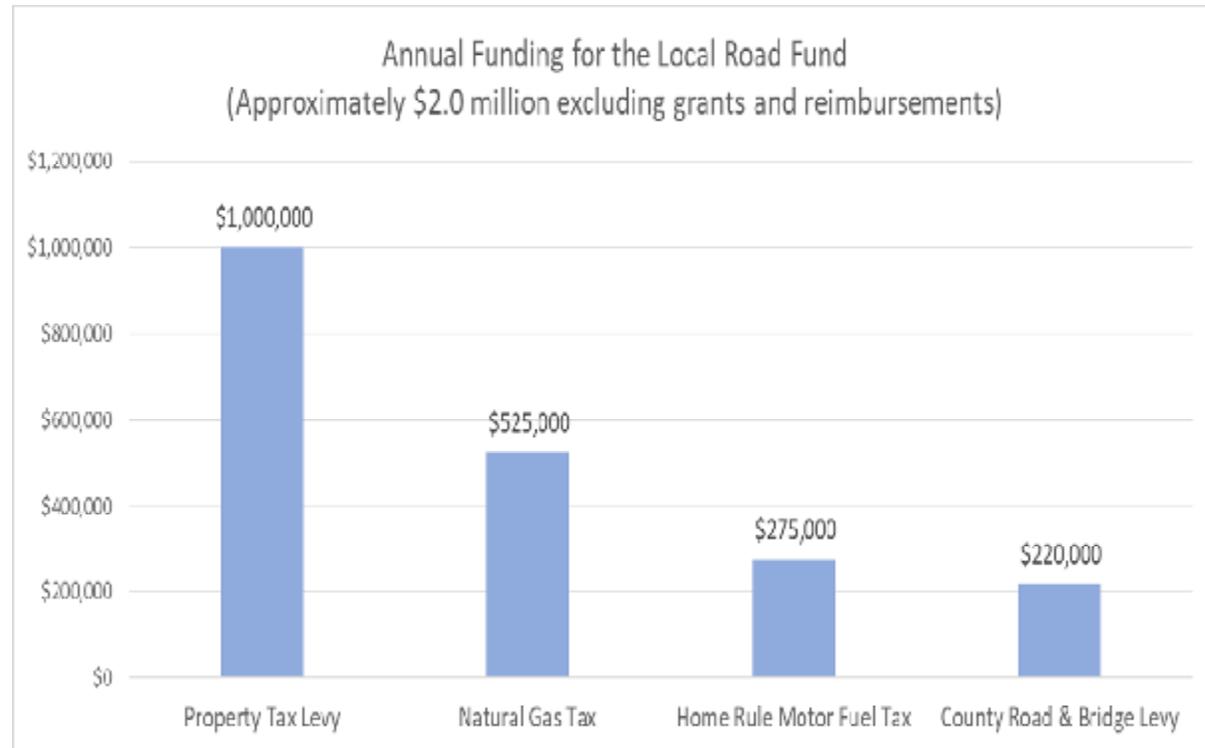
City of Rolling Meadows		
State Motor Fuel Tax Fund - Rebuild Illinois Bonds		
Installment #	Date Received	Amount of Installment
1	5/2020	\$ 264,703.15
2	7/2020	\$ 264,703.15
3	3/2021	\$ 264,703.15
4	5/2021	\$ 264,703.15
5	5th Payment in FY 2022	\$ 264,703.15
6	6th Payment in FY 2022	\$ 264,703.15
Total Payments for Rebuild Illinois Bonds		\$ 1,588,218.90
All grant funds need to be expended by July 1, 2025, which coincides with the expected end date of the REBUILD Illinois Capital Program. However, the sooner projects are planned and completed the better to account for the funding.		
Funds received through May 14, 2021		\$ 1,058,812.60

Local Road Fund

(Approximately \$2.0 million per year when excluding grants and reimbursements)

- The Local Road Fund pays for critical items to operate and maintain the City's roadways.
- Items include street light maintenance/repairs, patching, bike path maintenance, entry sign repairs, lane markings, road salt, snow plow items, road reconstruction and road resurfacing.
- The Local Road Fund also pays for the City's Annual Sidewalk & Curb Program; Bridge Repairs, and ADA Plan Improvements.
- Grant-funded projects are paid for from the Local Road Fund. Typically the State of Illinois requires that the funds are expended first and then reimbursed to the City. The reimbursement may take years. (Most recently, the Local Road Fund received a reimbursement from more than five years ago.)

The Local Road Fund's revenues are a diverse mix of stable, annual funding of approximately \$2.0 million annually.



Capital Planning Process

- The City is currently updating the Five-Year Capital Improvements Plan (CIP) for the years FY 2022 – FY 2026.
- As Staff prepares these updates, the Annual Street Program amount ranging \$1.0 million to \$1.5 million will continue to be a priority (as recommended by the Capital Projects Committee).
- However, along with capital projects, the Local Road Fund must pay for street lights, road salt, sidewalks, bridge repairs, street maintenance and other items.
- The revenue availability and reimbursement process will need to be balanced with the project planning process.
- At the June 22, 2021 Capital Projects Committee, the Committee will review the State Motor Fuel Tax Fund and Local Roads Fund capital improvement projects.