



**AGENDA**  
**COMMITTEE OF THE WHOLE**  
**June 18, 2019 – 7:30pm**

- 1) **FY 2018 Audit**
- 2) **Actuarial Discussion on Police & Fire Pensions**
- 3) **General Fund Distribution of Some Reserve Money to Pensions**
- 4) **Budget Parameters for FY2020**
- 5) **Elected Officials Training Part 2**
- 6) **Elections – 3 or more than primary – Discussion – Referendum (Alderman D’Astice)**
- 7) **Open Land/Empty Office Building Incentive - Real Estate Transfer Tax Incentive**
- 8) **Electronic Participation by City Council Members (Alderman O’Brien)**
- 9) **G1 Hours of Operation**

## Committee-of-the-Whole Agenda – June 18, 2019

### 1) FY 2018 Audit

#### Attachments:

- **FY 2018 Audited Fund Balance Summary**
- **FY 2018 Audited Fund Balance Review – General Fund**
- **FY 2018 Fund Balance Policy Review (General Fund, Refuse Fund & 911 Fund)**
- **FY 2018 Financial Results for IMRF, Police & Fire Pensions**
- **Debt Service Outstanding (*Estimated*) (*includes 2018 & 2019 bonds*)**

The City's auditor, Jamie Wilkey of Lauterbach & Amen, will review the FY 2018 Audit (CAFR) with the City Council. (For the Mayor and Members of the City Council, an electronic draft copy of the Audit will be loaded onto each of your computers and a printed copy may be made available to you – if you request one. Audit copies will be available by June 30<sup>th</sup>.)

At the June 18<sup>th</sup> Committee-of-the-Whole Meeting, the City's Auditors and City Staff will provide a review of the Audit and then it can be released (by June 30<sup>th</sup>). City Staff will file the Audit with Cook County, state and federal agencies, credit rating firms, and with other required agencies. The Comprehensive Annual Financial Report (CAFR) of the City of Rolling Meadows for the year ended December 31, 2018 will be available online at the City's website at [www.cityrm.org](http://www.cityrm.org) by June 30, 2019 (under the Finance tab and scroll down to the Related Pages Section). (Note: the City met its fund balance targets for Fund's with Fund Balance Policies: General Fund, Refuse Fund and the 911 Fund.)

To enhance further transparency, the City produced its seventh "Citizen Annual Financial Report" – a brief analysis of where the City's revenues come from, how dollars are spent and trends in the local economy. (It is a user-friendly report and summarizes the City's financial position in about 10 pages.) This report will also be available on the City's website by June 30<sup>th</sup>. (*For FY 2018, Staff and the City's Auditors updated the report new graphs, photos and information.*)

We are pleased to announce that the Government Finance Officers Association (GFOA) has given an Award of Outstanding Achievement in Popular Annual Financial Reporting to the City of Rolling Meadows for its Popular Financial Report for the fiscal year that ended on December 31, 2017. This prestigious, national award recognizes the City for conforming to the program's standards of creativity, presentation and usefulness to the reader.

In addition, for the 32<sup>nd</sup> consecutive year, GFOA has awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Rolling Meadows for its Comprehensive Annual Financial Report (CAFR) for the fiscal year that ended on December 31, 2017. (Staff, with the Auditors will be filing the 2018 CAFR & Popular Annual Financial Reports for GFOA Awards. In addition, as mentioned, the City is required to adhere to continuing disclosure requirements. Staff will be filing the 2018 CAFR with numerous federal, state and credit rating agencies.)

The City's auditors determined that the City's financial statements are accurate and consistent with accounting standards. The City received a clean audit opinion from the Auditors (the highest level of an audit opinion).

*City of Rolling Meadows - Fund Balance Summary - FY 2018 Unaudited Data*

FUND NAME	BGN FY 2017 AUDITED FUND BALANCE	REVENUES - AUDIT	EXPENSES - AUDIT	NET CHANGE IN CURRENT YEAR FUND BALANCE	NET TRANSFERS IN OR OUT TO OTHER FUNDS	ENDING FY 2018 UNAUDITED FUND BALANCE OR EQUIVALENT
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**Governmental Funds:**

**ACTUAL**

General (01) **	9,565,069	33,116,096	31,312,252	1,803,844	(254,527)	11,114,386
Motor Fuel Tax (03)	115,275	621,933	575,934	45,999	-	161,274
E911 (04)	1,219,100	652,826	724,072	(71,246)	150,000	1,297,854
Debt Service (47)	68,587	430,380	1,139,048	(708,668)	683,075	42,994
Local Road (61)	117,470	2,233,163	1,798,341	434,822	-	552,292
TIF #2 (37) Kirch/Owl	(1,544,381)	260,582	65,879	194,703	-	(1,349,678)
TIF #4 (38) Golf Road	378,813	2,950,645	244,978	2,705,667	-	3,084,480
Fire Stations Fund (83)	852,055	9,960,375	2,103,075	7,857,300	-	8,709,355
Foreign Fire Tax (26) *	51,925	32,472	13,894	18,578	-	70,503
Police Asset Seizure (17) *	158,712	135,167	67,671	67,496	-	226,208

*\*See notes below.*

*\* Foreign Fire & Police Asset Seizure are shown on the City's Financials but are not controlled by the City Council.*

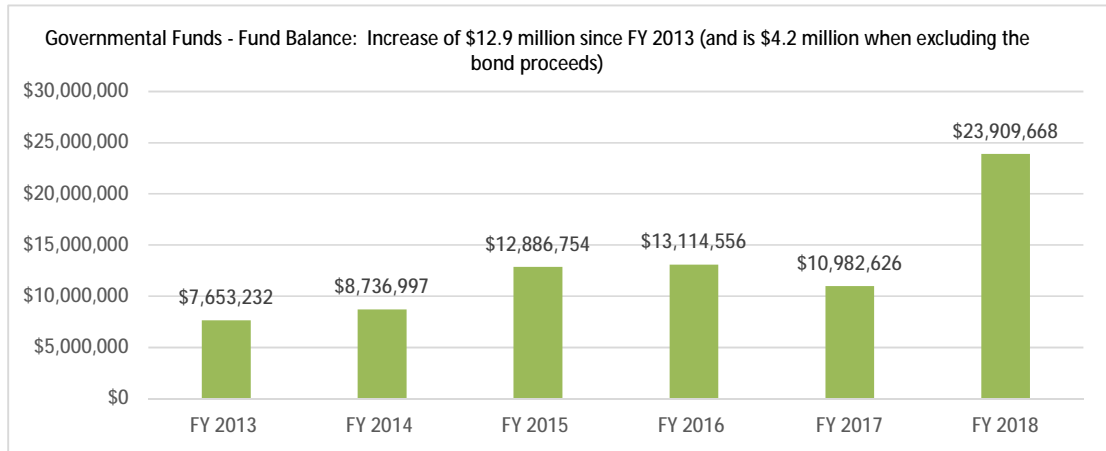
**Enterprise Funds:**

Utilities (20)	3,096,443	11,473,184	9,601,362	1,871,822	-	4,783,384
Refuse (16)	1,020,333	2,196,129	2,178,195	17,934	-	1,054,110

**Internal Service Funds:**

Garage (14)	880,867	1,558,271	1,411,253	147,018	-	1,027,885
Vehicle-Equipment (25)	1,977,679	1,490,869	882,238	608,631	100,000	1,059,339
Building & Land (33)	14,522	571,974	392,644	179,330	200,000	325,283
Liability Insurance (23)	1,449,461	1,354,078	773,526	580,552	(350,000)	1,410,462
Health Insurance (45)	1,752,696	4,429,851	4,150,790	279,061	(528,548)	1,473,767

**TOTAL ALL CITY FUNDS**      \$ 21,174,626    \$ 73,467,995    \$ 57,435,152    \$ 16,032,843    \$ -    \$ 35,043,898



**\*\*Notes:**

The General Fund's Total Fund Balance is \$11,114,386. It is important to remember that there are commitments to this Fund Balance as follows:

- \$1.4 million is committed for funding Compensated Absences Liability (35% of the \$3.9 million liability - as shown in the CAFR with adding the Compensated Absences line items - with this commitment of funds).
- There is \$38,341 for Prepaid Expenses (similar to past years).

After deducting these items, the General Fund's Ending Unassigned Fund Balance is \$9.7 million and is in range with the City's Fund Balance Policy at 30.9% of expenditures (the range is between 15% to 30% of Unassigned Fund Balance to Expenditures).

As a reminder, the Fire Stations Fund has a due to the General Fund in the amount of \$2,120,000 for the transfer of funds for the purchase of land for two fire stations. In FY 2019, the City Council approved a transfer from the bond proceeds which reimbursed the General Fund. A budget amendment transferred the funds to the Local Road Fund (#61) in the amount of \$1,060,000 and to the Building & Land Fund (#33) in the amount of \$1,060,000.

## General Fund Balance Review - Audited Data - FY 2018

### FY 2018 General Fund Results

FY 2018 Expenditures	\$	31,312,252
FY 2018 Unassigned Fund Balance	\$	9,675,955

<b>Fund Balance as % of Expenditures - <span style="color: blue;">Approximately 3 months of reserves</span></b>	<b>30.9%</b>
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This represents approximately three or so months of reserves for the City. As a reminder, there have been years that the City did not receive its Local Government Distributive Taxes (such as Income Tax) and Property Taxes. These taxes lagged by four to six months and necessitated the City to borrow in the short term.

### Breakdown of Each Month's Expenditures

1 month of expenditures =	8.30%
2 month of expenditures =	16.70%
3 month of expenditures =	25.00%
4 month of expenditures =	33.30%
5 month of expenditures =	41.70%
6 month of expenditures =	50.00%

Listed above is a breakdown of the FY 2018 Audited Expenditures for the General Fund as a Percent (%) of Expenditures.

The City adopted an Initial Fund Balance Policy for the General Fund to range from 15% to 30% of the General Fund's Operating Expenditures.

The City's Auditors recommend that the City review the Fund Balance Policy on an annual basis to ensure the policy meets the needs of the City's obligations.

#### \*\*Notes:

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**FY 2018 - Fund Balance Policy - Review - Audited Data**

In FY 2014, the City of Rolling Meadows approved a Fund Balance Policy for the General Fund; in FY 2015, a Policy was approved for the Refuse Fund, and in FY 2016, a Policy was approved for the 911 Fund. At some point, a Fund Balance Policy will be drafted for the Utilities Fund and possibly other Funds.

Listed below is a summary of the FY 2018 year-end results of the General Fund, Refuse Fund and the 911 Fund with regards to each of the Fund Balance Policies.

**General Fund:** Unassigned Fund Balance to be in range between 15% to 30% of Unassigned Fund Balance to Operating Expenditures.

General Fund - Unassigned Fund Balance	\$	9,675,955
Divided by General Fund - Operating Expenditures	\$	31,312,252
<b>FY 2018 General Fund - In Range of 15% to 30%</b>		<b>30.9%</b>

% Breakdown of Expenditures	
1 month =	8.6%
2 months =	16.7%
3 months =	25.0%
4 months =	33.3%
5 months =	41.7%
6 months =	50.0%

**Refuse Fund:** Current Net Position ranging from 30% to 50% of the Refuse Fund's Operating Expenditures.

Refuse Fund - Current Net Position	\$	1,054,110
Divided by Refuse Fund - Operating Expenditures	\$	2,209,077
<b>FY 2018 Refuse Fund - In Range of 30% to 50%</b>		<b>47.7%</b>

**911 Fund:** Unassigned Fund Balance ranging from at least (1.0 times coverage ratio) to one and a half times (1.5 times coverage ratios) of annual expenditures.

911 Fund - Unassigned Fund Balance	\$	1,297,854
1.0 X the Annual Expenditures of \$724,072	\$	724,072
1.5 X the Annual Expenditures of \$724,072	\$	1,086,108
<b>FY 2018 911 Fund - In Range of 1x - 1.5 x</b>		<b>\$724,072 to \$1,086,108</b>
<i>Slightly above policy due to upcoming capital expenditures</i>	\$	<b>1,297,854</b>




(The City Council has been preparing for NW Central capital and radio purchases for Police, Fire & the City.)

## FY 2018 Financial Results for IMRF, Fire and Police Pensions

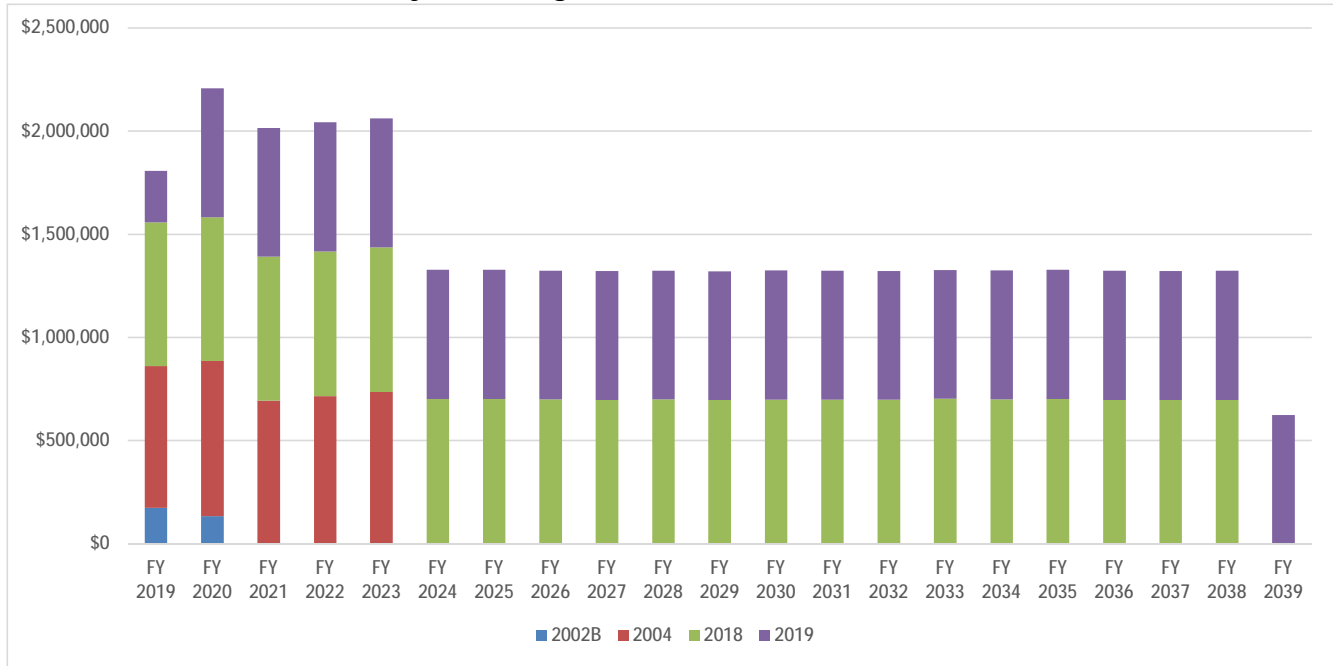
Change in Net Position from FY 2017 to FY 2018 (Plan Assets)				
	FY 2017 Net Position (Assets)	FY 2018 Net Position (Assets)	\$ Change in Net Position (Assets)	% Change in Net Position (Assets)
<b>IMRF</b>	\$ 49,998,099	\$ 46,420,646	\$ (3,577,453)	-7.2%
<b>Police Pension Fund</b>	\$ 43,469,930	\$ 41,946,583	\$ (1,523,347)	-3.5%
<b>Fire Pension Fund</b>	\$ 34,316,788	\$ 33,406,967	\$ (909,821)	-2.7%

\* Note: The City details the City's portion and the Library's portion in the City's Audit. The number on this page last year reflected the total for both.

Change in Funded Status FY 2017 to FY 2018 (Net Position as a % of Total Pension Liability)			
	FY 2017 Funded Status	FY 2018 Funded Status	% Change in Funded Status
<b>IMRF</b>	95.1%	81.4%	-13.8%
<b>Police Pension Fund</b>	57.7%	53.3%	-4.4%
<b>Fire Pension Fund</b>	49.7%	44.2%	-5.5%

PENSION FUNDS - TOTAL LIABILITIES				
The Total Liabilities of the pension funds are important to review and monitor. The City's total outstanding liabilities for the pension funds are as of 12/31/2018:				
		Total Liabilities Outstanding	Net Position	Net Position as % of Total Liabilities
<b>IMRF</b>		\$ 57,052,486	\$ 46,420,646	81.4%
<b>Police Pension Fund</b>		\$ 78,653,778	\$ 41,946,583	53.3%
<b>Fire Pension Fund</b>		\$ 75,584,352	\$ 33,406,967	44.2%
<b>TOTALS</b>		<b>\$ 211,290,616</b>	<b>\$ 121,774,196</b>	<b>57.6%</b>

**Current Outstanding Debt Service Payments - General Obligation Bonds Outstanding -  
Estimated for the City of Rolling Meadows (includes the 2018 and 2019 Bonds)**



**Summary of Outstanding Bonds by Type**

Bond Issues	City Fund Debt Retired By	Original Amount Issued	Budget Year-Debt is Paid Down	Estimated Principal & Interest @ 12/31/2018
Bond Series 2012 (2002B)	Utilities (20)	\$ 2,600,000	FY 2020	\$ 306,688
Bond Series 2012 (2004)	General Fund (01)	\$ 8,070,000	FY 2023	\$ 3,585,076
Bond Series 2018	Fire Stations (83)	\$ 9,500,000	FY 2038	\$ 13,675,633
Bond Series 2019	Fire Stations (83) & Utilities (20)	\$ 8,500,000	FY 2039	\$ 12,758,533
<b>Estimated Total Principal &amp; Interest</b>				<b>\$ 30,325,930</b>

**Notes:**

- 1) The 2012 (2002B) Bond is paid by the Utilities Fund's revenues.
- 2) The 2012 (2004) Bond is retired by a transfer from the General Fund to the Debt Service Fund to pay for the bond. The amount of the transfer from the General Fund is approximately \$700,000 annually. This bond matures in FY 2023.
- 3) The 2018 Bond is for the Fire Stations Fund.
- 4) The 2019 Bond is for the remaining expenditures for the Fire Stations Fund and the underground, capital projects for the Utilities Fund (rate stabilization).
- 5) The City has IEPA Loans paid by the Utilities Fund not shown on this chart. These loans are paid in full in FY 2033.

\* The FY 2018 CAFR will reflect the 2018 Bonds. For purposes of debt service tracking, the 2019 Bonds were added to this chart.

## **Committee-of-the-Whole Agenda – June 18, 2019**

### **2) Actuarial Discussion on Police and Fire Pensions**

#### **Attachments:**

- **Police & Fire Pension Funds' Annual Investment Returns Net of Fees (2008-2018)**
- **Police & Fire Pension Funds' Funded Status (2008-2018)**

#### **Discussion Summary:**

The City's new Actuary, Todd Schroeder of Lauterbach & Amen, LLP, will be here tonight to present information and data to the City Council regarding the City's Police and Fire Pension Funds.

The City's Police and Fire Pension Funds are governed by state statute (Article 3 for the Police Pension Fund and Article 4 for the Fire Pension Fund). State statute stipulates the types of investments the Funds may make. Each fund has a separate investment policy (not governed by the City) and has a professional investment consultant. However, despite the separation from the City, the City ultimately holds the liability and risk for the Funds. By state statute, the City must fund the pension funds per actuarial studies and reports. [Each Board consists of five members, and have to have two active employees, one retiree and two appointments by the City Council.]



The City has made progress over the years to ensure that the City is funding per the actuaries. It is important to note the progress achieved is in that despite of the fluctuations in investment returns and changes in actuarial assumptions (such as the mortality tables). The City is consistently maintaining a funded status position of approximately 44% (Fire Pension Fund) to 53% (Police Pension Fund). (Some years it is higher than others – it all depends on the investment returns, changes in benefits, changing mortality tables and other assumptions.) However, a 44% to 53% funded status needs to improve and work towards a higher level.

Recall, there is some pension reform that took place in 2011 by the General Assembly which created Tier 2. However, the City will not realize the benefits of this pension reform for some time. More pension reform needs to take place on the part of the State of Illinois.

The City has maintained its credit rating from Standard & Poor's and Moody's. Their reasoning is that while the total liabilities are very high, the City has a consistent funding plan of action and the City has taken steps to add more funds from reserves. They view this is a positive course of action and recommend that this action continues. The total liabilities effect the General Fund's financial position and continued monitoring is essential for the City's future finances.



Listed below is a summary of the City’s total liabilities, net position and funded status for the Police and Fire Pension Funds.

<b>PENSION FUNDS - TOTAL LIABILITIES</b>				
The Total Liabilities of the pension funds are important to review and monitor. The City's total outstanding liabilities for the pension funds are as of 12/31/2018:				
		<b>Total Liabilities Outstanding</b>	<b>Net Position</b>	<b>Net Position as % of Total Liabilities</b>
<b>Police Pension Fund</b>		\$ 78,653,778	\$ 41,946,583	53.3%
<b>Fire Pension Fund</b>		\$ 75,584,352	\$ 33,406,967	44.2%
<b>TOTALS</b>		<b>\$ 154,238,130</b>	<b>\$ 75,353,550</b>	<b>48.9%</b>

The City’s Actuary will be reviewing the actuarial items that go into producing the amount for the property tax levy. They will also be reviewing the change in mortality assumptions. In addition, they will discuss funding to a 15-year amortization period from funding to 2033 (City has financially proactive and funding to 2033 vs. 2040) (to achieve a sound funding plan of action).

During the FY 2020 Budget one-on-one discussions with the City Manager and Finance Director there will be some additional information.

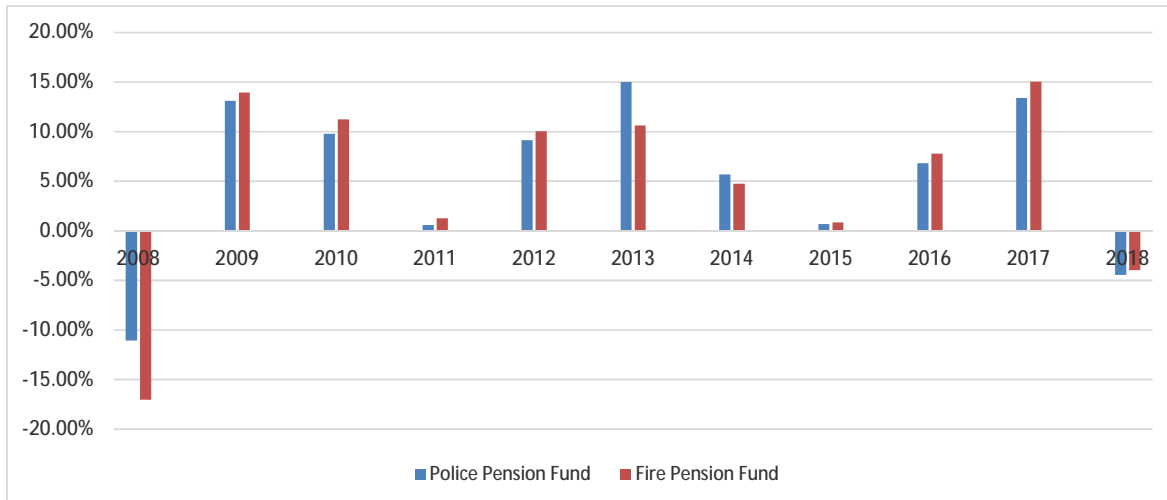
**CITY OF ROLLING MEADOWS  
POLICE & FIRE PENSION FUNDS  
ANNUAL INVESTMENT RETURN (NET OF INVESTMENT FEES)**

Fiscal Year	Police Pension Fund	Fire Pension Fund
2008	-11.06%	-17.05%
2009	13.10%	13.96%
2010	9.80%	11.24%
2011	0.60%	1.25%
2012	9.14%	10.06%
2013	15.03%	10.65%
2014	5.67%	4.75%
2015	0.68%	0.86%
2016	6.81%	7.80%
2017	13.41%	15.05%
2018	-4.43%	-3.98%

**Notes:**

- 1) Investment Returns are shown net of investment fees as required by state statute.
- 2) Each pension fund has an investment consultant and must adhere to the pension statutes for allowable investments.

The total outstanding liabilities for the Police & Fire Pension Funds is **\$154,238,130**

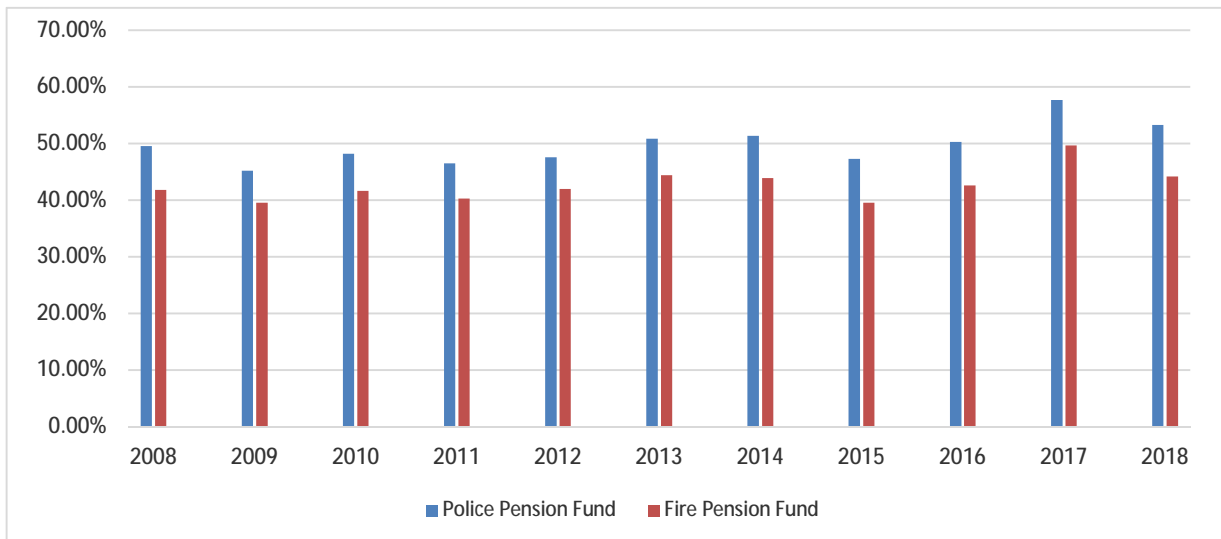


**CITY OF ROLLING MEADOWS  
POLICE & FIRE PENSION FUNDS  
% Funded Status or Net Position as a % of the Total Pension Liability**

Fiscal Year	Police Pension Fund	Fire Pension Fund
2008	49.54%	41.81%
2009	45.19%	39.52%
2010	48.17%	41.62%
2011	46.49%	40.32%
2012	47.61%	41.95%
2013	50.85%	44.41%
2014	51.40%	43.94%
2015	47.25%	39.56%
2016	50.30%	42.61%
2017	57.69%	49.68%
2018	53.30%	44.20%

**Notes:**

1) The Funded Status per the Governmental Accounting Standards Board (GASB) is the Net Position as a % of the Total Pension Liability. This data is detailed in the City's Comprehensive Annual Financial Report (CAFR), also known as the City's annual Audit.



## **Committee-of-the-Whole Agenda – June 18, 2019**

### **3) General Fund Distribution of Some Reserve Money to Pensions**

#### **Attachment:**

- **General Fund Distribution – Reserves Chart**

#### **Discussion:**

With the FY 2018 Audit presented this evening and with past discussions regarding fund balances, cash and future items, it is recommended that the following re-allocations be made for the health of the City's finances. If approved, at the Committee-of-the-Whole Meeting, a FY 2019 Budget Amendment Resolution will be drafted for a future City Council meeting.

#### **Notes:**

As discussed during tonight's Actuarial discussion item, the City's total outstanding pension liabilities are very high and the funded status is currently at 53.3% for the Police Pension Fund, 44% for the Fire Pension Fund and 81.4% for the Illinois Municipal Retirement Fund (IMRF). As discussed during the FY 2019 Budget process and in the past, the use of reserves from the General Fund is discussed after the City's audit is completed.

For FY 2018, the City's Unassigned General Fund Balance is \$9,675,955 which is 30.9% of expenses to fund balance. The General Fund's Fund Balance Policy is to maintain a range of 15% to 30% of expenses to fund balance. The reserves are the top range and Staff is recommending reducing General Fund reserves to a level of 26.1% or \$8.1 million (which approximately three months of reserves). The \$1.5 million use of reserves would contribute \$400,000 to the 2019 Property Tax Levy for the FY 2020 Budget; \$500,000 as an additional contribution for the Police Pension Fund in FY 2019; \$500,000 as an additional contribution for the Fire Pension Fund in FY 2019; and \$100,000 as an additional contribution for IMRF in FY 2019.

The use of reserves is viewed in conjunction with the longer range plan to reduce the property tax levy for the FY 2020 Budget (due to pension funding increases) and contribute additional funding towards the Fire Pension Fund, Police Pension Fund and IMRF. It is very important to continually monitor and review the pension funds' total liability (and also in relation to their net position). The total outstanding liabilities exceed \$211 million and additional funding to bring down the liabilities needs to occur.

It should also be mentioned that Staff is working on drafting the FY 2020 Proposed Budget. With the State of Illinois' budget approved, the City is monitoring the new changes and impacts to the City. In addition, the FY 2020 Budget has transfers and chargebacks that are currently in the development phase. As a reminder, the FY 2020 Proposed Budget will be presented at the September 11, 2019 City Council.

#### **Recommendation:**

Approved the recommendation to allow Staff to bring forth a FY 2019 Budget Amendment Resolution to a future City Council Meeting and to currently allow \$400,000 to be utilized in the FY 2020 Budget.

### General Fund Distribution - Reserves

ITEM	FY 2018 Audit Fund Balance or Equivalent - Unassigned	MANAGER'S SUGGESTED REDUCTION	MANAGER'S SUGGESTED RE- ALLOCATION	NEW NUMBER FOR FUND BALANCE - Unassigned
General	\$ 9,675,955	\$ 1,500,000	\$ -	\$ 8,175,955
Property Tax Levy - FY 2020 Proposed Budget (To reduce the overall tax levy amount)	N/A	\$ -	\$ 400,000	N/A
Fire Pension Fund - Additional Contribution to the Liability in FY 2019	N/A	\$ -	\$ 500,000	N/A
Police Pension Fund - Additional Contribution to the Liability in FY 2019	N/A	\$ -	\$ 500,000	N/A
IMRF Pension Fund - Additional Contribution to the Liability in FY 2019	N/A	\$ -	\$ 100,000	N/A
<b>TOTAL</b>	<b>\$ 9,675,955</b>	<b>\$ 1,500,000</b>	<b>\$ 1,500,000</b>	<b>\$ 8,175,955</b>

General Fund Expenses per FY 2018 Audit		\$	31,312,252	
General Fund - Unassigned Fund Balance per FY 2018 Audit		\$	9,675,955	
% of Fund Balance to Expenses			30.9%	
	22.5% of Fund Balance - mid-point between 15% and 30%	\$	7,045,257	\$ 2,630,698
<b>** Staff Recommendation **</b>	<b>25% of Fund Balance (above the mid-point of 22.5%)</b>	<b>\$</b>	<b>7,828,063</b>	<b>\$ 1,847,892</b>

**New Fund Balance % would be 26.1% or \$8,175,955 in General Fund Reserves.**

This reserve level is three months of reserves for the General Fund. Selecting this reserve level which is in the range of the Fund Balance Policy assists the City with lowering the Property Tax Levy and adding additional funds to the pensions.

6/18/19 COW Meeting

% Breakdown of Expenditures	
1 month =	8.6%
2 months =	16.7%
3 months =	25.0%
4 months =	33.3%
5 months =	41.7%
6 months =	50.0%

## Committee-of-the-Whole Agenda – June 18, 2019

### 4) Budget Parameters for FY 2020

#### Attachments:

- **Budget Planning Calendar**
- **Debt Service Outstanding (*Estimated*) (*includes 2018 & 2019 bonds*)**

#### Summary

This discussion begins the process of reviewing parameters for developing the FY 2020 Budget (very similar to the last few years). Initial development of the budget has been started. The City Council's input from this discussion is valuable and appreciated. It should be noted that the City continues to monitor the new legislation from the State of Illinois, unfunded mandates, the State of Illinois' changes to the Local Government Distributive Fund (Motor Fuel Tax, Personal Property Replacement Tax, Use Tax, Income Tax and others), grants, and other items. The City is looking at ways to be strategically aligned with new developments from the State of Illinois. Within this discussion, the Property Tax will be reviewed as a starting point for the FY 2020 Proposed Budget.

#### Budget Development

The City develops two key financial planning documents to guide the City's decision process in allocating revenues and expenditures: the Fiscal Year Budget and the 5-Year Capital Improvements Plan (CIP). The City's Budget and 5-Year Capital Improvements Plan (CIP) are developed throughout the fiscal year.

The Annual Budget is the City's financial planning document that communicates the City's plan for revenues and expenditures each year. The 5-Year Capital Improvements Plan is a five-year financial plan with detailed information on capital expenditures. The CIP is reviewed in depth by the Ad-Hoc Capital Improvements Committee from January to July. The 5-Year Capital Improvements Plan will be presented to the City Council at the August 20<sup>th</sup> Committee-of-the-Whole Meeting. It is important to note that the 5-Year CIP is not a prediction of the future but a financial planning tool. (Please remember that all items in the Capital Plan do not always make it into the Budget.) At the September 10<sup>th</sup> City Council Meeting, the FY 2020 Proposed Budget will be presented to the City Council. After these documents are adopted by the City Council, the documents are added to the City's Transparency portal on the City's webpage at [www.cityrm.org](http://www.cityrm.org).



#### Budget Awards

The City has applied for and received the Government Finance Officers Association's "Distinguished Budget Presentation Award" since FY 2016. This award represents a significant achievement by the City. The award reflects the commitment of the City to meeting the highest principles of governmental budgeting.

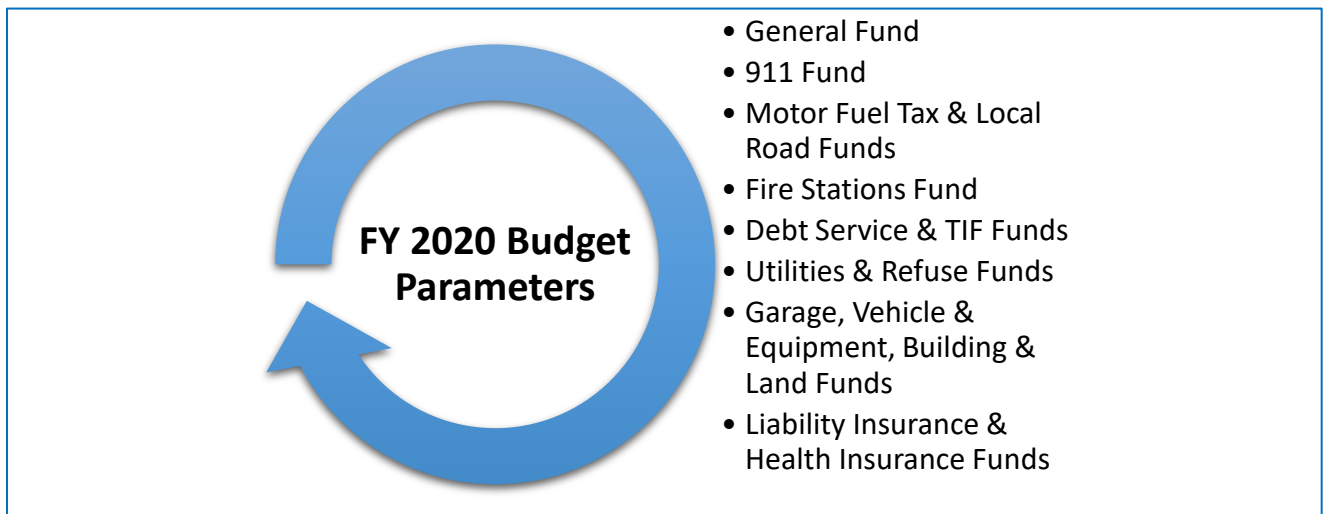
## Budget Factors

Continuing the focus areas set forth in the FY 2019 Adopted Budget for the City of Rolling Meadows, the FY 2020 Proposed Budget will incorporate several major areas of focus (but are not limited to these items).



## Budget Parameters & Outlook

The General Fund, the City's largest operating fund, accounts for the majority of services provided for in the City of Rolling Meadows and is a primary focus of the annual budget process. Beyond the General Fund, parameters are reviewed for the City's operating, internal service and enterprise funds and fund balance policies are also reviewed.



## City Revenues

- Assess the baseline data and develop revenue estimates which will be similar to the FY 2019 Adopted Budget (to be adjusted where necessary).
- Each fund has its unique revenue structure and some revenues such as the Motor Fuel Tax Fund have restrictions on the use of those funds. For example, the use of Motor Fuel Tax Funds are approved by the Illinois Department of Transportation and are used for the Annual Street Program.
- Review and evaluate items from the State of Illinois' budget process, the City's newly initiated video gaming revenues, other revenues and fees.
- Monitor available fund balance in each of the Funds and follow Fund Balance policies developed for certain funds (the General Fund, 911 Fund and the Refuse Fund).
- At some point, Staff will be developing a Fund Balance policy for other funds such as the Garage Fund. This policy will be brought forth as a Resolution for City Council approval.
- Evaluate revenue estimates based on prior trend-line data, CPI data, Illinois Municipal League data, and various other sources.
- The City approved the 2019 Utility Rate Study, prepared by Baxter & Woodman, which developed a multi-year plan for rate stabilization and continued capital improvements for the Utilities Fund. The City's Water, Sewer and Stormwater rates will not be increased for the FY 2020 Budget per the Utility Rate Study's analysis and due to the funds received for the 2019 bond proceeds.
- Evaluate the Refuse Rate per the Fund Balance Policy and to not to exceed 3.25% of an increase per the agreement. There has been some discussion in the past about bringing back the residential chipper service. If so, then a slight increase in the rate to cover the service would be proposed.
- Increase Chargebacks for Funds where possible (based on Expenditure needs). Please remember that chargebacks are not at 100% because we cannot fund completely at this time. Chargebacks are increased incrementally, when possible.



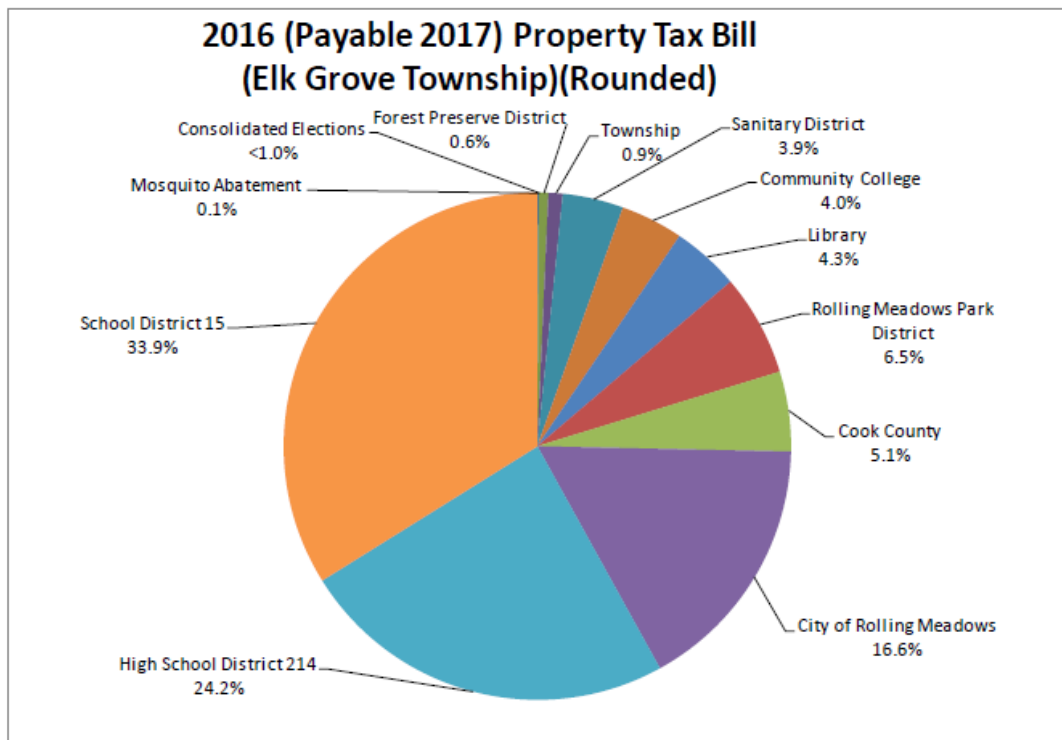
### Property Tax Levy

The City's property tax levy consists of Police and Fire Protection (a portion of the overall cost); Police, Fire and IMRF Pensions; Public Works operations (only a small amount of the overall cost); a portion of the Annual Street Program cost; 911 Fund services; and the 2018 and 2019 bond payments.

### Where Do My Property Taxes Go?

Every dollar of property tax paid by Rolling Meadows residents is divided among taxing districts. This year the City portion of the typical property owner was 16.6% including the Pension Fund (shown for Elk Grove Township) (rounding differences may occur).

➡ This means from each property tax dollar paid, approximately 16 cents supports City services.



## Property Tax Levy Draft – Working Scenario

For Property Tax Levy’s working scenario, the increases to the Police, Fire and IMRF Pensions are shown per the actuarial reports. The deduction for the Public Works Operations is due to the fact that the Property Tax Levy for the FY 2019 Budget approved the accumulation of revenues for the debt service payment and future tax levies. The 2018 and 2019 Debt Service payments are added to the tax levy. The total increase shows at \$1,026,166.

When incorporating the use of reserves of \$400,000 from this evenings General Fund Reserves discussion and the planned use of the tax levy from the FY 2019 Budget of \$276,108, the proposed tax levy is \$350,058 or 2.4% year-over-year.

<b>DRAFT TAX LEVY - FY 2020 PROPOSED BUDGET</b>					
<b>** Working Scenario - Draft Tax Levy **</b>					
	2017 Tax Levy	2018 Tax Levy	Proposed 2019 Tax Levy	Dollar Change from From 18 Levy	Percent Change From 18 Levy
<u>General Fund</u>					
Police Protection	\$ 1,850,000	\$ 1,850,000	\$ 1,850,000	0	0.0%
Fire Protection	1,850,000	1,850,000	1,850,000	0	0.0%
Police Pension	3,493,779	3,400,000	3,600,000	200,000	5.9%
Fire Pension	3,793,563	3,700,000	4,380,000	680,000	18.4%
IMRF Pension	850,000	800,000	900,000	100,000	12.5%
Public Works Operations	187,002	1,087,002	187,002	(900,000)	-82.8%
<b>Sub Total General</b>	<b>12,024,344</b>	<b>12,687,002</b>	<b>12,767,002</b>	<b>80,000</b>	<b>0.6%</b>
<u>Local Road Fund</u>					
Annual Street Program	900,000	1,000,000	1,000,000	0	0.0%
<u>E911 Fund</u>					
E911 Service	651,500	700,000	700,000	0	0.0%
<u>Debt Service Purpose</u>					
2018 Bond (matures FY 2038)	0	0	696,833	696,833	100.0%
2019 Bond (matures FY 2039)	0	0	249,333	249,333	100.0%
2002A Bond (matures FY 2018)	430,500	0	0	0	0.0%
2005 Bond (matures FY 2017)	0	0	0	0	0.0%
<b>Sub Total Debt Service</b>	<b>430,500</b>	<b>0</b>	<b>946,166</b>	<b>946,166</b>	<b>100.0%</b>
<b>Total City</b>	<b>\$ 14,006,344</b>	<b>\$ 14,387,002</b>	<b>\$ 15,413,168</b>	<b>\$ 1,026,166</b>	<b>7.1%</b>
Less: Use of General Fund Balance Reserves (As discussed in 6/18/19 Item #1)				\$ 400,000	
Less: Use of the FY 2019 Budgeted Appropriated Reserve Amount for the Tax Levy				\$ 276,108	
<b>Proposed Property Tax Levy with Use of General Fund Reserves</b>				<b>\$ 350,058</b>	<b>2.4%</b>

### Additional Notes:

- 1) The IMRF Levy has increased due to IMRF changing their investment rate of return, mortality assumptions and experienced lower investment returns.
- 2) The Police & Fire Pension tax levy amounts are rounded slightly above the amount as prepared by the actuary.
- 3) The Debt Service for the 2018 and 2019 Bonds are added to the Tax Levy.
- 4) The 2019 Bond payment is an interest-only payment since bonds were issued in FY 2019. The annual principal and interest payment is approximately \$625,000.
- 5) As a reminder, with the FY 2019 Budget, the City Council approved a multi-year approach for the tax levy and accumulated reserves to lower the amount of the tax levy increase for the FY 2020 Proposed Budget.

\*\* The use of reserves is viewed as a one-time use and this tax levy proposal could potentially change again. There are potential unknowns due to the State of Illinois. In addition, this is the first draft of the pension calculations and some numbers may differ slightly after actuaries completed their calculations. \*\*

## City Expenditures

- Assess the baseline data and develop expenditure estimates which will be similar to the FY 2019 Adopted Budget (to be adjusted where necessary).
- The City's union contracts have contractually determined items which will be incorporated into the FY 2020 Budget.
- Review Consumer Price Index (CPI) data from for the past several years.
- Fund the Police, Fire and IMRF pension funds per the actuarial determined amounts (Statutory requirements from the State of Illinois).
- Evaluate and prioritize capital improvement projects in the Capital Improvements Plan and review the CIP projects with the Ad-Hoc Capital Improvements Committee.
- Evaluate and prioritize vehicle purchases in the Capital Improvements Plan with the Vehicle Replacement Committee.
- The City's Enterprise Resource Planning (ERP) development and upgrades will continue in FY 2020. This important investment integrates the City's GIS data through multiple platforms across Departments. (As a reminder, the City is integrating outdated platforms, custom programs, spreadsheets and many other data sets into a comprehensive software platform.) (Future updates will be provided to the City Council at a later date.)
- In FY 2020, the City's website is scheduled to be refreshed (search engine optimization, layout and other items) as part of the contractual agreement with the City's website vendor.
- Determine the key road funding projects and funding availability from the State Motor Fuel Tax Fund and the Local Road Fund.
- Continue the repayment plan of \$100,000 (5<sup>th</sup> year) from the General Fund to the Vehicle and Equipment Replacement Fund. [The City started with \$100,000 in FY 2016 of a \$1.0 million repayment to the Vehicle and Equipment Replacement Fund. This was an interfund loan.]
- As mentioned in the FY 2019 Budget, the FY 2018 Audit and other reports, the City has set aside in the General Fund's Fund Balance \$1.4 million for funding compensated absences (which is approximately 35% of the total amount of \$3.9 million). At a future date, it might be valuable to discuss the appropriate level to set aside in reserves. Municipalities do not typically set aside funds for compensated absences but may set aside an amount equal to the estimated amount to pay each year. This is an item for a future discussion with the City Council.
- The City is down to only one fund that has a negative balance. This is TIF #2 (37) (Kirchoff & Owl). Now that the bonds have been repaid, this fund is slowly becoming positive. It will be positive on its own before the 2023 end of the TIF's term. If the City Council decides to sell the last lot, all proceeds are sent back to this fund.

## **City Council Input & Direction**

As mentioned and shown in the FY 2020 Budget Planning Calendar, the 5-Year Capital Improvements Plan will be presented to the City Council at the August 20<sup>th</sup> Committee-of-the-Whole Meeting. At the September 10<sup>th</sup> City Council Meeting, the FY 2020 Proposed Budget will be presented. The September and October Committee-of-the-Whole Meetings are the meetings in which the FY 2020 Budget is discussed. There are public hearings at City Council meetings for the Property Tax Levy and the FY 2020 Budget. The City Manager and Finance Director will hold one-on-one discussions with the Mayor and City Council to review the FY 2020 Budget.

- At this point, are there items or topics related to the Budget Parameters the City Council wishes to discuss?
- For the Proposed Property Tax Scenario, is there direction from the City Council to proceed as a working scenario for the FY 2020 Proposed Budget?

## CITY OF ROLLING MEADOWS

## FY 2020 BUDGET PLANNING CALENDAR (TENTATIVE/DRAFT)(Following past schedules &amp; procedures)

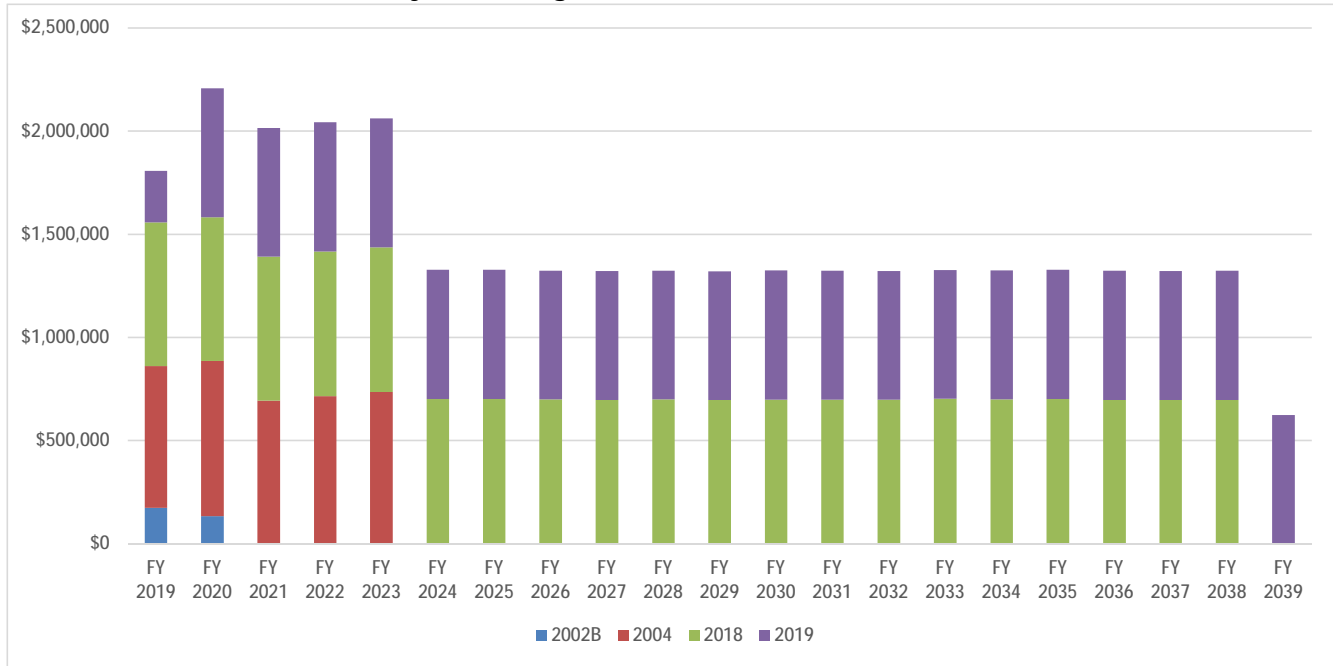
DATE	DAY	ACTIVITY
April to May	---	Capital Improvement Projects - Inputted by Departments.
February to July	---	Ad-Hoc Capital Improvements Committee Meetings.
April to July	---	CIP Meetings & Review with City Manager & Finance Director.
April to July	---	Input Budget Entries, Review Budget Entries, Hold Departmental Meetings, Review and Edits by City Manager and Finance Director.
June 18, 2019	Tuesday	June Committee of the Whole Meeting. FY 2018 Audit Presentation & FY 2018 Year-End Fund Balances Presentation. FY 2018 Citizens' Annual Financial Report Presentation. Police & Fire Pension Fund - Actuarial/Tax Levy Discussion
August 9, 2019	Friday	CIP Released to the City Council & Public with the August 13, 2019 City Council Meeting Agenda Packet.
August 20, 2019	Tuesday	CIP presented to the City Council at the Committee-of-the-Whole Meeting for discussion & Revenues, Chargebacks, and Fund Balances.  Note: City Council one-on-one Budget review meetings with City Manager & Finance Director to take place in September 2020.
September 10, 2019	Friday	FY 2020 Proposed Budget Released to the City Council & Public with the September 10, 2019 City Council Meeting Agenda Packet.
September 17, 2019	Tuesday	Committee-of-the-Whole Meeting: City Levy/Budget Discussion.
September 2019	Wednesday	Public Hearings for Tax Levy (9/24/19) & Budget (10/8/19) published in newspaper.
September 24, 2019	Tuesday	<i>City Council Meeting - <b>Public Hearing</b> - Tax Levy (i.e., Truth In Taxation)(City &amp; Library).</i> City Council Meeting - Some Budget Ordinances - 1st Reading.
October 8, 2019	Tuesday	<i>City Council Meeting - <b>Public Hearing</b> - City Budget &amp; Library Budget.</i> City Council Meeting - Some Budget Ordinances - 2nd Reading.
October 15, 2019	Tuesday	Committee-of-the-Whole Meeting - City & Library Levy/Budget Discussion.
October 22, 2019	Tuesday	City Council Meeting - 2nd Reading of some Ordinances & 1st Reading of some Ordinances.
November 12, 2019	Tuesday	City Council Meeting - Approve City & Library Levy (1st Readings), and 1st and 2nd Reading of some Ordinances.
November 19, 2019	Tuesday	Committee-of-the-Whole Meeting - City Budget (If Needed)
November 26, 2019	Tuesday	City Council Meeting - Approve City & Library Levy (2nd Readings), Adopt City Budget & Accept Library Budget; and 2nd Reading of some Ordinances.

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 2020 Proposed Budget.

**Current Outstanding Debt Service Payments - General Obligation Bonds Outstanding -  
Estimated for the City of Rolling Meadows (includes the 2018 and 2019 Bonds)**



**Summary of Outstanding Bonds by Type**

Bond Issues	City Fund Debt Retired By	Original Amount Issued	Budget Year-Debt is Paid Down	Estimated Principal & Interest @ 12/31/2018
Bond Series 2012 (2002B)	Utilities (20)	\$ 2,600,000	FY 2020	\$ 306,688
Bond Series 2012 (2004)	General Fund (01)	\$ 8,070,000	FY 2023	\$ 3,585,076
Bond Series 2018	Fire Stations (83)	\$ 9,500,000	FY 2038	\$ 13,675,633
Bond Series 2019	Fire Stations (83) & Utilities (20)	\$ 8,500,000	FY 2039	\$ 12,758,533
<b>Estimated Total Principal &amp; Interest</b>				<b>\$ 30,325,930</b>

**Notes:**

- 1) The 2012 (2002B) Bond is paid by the Utilities Fund's revenues.
- 2) The 2012 (2004) Bond is retired by a transfer from the General Fund to the Debt Service Fund to pay for the bond. The amount of the transfer from the General Fund is approximately \$700,000 annually. This bond matures in FY 2023.
- 3) The 2018 Bond is for the Fire Stations Fund.
- 4) The 2019 Bond is for the remaining expenditures for the Fire Stations Fund and the underground, capital projects for the Utilities Fund (rate stabilization).
- 5) The City has IEPA Loans paid by the Utilities Fund not shown on this chart. These loans are paid in full in FY 2033.

\* The FY 2018 CAFR will reflect the 2018 Bonds. For purposes of debt service tracking, the 2019 Bonds were added to this chart.

**Committee of the Whole Agenda Item – June 18, 2019**

**5) Elected Officials Training Part 2**

**Attachments:**

- 1) Educational Distribution Booklet – to be given out on Tuesday Night by City Attorney Jim Macholl.

**Background:**

City Attorney Jim Macholl will be conducting a “newly” elected officials training Part 2.

**Staff Comments & Recommendation:**

City Attorney Jim Macholl or City Attorney Tom Bastian conducts this training every two to four years for the City. [This training provides for a good overview of duties, responsibilities, obligations & pitfalls for elected officials].

**Committee-of-the-Whole Agenda – June 18, 2019**

**6) Elections – 3 or more than primary – Discussion – Referendum  
(Alderman D’Astice)**

**Summary:**

This item is requested by Alderman D’Astice for consideration by the City Council to discuss and provide feedback. The request is to consider putting forth a Referendum question regarding City elections in which three or more candidates are running for office. Alderman D’Astice will offer additional thoughts and ideas during this discussion.



## **Committee-of-the-Whole Agenda – June 18, 2019**

### **7) Open Land/Empty Office Building Incentive – Real Estate Transfer Tax Incentive**

#### **Summary:**

The City Manager presented a plan for the Open Land/Empty Office Building Incentive that was discussed at Economic Development Committee (EDC) meetings. The Economic Development Committee members provided feedback on the plan over the course of several EDC meetings. The plan would be to provide the City another economic development tool which would be called the Open Land/Empty Office Building Incentive – Real Estate Transfer Tax Incentive. In order to have value to the City, development must occur on vacant property or to the building parcel to qualify for the rebate incentive. (EDC provided additional guidelines which would be incorporated into a Resolution for City Council approval.)

The Economic Development Committee is recommending this new, economic development incentive to the City Council. For the real estate transfer tax, the City's tax is \$3 per \$1,000 of a purchase price of real estate property (or 0.3% of the purchase price). The basic premise is after the development occurs, the City would rebate \$2 to the buyer and the City will keep \$1 of the overall real estate transfer tax.

As an example, if a buyer purchases a property at a cost of \$3.75 million, the real estate transfer tax to the City is \$11,250 (this amount is paid by the seller). Under this plan, after meeting the plan's requirements, the buyer would receive \$7,500 and the City would keep \$3,750.

This new tool provides the City with an economic development incentive to help drive property upgrades, improvements and development.

#### **City Council Discussion:**

Staff is looking for direction from the City Council to approve the development of a Resolution to be brought forth to a future City Council Meeting for the Open Land/Empty Office Building Incentive – Real Estate Transfer Tax Incentive.

## **Committee of the Whole Agenda Item – June 18, 2019**

### **8) Electronic Participation by City Council Members (Alderman O'Brien)**

**Attachments:** None

#### **Background:**

With this new City Council there is a request to discuss electronic participation by City Council Members. This has not been discussed for some time and it was not passed because the City Council, at the time the State allowed for remote electronic participation, only wanted physical presences. Technology has changed in the years since the State passed this provision.

It is unknown what additional AV or IT equipment may be needed, but Staff would investigate if the City Council wants to approve this remote attendance feature.

Draft Ordinance, which has not gone through legal review, could look something like this (this includes the exceptions & rules for this attendance feature):

No. 19 - XX

AN ORDINANCE AUTHORIZING REMOTE ELECTRONIC ATTENDANCE FOR CITY COUNCIL and COMMITTEE OF THE WHOLE MEETINGS IN THE CITY OF ROLLING MEADOWS WHEREAS, in the opinion of a majority of the Corporate Authorities of the City of Rolling Meadows, it aligns City Council and Committee of the Whole Meetings with current technological capabilities, to better allow elected officials attendance at meetings, hereinafter described. NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Rolling Meadows, Cook County, Illinois as follows: SECTION ONE: Pursuant to 5 ILCS 120/7 (Remote Electronic Attendance Rules), the City Council finds that elected officials are able to attend meetings via remote electronic capabilities; A member of the Board may attend via electronic means only if the member is prevented from physically attending because one of the following exceptions is applicable:

1. personal illness or disability,
2. employment purposes or
3. a family or other emergency,
4. NOT vacation.

#### SECTION TWO:

1. Public body must first adopt rules for electronic attendance (Section Three)
2. Video or audio participation only (until the time additional medias may be approved, which at that time the City Council will review for inclusion in this ordinance).

SECTION THREE: The following rules shall apply at a meeting for which any Council Member will be attending via remote electronic capabilities.

1. The City of Rolling Meadows expectation is for full in-person attendance.
2. A quorum of the Council must be physically present for any meeting of the Council.
3. A quorum of the Council must be physically present for any public hearing required by State statutes.
4. No more than two members of the Council may attend a meeting through the use of electronic means for the same meeting and they may not be at the same remote location.
5. When possible, the Council Member who is not able to attend a public meeting in person for an approved exception noted in Section One, should provide notice to the City Manager and Mayor no less than two business days' notice, unless advance notice is not possible. Member must receive confirmation from the City Manager and/or the Mayor.
6. When two business day notice is provided by the Member(s) will be attending through electronic means, in addition to any other information required by law, the name(s) of the member(s) of the Council who will be attending in that manner, and the type of medium through which they will attend, should also be included in the materials.
7. If it is not possible for a member of the Council to provide two business days' notice, and the member of the Council is unable to be physically present at a meeting for one of the exceptions stated in Section One above and wishes to attend through the use of electronic means on the date of the meeting, prior to convening the meeting, the presiding officer shall announce the means of attendance to the public and the reason.
8. Member(s) attending via remote electronic capability, may be asked to provide documentation upon request (medical provider note, business travel itinerary, etc.)
9. The Council should take a roll call vote allowing for attendance by the member through electronic means and approval by a simple majority.
10. If the presiding officer attends the meeting through the use of electronic means, they should vacate the chair and another presiding officer selected by the Council who is physically present, shall preside.
11. When one or more members of the Council attend a meeting via electronic means, all votes shall be by roll call.
12. When speaker phones are used to allow a member of the Council to attend a meeting without being physically present, the Council member using the speakerphone shall, each time he or she wishes to speak, identify himself or herself by name and be recognized by the presiding officer.
13. A Council member shall be considered present wherein the member is present by teleconference or other electronic means wherein voices are received by any location.
14. Telephonic participation requires a speakerphone so that all members of the board and all members of the public in attendance can hear the individual participating

by telephone; and so that the member can hear the proceedings in the meeting room.

These rules fulfill the purpose of the Act, which is "to ensure that actions of public bodies be taken openly and that their deliberations be conducted openly. 5 ILCS 120/1.

YEAS:

NAYS:

ABSENT:

Passed and approved this XX day of XX, 2019

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Joe Gallo, Mayor

ATTEST: \_\_\_\_\_  
Judith Brose, Deputy City Clerk

**Reference**

SOURCE: Illinois General Assembly (5 ILCS 120/7)  
<http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=84&ChapterID=2>

(5 ILCS 120/7)

Sec. 7. Attendance by a means other than physical presence.

(a) If a quorum of the members of the public body is physically present as required by Section 2.01, a majority of the public body may allow a member of that body to attend the meeting by other means if the member is prevented from physically attending because of: (i) personal illness or disability; (ii) employment purposes or the business of the public body; or (iii) a family or other emergency. "Other means" is by video or audio conference.

(b) If a member wishes to attend a meeting by other means, the member must notify the recording secretary or clerk of the public body before the meeting unless advance notice is impractical.

(c) A majority of the public body may allow a member to attend a meeting by other means only in accordance with and to the extent allowed by rules adopted by the public body. The rules must conform to the requirements and restrictions of this Section, may further limit the extent to which attendance by other means is allowed, and may provide for the giving of additional notice to the public or further facilitate public access to meetings.

(d) The limitations of this Section shall not apply to (i) closed meetings of (A) public bodies with statewide jurisdiction, (B) Illinois library systems with jurisdiction over a specific geographic area of more than 4,500 square miles, (C) municipal transit districts with jurisdiction over a specific geographic area of more than 4,500 square miles, or (D) local workforce innovation areas with jurisdiction over a specific geographic area of more than 4,500 square miles or (ii) open or closed meetings of State advisory boards or bodies that do not have authority to make binding recommendations or determinations or to take any other substantive action. State advisory boards or bodies, public bodies with statewide jurisdiction, Illinois library systems with jurisdiction over a specific geographic area of more than 4,500 square miles, municipal transit districts with jurisdiction over a specific geographic area of more than 4,500 square miles, and local workforce investment areas with jurisdiction over a specific geographic area of more than 4,500 square miles, however, may permit members to attend

meetings by other means only in accordance with and to the extent allowed by specific procedural rules adopted by the body. For the purposes of this Section, "local workforce innovation area" means any local workforce innovation area or areas designated by the Governor pursuant to the federal Workforce Innovation and Opportunity Act or its reauthorizing legislation.

(Source: P.A. 100-477, eff. 9-8-17.)

**Staff Comments & Recommendation:**

None on this subject, but, again, if the City Council wants to move on this item, the City Attorney will prepare an official ordinance & Staff would investigate AV & IT items.

*Straw vote would be needed if City Council wants to approve moving on remote electronic attendance.*

## **Committee-of-the-Whole Agenda – June 18, 2019**

### **9) G1 Hours of Operation**

#### **Summary:**

The hours of operation for G1 licenses (licenses of alcoholic liquors and the use of video gaming machines) are currently between the hours of 11:00 a.m. to 2:00 a.m., the following morning. (On New Year's Eve, alcoholic liquors may be sold until 3:00 a.m., the following morning.)

A few G1 license holders have requested that the City Council discuss changing the start time for this license. Some have asked changing the time from 11:00 a.m. to an earlier time (such as 8:00 a.m., as an example). The reason for the request is to accommodate those coming out for brunch/breakfast and to encourage more restaurant patrons to dine out.

#### **City Council Discussion:**

Staff is looking for direction if the City Council would like to change the start time for G1 license holders.