

**COMMITTEE-OF-THE-WHOLE  
MINUTES  
January 18, 2022**

Mayor Gallo called the Committee-of-the-Whole meeting to order at 7:31 p.m.

**COUNCIL IN ATTENDANCE:** Aldermen Karen McHale, Kevin O'Brien and Jon Bisesi

**COUNCIL MEMBERS ABSENT:** Aldermen Nick Budmats, Jenifer Vinezeano, Mandy Reyez and Lara Sanoica

Mayor Gallo stated that there is only one absence out of caution for COVID-19 related symptoms. Mayor Gallo clarified for peace of mind that the other absences are not COVID symptom related and that there is nothing to worry about in our City Council Chambers as we do keep it clean and sanitized.

**STAFF IN ATTENDANCE:** City Manager Rob Sabo, Deputy City Clerk Judy Brose, Assistant to the City Manager Lori Ciezak, Police Chief John Nowacki, Fire Chief Jeff Moxley, Deputy Fire Chief Pete Sutter, Director Public Works Rob Horne, Assistant Director Public Works JoEllen Charlton, City Attorney Melissa Wolf

Mayor Gallo announced that the floor will be open to the audience for 20 minutes to address the City Council on matters that are on the agenda after the City Council discusses with Staff. Persons wishing to address the City Council keep their comments to 5 minutes in length. Comments must be addressed to the Council as a whole through the Mayor, and profanity may not be used in any form.

Mayor Gallo stated that in light of the absenteeism, he's not sure if it makes sense for staff to have an indicator but Council will discuss the items on the agenda and take straw votes but without a quorum and without a majority sample of where the Council wants to go we should take them with a grain of salt.

### **1) Temporary Suspension of Water Shut-Off/City Services for Non-Payment**

Rob Horne, Director Public Works stated that since as early as March 24, 2020, the City of Rolling Meadows City Council made the policy decision to suspend water shut-offs for customer non-payment. Initially, this was adopted to reduce interaction between employees and the public. Shortly thereafter, as a result of the impacts of the pandemic, the policy was expanded to include elimination of the penalty fee for non-payments (or late payments) in response to the significant impact the pandemic had on the public at large. Specifically, the impact the pandemic had on the employment impacts to the public.

Staff research indicates that the City policy has resulted in lost revenue of approximately \$250,000 for all delinquencies related to non-payment for services covered as part of the initiative. Additionally, the City historically generates between \$75,000 and \$100,000 annually in revenue for penalty fees associated with these services. Conservatively, the City has not received revenues since the establishment of this temporary suspension of approximately \$650,000.

A recent survey of area communities, as well as the member communities of JAWA indicates that all the communities surveyed have discontinued their policies regarding water shut-offs for non-payment and have reinstated penalties for late payments. The communities surveyed include; Arlington Heights, Schaumburg, Palatine, Streamwood, Hanover Park, Hoffman Estates, Elk Grove Village, and Mount Prospect. While some

communities reinstated these items as early as the fall of 2020, most communities surveyed reinstated their water shut-off and penalty policies by May of 2021. The latest community surveyed reinstated these policies by September of last year.

During previous meeting discussions, the Council expressed concerns regarding the City's unemployment rate. While the City is still not experiencing the lower rates consistent with those years immediately preceding the pandemic, the rate last year (2021) is consistent with or lower than rates from 2009 through 2013. City residents no doubt were affected by the recession that occurred between 2009 and 2011, but research was unable to identify similar local assistance policies established at that time. Research indicated that, in general, the national unemployment rate trends between 1% and 3 % lower than the City of Rolling Meadows, for each year over the last twenty (20) years.

While staff is cognizant of the benefits that this policy has made to community, there are measures that can be taken to assist residents, such as payment plans, that are less impactful to City revenues. Additionally, staff suspects that some customers may have grown accustomed to these policies, and may simply be taking advantage of the Council's good intentions.

Staff was seeking direction on whether or not the temporary suspension of water shut-offs for non-payment, delinquent payments, and suspension of penalty fees for non-payment or late payment should be reinstated per the City's standard procedures.

Mayor Gallo stated that there are internal and external factors that Council needs to consider before giving clear direction and waiting another month would not be detrimental until we get more data. Mayor Gallo would like to look at the data and identify trends and identify those that are in need and develop a policy to help them.

Mayor Gallo suggested that we should find alternate solutions if we can't go back to the original policies. What's the next best option that maybe meets the best of both worlds vs. just on or off or policy in place or policy not in place.

Alderman McHale asked that when residents that have a hardship call, does staff work with them in other ways to avoid shut off or does staff give them a payment plan and keep in touch with them? How does the process work? Rob Horne stated that this item would be brought to you by the Finance Director as the entire process is run through Finance. The Finance Department makes several attempts over the course of several months to get payment made and the last resort is the water shut off. Alderman McHale stated that however we go about reinstating late fees and penalties, if we send a notice in next water bill, the people that truly have a hardship will call and make arrangements.

Mayor Gallo stated that at the time Council provided direction to suspend late fees and issues related to hardship, does that mean that staff and Finance Department documented who's enduring a hardship or was it just documented as a missed/late/half payment? Rob Horne stated that he believes that's what happened but does not want to misspeak on behalf the Finance Department but based on the number it was noted as unpaid and tracked and did not follow the steps that we normally would to recoup that money. Ultimately, the City can recover those dollars through the real estate transfer stamp process that happens when the house sells but that can be 20 years from now.

Mayor Gallo asked if the Council has access to the number of residents that are enduring a hardship to determine how many residential vs. business and then identify those on the list as being pre-pandemic as well. To see if there are trends with certain households or certain businesses and see if they're historically encountering hardships more frequently than before 2020. Rob Sabo stated the staff will follow up with Utility Billing and Finance Staff. Mayor

Gallo thinks it would be important for the Council to have those numbers to help provide greater clarity or opportunities to move forward as a result of having that information.

Mayor Gallo stated that we should use this time to get more clarity of the number of those enduring this hardship and the blend between businesses vs. residents that will help us identify how we pursue capturing the revenue. If Council has access to how many households and businesses are actually encountering a hardship, we can help identify a process to connect with the individually as well as we can and then to figure out what the next steps are for most of them, all of them or a small portion of them. There is also a report from Cook County dated June 24, 2021 and was presented to the City Council from former Finance Director Gallagher through the DCEO and on page 4 it does say that the American Rescue Plan Act (ARPA) revenue can be used to replace public sector revenue loss. We know we have ARPA funding and we know that Cook County has funding that they want to trickle down to the member municipalities of Cook County and we can use the money for lost revenues to support general government services and infrastructure as a result of the hardships in the pandemic so there might be a solution there as well. Rob Horne stated that we have someone following up on a Cook County program where residents can apply to get water bills paid. Mayor Gallo stated that if the numbers are aligned in a sense that we are back in a position pre-pandemic, the City Council should explore reinstating a policy to allow the City to capture revenue moving forward. We have an obligation to our residents to identify those who are truly in need and find opportunities to assist them whenever and at all possible. We might need a little bit of time and we also need other Councilmembers so that they can express the position from their constituents as well. This month may buy us that opportunity but apologizes that we can't give you greater clarity this evening. Rob Horne stated that this is something that he brought up to make sure it didn't slip through the cracks and to know what to do moving forward.

Alderman O'Brien inquired that the cost of \$250,000 that we pay to JAWA is paid from the Utility Fund with monies that are already in that Fund? Rob Sabo stated that given that the Utility Fund is an Enterprise Fund and water revenue coming in must be re-spent on water expenditures so he would suspect that is the case that those funds are going through the Utility Fund. In part it's paying for JAWA and in part it's paying for our time and infrastructure to upkeep the water system as well.

Council discussed this matter and Mayor Gallo stated that Council can't give Staff direction tonight but hopefully within the next month we'll have statistics accompanying the situation and can then provide direction.

## **2) Cannabis Dispensaries in Commercial Zoning Districts East of New Wilke**

JoEllen Charlton, Assistant Director Public Works stated that when Medical Cannabis was authorized by the state in 2013, the City of Rolling Meadows amended its Zoning Code to allow Medical Cannabis Cultivation Centers and Dispensaries as special uses in the M-1 Zoning District. The City's only existing dispensary, Nature's Care on Rohlwing Road, was authorized under those provisions. It continues to operate today as an adult use (aka "recreational") facility pursuant to amendments adopted by the City in 2019, in response to the State's authorization that became effective January 1, 2020. With each set of codes and amendments, the City largely utilized model codes provided by the Illinois Municipal League that were based on State requirements at the time, and modified to address local concerns. Each amendment was brought forward in response to specific business inquiries, as it was thought regulations would be better written if the City could better understand the specific needs of this fast-changing business model, which continues to be heavily regulated by the State.

Over the past several months, staff has been fielding inquiries from cannabis dispensaries wishing to open in Commercially ("C") zoned properties, mostly in the commercial areas east of New Wilke Road with Algonquin

or Golf Road addresses. As stated above, current regulations only allow dispensaries as special uses in Manufacturing (“M”) zoned properties. Staff is seeking Council concurrence to process a city-initiated text amendment on commercially zoned properties east of New Wilke Road, as shown in the map to the right, to accommodate dispensary uses only. Key issues for Council’s consideration are discussed in more detail below.

Location Considerations:

Permitted or Special Use. Traditional zoning identifies which zoning district or districts a particular use is appropriate in, and then determines whether the use should be a permitted use or a special use. Permitted uses are allowed pursuant to securing necessary business licenses and building permits. Special uses trigger public hearings and approval of an ordinance by the City Council before business licenses and building permits can be requested. Special uses consider whether the specifics of the case warrant the imposition of any special conditions of approval that might help mitigate negative impacts on surrounding properties. As mentioned above, all cannabis uses in Rolling Meadows are currently regulated as special uses in Manufacturing (“M”) zoning districts. Because of the sensitive nature of this use, and the ever-changing state requirements that impact how a building and property must be equipped, staff continues to recommend these uses be authorized as special uses.

Separations. Currently, the City Code highly restricts where in the “M” districts the various cannabis uses are allowed, mostly based on earlier requirements by the State. For example, early state regulations included separations between cannabis uses and certain sensitive uses like schools, daycares, churches, etc. Most of these State locational requirements were dropped when the newer adult use regulations were adopted in 2019, however many of the separation requirements remain in the City’s codes as follows:

1. The City’s code does not allow a dispensary within 1,000 feet of the property line of a pre-existing public or private nursery school, preschool, primary or secondary school, day care center, day care home or residential care home. Learning centers and vocational/trade centers shall not be classified as a public or private school for purposes of this Section.
2. Dispensaries may not be located within 1,000 feet of the property line of a vacant property zoned residential or a pre-existing use or structure on a property zoned and used for residential purposes.

The State no longer has these separation requirements, with the only remaining regulation requiring a separation of 1,500 feet between separate cannabis uses, although there are now exceptions to that rule.

Unlike many of the City’s commercially zoned areas that are relatively small, with residential neighborhoods immediately adjacent the commercial zones, the proposed locations east of New Wilke Road constitute a large area of commercial property, where the closest residential properties are not adjacent, but across a major road. Some commercial zoned properties in these areas would not qualify if the existing 1,500 foot separation would remain. For example, there are multi-family residential uses in the City on the west side of New Wilke across the street from commercially zoned properties that might qualify for dispensaries if the 1,500 foot separation requirement were removed.

Residential properties also exist on the north side of Algonquin in Arlington Heights that are within 1,500 of commercial properties located on the south side of Algonquin in the Market Place shopping center area. Staff is requesting Council’s feedback on removing or reducing the 1,500 foot separation requirement and believes the area east of New Wilke is suitable for these uses with minimal to no impact on residential uses. If there are concerns about the proximity of cannabis uses for multi-family properties on the west side of New Wilke road, the new code could authorize east of New Wilke, but with Golf or Algonquin addresses.

*Single Use Property and Shared Parking:* Another City requirement that has carried through from the beginning is a requirement that dispensing facilities not be established in multi-tenant buildings or on properties that share parking with other uses. The result is that dispensaries must be located in stand-alone, single-use properties that have their own parking. Prospective dispensaries are providing the City with examples of dispensaries in neighboring communities and suburbs that are located in multi-tenant commercial areas with shared parking, such as the dispensary in Naperville shown to the right. Staff supports this modification given the commercial area being considered east of New Wilke Road would result in minimal impacts on residential and other sensitive uses.

Process: Staff is preparing the annual Zoning Ordinance “clean up” for public hearing before the Planning and Zoning Commission at their February meeting. This annual process is designed to be a City initiated text amendment petition intended to “clean up” inconsistencies in the code identified throughout the year. This process can also be utilized for other amendments deemed appropriate. Staff has included a discussion of these dispensary amendments in the public notice for that meeting in anticipation of Council support to proceed. If Council is opposed to proceeding with the amendments or wishes to spend more time evaluating the amendment, they will be removed from the petition and planned February public hearing before the Planning and Zoning Commission.

Summary: Recent inquiries from prospective cannabis dispensaries to locate on commercially zoned properties east of New Wilke Road cannot be accommodated without a text amendment to add them as special uses in Commercial zoning districts. The City’s current code only allows them in manufacturing zoning districts as special uses.

- Staff supports text amendments that allow for dispensaries in commercial zoned properties in the area east of New Wilke Road, because there would be little to no impact on nearby residential properties or other sensitive uses like churches and schools, which are common in the City’s Kirchoff Road and Plum Grove Road commercial corridors.
- Staff supports removing all separation restrictions for dispensaries for this newly designated area that are no longer required by the state.
- Staff supports allowing dispensaries in this area in multi-tenant buildings with shared parking.

With Council concurrence to proceed as recommended by staff above, the necessary text amendments will be processed as part of the Zoning Ordinance clean up currently scheduled for public hearing in February.

Following discussion on this topic Mayor Gallo stated that since the 6<sup>th</sup> Ward Alderman is not here and this specific area is in her Ward it would make sense to hold off on the finality of the conversation until she receives feedback from her constituents.

Mayor Gallo took a straw vote to allow staff to move forward with a public hearing on this matter. 3 in favor; 0 opposed; 4 absent.

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Mayor Gallo asked for a motion to adjourn. Alderman McHale made the motion and was seconded by Alderman O'Brien. A voice vote approved adjournment.

**There being no further business, by unanimous consent the Committee of the Whole meeting was adjourned at 8:37 p.m.**

Respectfully submitted: Judy Brose, Deputy City Clerk

January 18, 2022 Committee of the Whole Minutes Approved by Council on January 25, 2022.

*Judy Brose*

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Judy Brose, Deputy City Clerk