

**CITY COUNCIL
MEETING MINUTES
January 26, 2021**

Mayor Gallo called the Council meeting via Zoom Teleconferencing to order at 7:32 p.m.

The Pledge of Allegiance

ROLL CALL:

Present: McHale, Budmats, O'Brien, Vinezeano*, Bisesi, D'Astice, Sanoica

Absent: 0

*Alderman Vinezeano entered meeting at 7:38 p.m. due to connection difficulties.

With 7 present and 0 absent there is a quorum.

Members of the virtual audience are reminded that these proceedings are being recorded for current and future broadcast.

Staff Members Present Remotely: City Manager Barry Krumstok, Finance Director Melissa Gallagher, Deputy City Clerk Judy Brose, Assistant to the City Manager Lori Ciezak, Police Chief John Nowacki, Director Public Works Rob Horne, Business Advocate Martha Corner, City Attorney Melissa Wolf

Public comment will be afforded to the public who are joining us on this conference line as long as they provided their contact credentials and the subject matter for which they would like to speak about before the deadline as noted on tonight's agenda.

Members of the public present in the City Council Chambers listening to the meeting will be afforded the opportunity to provide public comment in accordance with the procedures applicable to public comment at an in-person meeting of the City Council. Namely, members of the public must have signed-in before the start of the meeting. In addition, any written comments that were submitted prior to the meeting will also be read.

MOTION TO APPROVE MINUTES:

The first order of business is to approve the minutes from the *January 12, 2021 City Council Meeting*. Is there a motion to approve these minutes? Alderman Sanoica made the motion and it has been seconded by Alderman O'Brien. Are there any corrections, additions, or deletions to the minutes? Seeing none, will the Clerk please call the roll?

AYES: Bisesi, D'Astice, Sanoica, McHale, Budmats, O'Brien

NAYS: 0

ABSENT: Vinezeano*

With 6 in favor; 0 opposed, the minutes are approved.

*Alderman Vinezeano entered meeting at 7:38 p.m. after roll call was taken due to connection difficulties.

MOTION TO DEVIATE: None

MAYOR'S REPORT:

I just have two quick items to mention which everyone should hopefully be aware of. Toward the end of last week and the beginning of this week we saw a couple of significant updates for the vaccination schedule has transitioned to 1B which is opening up vaccine opportunities for a larger swap of the population so that's very hopeful. We also learned through the Governor's office that they loosened restrictions on businesses to welcome patrons back in. Obviously these are small incremental steps toward progress and we still have quite a ways to go but those two things help me feel hopeful and I hope it does the same for you as well.

WARD REPORTS:

Alderman McHale – I just wanted to take a second to thank Mr. Cannon for his service representing Ward 1 as Alderman for the past 9 years. I also wanted to thank you, Mayor Gallo, for allowing me the opportunity to serve the residents of Ward 1. I look forward to collaborating with my fellow Council members and moving the City of Rolling Meadows into the future.

Mayor Gallo - We look forward to working and collaborating with you as well. Thank you for the nice comments and notes.

Alderman Budmats – I took the liberty of texting Jenifer to find out if she was going to make the meeting and she told me that she's having Wi-Fi problems so she is trying to make it in. Just letting you know.

Mayor Gallo – Thank you for the update, I appreciate that.

MEETING OPEN TO THE PUBLIC FOR 20 MINUTES:

The next step is to open the meeting to the public and there is a signature on the sign in sheet. In order to secure the rights of the citizens of the City to a fair and just representation before their elected officials, and to guarantee to the elected officials an order and dignified form in which to conduct the City's business, no person shall be allowed to engage in any activity that will disturb or disrupt the orderly proceedings of the City Council.

Per Rules of Procedures the public is to address the City Council, and the fact that no member of the City Council responds does not mean that the City Council or any member thereof agrees or disagrees with the comment.

In order to attain this objective the following rules of conduct are hereby established:

1. Any person who seeks to address the City Council at this time for public comments, shall be permitted to speak only upon recognition of the Presiding Officer and such person shall adhere to the following provisions:
 - a. Each person addressing the City Council shall state their name for the record.
 - b. Each person shall be granted no more than 5 minutes of the allotted 20 minutes in order to address the City Council.
 - c. Questions and/or commentary shall be limited to City business. Comments supporting or opposing a nominated person's candidacy for elective office of the City shall be out of order.
 - d. Commentary shall be directed to the Presiding Officer unless the Presiding Officer permits the individual to address the Council Members or other City officers present.
 - e. Discussion shall take place in a professional manner which displays mutual respect.
 - f. Profanity shall not be used in any form or manner.

John Kwandras, Quail Lane - I'm here regrading item D where I'm seeking a variance for my property. I'm available if anyone has any questions. Thank you for your time.

Mayor Gallo closed the floor.

➤ **PENDING:**

A) Ordinance No. 21-02 – Approve an Ordinance Confirming and Extending the State of Emergency within the City of Rolling Meadows Due to the COVID-19 Pandemic (2nd Reading)

Is there a motion to adopt this Ordinance? Alderman O'Brien has made the motion and it has been seconded by Alderman Sanoica. Is there any discussion? See none, the question is shall the Ordinance be adopted, will the Clerk please call the roll?

AYES: D'Astice, Sanoica, McHale, Budmats, O'Brien, Vinezeano, Bisesi
NAYS: 0
ABSENT: 0

With 7 in favor and 0 opposed this Ordinance is adopted.

➤ **CONSENT ORDINANCES (1st Reading):**

The next item on the agenda are the Consent Ordinances. It consists of four (4) items, items B thru E. Does any Alderman wish to remove an item from the Consent Ordinances?

Alderman O'Brien – Item C.

Mayor Gallo – Any others? Seeing none, the Chair declares it in order for one motion to consider the remaining three (3) Ordinances in one motion without debate. Is there a motion to consider the Ordinances for 1st Reading? Alderman Sanoica has made the motion and it has been seconded by Alderman O'Brien.

- B) Ordinance No. 21-00 – Approve an Ordinance Confirming and Extending the State of Emergency within the City of Rolling Meadows Due to the COVID-19 Pandemic (1st Reading)**
- D) Ordinance No. 21-00 – Grant Approval of a Variation from Section V-2C of City Code Chapter 122 (City of Rolling Meadows Zoning Ordinance), to Reduce the East Side Yard Setback from Ten Feet (10') to 2.6' to Allow a Second Story Addition on Top of an Existing Foundation in an R-3 Zoning District, at 2104 Quail Lane (1st Reading)**
- E) Ordinance No. 21-00 – Authorize a Text Amendment to update Section III-5-C-8(b)(vii) of City Code Chapter 122, City of Rolling Meadows Zoning Ordinance, regarding Outdoor Seating Regulations (1st Reading)**

Again, the question is shall the three (3) Ordinances be moved forward for 2nd Reading? Will the Clerk please call the roll?

AYES: Sanoica, McHale, Budmats, O'Brien, Vinezeano, Bisesi, D'Astice
NAYS: 0
ABSENT: 0

With 7 in favor and 0 opposed, this Ordinances will be moved forward for 2nd reading.

Item C was pulled by Alderman O'Brien.

- C) Ordinance No. 21-00 – Amend the City Code Regarding the Organization and Operation of Committees and Commissions of the City of Rolling Meadows (1st Reading)**

Mayor Gallo - Is there a motion to consider this Ordinance for 1st Reading? Alderman O'Brien has made the motion and it has been seconded by Alderman Sanoica.

Alderman O'Brien you pulled this so you have first comments.

Alderman O'Brien – Base on the Committee of the Whole and I had a couple of residents reach out to me since then. From a consistency perspective there are two items I was looking to add in and to make sure this can pass at second reading and hopefully will allow ample time for any additional research that might need to be done by Staff or Attorney Wolf. I'm proposing two, maybe a motion on one and a motion on the other and I will keep them separate in case one moves forward and the other one doesn't. On the first one I'd like to propose, as noted during the Committee of the Whole meeting and from the residents who reached out to me, from a consistency perspective because that's the way I was reading these to keep everything consistent as we can since we are looking at all the Committees and Commissions, could we add what is currently noted in the Ethics Committee as well as the Police and Fire Commission, could we include in each of the Commissions the statement "*no member of the committee or council could be related to any elected official of the City by blood or marriage to the extent of first cousin.*" Just from a consistency perspective because it's in a couple of them but not in all. That's one motion I would like to pass forward.

Melissa Wolf, City Attorney – I just want to give the Council some feedback regarding the statutory requirements with respect to those particular commissions. The provisions with respect to those that were particularly mentioned, the Ethics Commission and the Board of Police and Fire Commission, those are designated by statute. The language that you have there is mimicking the state statute and I would not recommend changing it just for mere consistency because that would be going against the statutory requirements.

Alderman O'Brien – Correct. I'm not looking to change anything, I'm looking to use that verbiage in the rest of our commissions/committees. That's all I'm looking to do for consistency. I don't want to change the verbiage or change anything to the Ethics Commission or Board of Police and Fire Commission, just leverage that approved verbiage from the statute to the other ones. Is that not allowed?

Melissa Wolf, City Attorney – That is fine and I will be able to evaluate in the meantime if those other commissions/committees have any statutory restrictions on that. As long as you're not changing the Board of Fire and Police Commission language.

Alderman O'Brien – I thought we could leverage that from an ease perspective and not touch those just use that approved verbiage with consensus of the Council.

Mayor Gallo – Now I'm looking for a second, Alderman D'Astice has seconded Alderman O'Brien's motion. Is there any discussion?

Alderman Budmats – I guess I understand the tenure of Alderman O'Brien's comment and motion. I'm curious as to the effect, are there people who presently serve on committees or commissions who are related by blood or by marriage and are we going to be closing them out of the process? I think where the state statute makes that relevant that it should not occur is good that we would follow the state statute. The thought comes to my mind, I would much rather that we disclose that openly when we're seeing that these positions are voted by Council and the recommendations are either voted upon yes or no, so I would more like to see that we don't discriminate against somebody being on a committee or a commission but we could instead not allowing them we would require somebody who does fit into those categories in a committee that's not required by state statute to have them disclose that at the time they are being appointed and then it's up to the Council or the body as a whole to say yes or no and to move past that.

Alderman Sanoica – This is a question for Alderman O'Brien because he stated that he wants all of the committees and commissions to be consistent. Is there any other motivation behind consistency for this

proposed amendment to the ordinance at hand? Was this a problem at another municipality? I'm looking at the Capital Improvements Committee or perhaps the Planning and Zoning Commission or something like that. Was there some sort of conflict that arose because of this relationship?

Alderman O'Brien – No there's not. It was just reading through that and the second part I have on here which I know we'll treat differently is residency as that's another consistency perspective. To Alderman Budmats point, I'm not aware of anything and I think if anything passes, it should be going forward not to change the makeup of the current commissions/committees that's all that it was. A couple of residents reached out to me because of the Committee of the Whole, that's the only impetus of this. Some had it by state law and some residents asked if it could be carried through. I think Alderman Budmats had a fair point, if there is not an agreement with Council for prohibiting it is that we at least document and that's the compromise for addressing it or saying that they are related, that would work as well.

Alderman Sanoica – I don't see any reason for us to be proactive in this stance just because I know that based off of our Committee of the Whole discussion we have vacancies to fill and I would want our necessary requirements and as long as we have disclosure and we're aware of that and someone comes forth before the Council and we make the decision at that point I think that might make more sense.

Alderman Vinezeano – I am going to reiterate what Alderman Sanoica just said. I appreciate the idea of having consistency but one of my reservations would be that if we do have a Council member and maybe a family member that can fill a roll because they're a business owner or maybe they're an electrical engineer that can serve our community on one of our committees that would be a benefit. All of the appointments have to come to Council for approval and that would be disclosed. I think to have a response to residents and state that if there is a conflict it is going to be addressed in front of Council to approve or not. I appreciate the idea of having consistency but I would hate to turn away volunteers in a small community like ours that could potentially fill vacancies on committees that we need to fulfill.

Alderman D'Astice - I see both sides of this question and I would like to know if there is a mechanism that can be placed into each committee/commission whereby the individual has to make that disclosure and it has to be brought up to the Council before the vote is taken?

Melissa Wolf, City Attorney - Yes, I believe the amendment that we're talking about here would require either if it doesn't prohibit the relationship it looks like the next question would be whether it would require the disclosure of the relationship and that would be a code amendment.

Mayor Gallo - Alderman O'Brien, with all this conversation could you restate exactly what you're looking to have carried out here?

Alderman O'Brien - My initial motion is that we leverage the current verbiage from the Police and Fire Commission and the Ethics Commission about no member of a committee/commission be related to any elected city official based on blood or marriage to the extent of first cousin. I would like to get a vote on that but I haven't thought about the compromise of disclosing and I think that would be a fair opportunity as well.

Mayor Gallo – We'll take a vote on this and depending how that goes you can raise another requested motion. For me, I just want to say that the reason there is that statutory language for those committees and commissions, it's a way to safeguard from any nefarious behavior. Obviously, those committees and commissions that have that statutory language are responsible for ensuring that if there is an investigation of some sort that an individual on the Council couldn't leverage any sort of nepotism or family relation

affiliation to sway an outcome in something. Something as, I don't want to call it trivial because it's not trivial it's an important committee, but the Economic Development Committee or the Environmental Committee, I really don't know how the gravity of that language would either help or hinder by not allowing somebody of kin to participate in those bodies based on their chartered purpose. So for me I don't see the relevance in doing that other than those committees and commissions that safeguard against potential nefarious behavior or bad actors. So I wouldn't agree with that.

Alderman Sanoica - I just also wanted to close out by saying that this is a relatively small town where a lot of people know each other and have grown up together. If we were to pursue a disclosure amendment then I don't know if that would really achieve necessarily the purpose of the amendment is there or for why it exists of what you just explained Mr. Mayor. I could have a friend that's not related to me by blood but if I grew up with them here in Rolling Meadows and had that kind of loyalty or influence or connection and use it for nefarious purposes that kind of amendment would not prevent this from happening. I don't know necessarily how effective it would be.

Mayor Gallo – Valid point. Any other comments or discussion on this? Seeing none, will the Clerk please call the roll on Alderman O'Brien's motion?

AYES: O'Brien, Bisesi, D'Astice
NAYS: McHale, Budmats, Vinezeano, Sanoica
ABSENT: 0

With 3 in favor and 4 opposed, that motion does not pass.

Mayor Gallo – Alderman O'Brien, you still have the floor.

Alderman O'Brien – I would like to do another motion for a potential compromise is bringing up that at least it's disclosed like some of the other Aldermen brought up this evening. If we could do a disclosure vote.

Mayor Gallo - Is there a second to Alderman O'Brien's motion to have a disclosure? Alderman D'Astice has seconded the motion. Is there any discussion? Seeing none, the question is to add disclosure of a blood relative including the statutory language for the other committees/ commission, will the Clerk please call the roll?

AYES: Budmats, O'Brien, Vinezeano, Bisesi, D'Astice, Sanoica, McHale
NAYS: 0
ABSENT: 0

With 7 in favor and 0 opposed, that motion does pass.

Mayor Gallo – Alderman O'Brien, do you have any more for us?

Alderman O'Brien - I have one more and I was hoping just for clarification or consistency, is several of the committees do note a residency requirement and I'm moot either way. Like the Economic Development Committee, I agree outside people that are business owners that don't necessarily live here is perfect to be on the committee but then you look at Environmental Committee and it says residents and then the Capital Improvement Committee says three residents. My question was that we have some say it is required and others that don't, if the committees that are moot on it and don't make a reference, what's

implied? That they do have to be a resident or is it our discretion as a Council that they have to be a resident? I wasn't sure of the interpretation of that since some say it's required and others say they don't so the ones that are silent on it is that left to Council and Mayor's decision on appointments if they're a resident or not? If that's the case I'm fine with it.

Mayor Gallo - Do you recall a specific one that doesn't make mention?

Melissa Wolf, City Attorney - I believe that the Illinois Municipal Code dictates this issue with respect to just some of the general provisions with respect to officers of the municipality and residency is a requirement to be an officer. Unless there is some provision in the code, like the Economic Development Committee, I believe they would have to be a business owner within the City but not reside within the City of Rolling Meadows so every other commission or committee member would be required to be a resident as dictated by the Municipal Code.

Alderman O'Brien - That takes care of my question. In EDC it says you don't have to be a resident which makes sense and the Environmental and Capital Improvements said that they needed to be, so just on the other ones that don't have no reference to it like Police and Fire Pensions and all the other ones didn't have a reference to it, it seems that it was silent but it sounds like if it's not noted the assumption is by the statute is that they would be residents. That's totally fine by me. I don't know if we need to go any further.

Alderman Budmats - In regards to the Electrical Commission, I think one of the requirements is that its part of a regulating body like UL Underwriters or CSA which, not to be funny but I highly doubt that there is anybody who's a resident of Rolling Meadows who is also in a regulatory capacity at UL. So in some of the situations it would be impossible to meet the intent of the committee if we only went with residents so there has to be a little bit of give-and-take if that's what we're trying to accomplish.

Melissa Wolf, City Attorney - Also for clarification, that is a committee I believe is dictated by statute. There may be other committees/commissions that are specifically dictated by statute and identify specific requirements for the members. Unless otherwise dictated by the statute I would say that the Illinois Municipal Code would control.

Mayor Gallo - Fun fact, we do have a resident of Rolling Meadows who does work for Underwriters Laboratory and in that specific arena he rides his bike from Meadows to work at UL.

Barry Krumstok, City Manager - We do have other professionals who are on boards and commissions. Specifically when you look at the Fire and Police Pension Boards, we have people from banks and outside professional agencies so it's given us the flexibility to look for the most professional individuals to help staff and maintain some of the work that's in our committees/commissions.

Mayor Gallo - Any further discussion on this item? Seeing none, shall the ordinance be moved forward for 2nd reading as amended, will the Clerk please call the roll?

YES: O'Brien, Vinezeano, Bisesi, D'Astice, Sanoica, McHale, Budmats
NAYS: 0
ABSENT: 0

With 7 in favor and 0 opposed, the Ordinance will be moved forward for 2nd reading as amended.

➤ **NEW BUSINESS:**

F) MOTION TO APPROVE PAYMENT OF BILLS ON WARRANT 1/26/2021

The next item of business is a motion to approve the Warrant from January 26, 2021 as presented by the Finance Department. Is there a motion to approve the Warrant? Alderman O'Brien made the motion and it has been seconded by Alderman McHale. Is there any discussion? Seeing none, will the Clerk please call the roll?

AYES: Vinezeano, Bisesi, D'Astice, Sanoica, McHale, Budmats, O'Brien
NAYS: 0
ABSENT: 0

With 7 in favor and 0 opposed. This Warrant is approved.

➤ **CONSENT RESOLUTIONS:**

The next items on the agenda are the Consent Resolutions. It consists of five (5) items, items G thru K. Does any Alderman wish to remove any item from the Consent Agenda for Resolutions?

Alderman Budmats – Item I.

Mayor Gallo – Any others? Seeing none, the Chair declares it in order for one motion to consider the four (4) Resolutions in one motion without debate. Is there such a motion? Alderman Sanoica has made the motion and it has been seconded by Alderman O'Brien.

- G) Resolution No. 21-R-03 – Award a One (1) Year Extension Contract for Janitorial Services for City Facilities from February 1, 2021 through January 31, 2022**
- H) Resolution No. 21-R-04 – Accept the International Union of Operating Engineers, Local 150, Public Employees Division Contract**
- J) Resolution No. 21-R-06 – Approve Weber Drive Roadway Improvement Project Phase I Engineering**
- K) Resolution No. 21-R-07 – Award a Professional Design Engineering Services Contract for the Proposed Community Development Block Grant (CDBG) – Arbor Drive Phase II Road Resurfacing Project**

The question is shall the four (4) Resolutions be adopted? Will the Clerk please call the roll?

AYES: Bisesi, D’Astice, Sanoica, McHale, Budmats, O’Brien, Vinezeano
NAYS: 0
ABSENT: 0

With 7 in favor and 0 opposed, the Resolutions are adopted.

Item C was pulled by Alderman Budmats.

I) Resolution No. 21-R-05 – Approve an Intergovernmental Agreement (IGA) with the Village of Arlington Heights for the Weber Drive Phase I Roadway and Pedestrian Improvements Engineering Services

Mayor Gallo - Is there a motion to adopt this Resolution? Alderman Sanoica has made the motion and it has been seconded by Alderman Budmats.

Alderman Budmats you pulled this so you have first comments.

Alderman Budmats – It might be moot because we already approved it under J but I noticed in looking at I, it appears that we are approving the whole cost of this and then looking for our friends in Arlington Heights to reimburse us for their half of the cost. How can I say this politely? Arlington Heights has not always been the best intergovernmental friend when it comes to following through on agreements. I would like to make sure that our attorney, whatever they can do to make sure that on this agreement is separate from each and every other agreement that we’ve had with Arlington Heights and that we could put some kind of teeth into the agreement that make sure that Arlington Heights is going to abide by the agreement in case they utilize this as a lever in other agreements that haven’t gone the way they expect. Is that something our attorney could speak to?

Melissa Wolf, City Attorney - From a contract standpoint, all agreements are separate so what’s required under this agreement is separate and apart from any other agreement or any other issue that’s outstanding between the Village of Arlington Heights and the City of Rolling Meadows. With respect to amending the agreement to put teeth in the agreement if you have a proposed amendment you may suggest that however I wasn’t a party to the negotiation of this agreement and I don’t know how that will move forward between the Village of Arlington Heights on their side of it.

Alderman Budmats - I’m just looking to not get us as a City further down the road with Arlington Heights if we can’t resolve our prior problems and then just to create another one.

Barry Krumstok, City Manager – When we have these standard IGA’s they do pay in a timely manner. We have not had an issue especially with grant money specifically because if they were to ever default they would potentially lose other grants that are out there. We are taking the lead on this one and we can always look at potentially down the line if we have another issue or item that we’re going to teaming up with them to try to and get a grant we can have them as the lead and then we would reimburse them instead of us always putting out the money. Staff feels comfortable with this IGA. When we do invoice them they do pay in a timely manner.

Alderman Budmats - Okay, based on staff recommendation and those comments I'll be happy to support it.

Mayor Gallo – Any further discussion? Seeing none, the question is shall this Resolution be adopted? Will the Clerk please call the Roll?

AYES: D'Astice, Sanoica, McHale, Budmats, O'Brien, Vinezeano, Bisesi
NAYS: 0
ABSENT: 0

With 7 in favor and 0 opposed. This Resolution is adopted.

OTHER BUSINESS & REPORTS:

Mayor's Appointments:

I do not have any other appointments for this meeting, but I do have some coming up now that the Committees and Commission discussion have been finished.

Mayor's Proclamations: None

City Clerk's Report: None

City Staff Reports:

Barry Krumstok, City Manager went over the following:

1) Community Items of Interest

- 1) Thank you to everyone who donated and helped out those residents recently displaced from Couch Light Condominiums fire that happened during the early morning hours of December 29th.
- 2) The City, SWANCC, and Elgin Recycling are conducting a holiday light recycling program again. Collection boxes are located outside of City Hall. Items that are accepted include the following items: mini-lights (or Italian lights), C7 lights, C9 lights, rope lights, and LED lights, etc....All colors and lengths will be accepted. The City cannot accept garland, live greens, wreaths, or other non-recyclables. The program runs through February 12th.
- 3) As mentioned at the January 12th City Council meeting, at this time, due to COVID-19 continuing in the area, the February and March City Events, namely the Taste of the Town, that was scheduled for February 27th, and the St. Patrick's Day Dinner, that was scheduled for March 13th, are being cancelled.
- 4) The next scheduled Blood Drive will be on Thursday, February 25, 2021 at City Hall in the Council Chambers from 1:00 pm to 7:00 pm.

- 5) This is a reminder to City Council members to return your harassment forms that are mandated and needed for documentation if we are audited by the State.

Melissa Gallagher, Finance Director went over the following:

2) FY 2020 November Financials

This financial report shows results of operations as of November 30, 2020 (Unaudited) which represents 91.7% of the fiscal year completed. The Financial Report is based on data from revenue and expenditures at this point in time.

This report is not intended to be a financial estimate. However, the Fund Balance Summary Sheet details estimated ending fund balance for each fund for FY 2020. The data from this November report indicates that the estimates provided on the Fund Balance Summary Sheet are trending in line with that data.

For the General Fund, as of November 30, 2020, the City's revenues came in at approximately \$32.4 million or 91.6% (which is on target for the month) and the City's expenditures came in at approximately \$31.6 million or 90.3% (or approximately 1.4% below budget).

Capital projects remain intact and continue to be done (some were delayed and some moved). Fund balance policies are within parameters (for those Funds who have established Fund Balance Policy's). Funds are holding their own even with declines in revenues. Some revenue sectors show sustained increases (e.g., big box and online sales). Evaluating budget and expenditure requests ("needs" vs. "wants"). Balancing revenue to increased staffing requests (still more staffing requests than the City can fund and maintain).

The City's FY 2020 Original Adopted Budget was adopted with a planned use of reserves showing a "deficit" of revenues over expenditures of \$1,360,493. Due to COVID-19 and mitigation efforts, the City Council amended the FY 2020 Budget. (The details about the FY 2020 Budget Amendments are discussed in a following section of this memo.) The resulting budget amendments revised the FY 2020 Budget and the budget is shown as the FY 2020 Amended Budget (per Audit requirements).

The FY 2020 Amended Budget shows a surplus of \$446,432 for the General Fund. As of November 30th, the General Fund's year-to-date data shows that the revenues exceed expenditures by approximately \$856,420. This is primarily due the transfers in from the budget amendments. Remember that certain major revenues (such as Sales Taxes) will be reversed from FY 2020 and these certain revenues received through March of 2021 will be added to FY 2020.

There are four additional months for revenues to be recorded (and reversed) from FY 2020. However, the current estimate for FY 2020 (as presented in the FY 2021 Adopted Budget) shows the General Fund's revenues coming in lower than the expenditures by \$399,123. (This is still better than the Original Adopted deficit of \$1,360,493, so less fund balance reserves are being used.) The General Fund continues to be in parameters at this point in time.

It is important to note that the months that follow the close of the year (January through March) are the months the City receives revenues from its major sources (State Sales Tax, Home Rules Sales Tax, Local Use Tax, Income Tax and many others). While the City is currently trending in a positive direction for the General Fund's ending fund balance, there is continued uncertainty due to COVID-19. The category of revenues called "Local Taxes" (such as Sales Taxes, Home Rule Sales Taxes, Food & Beverage Taxes)

show reductions from the year-to-date as of November 30, 2020 to the FY 2020 Adopted Budget ranging from 5% to 30% depending on the revenue type.

Recall that legal marijuana sales taxes began in July 2020. Due to an Illinois Department of Revenue Rule – municipalities may not identify cannabis taxes detailed line items. The revenues are considered confidential similar to Sales Taxes. The City has updated the information on its financials to comply with this regulation and merged cannabis taxes with Sales Taxes. At this time, current estimates are trending with original estimates.

Local Use Tax (internet sales) exceeded the budget by approximately \$218,000. Some offsets from these types of revenues will help with revenues such as Food & Beverage Taxes which are showing educations.

With the City in receipt of the allotment of the property taxes, a corresponding expense is recorded for pension benefits of about 99% for the police and fire pension funds in the Police and Fire Departments' budgets. (Please recall that property taxes could be paid by October 1st without penalty.) [As a reminder, the Fire Chief retired in March 2020.] All expenditures are being reviewed across all Funds and Departments. City Departments have been directed to hold the line on expenditures and reprioritize items (where possible). As a reminder, the majority of payroll expenditures are governed by one of the four labor agreements.

FY 2020 Revenue Budget Amendments - At the January 14, 2020 City Council Meeting, the City Council amended the FY 2020 Budget to accept a \$25,000 grant from Cook County for Census 2020 activities with a focus on the hard-to-count communities with Resolution 20-R-01.

The City estimated a potential revenue loss of \$2.9 million to the General Fund at the end of FY2020 (as discussed at the May 19th COW Meeting). To mitigate these losses, the City took action to release funds to the General Fund Balance overall fund balance (called Unassigned Fund Balance). The following Resolutions bring additional funds into the General Fund Balance:

- Resolution No. 20-R-56, Approved May 26, 2020, the City released the Committed Fund Balance of \$1.4 million in the General Fund to the Unassigned Balance in the General Fund.
- Resolution No. 20-R-57, Approved May 26, 2020, the City transferred \$500,000 from the Liability Insurance Fund to the General Fund.
- Resolution No. 20-R-58, Approved May 26, 2020, the City transferred \$1.0 million from the Health Insurance Fund to the General Fund.

Another budget amendment related to COVID-19 is the CARES Act Funding grant award acceptance. Cook County awarded the City \$316,925 in federal Coronavirus Relief Funds (CRF) from the CARES Act. The City Council approved this funding and the Intergovernmental Grant Agreement at the August 28, 2020 City Council Meeting with Resolution No. 20-R-81. (A total of \$900,000 was submitted to Cook County). Note: the additional \$12,000 of CARES Act Funding is anticipated to be received in December 2020.

FY 2020 Expenditure Budget Amendments - There are three expenditure-related budget amendments: (1) Resolution No. 20-R-60 provided \$5,000 for Temporary Family Assistance due to COVID-19; (2) Resolution No. 20-R-75 provided \$5,000 for a Business Assistance Program due to COVID-19; and (3) Resolution No. 20-R-91 provided a \$25,000 grant to the Salvation Army for Rolling Meadows residents due to COVID-19. NOTE: As of November, the Salvation Army began administering the program. For the Business Assistance Program for November, there were no applications received.

COVID-19 Reimbursement Programs - The City is maintaining an accurate tracking of costs for the duration of the response to prepare for reimbursement. As of November 30th, the City has spent approximately \$150,000 on COVID-19 directly related expenditures (Payroll, PPE, sanitizing, protective barriers and other items). Potentially, the City may see a reimbursement back up to 75% of these total expenses. The first submittal to FEMA was completed. [Staff completed the CARES Act filing and a check was mailed from Cook County in the amount of \$316,925 in October. Subsequently, the City was notified that Cook County is seeking to award an additional \$12,000 from the CARES Act to the City. This amount has not been added to revenues yet since it has not been received yet.] (Again, a total of \$900,000 was submitted to Cook County.)

FY 2020 Fund Balance Estimates - All of the City's funds are trending, at this point in time, with the initial estimates set forth in the FY 2021 Adopted Budget. The Balance estimate shows an ending fund balance of approximately \$10.3 million or 30.5% of expenditures (within range of the policy). It is important to note that the City's Auditors will be working with the City soon for the FY 2020 Audit (some work is starting now). Due to COVID-19, revenues coming in through March 2021 will be accrued (recorded to FY 2020). The City's FY 2020 Audit will be presented at the June 14, 2021 Committee-of-the-Whole Meeting.

Utilities Fund - Total year-to-date revenues for the Utilities Fund are \$10.4 million which is approximately 7.3% below the target for the budget for the year-to-date. Residents are still paying their bills and some have payment plans. Nearly 30% of the City's customers are on Automatic Bill Pay. As a reminder, the COVID-19 waivers of late penalties started late March 2020 and water shut-offs have not taken place. The lower revenues are also attributed to less office space occupied due to larger water users (as an example – A.J. Gallagher Insurance has the majority of their workforce working remotely.) The City continues to monitor the City's water usage and does show it lower with businesses using less water.

Expenditures are trending at about 19% below budget and total \$11.3 million year-to-date. There are some projects that have been deferred. Some projects are completed towards the end of summer. Current and future capital expenditures are being reviewed. The bond project funds will be spent down for the underground utilities projects.

Refuse Fund - Refuse Fund revenues and expenditures are fairly stable through the year. Revenues are \$1.9 million which is 1.6% below budget (some residents on payment plans). Expenditures are trending lower with \$2.0 million spent to date which is approximately 5% below budget (some of this will increase due to landscaping invoices coming in). The Fund's balance is on the lower end for its fund balance policy. While the Fund is within parameters of the policy, the Fund's reserves will need to be monitored seeing that it is currently near the bottom of the fund balance policy.

Economic Data - From the Illinois Department of Employment Security: The current unemployment rate for the Rolling Meadows' area is 7.3% https://www2.illinois.gov/ides/LMI/Pages/Year_to_Date.aspx.

Cash & Investments (Unaudited) - The City's estimated, unaudited cash position at November 30, 2020 shows \$24.2 million across all funds. (Largest share of the City's cash position is in the General Fund and the Utilities Fund.) The City closely monitors the City's investments and cash position. The General Fund shows \$9.3 million which is 38.2% of the total cash on hand is the primary source to pay salaries and City expenses. Continued monitoring of cash reserves will be essential in the upcoming months and in FY 2021. There are year-end debt service payments paid from the Debt Service Fund, Utilities Fund and the Fire Stations Fund.

Rob Horne, Director Public Works went over the following:

3) Leaf Program Discussions

At a recent City Council meeting, an Alderman requested that staff present information related to a leaf collection program offered by the City. Due to conflicting priorities, staff will be bringing this item to Committee of the Whole meeting at the March 16th meeting. Staff has secured information from several different Committee of the Whole meetings where this topic was discussed. In an effort to bring this to the Council in a timely fashion, staff will enhance the information already on file and update with current cost estimates, as much of the information provided in the past is still very relevant

Barry Krumstok, City Manager went over the following:

4) December 2020 New Businesses

- 1) Pro Level Rental LLC – AV Rental Equipment

MATTERS NOT ON THE AGENDA:

Alderman Bisesi – Just want to mention one last time that the Chipper Program survey is still out there. I believe we're going to stop tallying the votes on February 1st and we'll be discussing results at our next COW meeting. If you haven't filled it out please do so.

CLOSED SESSION:

1) Personnel – 5 ILCS 120/2 (c) (1) of the Illinois Open Meetings Act

There is a request to go into closed session for only one item now. It does require a motion and a roll call vote. Is there a motion to go into Closed Session? Alderman O'Brien has made the motion and it has been seconded by Alderman D'Astice. Is there any discussion? Seeing none, will the Clerk please call the roll?

AYES: Sanoica, McHale, Budmats, O'Brien, Vinezeano, Bisesi, D'Astice
NAYS: 0
ABSENT: 0

With 7 in favor, 0 opposed. We will now enter into Closed Session. The audience and press are advised that we do not anticipate taking any action upon returning to open session.

ADJOURNMENT:

There being no further business, by unanimous consent the City Council meeting was adjourned at 8:31 p.m.

Respectfully submitted: Judy Brose, Deputy City Clerk

January 26, 2021 City Council Minutes Approved by Council on February 9, 2021.

Judy Brose

Judy Brose, Deputy City Clerk