

**COMMITTEE-OF-THE-WHOLE MEETING
MINUTES
February 19, 2019**

Mayor Prejna called the Committee-of-the-Whole meeting to order at 7:30 p.m.

COUNCIL IN ATTENDANCE: Aldermen Nick Budmats, Laura Majikes, Robert Banger, John D’Astice and Rob Williams

COUNCIL MEMBERS ABSENT: Alderman Mike Cannon

STAFF IN ATTENDANCE: City Manager Barry Krumstok, Finance Director Melissa Gallagher, Deputy City Clerk Judy Brose, Assistant to City Manager Lori Ciezak, Police Chief John Nowacki, Fire Chief Terry Valentino, Director of Public Works Fred Vogt, Assistant Director of Public Works Rob Horne, Business Advocate Martha Corner, City Attorney James Macholl

1) ComEd – Storm Assessment

Mayor Prejna – I believe Mr. Krumstok is supposed to start it off with storms.

Barry Krumstok, City Manager – Thank you very much, Mayor. This is the second part of our conversation with ComEd. Joe Turnage is back to give additional information on some of the open ended items we had from the last time. Joe has brought some company with him tonight. In December 2018 there was a forum workshop where ComEd talked about their lessons learned overall from the storm that we had. You have in the packet in front of you the additional questions that were out there and Public Works Director Fred Vogt and I are here for additional comments.

Mayor Prejna – Joe you have the floor.

Joe Turnage, ComEd External Affairs Rep - Good evening Council. Thank you for having us back today. We did make a commitment that we’d come back and speak to you and follow-up with the questions that you had from the last meeting. I have my team here today, I have Rommel Noguera who is our Director of External Affairs. He’ll speak to you about the storm that occurred. I also have two Directors from my Operations group so that we can answer any technical questions that you may have. I will turn it over to Rommel at this time. Thank you.

Rommel Noguera, ComEd Director of External Affairs - Good evening Council. Good evening everyone. Thank you for giving us the opportunity to speak about the storm that occurred in November 2018, the November 25, 2018 storm. Shortly after that storm are directors engaged at two different councils of government which included the DuPage Mayors and Managers as well as the Northwest Municipal Conference. The members had the opportunity to directly provide their experience and feedback to us. Unfortunately, the City of Rolling Meadows wasn’t able to participate and therefore we are here today to share some of the same information that was shared at those two COG meetings back in December.

I just wanted to start off with talking about the storm itself, it was named Bruce, it happened during Thanksgiving weekend. The weather service had already provided an alert that we had a winter storm coming our way and that was as early as Friday. Per our protocols, we started to staff up, anticipating that we were going to get something over the weekend. It was forecasted to be around Sunday so we put additional crews for that weekend especially being a holiday weekend we tend to be very conservative about that so we wanted additional crews regardless. The storm made us put additional resources out there. When Saturday came, the forecast changed to

a warning and then by Sunday the alerts had changed to a blizzard warning and then it turned out to be a very significant storm system that came and impacted the greater part of the states surrounding us. It impacted the Midwest states extending all the way to the northeast part of the US. Just to give you an appreciation a lot of the municipalities Public Works Departments were challenged by the effects of this system as well. Just to remind you, this was a very severe storm, it attributed to three deaths, about 3000 flights were canceled during that weekend, the busiest travel weekend of the year. What made this storm particularly challenging were a combination of four ingredients, 1) snow 2) rain 3) ice 4) wind gusts. We had a lot of snow, I think in this area there was about 13 inches of snow and it wasn't the nice fluffy snow it was wet. Throughout the night it turned into ice, ice formed more than 1 inch in many areas and that's significant because the weight starts to pull down wires, trees and limbs fall on our equipment and it impacts our equipment directly. Now if that weren't enough we were also facing 52 mile-per-hour wind gusts with 36 mile-per-hour sustainable wind speeds, that in itself without snow and ice is significant. Finally, just in our experience in managing winter storms is that typically when you have that kind of a snowfall it usually is followed by a thaw. With this storm it went the other way, we immediately got subfreezing temperatures which made it more challenging.

What happened for the ComEd service territory is that about 300,000 customers were impacted. We had approximately 300,000 customers that lost their power due to this event. The other thing that I want to say is what a lot of people don't like to hear is that it could've been worse but I'm going to say it, it could've been worse. The reason for that is we compared a similar storm and we had to go back to 1998 to find a similar storm and that system had an impact of over 860,000 customers in our service territory. The difference is the dividends paid off for the investments that we made over the past 10 years due to the EIMA Electric Infrastructure Modernization Act and that allowed us to invest so much into the infrastructure system. I know nobody wants to hear it but it could've been worse. We were happy to see how well the system stood up to a storm like that.

This area alone was in the path of the worst hit areas. It was an angled path that started around east northwest part of Cook County, northeast part of DuPage and it traveled northwest across Lake County into McHenry, these were the areas that were strongest hit and the City of Rolling Meadows was in that path. Rolling Meadows ended up with about 875 customers that were impacted by the storm effects.

I want to quickly move into some of items that came out of the conversations at COG's. One of the things that we wanted to stress that after storms like these we do take a look and self-assess as far as what worked well and what didn't work well. On the positive side, the system held up better than it would have if we hadn't made those investments. Within a 48 hour period, in spite of all the challenges that we had, we were able to restore about 91% of our customers within the first 48 hours. Then finally, in spite of those challenging conditions, we also did not have any safety incidences with our crews, contractors and our mutual assistance crews who came over to help us and that is very important to us so that was a positive.

Let me talk about the challenges. One of things I wanted to talk about very briefly is the process of getting mutual assistance. For a storm as severe as this and when we know that something significant is coming our way, we are on the phones with our neighboring utilities to provide us with assistance. Because this storm system was so spread out, the states around us were bracing for the impact and they didn't know exactly how they were going to be impacted. No one was willing to release any resources so we had to wait until after the storm went through to assess which utilities had the ability to spare resources so they could send them our way. In a summer storm we would be able to get more resources much earlier. We did mobilize a couple of our utilities out east, they're part of the Exelon family, PECO in Baltimore was able to provide us those crews. However, it took them two days to travel, they had to come in with their own trucks and their own equipment and they also had to go through the storm system as well. Obviously, we would have liked to have those resources sooner but we had to wait to see how the system impacted them before we got those commitments to get those crews. Once we finally got the resources in our service territory we were working with 1,170 crews,

that was a combination of our own crews, contract crews and the mutual assistance crews they came from other utilities.

The other challenge was the crew mobility. Even the crews that were on property we wanted them out the door working at 6:00 AM on the priority feeders. As you remember, a lot of the roads had not been plowed and the snow was still coming down so it was challenging getting to the destinations for many of our crews.

The other item that we do immediately, we do a damage assessment, we had about 250-260 patrollers that go out and do damage assessments to get an idea of the extent of the damage so we know what material, what resources and what equipment we're going to need in order to do the work. Again, they were having trouble getting out to those destinations on first critical day when we want to start storm recovery, it was slow going.

Finally, on top of all this we found out later that day that some of our systems were not working so now we were having IT system issues. The system was being overwhelmed by the volume of calls we were getting. We were having issues with our outage map that wasn't accurately reflecting our restoration times. We were also having issues with Comed.com. We were also having issues internally with our Operation Management System which is what we use to issue tickets for crews to mobilize on.

What we could have done better is communicate earlier. We waited too long to issue a press release. If you recall, it wasn't until late Monday when we finally issued a press release notifying the public that this was a multi-day severe storm. The feedback that we got was that we could have done that much sooner.

At the two meetings with COG's we received some very valuable input directly from municipalities and they were very engaged and there was very good discussions that took place and we took a lot of notes. We then had an internal meeting with ComEd's 160 storm responders. These are the folks that work the strategy plan and we wanted to get that team together to also do a self-assessment of what could've been done better. We follow a robust action improvement plan similar to FEMA and other emergency response organizations.

I am going to share with you the opportunities that we are evaluating from the feedback that we received from COG's and the self-assessment that we had in the middle of December. These fell into five different categories. 1) Communications 2) Logistics 3) Operations 4) Planning 5) Technology.

1.) Communications: A lot of this was in the communications, a lot of the opportunities came out in the communications. Communicating to customers and municipalities earlier in the storm and the anticipated duration of the outages. This was the number one thing that most municipalities that "you could've told us sooner". Improve communications of estimated restore time. Improve social media communications and we need to find a way to translate social media interactions with outages. Improve the communications of reported low hanging wires or down wires and find a better way to prioritize them. Provide municipalities storm updates more frequently and timely. Improve communications of crews actively working with in the communities.

2. and 3.) Logistics and Operations: Revise the municipality customer priority list especially those indicating generator availability. During the storm we found out that there were some discrepancies on the list and we need to make sure that we are on top of this. Consider the modifications of the Joint Operating Center (JOC) protocol. The Northwest Municipal Conference started the concept of a Joint Operating Center, it has specific thresholds when we activate and those thresholds were not met with this storm but we came very close. The feedback we did get at the COG, there were some areas that we should have activated the JOC, we shouldn't have waited for the threshold to be reached because we could have used the JOC to better communicate the information. What we're looking into now, we're looking at a more scalable response. For the most part we adhere to the thresholds

but there may be certain situations where the JOC is going to be valuable to open up for better communicating and engaging with the municipalities.

4.) Planning: It was a lot about the wires down. Enhanced process for staffing and wire watching and damage assessment activities. Refine process for communications of non-ComEd down wires. Enhance wire watching application to collect data from our wire watchers. Our wire watchers out there have a mobile app that they fill out when they arrive.

5.) Technology: Enhance municipal portal availability. Again, because of the system issues we were having and the challenges with the availability of the portal. Improve resiliency and accessibility of ComEd.com outage map during high-volume events. We want to make sure when we have a big event and we know there's going to be a lot of traffic, we have to make sure that our system can hold up that level of interface. Develop a backup or contingency plan if the technology fails.

In summary, these are the items that came out of the discussions with the COG's including the Northwest Municipal Conference is the items that we are actively going after. At this point I'm going to pause and give an opportunity to answer any questions.

Mayor Prejna – Any questions? Ms. Majikes.

Alderman Majikes – Thank you. Out of all that, I didn't hear anything about what Joe had mentioned last time he was here about the spacer cables. ComEd's been using them since 2008 but a lot of our area does not have it so there was talk about the fact that you would be evaluating and looking into installing in the spring/summer in our area. Where are we at with that? What are we doing with that? From the notes from our last meeting it shows the performance improvements range up to 80 to 90% which is significant. Where are we with that?

Craig Creamean, ComEd Director of Electric Operations - Two feeders, E698 and E699 are particularly troublesome, veg related type outages, we said we are going to do some enhanced trimming and install targeted spacers cables. In the reassessment after this storm we looked at our prioritization and our budget spend and actually we are going to come back in and do some targeted underground in some of the areas. We re-crafted that, basically we are going to recommit to do a little bit more with the targeted underground. I don't have those specifics on the exact locations today but I do know that has been changed since the last time we were here. As we pull in some more dollars and look at some additional storm hardening and we are going to do some targeted underground in addition to the spacer cables on these two feeders.

Alderman Majikes - Is this something for this spring/summer? This year?

Craig Creamean, ComEd Director of Electric Operations - For the spacer cables and enhanced trimming work that would be this year. The targeted underground which would be much more expensive and longer project would be 2020. That's a little bit of a trade-off but we wanted to get a longer term solution so basically that's the trade-off.

Alderman Majikes – Okay, thank you.

Mayor Prejna – Thank you. Further questions?

2) 2019 Comprehensive Plan Update – Draft Report Presentation

Barry Krumstok, City Manager - Before Michael Blue from Teska starts his presentation, I wanted to remind everyone that tomorrow February 20, 2019 at 7:30 PM there is another opportunity for another discussion on the Comprehensive Plan. It's been a long time, it's a Plan and it's a working document that we live off. The old one we lived off of for a long time. For people who lived through the 2006 one it's served us for a long time and we're hoping this will be the same. It has a different feel and it's completely different from the last one as Teska has a different methodology. We do appreciate all the people who have given feedback and we do appreciate all the different groups that have participated. Alderman Majikes who is representing the Council but also the Economic Development Committee for a bunch of the meetings.

Fred Vogt, Public Works Director – Thank you, Barry. Just to point out for moment, that when this endeavor started last summer, we rolled out the carpet so to speak at September Friday's Rock and the Duck Race. With regards to the public input process starting, we've had 12 public input opportunities including the Ad Hoc Committee, hearings that were held last week and the workshop tomorrow night, the continued Planning and Zoning Commission will be reconvened on March 5 for the Comprehensive Plan update. One of the reasons that the Planning and Zoning Commission is having workshop tomorrow night was that at the February 5 meeting there was a feeling that we should make another attempt to get the word out, particularly with some groups that may have not been heard. Staff has been doing that, working at reaching out to some in the community that may have not been aware of it or that we haven't heard from. As we went through our focus groups, stakeholders, the 400+ online survey responses that the consultant received, we had the exhibit boards down in the lobby of City Hall for several weeks back in November. We hope to at least feel that we put the opportunity out there and then some to get public input on this effort. Michael Blue is here tonight to walk you through a brief summary/presentation from the one that he and Staff presented to the Planning and Zoning Commission on February 5. We certainly encourage comments from the Mayor and Council tonight or if you wish to follow up after the presentation and discussion or send to us by email, telephone, in person or however you wish in the upcoming weeks that we can have a meaningful document that everyone feels that they had the opportunity to participate in.

Michael Blue, Teska Associates – Good Evening. Hi I'm Michael Blue, I'm Principal Consultant for Teska Associates in Evanston, Illinois. I've been with Teska for about six years, the firm has been doing Comprehensive Plans and Zoning Ordinances and Urban Design for the past 40+ years so we have quite a bit of history in the area.

Thank you for the opportunity to be with you tonight to talk about the Comprehensive Plan. As Fred mentioned, we went into quite a bit of depth at the public hearing. Tonight what I want to do in the interest of time is talk a little bit more about the breath of the Comprehensive Plan and what things that have been addressed. Any questions you have or anything you want to talk about we can certainly go into that if that's all right.

First and foremost, you should know that to build on from what you heard from both Barry and Fred is that the Plan was a terrific effort because it involved so many residents, it involved your Plan Commission, it involved members of the Ad Hoc Committee who helped participate and it involved those members of your Staff. When we do these comprehensive plans for communities and I'll talk a little bit about what a plan is in a minute, but when communities get together and do this you don't always have all these people involved. That's unfortunate but it happens. The level of involvement from the community, Staff and the Planning and Zoning Commission, were really above and beyond of what we typically see. Before we even get anywhere into this I want you all to feel very good about that.

Why do communities go through and do a Comprehensive Plan? Things have changed since 2006 and I don't think we have to go into that, it's that pretty obvious. There's a new economy, there's a lot of new things going on and there are long term ideas to look at. A lot of things that are in the Plan are about starting a conversation. It's a chance to bring people together, we worked with the Park District, the school districts, there were a lot of people involved and they were all part of it because they provide services to your residents and they're a big part of your community as well.

The biggest part of this too is to celebrate the community and to celebrate the successes that you had, that you're going to have and just the process. It's a policy document, it is not a to-do list for 2019 and 2020 and there are a number of recommendations in it for things that the City ought to look at doing. I will tell you now that there are three ways that a plan gets implemented. One, it's at budget time, when you all put your policies together, how are you going to spend the funds that the City has. It's a chance to make some determinations when development proposals come before you and it's a chance to look for and respond to opportunities or as I like to say spending other people's money as there are grant opportunities out there. The Comprehensive Plan is implemented through those three things so keep that in mind as we run through what we're doing here.

The Plan starts with a technical aspect. A community analysis that we look at from our standpoint, there was significant public engagement as you already heard about. There's a community vision, kind of sums up where are we going and what do we want to do. There are a few sub-areas that we looked at in a little more detail because a lot of the communities are not going to change. And then there are some ideas for adoption. The existing conditions stuff is a lot of data and people who like data can get really into this. I will point out two or three things that really resonated to us and that I wanted to point out to you.

On the right side of the screen is the existing land usage map, this is what what's on the ground now in Rolling Meadows. Yellow is single-family homes/residential; red is commercial; the purple is industrial. What's great about this map is that you see that Rolling Meadows is not one kind of town, it's not a bedroom community, it's a community with a lot of bedrooms in it but it also has industry and commerce. Industry and commerce is located at the north end and at the south end. So the folks that live in the middle are really not burdened by a lot of the traffic, noise and the things that come with that. That's really what jumps out to us with this kind of map. In terms of demographics, in terms of population, the City is very much like the rest of the County, the rest of the Region in terms of who the people are and what the incomes are and education. Typically, when I do this part of the presentation I go even faster than this because none of this should be really much of a surprise to the folks in the community.

This is a chart that shows the public engagement that we went through with the process. The one thing of this is really important is that you'll see that it went all the way from July and it doesn't stop until next month when we hope it gets adopted. The engagement and the involvement of the community is an ongoing part of this process. What we learned is detailed in one of the chapters of the Plan and this screen sums it up. We found that people really like living here and we found people consider it friendly. You see the words in the word cloud, it's a quiet, safe, friendly, affordable, convenient and community. The access that people have to so many things is really valued here. We found that a lot of people who responded to the survey have either lived here their whole lives or were born here, raised here and then came back. That's significant. That tells you a lot about how desirable the community is.

In terms of the vision and goals, I skipped past the vision because I don't want to dwell on it but again this is a combination of what's valuable to the City now and what we hope would be added in the future. I'll leave you to read that a little later. What I want to talk about just briefly here are the visions and goals that were developed in the Planning and Zoning Commission and the Ad Hoc Committee. In these categories that you see here, Sense of Place, People, A Great Place To Be, Getting Around, Environment and Infrastructure. These cover all the

topics that you typically see in a Comprehensive Plan but we really try to present them here with a little bit more of a story. Something that is a little bit more readable. Something that really reflects from what we heard from the residents to the community about that small town feel and how they like it. So rather than being overly technical and kind of dry we opt for a little more readable. Again, just to try and cover this briefly and we can talk about anything in further detail that you like.

The first of these five areas is Sense of Place. We focused on Sense of Place in these topics that you see here. Housing, is very important. This also includes a bit of history of the community. It talks about what happened with community pride, community safety, community appearance. It talks about gateway and way finding. That's one that I want to stop on. There's an opportunity as communities develop and as communities kind of refresh themselves, to look at how they look and how they feel and what is their character. Gateway signs are something that the City is actually putting a lot of energy into now. The sister to that is a way finding program, where it's also signs and there are some photos in the Plan that talk about how do you find all the good things that are here. We heard from a lot of people that the Library is great but the first time I tried to find it I couldn't find it. Kimball Hill Park is the jewel of the community but no one is quite sure how to get there. This idea of way finding, highlighting what's really wonderful about the community is a bit of a theme that you'll see as you read the plan.

One thing we did in the document which we don't typically do, we had these spotlights and as you read it you'll see Community Spotlights throughout, highlighting that we heard from the community what they really enjoy here. Part of the purpose of this document is to be for your residents, for your fellow jurisdictions, for the schools and the parks, for prospective businesses and for prospective developers to really understand what you have going for yourselves here. That's part of what the plan shares.

There's a chapter on People. In terms of people and what it means in this Comprehensive Plan is that all those people that go into creating the quality of life, the environment for business that serves the businesses and the residents of Rolling Meadows. We go into some detail on all of these groups but I'm not going to do it today. Part of this is the fact that we live in Illinois and we have more taxing jurisdictions than any other state in the country, everybody knows that. These are the folks that make the community. There's challenges in here to, the way the schools are located, the way the parks are located and the way the highways are located, creates some splits and breaks in the town. We address that in the Plan. There's not a lot to do about it, we're not going to move any highways and we're definitely not going to change any school boundaries. There are things that are going on now and some things to think about that are in the Plan that help address the issues that those create. The spotlight that we picked in this area was really about Rolling Meadows High School and one of the programs they do struck us as being unusual and special.

One of the other chapters is being A Great Place to Be. Rolling Meadows being a great place to be. This is a combination of the market assessment and economic development and land use. In terms of the market assessment, the location that Rolling Meadows is in is unique and is terrific. You're located in the midst of a lot of other things which is great because the residents can take advantage of what's in Schaumburg, Arlington Heights, Palatine and elsewhere or anywhere in the region without having to live in the midst of all of it. What that does it creates challenges in new markets because of the kinds of shops and restaurants and things that people say they really want here but it's difficult to draw them right here in the middle of town because they're so readily available elsewhere. On the other hand, there are opportunities to be had with the changes in retail and these are the things to be in touch with. In the Comprehensive Plan in the Economic Development section particularly goes into a bit of an overview of what you're doing now and some things that you can continue to do.

In terms of land-use, here's this land-use map, this is the long-term map and you'll notice that it looks very much like the existing conditions map. Not a lot is going to change from a land-use standpoint. There will be some, there are some things that we highlighted to change but for the most part you'll see it's going to be the same.

The other thing that needs to be addressed is a Zoning Ordinance. The Zoning Ordinance is the natural follow of the Comprehensive Plan and will be working with you and your Staff and the Commission on that starting right away. The Comprehensive Plan is the policy and Zoning of course is the Ordinance that regulates the development and one informs the other.

We did look at a little more detail at these four sub-areas. We carried over some of the ideas that were significant and worthwhile from the 2006 Comprehensive Plan. I should mention that we built on the work that's been done here in the past, we looked at what was done and carried through those ideas. The list of ideas to be done in a Comprehensive Plan are not accomplished in a year or two or five, a lot of them you just can't ever get to. So the idea of continuing them in the next plan is really quite logical and not unusual. In terms of these ideas, we spent a lot of time on the details at the public hearing. In the interest of time, I won't do it again but I would let you know that for each of these areas we talked about. What are the key existing conditions, what are we working with now and what the opportunities for enhancement are. I would tell you that since these are corridors and each of them we identified some opportunities for visual enhancements, the way finding signage mentioned here again are maybe an opportunity to get across Route 53.

A couple of things that I know is significant to everyone. In terms of the Dominick's site, mixed use, being a combination of townhome, residential and commercial outlots from a market standpoint, from a community standpoint, from what we see elsewhere, from what goes on from the market study really rose to the top in terms of this analysis. The other thing is you'll see in terms of Kirchoff Road Corridor District, it does not say downtown. This is a discussion we have in a lot of communities. Downtown creates expectations, makes me a little twitchy when we call corridors like Kirchoff Road downtown. It is certainly the center of town, it certainly is the heart and soul of Rolling Meadows. When you say downtown to people it creates an image. It creates an image of something that's different than what we have. We want to celebrate what we have, not give it an image problem so to speak.

We talked about the Northwest Industrial District. Again, in the interest of time I would highlight that we've identified the issues that are here in terms of stormwater and such. This is really a strong business opportunity, it has been and continues to be. You face what other community's face, people coming to do nonindustrial, nonbusiness kinds of things in your industrial area. In working with the Planning and Zoning Commission and looking at it from our standpoint from a technical standpoint, this is an area that provides opportunity in terms of these industrial businesses and to the extent that it's possible to keep that going. That's a recommendation of the Plan.

The Golf and Algonquin corridors are very interesting. We divided them up into a more corporate character which is Golf and Algonquin which has kind of a hodgepodge of character or mixed-use. This is a character that really supports community. This hodgepodge in and of itself from a zoning/development/community standpoint, there really is nothing wrong with it. The issue here though is one of character, there are some sites that are nicely developed with landscaping and quality signage and there are some sites that are really are not. Over time, the private sites would really benefit from a facelift and there are some ideas for that in the Plan.

In this chapter we talked about in terms of spotlight are the employer's. Again, Rolling Meadows is not a bedroom town but a town with a lot of bedrooms. Getting around was the transportation chapter, a lot of things in here had to do with identifying this notion that we're not a bedroom town. There's 20,000 people a day that

come into town and a lot of people leave to go to work. A lot of the ideas in here are about pedestrian and bicycle connections, that's really where transportation is going these days. It's important for people to be able to walk and get around on their bikes. When I was a kid, the bike is how you got to school or you got to the ballpark to play ball. Bikes are now part of peoples commuting patterns, fitness patterns, there's a lot more going on with bikes and pedestrian access these days as there ever were. There is a recommendation to adopt a policy that encourages City's to think not just about streets just being for cars but also that transportation is about bikes and pedestrians. There are also key roadway connections that can happen for future development or future budget process. Some of these go back to the 2006 Plan.

We talked about Environment and Infrastructure. There are a couple ideas in here. The one that I would highlight has to do with stormwater. There are big Regional stormwater projects which may or may not give benefit to any particular property holder or some of the folks in the industrial area that have issues with flooding. There are site-specific things that a neighbor or resident or business can do on their own. But there are other issues that are best solved by getting a couple of property owners together and are not necessarily things that the City would be doing but the City has an opportunity to be the coordinator and there are some recommendations. There are also acknowledgments in there acknowledging Salt Creek to be an amenity as much as it is part of the stormwater management system.

I'll close by highlighting this notion of implementing a plan which happens in three ways. Annual review, look at it every year. Keep recommendations in mind when you receive development proposals or when a new or unexpected opportunity comes up. These are some rules and ideas and best practices to keep in mind as you move forward.

Mayor Prejna – Thank you. The Plan is very thorough and I would strongly encourage all residents to read through it. Some of us had to read through it twice. A quick question, you mentioned and I was reading this with other communities about the bike/pedestrians traveling, how much has that become a priority as you're going forward with other City's? We've had some discussion about what to do with bike paths in the City of Rolling Meadows. Just briefly.

Michael Blue, Teska Associates – More than we used to. It's a priority because it's more than just riding your bike to the park, it's now part of commuting. It's about shopping. It's about bringing people outside the town into the town so we're seeing quite a bit more of it.

Mayor Prejna – Thank you. Any further questions? Thank you, Sir.

Michael Blue, Teska Associates – Thank you for your time, the Community has done a great job with this and we appreciate the chance to work with you.

Fred Vogt, Director Public Works - If I may, a reminder again tomorrow night is the Planning and Zoning Commission Workshop on the Comprehensive Plan. Public hearing continuation will be Tuesday, March 5, 2019 and hopefully if we get a favorable finding from the Planning and Zoning Commission to recommend this Plan moving forward, you will see this towards the end of March for Ordinance consideration which is the process we need to go through to do formal adoption of the Plan. Comments and questions are welcome, please send us an email or give us a call, we appreciate your input. Thank you.

3) Utility Rate Study

Barry Krumstok, City Manager – We're back again. We do have Baxter & Woodman just to walk through the final study. This was an update from the 2015 study. Part of the 2019 Bonds actually has some underground utilities work that we'll be doing with this. We do greatly appreciate the Capital Ad Hoc Committee, Alderman Williams and Alderman D'Astice who sit on it have actually seen a little bit more of this and some of the discussions that have happened. I will turn it over to Finance Director Melissa Gallagher who will do the intro before Chris comes up.

Melissa Gallagher, Finance Director – Thank you, Mr. Krumstok. In the City Council packet tonight we have a write up summary for the Utility Rate Study. Before I turn it over to Chris Buckley of the engineering firm Baxter & Woodman I just wanted to give you a little bit of background information. Within the packet itself you also have the draft Utility Rate Study and that is in final draft form. There will be a few tweaks to it and we will remove the marked draft. I wanted to point out tonight, this is a planning tool and it has been worked on for some time now. Baxter & Woodman completed the analysis for the City's water, sewer and stormwater rates and the City is striving towards rates and capital stabilization for its residents and businesses. The reason that we are doing this is to make sure we're planning appropriately and also working on these pieces for our budget and for our capital plan. Also, the reason for this study is to make sure that we are covering our expenditures, our capital and our debt service and also making sure we have appropriate reserves for future budgets. The rate study scenarios were presented in December at the Committee-of-the-Whole Meeting and we've also presented to the Ad Hoc Capital Improvements Committee. Through that process we've discussed the projects plan in terms of the bond as we mentioned. Also through the entire project plan for capital for the next five years. Before I turn it over to Chris Buckley of Baxter & Woodman, one of the things that will be highlighted is the fact that one of the key drivers to making sure you have sound financial planning for your utilities fund is making sure overall you have a reserve fund balance policy at some point, it's about \$2–2.5 million per year that you should have in reserve. That's something we're striving towards as we have done in other funds. We're making sure that we're first achieving that before we come back with a formal policy at some point. What we're trying to do is present at the February 26, 2019 City Council meeting, we'll have a Resolution for acceptance by the City Council. We we'll then use this as part of our budget plan and our capital plan and making sure we're looking at this annually and adjusting as necessary. At this point, I'm going to turn it over to Chris Buckley of Baxter & Woodman and I'll be happy to answer any questions afterwards.

Chris Buckley, Baxter & Woodman - Thank you for having me. The news on this was pretty good. What was done as part of this study is an update to the 2015 study was looking at the cost of service and capital debt issuance. What does it cost to operate the water, sewer and stormwater ability now and in the future? What if the City issues a \$4 million in capital debt and restructures its CIP? This was the big focus of the study. As Melissa mentioned, rate stabilization analysis, what rate increases, if any, are necessary to provide both financially sound and fair and equitable utility funding? Discussions with City Staff and presentations to the City Council so now we are basically at the end of those four points.

We prepared four (4) scenarios. The baseline scenario #1 it is obvious, there is no rate increases. We are looking at your expenses going out five years and see what's going to happen if you don't raise the rates at all. The baseline scenario #2 is looking at the baseline as you've been doing in the past which has been a 7/5/5 rate increase. 7/5/5 refers to a 7% increase to water rates, 5% increase to storm sewer and 5% increase to sanitary sewer. That's what the rate increases have been for the last few years. Scenario #3 is a \$4 million bond scenario with no rate increase but issue a bond. Scenario#4 is a \$4 million bond scenario with 7/5/5 rate increase. How does that affect the fund?

Couple of things as groundwork that I've spoken about before but we'll go over it very briefly. We're doing this over five years and this is looking at cash flow. Based on the cost of service analysis the volume of water (revenue) projected to remain flat. This is a conservative approach; any growth that happens will be a benefit. We project how much water you're expected to get looking back at the last few years and keep that flat going forward. If you get more, fantastic. If you get less, hopefully it won't happen but it is possible.

Operating expenditures with inflationary increases. We look at the cost of water assumed to be 2–5% per annum. JAWA selling you the water it seems like we're past the ridiculous rate increases that the City of Chicago was passing on in the last five years, they seem to have settled down and it's back to more of inflationary increases in the low single digits. That also goes for increases in expenses for operating your water system and I'll touch on that a little bit later.

Fully funded capital improvements program. We'll talk briefly about that.

Maintaining a fund balance. This is a difference between revenues and expenses, very similar to a checkbook, should remain at or below the operating reserve goal which was established in 2015 of about \$2 million. I'll talk briefly about how that was established.

One thing to touch on is that water consumption both for Rolling Meadows and across the region is generally on a slight decline. Over the last few years based on water conservation as well as water bills going up we've seen a decrease in the amount of water that is being utilized. In terms of a business perspective it's a little bit on the negative side for trying to maintain adequate revenues.

This is the baseline scenario for the CIP which is the Capital Improvement Program. The various colors show the difference between water, sewer and sanitary sewer. As you can see in this particular instance over the next five years is focusing quite a bit on the water system which would be replacing water mains, leak detection all that kind of fun stuff. The other ones are replacing sewers, cleaning sewers, doing that sort of operational improvements. It varies from about \$2 million a year up to \$3 million a year on average. For the baseline scenario you'll see a slightly different version when we get into the other scenarios.

As I mentioned the Reserve Operating Goal. The American water Works Association (AWWA) and the Government Finance Officers Association (GFOA) recommend that a utilities fund maintain operating reserve goal of 25% of annual operating expenses (excluding capital and debt service). The goal of the fund balance has been set at the AWWA and GFOA recommended level. For Rolling Meadows, the Operating Reserve Goal is approximately \$2 million. This is cash in the bank in case you have some sort of catastrophe, a real drop in expenses whatever it might be it's just a cushion to give you some flexibility in both planning and operations. That reserve amount is flexible but there's a benchmark of 25% is what is strived for by most communities.

Scenario #1, this is a baseline, no increases in rates. Projecting out to about 2023, the blue line is the fund balance or the goal that we would like and the redline is essentially the fund balance. No surprise, the fund balance is a little bit higher than goal right now but it starts to decrease down to a ski slope type of thing to where you get almost close to zero, almost below zero by 2023. Not doing anything is not recommended because it's getting you below your goal in about two years and then getting in financial trouble by the end of five years. This is the kind of scenario that describes the "what if" of no rate increases.

Scenario #2, this is what would happen if you do what you've been doing for the last few years with the 7/5/5 increase. What we see here is that with the capital improvements you kind of motor along on your balances pretty much the same as you have now for three or four years and then when you get down towards the end of the study the costs start to go up and that's because of the capital improvements have been exhausted and now

you're getting in more revenue than you really need. It's a good scenario, gives you plenty money in your fund balance but is it the best scenario.

Scenario #3, the \$4 million bond scenario. Assumptions are the Per Cost of Service Analysis with a \$4 million Bond issued in January 2019. We're talking about the same expenses that you've had and the same water revenues but now you get a shot in the arm from the \$4 million bond which is basically what a bond is. Based on that, the City would revise its Capital Improvements Plan to accommodate the influx of cash. Mainly, we're going to shift those projects to get them done quicker and take advantage of the money that we have. So now this is what the \$4 million bond scenario looks like. Remember the previous one, we were motoring along at \$2-3 million per year. This one indicates that we're going to do a lot of this work up front and do it as quickly as we can and then we taper off for the next 3-5 years. This one shows that we motor along pretty well similar to the 7/5/5 and we actually start to decrease back towards our goal line at the end of five years. I note that this is without any rate increases. The City is issuing a bond and they will be receiving that money and paying debt service based on market interest rates and debt service payments are included in this scenario. Basically, like most people do you are leveraging the cost of these projects over time in order to not take wild hits in your account and drive up the rates. This is a positive scenario we can to get what you want without increasing the rates and provides rate stabilization as we have been talking about.

The final scenario #4 is really just for kicks. We do that \$4 million bond and keep the 7/5/5 rate increases. As you can see, there's plenty of money in the bank to do all sorts of things but from a fiduciary aspect it's not recommended because you're bringing in more revenue than you really need and that's not the goal of any type of enterprise fund. This one has the \$4 million bond and 7/5/5, it's not something that we're recommending.

We recommend and the City has so far agreed that scenario #3 the \$4 million bond without any rate increases. No rate increases will provide rate stabilization and alleviate concerns of substantial annual rate increases. The City maintains nearly \$2 million or more above the Operating Reserve Goal at any given year. A couple notes, the City has been really working on reducing the total expenses such as telecommunications, billing and other items. Moving forward, we are recommending scenario #3 to be implemented and that the City should continue to monitor the fund balance year to year to identify any significant changes that deviate from the projected balances. The City may want to consider low rate increases to maintain a cost-of-living adjustment each year in a couple years, maybe it's five years or four or three years. It's hard to predict exactly what's going to happen. The point is, residents and businesses don't like rate shocks, so the 2 to 4% increases that can help you motor along and maintain healthy fund balances are typically better than the 10% or 15% increases and no increases and then a shock. Every year take a look at it and see if you're not going to increase the rates this year or next year or the year after maybe start looking at possible bumps in 4 to 5 years. That's the recommendation of moving forward.

That's pretty much the sum of it. I welcome any questions or comments.

Mayor Prejna - Thank you. It was fun filled and entertaining. Any questions from the Council? Mr. Budmats.

Alderman Budmats - In your presentation you said that the bond for \$4 million would be repaid from the funds generated out of this account? Do we need to earmark that or does it automatically happen? There's no increases at all or 1%, 2% or something.

Chris Buckley, Baxter & Woodman – No, based on the fact that you have adequate reserves now and actually a little more money in the bank above the reserve, you're basically spending the money as you get it then the debt service is 20 year payment for the bonds, that's been factored in as an expense. So you take that \$4 million and you spread it out over 20 years with that interest rate it's easy to absorb. So you don't need to increase the

rates at this time because it's already been factored in and accounted for and you're not taking that big hit of cash. You've pushed that off over 20 years so just like a car or house your monthly payments are lower and it could be accommodated much easier.

Alderman Budmats – Okay.

Mayor Prejna – Any other questions? Thank you.

4) Brookwood Area Proposed Stormwater Improvements Update

Barry Krumstok, City Manager - As Fred comes back up, most of you around the room remember talking about Brookwood. This is another update we have, there is new representation and they met with Public Works Director Fred Vogt and that's why we are bringing this back with some of the additional items.

Fred Vogt, Public Works Director – Thank you, Barry. This is a project that has been in the making for over 10 years, since 2007/2008. Flood events were experienced and every time we felt we put efforts into the project to move forward it was like taking one step forward and two steps back. We've had a number of meetings with the Brookwood Homeowners Association over the years, City Engineers, City Attorney and myself. We got to about 2015 and we thought we had a deal because we had a public meeting in their Association meeting room, a lot of good feedback from residents that were there but didn't get enough voters or the people that resided there to support the City's efforts to acquire an easement to do the stormwater improvements that we have there. Keep in mind that we did get a grant from the State in roughly 2010/2011 even though the funding has been frozen it is still technically alive and we hope that funding will be available should there be a real project. A very difficult period in 2018 in terms of communication, it was almost none, almost seemingly resistant to have any discussion with regards to this project whether we as a City would pursue condemnation to get an easement in order to do a stormwater project that would affect and benefit a number of neighboring properties upstream to the south, to the west, to the southwest.

All of a sudden a few weeks ago we received a Freedom of Information Request for records for the Brookwood Homeowners Association and the stormwater detention area in particular for the last three years. Doing an inquiry as to what this information was sought for, it turns out that there have been several newly elected people on their Association Board and the information request is based on some of those new people wanting to see if this is a project that could move forward. I stand here tonight reporting that it's really in their hands but Staff is definitely willing to communicate with them. We have given them the information they requested, they came and looked through our files and asked for certain things to be provided to them through the Freedom of Information process. We will follow up and see if there's any interest in having dialogues, getting their attorney to communicate with our City Attorney and to move the project forward. We gave them the concept plans that were prepared by our City Engineer two or three years ago. They indicated two things to me, they hope to keep the cost as low as they could on their part and they were concerned about not losing any parking. From the parking standpoint, our engineer has designed a couple of options that minimizes or avoids any parking impact at all depending on which direction they want to go. That's the report that we have right now, it's more favorable in the short term than it has been for quite some time. We'll see where we go with this.

Mayor Prejna - Any questions or comments from the Council? Mr. Budmats.

Alderman Budmats - If I recall, wasn't their talk about beginning condemnation proceedings because of the impact on the neighbors? Whatever happened with that?

Fred Vogt, Public Works Director – It didn't go forward during the past year because I think part of it was because the inability to make any contact with their legal representation. At that point we tried to do everything we could from the Staffs standpoint to avoid condemnation proceedings and every once in a while we'd get an indication from their Board, their President in particular, that they'd meet and look at the plans but then they would postpone it continuously. We still feel that condemnation is the avenue of last resort, we'll come back to the Council if we can't make end roads. I think at least the doors apparently open a little bit here and we'll see where we can go with it.

Alderman Budmats - Do we anticipate this as being another, I don't want to use this term, stall tactic? Or do you think that this is a genuine switch?

Fred Vogt, Public Works Director – Given that it's different people that have contacted us and the past group that was on the Board, I'm hoping that it's not a stall tactic, I don't have any reason to think that it is at this point.

Barry Krumstok, City Manager - I think some of them were being brought up to speed and some of them thought that we were the ones holding it up. Part of that sit-down was also showing them how we are trying to save some parking spots, it was a real educational group that came in and really asked a lot of good questions after they look through it. We still have the same concern that they still have to vote, 51% of the owners. There still are renters but we believe that the new group that is working on this actually has some additional force to do it and some of them that are now on the new Board are actually from the building that most of the flooding was from.

Fred Vogt, Public Works Director – Also, we had had back 2-3 years ago discussions with the immediate adjoining residence at Jody Court with regards to impact there, we talked about special service area, we had gone to the extent of calculating out what costs it would be for each property owner whether it was single-family homes, whether it was the townhomes. We had had previous discussions with Palatine Township Highway Department about potential contribution, they were certainly on board at that time a few years ago. What I've indicated to the representatives that everything and anything is on the table at this point.

Alderman D'Astice - This project has gone on indefinitely and I know some people on Jody Court seem to suffer. Can we establish a timeline or series of timelines? A month, two month, three months and re-contact them so we have something and you can come back and report to us because at some point we need to pull the trigger and start procedures. Can we set something up so this doesn't take another 10 years?

Mayor Prejna – Can we make this suggestion that once a month we get a report from Staff?

Alderman D'Astice – That would be fine.

Barry Krumstok, City Manager – Mr. Vogt will put it in his Friday letters once a month. The group who actually met, they actually know that we are having this meeting tonight so hopefully they're watching. This also gives them a timetable that the Council would like to move this along and after a period of time we'll be back if we don't see any movement from them.

Fred Vogt, Public Works Director – If Council wishes for Staff to emphasize that time is of the essence that we want to move quickly, we'd appreciate any direction that you give us.

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Mayor Prejna - I understand because that was also when I was an Alderman, this has been an issue for some time. Direction from Council would be that the first packet of the month that we get an update on Brookwood so that we have a report every month.

Fred Vogt, Public Works Director – We can certainly do that, we'd be happy to do so. Hopefully that in itself will be impetus to move the project along on their end.

Mayor Prejna – Thank you.

There being no further business, by unanimous consent the Committee-of-the Whole meeting was adjourned at 8:50 p.m.

Respectfully submitted by: Judy Brose, Deputy City Clerk