

**COMMITTEE-OF-THE-WHOLE
MINUTES
March 15, 2022**

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

COUNCIL IN ATTENDANCE: Aldermen Karen McHale, Nick Budmats, Kevin O’Brien, Jenifer Vinezeano, Jon Bisesi, Mandy Reyez and Lara Sanoica

COUNCIL MEMBERS ABSENT: None

STAFF IN ATTENDANCE: City Manager Rob Sabo, Deputy City Clerk Judy Brose, Assistant to the City Manager Lori Ciezak, Police Chief John Nowacki, Deputy Police Chief John Sircher, Deputy Fire Chief Pete Sutter, Director Public Works Rob Horne, Assistant Director Public Works JoEllen Charlton, Chief Information Officer Waseem Khan, Business Advocate Martha Corner and City Attorney Melissa Wolf

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

1) Firehall Eatery – 3111 Meadow Fire Station Redevelopment Proposal

Samantha Doro, Arthur Wang and Celina McFarland of Coaction Corporation proposed to repurpose and reuse the existing building at 3111 Meadow for an eatery. This eatery will lease up to six “booths” ranging in size from 100 square feet to 500 square feet to restaurants, caterers, or other food preparation establishments, including Leaky Keg, a local craft beer brewing business. Their business plan intends to supplement the lease revenue with beverage sales, catering fees, the rental of event space, and the provision of other business and marketing services to their tenants.

Phase 1 will transform the first floor into the booths and dining space, and would include ADA compliant bathroom facilities, an elevator to the second floor for Phase 2, both indoor and outdoor seating, and additional parking and other site improvements. Beverage sales during this phase will occur from one of the booth spaces.

Phase 2 expands their operations to the second floor, which will become home to a bar called “Hosed,” which will be owned and operated by Coaction. The beverage sale function of the business will relocate from the first floor to the second floor during this phase. Additional bathrooms, the catering office, community food preparation space and common dish sanitation will occur on this floor. The rest of the space will be used for seating, including venue space for small business meetings. Additional and/or enhanced outdoor seating is also planned for this phase.

Parking is going to be the hardest zoning issue to address on this property. Restaurants require 10 parking spaces per 1,000 square feet, and with 10,800 square feet of space on two floors, 108 parking spaces are technically required, when only about 30 can be provided on site. Staff recommended the Coaction team contact adjoining property owners, including the church property to the south to determine if parking acquisition or leasing options might be available. So far, preliminary conversations that City Staff has had with Trinity Lutheran Church to the south have not worked in Coaction’s favor. The church expressed concerns that leasing to a for-profit entity impacts their tax exempt status, and that they were not interested in considering a sale/lease back option. As there are no on-street options available, other viable options to explore shared parking might include the nearby Taco Bell, Jewel, or Community Church properties. An option for winter seasonal parking may also be possible with the adjoining Comet property.

Cooperation Catering: Coaction's Cooperative Catering office will be located on the second floor. Most restaurants pay an annual salary for a catering manager. In this cooperative model, Coaction will pay the catering manager's salary and provide all the interested booths with access to a skilled catering manager. The booths who choose to participate will pay a 7% commission on sales generated by the catering manager.

Revenue: Coaction anticipates having multiple independent streams of revenue that will provide The Firehall with both stability and the ability to scale quickly. The strong base of revenue found in beverage sales will be supplemented with revenue created from professional service contracts, 7% catering commission and rental income from each restaurant booth.

After Council discussed this matter Mayor Gallo took a straw vote for Staff to continue the conversation on this development with Coaction Corporation? 7 in favor; 0 opposed.

2) Refuse Automation Initiative Update

Rob Horne, Director Public Works gave an update on the recycling and refuse automation project. As the Council will recall, a multi-year contract was awarded to Flood Brothers that will extend into 2026. As the terms of the proposal provided by Flood Brothers, there is a per month price for providing a recycling (cart) container. As a reminder, the cost of the container was to be spread out over a period of time to lessen the impact on residents. As a result, the cost incurred for this program will be approximately \$10.35, per year, for 5 years, at which time, the fee would no longer be required for the recycling container.

Per previous direction provided by the City Council, the cart fee is to be absorbed by the City and no increase in refuse or recycling fees will be passed on to the resident. If the monthly cart fee were to be charged, because the program is not projected to begin until August 1st, the \$0.86/month fee would only be charged for 5 months totaling \$4.30 per customer in 2022.

In the development of this program, Staff has been working with representatives of Flood Brothers to identify key activities that need to take place as part of the implementation in 2022 to begin automated collection services. The key dates and activities are provided below.

Vehicle Replacement Committee Review (Vehicle Equipment)	March 8 th
City Council Equipment Purchase consideration/approval	March 22 nd
Order Vehicle Equipment	March 23 rd
Begin Outreach Program (Social Media, Newsletters, Website, Direct Mailings)	Begin April 1 st thru August 1 st
Vehicle outfit completion	June 30 th
Staged Container Delivery	July 25 th through July 29 th
<i>Automated Collection Start Date</i>	<i>August 1st</i>

Based on discussions with representatives of Flood Brothers, Staff is recommending a single sized recycling container for all property owners. Some of the reasons behind this recommendation are provided below.

- The proposed size container (65 gallon) is the same size as all current residential recycling containers in the City.

- This container size is consistent with the industry standard and is best-suited to meet the needs of the greatest percentage of residents.
- A single-sized container will cause the least amount of confusion. Research of other communities that have recently gone through a recycling contractor change, have experienced numerous problems such as; changes in container size selection, delivery of wrong sized containers, and confusion with how to order containers. The proposed option provides the least chance of confusion and problems during the transition.
- Residents may choose to contact the recycling contractor (Flood Brothers) at a future date, following the container roll-out if the container provided is too small or too large, with the understanding that any increased container fee will be paid by the resident. It is our current understanding that swapping out for a smaller container will not include an additional fee to the resident.
- When selecting a 95 or 35 gallon option, residents commonly regret their decision and request a 65 gallon container anyway, because they over/under estimate the amount of recycling they generate.

The size of the trash container will not have any impact on regular refuse pick up operations. Residents that cannot fit all of their refuse in their new refuse (old recycling) container will still be permitted to place their extra trash along the curb or purchase a second 65 gallon container. There will be no change in this service level.

Alderman Vinezeano would like the senior citizen information especially the back door service to be included in the newsletter. Rob Horne stated that anyone has any concerns especially seniors they should call Public Works directly (847) 963-0500.

3) Updating the City of Rolling Meadows Building Code

Elizabeth Kwandras, Interim Superintendent and Dan Streit, Building Official gave an update to the previous August 17, 2021 Committee of the Whole discussion regarding the pending building code updates. At that time, Council provided direction to move forward with updating the City's 2009 International Building Code (IBC) and local amendments, to the 2018 IBC code and required state codes, along with a review of local amendments. These updated codes will be more consistent with adopted codes in surrounding municipalities, thereby facilitating the permit process for the City's residents and contractors. These updated codes also take into consideration technological advances in construction, such as solar panels, that the 2009 codes were not designed to manage.

The City's current 2009 Code was adopted in December, 2010. From examination of the local amendments to the codes, they have not been comprehensively updated in quite some time. City Staff has been evaluating the changes incorporated into the base 2018 version of the ICC code sets, as well as examining and updating the local amendments associated with the code. The adoption of this update will begin a Staff recommended six-year cycle, which is consistent with other local communities. Under this schedule, the next update will be in 2028.

The local amendments which exist within the current City Code comprise nearly 100 pages. Historically, local amendments were necessary to bridge the gap between the time when each community was built using its own unique codes, and the adoption of the standardized model codes. Over time, the model codes have evolved to consider locational considerations like climate and construction material changes and availability. Therefore, there no longer remains a need for numerous local amendments because they have been incorporated into the standardized code. The City's adoption of the new standardized code series and local amendments will be reduced from over 100 pages to 40 pages, mostly by acknowledging and accepting that the new 2018 version is based on sound building industry practices and by eliminating redundancies. This will make the Code easier to use for residents and contractors, and will be easier to enforce for the City's inspection Staff.

The City is required to follow certain codes by state and/or county mandate. Staff is not proposing to amend those codes to make them stricter. The mandated codes include:

- Illinois State Plumbing Code
- Illinois Accessibility Code
- National Fire Protection Agency Life Safety Code
- State Elevator Safety and Regulation Act
- Illinois-adopted ICC Energy Conservation Code
- Metropolitan Water Reclamation District Watershed Management Ordinance

The building code update is the latest in a series of major code/policy updates spearheaded by the Community Development Division over the last three years. These include:

- The updated Comprehensive Plan, adopted in April, 2019
- The Zoning Code update, effective January 1, 2020
- The Building Permit Fee Schedule, adopted August, 2020
- The Business License and Zoning Fee update, adopted March, 2021

A sign advising the public that building codes are being updated and welcoming public input has been on display on the Community Development counter for over a month. Staff has completed the proposed revisions to the City Code and Staff will add the information to the website and also seek feedback by making copies available at the Community Development Counter. With Council concurrence, Staff will work with the City Attorney to prepare the update in Ordinance form and seek adoption in April, with an effective date expected July 1, 2022.

Alderman Sanoica asked if there will be outreach with the proposed changes. Elizabeth Kwandras stated that they will advertise (sign, newsletter, social media, etc.) as much as they can between now and the go live date of July 1, 2022. Alderman Sanoica asked for Staff to provide a one page FAQ for Council to provide directly to their residents and for the newly created Communications Committee to advertise as well. Elizabeth Kwandras stated that it's something Staff can look into.

Alderman Budmats asked what would happen to the people that have already been in the process of getting plans drawn using the old code. Elizabeth Kwandras stated that anyone that's in the process or submits a permit prior to the July 1st date will be allowed to continue under the 2009 code. Alderman Budmats stated that the go live date seems pretty quick and that he expects that we extend a lot of grace to the one's that submit plans after that date. Elizabeth Kwandras stated that they will work with contractors, businesses and residents for their projects to be the best as possible. The idea behind the new codes is to make everyone safer and adapt to the new technology and she encouraged people to get started by submitting a permit application. The permit is approved to the plans that were submitted and is good for 6 months as long as there's activity. If there is no activity within the 6 month timeframe, an extension can be requested.

4) Water Shut-Off and Delinquent Payment Discussion

(continued from the January 18, 2022 COW Meeting)

Rob Horne, Director Public Works stated that at the January 18, 2022 Committee of the Whole (COW) meeting, Staff presented information related to the City Council policy decision to suspend water shut-offs for customer non-payment.

As a reminder, the Council suspended all late penalties, non-payments, and water shut-offs/penalties for late or non-payments in an effort to assist residents during the pandemic. The City lost revenue in the amount of approximately \$250,000 for all delinquencies related to non-payment for services covered as part of the initiative, along with \$75,000 and \$100,000 annually in revenue for penalty fees associated with these services. Conservatively, these revenues result in the loss of approximately \$650,000.

Following the January 18, 2022 COW meeting, Staff investigated the following items as requested by the Council: *(Please note, the following information is based on several sources including the new Utility Billing software (legacy data only goes back to 2019), legacy software, historical systems and data, and institutional knowledge.)*

- *# of residential accounts vs. commercial accounts that are delinquent* - 15 commercial and 242 residential accounts currently qualify for disconnection (shut-off) under the City's standard policy, out of 6,899 total accounts.
- *# of delinquent commercial accounts pre-pandemic* - On average 10 or less accounts per month received an initial disconnection notice. All accounts were generally resolved prior to the disconnection date. Additionally, the City doesn't typically shut-off commercial properties whose domestic and fire protection water supplies are combined, and as a result, are not considered for disconnection.
- *# of delinquent residential accounts pre-pandemic* - On average, approximately 150 customers each month receive an initial disconnection notice. Of those customers, approximately 75 will receive a disconnection notice that is posted at the property. Typically, only 3 to 5 accounts were typically shut-off for non-payment each month.
- *% of current delinquent accounts that are repeat delinquent accounts* - Based on new and legacy data, it is estimated that approximately 80% of the current delinquent customers were repeat delinquent customers at some point in the past.
- *Customers in need versus repeat customers* - At this time, Staff is unable to attain this type of information. Other than understanding whether a customer is regularly delinquent, the City does not require or track information relative to a customer's financial situation. Instead, Staff simply cooperates with residents by enabling them to pay what they can afford using a payment plan, etc., but no verification or employment status is required.

Additional information from Utility Billing Finance Staff: Analysis of the data indicates that since Covid-19 measures began, a good percentage of the repeat delinquent accounts have been attempting to provide some type of payment without provocation by the City. This has enabled those accounts to maintain manageable balances, but still are identified as past due (\$300 or more), which makes them eligible for disconnection.

A smaller percentage of repeat delinquent accounts have not paid anything since the City established the policy of forgiveness related to the water shut off process. These customers are those that were typically problematic prior to 2020, pre-pandemic.

Additionally, some other repeat delinquent accounts have moved and their accounts were closed with a balance. Some of these property owners have either paid the balances, but balances are still owed in a few cases. As a result of these accounts being closed, they are not eligible for disconnection if a new tenant has taken over residency. In these cases, often times, the delinquent account is maintained until a property transfer or until it is paid off.

Finance records also indicate that some new residents who have moved into Rolling Meadows during the no penalty/no shut-off program, have not made a single payment since their account was established.

To date, the Finance Staff is aware of only one (1) resident that has reached out to the City expressing a financial need due to a job loss. That resident was assisted with known local and county assistance programs. Otherwise, no payment arrangements have been requested due to financial hardship related to COVID, job loss, or any other reasons.

There is approximately \$357,326.54 in outstanding balance that would normally initiate a water shut-off. However, the most outstanding accounts in the amounts of \$56,616.61 and \$22,207.48 are due from commercial properties, where water shut-offs are not an option due to fire suppression systems. Not all of the \$357,326.54, may be eligible for collection to date, without a more extensive analysis of each individual account. This is why the balances are referred to as approximate as payments come in every day that need to be accounted for once a report is generated.

If the Council chooses to reinstate the penalty and water shut-off policies, Staff wants the Council to understand that disconnection letters are generally sent out to customers with a balance due of \$300.00 or more, and those that are more than one-month delinquent. Past due accounts are scheduled for disconnection once the account is 20 days past due or more, per ordinance. Additionally, the first time an account defaults and so long as the customer is in good standing with their payment record, they are provided a courtesy notice and request to pay and the disconnection is waived. Generally, past practice indicates that most first-time delinquencies are either customers who are or were out of town, who didn't receive a bill, or experienced a family emergency or tragedy which caused the payment to be missed. A complete review of all accounts prior to any notices being issued will be completed by Staff to ensure inadvertent shut-off notices aren't sent to residents.

The Community and Economic Development Association of Cook County (CEDA) has a new program to assist low-income residents with water utility bills. Funded with dollars provided by the American Rescue Plan Act, the Low-income Household Water Assistance Program (LIHWAP) provides financial assistance to low-income households with issues surrounding water and wastewater bills. LIHWAP provides up to \$1,500 for reconnection assistance, disconnection prevention, past-due balances, disconnection fees, and late fees. Both homeowners and renters can access the program to ease financial stress caused by water bills. The goal of the program is to help families avoid arrearages and late fees, prevent disconnection when possible and restore services in case of disconnection. CEDA is accepting applications year-round for LIHWAP. To qualify, families must be income-eligible and live in Cook County. They also must be disconnected, facing disconnection, or have a past-due balance of at least \$250. To learn more about this program, residents can call (800) 571-2332 or visit www.cedaorg.net. The City is currently getting enrolled in this program so eligible residents can participate.

After Council discussed this matter Mayor Gallo took a straw vote to see if the Council should reinstitute the City's original policies related to delinquent payments (*non-payment for City services*) and water shut-offs (*non-payment for water or sewer service*). 7 in favor; 0 opposed.

This topic will be added to the August 16, 2022 Committee of the Whole agenda for further discussion on reinstating penalty fees for non-payment or late payments.

5) Water Infrastructure – American Rescue Plan Act (ARPA) Discussion

Rob Horne, Director Public Works stated that this item is an update on the condition of the City's water infrastructure. As a result of recent conversations related to American Rescue Plan Act funds (and the pending program reporting requirements), this provides information regarding the condition of the City's water system to assist with the Council's policy considerations regarding the use of these program funds.

Water is a vital resource that is essential in maintaining and sustaining a community. Therefore, the need to invest in water infrastructure is critical. The City owns and is responsible for maintaining over 90 miles of water mains, four pumping stations, four deep wells, two elevated tanks, and a variety of different computer, telemetry, and redundancy systems that help Staff operate the City's water system. The value of these City assets is assessed at many millions of dollars. To this end, the City must be strategically committed to taking care of this vital asset on an annual basis.

In late 2015/early 2016, the City contracted Baxter & Woodman Engineering to perform a utility rate study. The purpose of the study was to evaluate the City's 5-Year Capital Improvement Plan (CIP) and determine the impacts to the City's utility rates over the course of 5 years. As part of that review, Staff scrubbed the 5-Year CIP plan to ensure that the projects in the plan were viable projects that were intended to be completed and that the cost projections were accurate. The results of those discussions were that the City would issue an infrastructure bond to stabilize utility rates over the course of 5 years. As a result, the City was able to utilize approximately \$4.5 million of bond revenue to replace approximately 18,000 linear feet (~3.5 miles) of water main in the areas of Waverly Subdivision, Arbor Drive, Plum Grove Drive, and South Street.

This was a great start to addressing some of the City's most problematic areas. At approximately the same time that the City was undergoing its rate study, the Public Works Staff was implementing the GIS system and refining and correcting system data to accurately reflect all city assets. Over the course of the last 5 years, Staff has been compiling and evaluating data from utility plans, engineering plans, GIS information/ownership information, raw field data, and water modeling data in order to fully understand the City's water infrastructure needs and how that will impact the planning efforts required for an annual water main replacement program.

Historically, (prior to 2016), it had not been a policy of the City to develop a long-term water main replacement program, similar to the City's roadway resurfacing and reconstruction programs. Over the course of the last several years, as the data has become more reliable and our understanding of the system has increased, Staff has begun to develop and refine a long-term 20-year program. The plan was established using a \$2 million funding level for planning purposes only. However, the reasoning this funding level was used is based on the industry understanding of pipe materials. The standard life expectancy of a typical water main pipe used for planning purposes is 50 years. Certainly, some types of piping can last longer, but due to certain types of soils and other subsurface conditions, it is also common for piping to last less than 50 years as well. Like any asset, it is always more fiscally responsible to plan for replacement over time rather than to be forced to replace aging assets under emergency scenarios. *Assumption: City has 100 miles of water main, water main lasts 50 years. Therefore, the City should replace 2 miles of water main/year. (100 miles / 50 years = 2 miles/year).*

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As we have continued to refine our asset data in GIS, we have found that the City owns approximately 49 miles of water main that is beyond its useful life (beyond 50 years old). We have determined that this accounts for 57% of the City's underground water infrastructure. An additional critical component to understand when planning water main replacement is pipe material. While the City doesn't have wooden water mains, like in older areas of Chicago, there are areas of the community that are still served by cast iron water mains. This type of material was used in the 1950's and 60's and has proven to fail after its fifty-year lifespan at a concerning rate. This is important in our planning, as the City currently still has 13.5 miles of cast iron water main in our system which equals 16% of the system.

Recently, Staff has been working with GIS Staff to develop tools to assist in capital planning. Coincidentally, the Consortium just released a new tool to help forecast infrastructure costs over time, using actual City system data.

Another important consideration related to the City infrastructure is that as it ages the value of the system decreases and the cost to maintain it increases. Each year the City responds to approximately 25 water system leaks. Generally, a typical water main break costs the City approximately \$7,000/repair. Therefore, on average, the City spends approximately \$175,000/year or \$875,000 over a 5-year span just repairing deteriorated water mains. This cost does not include lost water, which the City is required to pay and is passed on to users.

While the Public Works Department strongly recommends the use of ARPA funds for utility replacements, it is clear that there is a need to inject additional funding into an annual water main replacement program. This will require more funding commitment than can be achieved through a one-time \$3 million investment. However, Staff is hopeful that this information does bring to light the need to be mindful of the condition of the "out of sight – out of mind" underground infrastructure.

To address the City's water infrastructure needs, Staff is developing a plan with a worst replaced first approach. Staff is adjusting plan components to align with other capital projects, age, material, condition, etc.

Staff's research through historical information indicated no record of a consistent funding level for water main replacements, with the exception of the last 6 years. There is record of a significant water main replacement in a subdivision south of Central Road and north of Algonquin, but this project was planned due to corrosive soils and was not part of a larger, consistent annual program. Generally, Staff has determined that over the course of the last 20 years, the funding level for water main replacement has been \$500,000/year or less, when a replacement was performed. Only in the upcoming capital planning and budgeting season is Staff recommending an increase in funding levels for water main replacements. Using ARPA funds to address these initial years of water main replacements can provide the Council time to consider options related to these increased expenses in future years.

Staff is working with representatives from Baxter & Woodman to help develop a long-term funding and replacement program, utilizing data from recent water modeling and the rate study. This information will be presented to the City Council later in the year, as it is developed and refined.

Finally, this information was provided to help the Council understand the water system needs, in advance of reporting requirements for how the City intends to utilize the ARPA funds.

Mayor Gallo added that there are many other sources of funding (including grants) to help with this which he knows Staff is looking into.

City Manager Sabo stated this will come back to City Council with a plan that will get incorporated with the capital planning process as well as budgeting and also come back with a recommendation regarding the ARPA funding.

6) Personnel Rules and Regulations of the City of Rolling Meadows Related to the City's Pay Plan *(postponed at the November 23, 2021 City Council Meeting)*

Rob Sabo, City Manager stated that at the November 23, 2021 City Council meeting, the Council postponed the adoption of an ordinance amending the Personnel Rules and Regulations of the City of Rolling Meadows regarding the City's pay plan for discussion. The City's current Rules and Regulations Policy was adopted on November 14, 2006 and there have been 13 amendments made to the Policy since its original adoption. The amendments that were made were not written directly into the Policy document, rather, the amending ordinances were appended to the front of the Policy document. Given the number of amendments that have been made, Staff is in the process of completing a comprehensive review and update of the Personnel Rules and Regulations document that incorporates past amendments along with any modifications that may be made to update the document for 2022 and beyond. This will significantly improve the readability of the document and also incorporate updates as deemed necessary. Given the additional time needed to complete a comprehensive review and updates to the Policy, the Council may wish to review the amendments that were previously contemplated from the November 23, 2021 meeting which will ultimately be incorporated into the updated document that will be presented to the Council at a future Committee of the Whole meeting for further discussion.

As was mentioned, a comprehensive review and update to the Rules and Regulations to incorporate past amendments and incorporate updates is currently being undertaken. Recommended modifications to the Personnel Rules and Regulations along with the updated draft document will be presented to the City Council at a future Committee of the Whole in Q2 2022 for further discussion.

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

There being no further business, by unanimous consent the Committee of the Whole meeting was adjourned at 10:27 p.m.

Respectfully submitted: Judy Brose, Deputy City Clerk

March 15, 2022 Committee of the Whole Minutes Approved by Council on April 12, 2022.

Judy Brose

Judy Brose, Deputy City Clerk