

**CITY COUNCIL  
MEETING MINUTES  
May 12, 2020**

**Mayor Gallo called the Council meeting via Zoom Teleconferencing to order at 7:31 p.m.**

**Pledge of Allegiance to the Flag – Led by Gabby Vinezeano**

**ROLL CALL:**

Present: Cannon, Budmats, O'Brien, Vinezeano, Bisesi, D'Astice, Sanoica  
Absent: 0

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, Police Chief John Nowacki, Deputy Fire Chief Jeff Moxley, Director Public Works Rob Horne, Assistant Director Public Works JoEllen Charlton, Business Advocate Martha Corner, City Attorney Melissa Wolf

Members of the public will be afforded the opportunity for public comment 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. In addition, 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 *April 28, 2020 City Council Meeting*. Is there a motion to approve the minutes? Alderman D'Astice made the motion and it has been seconded by Alderman O'Brien. Are there any corrections, additions, or deletions to the minutes? Seeing none, all those in favor say aye; those opposed say nay. The ayes have it and the minutes are approved.

**MOTION TO DEVIATE:** None

**MAYOR'S REPORT:**

There is quite a bit going on in the community, mostly headed by the State and Governor so there is not much to focus on there. Locally, District 214 is providing a Zoom presentation for tomorrow Wednesday and Thursday on parenting and coping with COVID-19. That information will be available on the City's COVID-19 page after this evenings meeting for parents who are interested in attending that and learning how to cope during this COVID-19 pandemic. The District has put it out and there's a good resource there for you. There is also a food drive this weekend May 16, 2020, hosted by St. Colette for those who might need additional food. They always have a good amount and they are willing to serve anyone in the community and I commend them for that.

## **WARD REPORTS:**

**Alderman Budmats** – I received a call from a business in my Ward who's concerned about the lack of parking for Nature's Care. Since the time that they became a recreational facility for the distribution of marijuana that there's been a huge uptick in their business and it's affected the parking. This business doesn't have enough parking for their constituents. I just wanted to share that concern that was shared with me and make sure that staff is fully aware and is doing whatever it takes to encourage Nature's Care to get adequate parking or an agreement with somebody who has parking close by, some way of solving the parking issue so that the businesses who are in the neighborhood aren't adversely affected in that we would treat Nature's Care the same way we would treat any other business that's opening up that they have adequate parking to meet the needs of their patrons.

**Alderman Vinezeano** – I wanted to read a little note that was shared with me by one of the residents who reached out to me this past week who sent this to me for Nurse's Week. I'm going to read the excerpt pertaining to relevant tonight. The residents name is Sarah Marie and she gave me permission to share all of this. *I want to give a huge shout out to our Police and Fire Department. I had to call 911 for my son early Saturday morning as he was unresponsive. Within a minute I had several police officers at my house, without hesitation an officer put a mask on and rushed into my son's room to assess the situation. Several police and vice arrived, another police car and finally an ambulance. The paramedics were flawless, calm and collected and assessed the situation. Each one of those men felt my pain. Each one of these men said kind words. Each one of these men treated us like they were saving a family member. Each one of these men made me realize how important they are. Each one was a father. I tell you all this because despite the jokes and other things happening now, we really have an amazing town. The paramedic called me at the hospital to check on my son and to say they are all thinking of him. Amazing to feel so safe despite what's going on. Our Rolling Meadows Police Department and Fire Department and Paramedics are our heroes. Thank you.*

**Alderman Sanoica** – I had a resident that reached out and is asking that the City consider adopting a policy where all residents utilize masks regardless of whether or not they think that they can meet the 6 feet of social distancing requirement that are currently in place for the State of Illinois. I said that I would bring this up and that we would consider the feasibility of perhaps a resolution or policy of that kind and that is where our discussion has been thus far. I don't know if staff has already looked into those types of policies but that's what I wanted to mention here tonight.

## **MEETING OPEN TO THE PUBLIC FOR 20 MINUTES:**

The next step is to open the meeting to the public but the Deputy City Clerk didn't receive any requests for public comment or any written comments so we'll move on to pending matters.

### **➤ PENDING:**

#### **A) Resolution No. 20-R-40 – Award Contract for 2020 Annual Street Reconstruction Project (Postponed at 4/14/20 City Council Meeting)**

Is there a motion to adopt this Resolution? Alderman D'Astice has made the motion and it has been seconded by Alderman Bisesi. Is there any discussion?

**Alderman Budmats** – I had some pretty lengthy discussions with Staff regarding this finding these sums of money especially during this uncertain financial period and they assured me that Rolling Meadows has

the depth of reserves to weather this storm. I have to tell you that I'm personally having difficulty with spending this amount of money knowing that considerable number of our residents are out of work or have had their hours at work reduced. I'm going to limit my opposition at this time, however I do urge Staff to carefully look at the streets on this list and walk them before signing the contract making sure that we really need all of the streets in this particular program. I think the residents on Hoover in my Ward would give their left hubcaps to drive on a street as smooth as Jasmine Lane but that's neither here or there, please the excuse that we're in the neighborhood and we might as well do it while we're there given the financial times that we're in, it might be time to really look at the streets and make sure that we're doing only what's necessary at this point. I hope Staff is right and that we weather this storm and that our resources will be sufficient otherwise we're really all in for a long bumpy road.

**Alderman Cannon** – I just want to say that I have walked those streets that are being redone and they are in desperate need to be redone. The money that we have set aside for this, is money that has to be used for street reconstruction and can't be used for any other means, it's collected from the State and its special funds that we've had and is designated specifically for street reconstruction or repaving. If we don't do it this year, we would not be able to use that money for other sources and we would have to wait and use it next year which doesn't seem to make sense because the money would just be sitting there getting very little interest if any.

Is there any further discussion? See none, the question is shall the Resolution be adopted. Will the Clerk please call the Roll.

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

With 6 in favor and 1 opposed this Resolution is adopted.

**B) Ordinance No. 20-18 – Amend Chapter 20 “Traffic” of the Code of Ordinances – Prohibit Parking on Arbor Drive (2<sup>nd</sup> Reading)**

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

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

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

**C) Ordinance No. 20-19 – Amend Chapter 2 “Administration” of the Code of Ordinances – Amend Aldermanic Term Limits to Two (2) Consecutive Four (4) Year Terms (2<sup>nd</sup> Reading)**

Is there a motion to adopt this Ordinance? Alderman Budmats has made the motion and it has been seconded by Alderman D’Astice. Is there any discussion? See none, the question is shall the Ordinance be adopted. Will the Clerk please call the Roll.

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

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

➤ **ORDINANCES:**

The next item on the agenda are the Ordinances. It consists of one (1) item, item D.

Staff is requesting a waiver of 1<sup>st</sup> reading for item D so this Ordinance can be approved immediately much like the previous meetings. Is there an Alderman willing to make a motion to waive the 1<sup>st</sup> reading for this Ordinance? Alderman O’Brien has made the motion and it has been seconded by Alderman Budmats.

**D) Ordinance No. 20-20 – Approve Confirming and Extending the State of Emergency within the City of Rolling Meadows Due to the COVID-19 Pandemic (1<sup>st</sup> Reading)**

Is there any discussion? Seeing none, the question is shall the Ordinance be moved forward for final approval? Will the Clerk please call the Roll.

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

With 7 in favor and 0 opposed, the Ordinance does move forward final approval.

**Ordinance No. 20-20** is now back for final approval. Is there a motion to adopt this Ordinance? Alderman O’Brien has made the motion and it has been seconded by Alderman Cannon. Is there any discussion? Seeing none, the question is shall this Ordinance be adopted. Will the Clerk please call the Roll.

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

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

➤ **NEW BUSINESS:**

**E) MOTION TO APPROVE PAYMENT OF BILLS ON WARRANT 5/12/2020**

The next item of business is a motion to approve the Warrant from May 12, 2020 as presented by the Finance Department. Is there a motion to approve the Warrant? Alderman Cannon made the motion and it has been seconded by Alderman Vinezeano. Is there any discussion? Seeing none, will the Clerk please call the Roll.

AYES: Bisesi, D’Astice, Sanoica, Cannon, Budmats, O’Brien, Vinezeano  
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 six (6) items, items F thru K. Does any Alderman wish to remove any item from the Consent Agenda for Resolutions? Seeing none, the Chair declares it in order for one motion to consider the six (6) Resolutions, items F and K in one motion without debate. Is there such a motion? Alderman D’Astice has made the motion and it has been seconded by Alderman Cannon. The question is, shall the Resolutions be adopted?

- F) Resolution No. 20-R-50 – Approve Release of Closed Session Minutes and Destruction of Tapes**
- G) Resolution No. 20-R-51 – Award a Contract for the 2020 Community Development Block Grant (CDBG) - Arbor Drive Infrastructure Improvement Project**
- H) Resolution No. 20-R-52 – Award a Contract for 2020 Community Development Block Grant (CDBG) - Arbor Drive Infrastructure Improvement Project for Engineering Observation Services**
- I) Resolution No. 20-R-53 – Award a Contract for 2020 Annual Street Pavement Preservation Program – Pavement Rejuvenator Application (PRA)**
- J) Resolution No. 20-R-54 – Award a Contract for 2020 Annual Thermoplastic Pavement Marking Program Services**
- K) Resolution No. 20-R-55 – Award a Contract for 2020 Annual Pavement Patching Program for Selected City Streets**

The question is shall the six (6) Resolutions be adopted? Will the Clerk please call the Roll.

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

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

## **OTHER BUSINESS & REPORTS:**

### **Mayor's Appointments:**

#### ***Board of Fire & Police Commission – Reappointments***

- Tom Callard
- Dave Walter

I would like Council's approval for the reappointment of *Tom Callard* to the *Board of Fire & Police Commission*. Is there a motion to approve this reappointment? Alderman D'Astice made the motion and it has been seconded by Alderman O'Brien. Is there any discussion? See none, will the Clerk please call the Roll.

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

With 7 in favor and 0 opposed, *Tom Callard* is reappointed to the *Board of Fire & Police Commission*.

I would like Council's approval for the reappointment of *Dave Walter* to the *Board of Fire & Police Commission*. Is there a motion to approve this reappointment? Alderman D'Astice made the motion and it has been seconded by Alderman Cannon. Is there any discussion? Seeing none, will the Clerk please call the Roll.

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

With 7 in favor and 0 opposed, *Dave Walter* is reappointed to the *Board of Fire & Police Commission*.

***Veterans Committee – Reappointments***

- Dale Kriesel
- Carol Adams

I would like Council’s approval for the reappointment of *Dale Kriesel* to the *Veterans Committee*. Is there a motion to approve this reappointment? Alderman D’Astice made the motion and it has been seconded by Alderman O’Brien. Is there any discussion? Will the Clerk please call the Roll.

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

With 7 in favor and 0 opposed, *Dale Kriesel* is reappointed to the *Veterans Committee*.

I would like Council’s approval for the reappointment of *Carol Adams* to the *Veterans Committee*. Is there a motion to approve this reappointment? Alderman Vinezeano made the motion and it has been seconded by Alderman Cannon. Is there any discussion? Will the Clerk please call the Roll.

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

With 7 in favor, 0 opposed, *Carol Adams* is reappointed to the *Veterans Committee*.

**Mayor’s Proclamations: National Public Works Week**

**City Clerk’s Report: None**

**City Staff Reports:**

**Barry Krumstok, City Manager went over the following:**

**1) Community Items of Interest:**

- 1) In observance of the 60<sup>th</sup> annual National Public Works Week this month, the City’s Public Works Staff is coordinating a “No Contact” “Fill a Truck” food drive. The event will be held on Wednesday and Thursday, May 27<sup>th</sup> and 28<sup>th</sup> in the City Hall parking lot from 9:00am to 2:00pm both days. Collected food donations will be provided to the Elk Grove Township and the Palatine Township Food Pantries. Food and personal items needed within our community are at an all-time high. A list of recommended non-perishable foods and household items is available on the City of Rolling Meadows website. The next time you are doing your shopping, please consider picking up some of those items and asking for them to be bagged separately at check out. Donors are encouraged to place donation items in the back seat or trunk of your car and bring them to the City Hall parking lot on the 27<sup>th</sup> and 28<sup>th</sup>. Again, drop off hours will be between 9:00 am and 2:00 pm. A Public Works employee wearing the appropriate face covering and gloves will unload your car for you, and you can leave the event without getting out of your vehicle. Please come out and participate in this great opportunity to help support our community!

- 2) Thank you to everyone at the City and in the community who has volunteered their time and efforts for the Mobile Food Pantry. Over the last few weeks, these efforts have provided meals and necessities for hundreds of families. Mobile Food Pantry events will continue on Friday's in May. Please see the City's website for information in English and Spanish. In addition, the City would like to thank our business community for donating Rolling Meadows' grocery and restaurant gift cards to families in need.
- 3) For the safety and protection of the community, the Public Works Department prepared "Refuse and Recycling Guidelines" with guidance from SWANCC, emergency response and health agencies. The "Refuse and Recycling Guidelines" follow the "Topics to Mention" and have been posted throughout the City, via social media pages, electronic signs, the website, on Channel 6 and many other areas.

If you or someone in your household show COVID-19 symptoms, do NOT recycle. Bag all recyclables and place them in your trash/refuse cart (if you have one) or at the curb in closed trash bags. Resume normal recycling when no one in your household shows signs or symptoms of COVID-19. If you do not have signs of COVID-19 then continue to place empty, clean and loose recyclables in your City provided recycle cart.

In addition, for everyone, please bag and tie your garbage for the weekly curbside pick-up. Unclosed or damaged bags will not be picked up. To keep our garbage crews safe – open, untied or damaged bags will NOT be picked up. Some tips on how to help if you have issues with critters: 1) Place garbage at the curb in the morning by 6:00 AM; 2) Double bag smelly waste, and 3) Spray bags with Windex or Ammonia. Please re-bag damaged garbage that is not picked up and save for the next pickup.

- 4) A friendly reminder for safe and proper disposal of gloves and masks – plastic gloves, face masks cannot be placed in recycling bins at home. All gloves and face masks should be placed in a trash bag. When you are out in the community or shopping, please dispose of gloves and masks in a garbage bag and not in shopping carts or on the ground. Let's keep each other safe and healthy! *Please also maintain social distancing.*
- 5) As a friendly reminder, DO NOT flush any type of WIPES down the toilet! Only flush toilet paper down the toilet. Flushing wipes (even ones that say "flushable") create sewer issues and back-ups. Do not flush: wipes, disposable wipes, cleaning wipes, cleaning related cloths, Kleenex or other items down the toilet. Dispose of these items in your trash receptacles. This is very important to share with your friends, family and neighbors.
- 6) If you have not done so, please take a few minutes out of your day to respond to the U.S. Census Survey. Rolling Meadows is doing a great job at responding at this time. Rolling Meadows response rate is 71.4% and is outpacing the overall state response at 62.4% (as of May 5<sup>th</sup>). Everyone "wins" when you respond to the 2020 Census because when everyone is counted, there are more opportunities for shaping our community's future. As a reminder, you may respond to the U.S. Census survey online at [2020census.gov](https://2020census.gov) or by phone at 844-330-2020 or using your printed U.S. Survey to respond by mail. Please respond today!

- 7) A reminder for the community – the Internal Revenue Service announced that the federal income tax filing due date is automatically extended from April 15, 2020 to July 15, 2020. It is best to file by April 15<sup>th</sup>. The IRS urges taxpayers who are due to a refund to file as soon as possible. The State of Illinois also extended the Illinois income tax filing to July 15<sup>th</sup>.
- 8) Another friendly reminder for residents and businesses, if you are having a hard time paying your utility bill or food & beverage payments, please contact Finance at (847) 394-8500 or by email at [finance@cityrm.org](mailto:finance@cityrm.org) and they may be able to place you on a payment plan.
- 9) Please Shop and Order in Rolling Meadows (it is more important than ever). During these times, it is significant to remember our big boxes, restaurants and small businesses.
- 10) Finally, like many other municipalities and after much discussion and deliberation the City will be cancelling the City's sponsored July 4<sup>th</sup> Parade and fireworks display. The fireworks display will be postponed to October 6<sup>th</sup> in conjunction with the National Night Out event. This is all due to the COVID-19 pandemic.

**Melissa Gallagher, Finance Director went over the following:**

## **2) FY 2020 Initial Financial Estimates**

This Staff Report presents preliminary, initial financial estimates focusing on the General Fund and some commentary on other Funds. Typically, estimates for capital projects start in January and are completed for the August 18<sup>th</sup> Committee-of-the-Whole Meeting. Work has been started and will continue on capital project estimates. Work is being completed for the City's FY 2019 Audit which will provide the final audited data for FY 2019. This initial estimate is subject to change due to new data, information or events. At the May 19<sup>th</sup> Committee-of-the-Whole Meeting, the initial estimates will be reviewed and discussed with the City Council.

As a reminder at the June 16<sup>th</sup> Committee-of-the-Whole Meeting, the City's Auditors, Lauterbach & Amen, LLP, will present the City's FY 2019 Audit. In addition, the City's Actuary, of the same firm, will present the Fire and Police Pension Actuarial Report. The Actuarial Report will include the tax levy contribution amount for the FY 2021 Budget (which Staff has already started work on).

The City of Rolling Meadows is monitoring and evaluating revenues and expenditures across all Funds. With COVID-19 and the corresponding stay-at-home order, starting March 21, 2020, our economy immediately experienced a demand in some areas (essential services such as grocery items) and a decrease in other areas (services deemed "nonessential" such as in-person dining and hair salons). The effect was an immediate change in how the economy typically operates. However, in the past few weeks we have seen how restaurants are using creative marketing, curbside pick-up, delivery and other means to keep their businesses operational. In addition, the City's larger stores – Jewel, Meijer, Dollar Tree and Walmart – have been busy with shoppers.

It is very clear that this pandemic will have an immediate impact on municipal revenues. To the extent of the duration and the level of the impact is yet to be seen. It is important to note that the major revenues received in the General Fund such as Sales Tax, Home Rule Sales Tax, Telecommunications Tax, Income Tax and others are receipts from two months prior. The year-to-date revenue available for April is through

February (for the most part). We will not begin to realize the initial financial impact until we receive revenues in June or July 2020.

In the weeks leading up to the stay at home order, the City was developing operational plans and reviewing financial estimates. At the April 14<sup>th</sup> City Council Meeting, the City Council requested initial estimates to be generated. At the April 21<sup>st</sup> Committee-of-the-Whole Meeting, the Finance Director presented some initial assessment thoughts to begin this process. The City Manager and Finance Director (and the City's Auditors) (and the Mayor and City Council) have stressed the importance of maintaining reserve levels across all of the City's Funds – particularly in the largest of the City's Funds – the General Fund. This kind of event, like a recession, validates why reserves are vital and necessary. City Departments are carefully evaluating all projects, capital items, expenses and budget priorities.

This Staff Report introduces preliminary estimates. At the May 19<sup>th</sup> Committee-of-the-Whole Meeting, there will be additional estimates and data presented to the City Council. To review more in-depth data or discuss any items, the City Council may schedule a teleconference call with the City Manager and Finance Director.

**Fund Balance Reserves:** The City has a stable, diverse and resilient revenue structure. The City's revenues are balanced and are diverse in their response to economic fluctuations.

The City has fund balance policies for the General Fund, 911 Fund, Refuse Fund and the Garage Fund. These funds are in parameters with each of their respective fund balance policies. Based on the depth of the impact, recommendations will be made to the City Council on the use of available fund balance from the Liability Insurance Fund and the Health Insurance Fund. These two funds do not have a fund balance policy and are not restricted in terms of possible interfund transfers (not interfund loans to be repaid later).

The City's strong fund balances are important to the City's recovery and resiliency plan. Going into this economic situation, the City has a strong balance sheet with cash reserves and an investment grade credit rating. The General Fund's balance is in parameters with its fund balance policy. Included in the General Fund's reserves, are committed funds by the City Council totaling \$1.4 million for the purpose of funding compensated absences (accrued benefit time). The City approved a resolution in FY 2014 (Resolution 14-R-53) to commit funds toward this purpose and review the amount each year through the budget process. As discussed before, the City's employees do not retire or leave at one time and using some, if not all, of the \$1.4 million can be done. Using reserves with caution and with the thought to build them back will be discussed at the May 19<sup>th</sup> Committee-of-the-Whole Meeting.

**Data Analysis:** Throughout the estimates we will reference data and observations from agencies such as the Illinois Municipal League (IML), the Illinois Department of Employment Security, Illinois Department of Revenue (IDOR), (IDES) and Chicago Metropolitan Agency for Planning (CMAP). Included with this Staff Report is IML's Preliminary Revenue Forecasts (<https://www.iml.org/page.cfm?key=23871>); and the IDES release dates of data and their March 2020 report. For the current unemployment rate, the City's data is shown in the Metropolitan Area called "Chicago-Naperville-Arlington Heights". Clearly, the impact is not fully shown yet on the March year-over-year unemployment data. March 2020 is 5.0% as compared with March 2019 of 3.9% which is a 1.1% increase. The April 2020 data will be released on May 8, 2020. (Note: this Staff Report is completed in advance of that date.)

For the development process of financial estimates, the City reviews data from a wide-variety of resources including, but not limited to: historical City data, recession data, Illinois Municipal League, Illinois

Department of Employment Security, Illinois Department of Revenue, Chicago Metropolitan Agency for Planning, Northwest Municipal Conference, current webinars and other resources.

**Focused Training:** City Staff have taken advantage of a variety of free webinars. Most have been specifically focused for municipalities and have been useful.

**Initial, Preliminary Projections (Major Revenue Considerations)**

It is very important to start by understanding that the potential impact may have a reasonable duration of six months to twelve months. The City's FY 2019 Audit will be a starting point for the City's Audited Fund Balance (presented at the June 16<sup>th</sup> Committee-of-the-Whole Meeting). For FY 2020, the City has received four months of revenues which is about one-third of its total revenues. Some of major revenues are received this fiscal year but are earned in last year (such as Sales Tax, Income Tax and others). This means while we receive the cash this year, the revenue is recorded to FY 2019. Receipts, as mentioned about approximately two months in arrears, for major revenues.

In addition, it is important to understand the timing of revenues, the major revenue sources and the "elasticity" of each revenue. Each City's revenue structure is unique. The financial impacts to various revenues will be not be fully quantified as governments have not faced this type of situation such as this pandemic. While some revenue projections show decreases, there are some that will have increases. We may see a spike in certain receipts such as Sales Taxes (in March – May 2020) due to the stay-at-home order (data is not in yet).

**Property Taxes** are received in two installments (once in the spring and one in late summer). The first installment has been received for FY 2020. Property taxes are a stable funding source and the City has not experienced issues due to economic downturns. CMAP indicates that property tax receipts decline for communities who do not have a strong tax base. Even through periods of economic decline, the City has received at least 96% of the property tax levy. This important source of funding for the General Fund is 36% of the total General Fund Revenues. (Cook County has stated that the bills for the second installment will be going out on time.)

**Sales Taxes, Use Tax (Online Tax) and Food & Beverage Taxes:** The City's Municipal Sales Tax and Home Rule Sales Tax makes up approximately 19% of the total General Fund's Revenues. Some municipalities are going to have a substantial impact due to the stay-at-home order. The City's potential impact as estimates is approximately a 13% decrease (at this time). The City does not have the malls, specialty shops or boutique-type stores. For Food & Beverage Taxes, we estimated a 20% overall loss for the year (at this point). Also there has been an increase in online purchases that will help the sales tax and use tax line items. The City also has at least three restaurants ready to open in the next three to four months.

A few restaurants made a business decision to close completely and not offer carryout, delivery or curbside services. It is important to note there will be legal cannabis taxes coming in starting July 1<sup>st</sup>. The chart below shows the Sales Tax Categories for the City. The City's major retail stores are open and busy (grocery and big box). The City does not have a substantial retail base that was deemed non-essential.

**Income Tax:** Income Taxes comprises 7% of the total General Fund Revenues. The estimate included a 15% decrease in Income Taxes for the year. This is a very important revenue line item to watch and more detailed analysis will be done.

To recap, the major revenue considerations are preliminary and our detailed review helped build the scenarios in the next section.

### **Forecasting Scenarios for the General Fund**

As discussed at the April 21<sup>st</sup> Committee-of-the-Whole Meeting, reviewing the City's revenues and analyzing their sensitivity to the financial impact will be important. Two key models emerged while completing this analysis. This is a starting point and will be refined as we move along. There are some revenue line items that will show increases (and maybe spikes) and others will decrease. As mentioned, at the May 19<sup>th</sup> Committee-of-the-Whole Meeting, we will review this information in more detail. [To review more in-depth data or discuss any items, the City Council may schedule a teleconference call with the City Manager and Finance Director.]

The Summary of Assumptions is listed below: (1) FY 2020 Budget – Status Quo – if 100% of the City's FY 2020 Budgeted revenues was received; (2) Severe Model with a range of decreases by Revenue Category; (3) A blended model based on analyzing 86% of the major revenues line-by-line with the percent averaged by each category. It should be noticed that the Blended Model has a wide range of decreases in line items (from 0% to 30% depending on the revenue line item). These are all subject to change as revenues are received.

### **Strategies for Mitigation & Recovery – General Fund & Other Major Funds**

While it is early, the City is taking certain steps to offset the potential loss of revenues and is evaluating other areas in the budget. More discussion will take place on these strategies. At this time the following has been initiated for the General Fund and other Funds:

- Tracking all COVID-19 Payroll and Accounts Payable expenses for potential reimbursement from FEMA.
- Monitoring growth in legal cannabis sales (recall that on July 1<sup>st</sup> the City will begin receiving sales tax from legal cannabis sales).
- Staffing changes and slowing down the filling vacancies.
- Non-essential purchases (for example, furniture replacement) are deferred.
- All expenditure requests are reviewed in depth (current practice and continues).
- Non-essential training or travel is suspended.
- The majority of Community Events have been suspended (there will be savings).
- Actively reduce overtime in Departments by reviewing scheduling and other items (except overtime required by employment agreements or job responsibilities).
- For the Vehicle & Equipment Replacement Fund, approximately \$500,000 in Vehicles and Equipment may be deferred and keep the capital plan on track with consistent expenditures in future years. (More will be discussed with the Vehicle Replacement Committee.)
- For the Building & Land Fund, Public Works is identifying several projects that are able to be deferred totally approximately \$200,000. (More details to come.)
- Reviewing fund balance levels to use some fund balance to mitigate revenue losses.

**State Motor Fuel Tax Fund & Local Road Fund:** Initial Estimates indicate there may be some slight reductions in revenues. Major capital projects such as the Annual Street Program are considered essential and have available funding. Other capital projects are being evaluated for deferments. (Note: funds coming in – from MFT and property tax – are typically spent in the same year and fund balance is not usually accumulated in these funds.)

**911 Fund:** The primary revenue source for the 911 Fund is Property Taxes which is used for the City's emergency communication dispatch and services. The fund will be paying for the CAD Northwest Central Dispatch capital replacement and the outdoor warning siren in FY 2020. These expenditures were budgeted and the fund is within its fund balance parameters.

**Key Takeaways:** The preliminary data presented is only a snapshot in time and is subject to change. We will continue to refine the models and data going forward. It should also be noted that we have to allow for flexibility and will monitor the City's cash flow.

Things we will continue to build on as we plan for the next year's budget: duration of potential impacts, realization there are gains in other revenue sources (think legal cannabis), payroll expenses, pension expenses, debt, capital, and potential federal aid/reimbursement. COVID-19 expense tracking is taking place and we fully expect to receive reimbursement (typically 75% of eligible expenditures).

We developed a forecast using reasonable estimates, and continue to work on a plan capable of responding to a range of potential outcomes. In the end, we have a reasonable optimistic outlook for the next six to twelve months. We have ample reserves which allows some expenditure reductions and some reserve use.

**Rob Horne, Director Public Works went over the following:**

### **3) Traffic Review Committee Report**

Not a lot to report tonight in the Traffic Review Committee report. We went over the items listed in the agenda packet so it was just a lot of status updates. There were a lot of items taken off the agenda this month that won't be reported until June.

**Barry Krumstok, City Manager went over the following:**

### **4) May 19, 2020 Committee of the Whole Draft Agenda**

- 1) *Temporary Family Assistance Policy Discussion*
- 2) *G1 Discussion*
- 3) *FY 2020 Initial Estimates*
- 4) *Other Municipalities Relief Programs*
- 5) *Smoking Prohibition (Alderman O'Brien)*
- 6) *CDD Fee Schedule Revision*
- 7) *Natural Gas Tax Review*

**Barry Krumstok, City Manager went over the following:**

### **5) May 26, 2020 City Council Draft Agenda**

***MOTION TO APPROVE CITY COUNCIL MINUTES OF APRIL 21, 2020 AND MAY 19, 2020 COMMITTEE-OF-THE-WHOLE MEETING AND MAY 12, 2020 CITY COUNCIL MEETING***

***MOTION TO DEVIATE:***

***MAYOR'S REPORT:***

***WARD REPORTS:***

***MEETING OPEN TO THE PUBLIC FOR 20 MINUTES:***

***PENDING:***

***CONSENT ORDINANCES:***

***NEW BUSINESS:***

- A) *MOTION TO APPROVE PAYMENT OF BILLS ON WARRANT 5/26/2020*

***CONSENT RESOLUTIONS:***

- B) *Resolution No. 20-R-00 – Authorize the Award of a Contract for Pavement Paint Striping Services*
- C) *Resolution No. 20-R-00 – Award Professional Engineering Services Contract for the Weber Drive Roadway Improvement Project, Phase 1 Engineering*
- D) *Resolution No. 20-R-00 – Approve an Intergovernmental Agreement with the Village of Arlington Heights for the Weber Drive Roadway Improvement Project*
- E) *Resolution No. 20-R-00 – Award a Contract for Park Street Storm Sewer Engineering*

***OTHER BUSINESS & REPORTS:***

*Mayor's Appointments:*

*Mayor's Proclamations:*

*City Clerk's Report:*

- City Staff Reports:*
- 1) *Community Items of Interest*
  - 2) *April 2020 New Businesses*

***MATTERS NOT ON THE AGENDA:***

***CLOSED SESSION:***

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

***ADJOURNMENT:***

**MATTERS NOT ON THE AGENDA:**

**Alderman Cannon** – I was going to suggest to Staff that in light of the fact that we're not doing many social events in town this year because of the virus, maybe we could better utilize the relationship we have with our major billboard owners in town that have agreed in the past to publish things that might be helpful for our community. I would think this would be an ideal time for them to flash things up on those billboards and it would be important to our community. I would have to defer to Staff for things that might be important that would be helpful to be put up on the billboards. Since we're not utilizing any of that time that they agreed to give us for social events, maybe this would be a time we can do that. The second item I have, I have been asking now for many months about trying to list the real estate that we own that we would like to get rid of. Do we need to have a special session or what I can do to get it put on the agenda to actually vote on hiring a real estate person to move things? Obviously, in the position

that we're in right now, the opportunity to sell property would be really helpful to our budget. I've been asking about this for many months. Anything that we can do to move that forward. I would really like to get a firm date as to when we can expect something on that.

**Mayor Gallo** – Have you been working with Manager Krumstok on this? I know you've been bringing it up for many months.

**Alderman Cannon** – I would be more than happy to do that.

**Mayor Gallo** – I think it would be a good opportunity to reach out to Manager Krumstok to see if there is a way he can leverage your assistance. If this is something that the Manager is not having the bandwidth to do or if there is some obstruction with the City Manager and the realtors that we're working on. I'd be happy to have you take it upon yourself to help make traction on that.

**Alderman Cannon** – I will look into that quickly. Thank you.

### **CLOSED SESSION:**

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

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

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

With 7 in favor and 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.

Entered Closed Session at 8:18 pm  
Returned to Open Session at 8:47 pm

### **ADJOURNMENT:**

There being no further business, by unanimous consent the City Council meeting was adjourned at 8:47 p.m.

Respectfully submitted: Judy Brose, Deputy City Clerk

May 12, 2020 City Council Minutes Approved by Council on May 26, 2020.

*Judy Brose*

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Judy Brose, Deputy City Clerk