

**COMMITTEE-OF-THE-WHOLE
MINUTES
June 16, 2020**

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

COUNCIL IN ATTENDANCE REMOTELY: Aldermen Mike Cannon, Nick Budmats, Kevin O'Brien, Jenifer Vinezeano, Jon Bisesi, John D'Astice and Lara Sanoica

COUNCIL MEMBERS ABSENT: None

STAFF IN ATTENDANCE REMOTELY: City Manager Barry Krumstok, Finance Director Melissa Gallagher, Deputy City Clerk Judy Brose, Police Chief John Nowacki, Fire Chief Jeff Moxley, Director Public Works Rob Horne, Assistant Director Public Works Jo Ellen Charlton, Business Advocate Martha Corner and City Attorney Melissa Wolf

I'd like to let the members of the public know who are joining us, they will be afforded the opportunity for public comment to address the City Council on matters that are on the agenda, only after the City Council discusses with Staff so long as you have provided your contact credentials along with identifying the subject matter for which you would like to speak on before the deadline which was indicated on tonight's agenda. We ask that persons who do speak address the City Council and 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) FY 2019 City Audit

Melissa Gallagher, Finance Director – First of all, I would like to thank the City Council, the Mayor and City Manager Krumstok for the yearlong culmination to prepare our City's audit. I would also like to say a special thank you to our entire Finance Department and all of our City departments because it does take a team effort to get the City's audit done and completed on time. It is a yearlong culmination of City finances and tonight our City's auditor, Jamie Wilkey of Lauterbach & Amen, will review the FY 2019 Comprehensive Annual Financial Report (CAFR) which is also known as our City's Audit. The Audit is still in draft form and the Auditor will provide an overview of the Audit with the City Council. By June 30th, a paper copy will be available and the Audit will also be posted on the City's website under the Transparency tab around that time period.

The City's Auditors and City Staff will provide a review of the Audit and then it can be released (by June 30th). City Staff will file the Audit with Cook County, state and federal agencies, credit rating firms, and with other required agencies. The CAFR of the City of Rolling Meadows for the year ended December 31, 2019 will be available online at the City's website at www.cityrm.org around June 30, 2020. The City met its fund balance targets for Fund's with Fund Balance Policies: General Fund, Refuse Fund, 911 Fund and Garage Fund.

To enhance further transparency, the City produced its eighth "Citizen Annual Financial Report" – a brief analysis of where the City's revenues come from, how dollars are spent and trends in the local economy. (It is a user-friendly report and summarizes the City's financial position in about 10 pages.) This report will also be available on the City's website around June 30th.

We are pleased to announce that the Government Finance Officers Association (GFOA) has given an Award of Outstanding Achievement in Popular Annual Financial Reporting to the City of Rolling Meadows for its Popular Financial Report for the fiscal year that ended on December 31, 2018. This prestigious, national award recognizes the City for conforming to the program's standards of creativity, presentation and usefulness to the reader.

In addition, for the 33rd consecutive year, GFOA has awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Rolling Meadows for its Comprehensive Annual Financial Report (CAFR) for the fiscal year that ended on December 31, 2018. (Staff, with the Auditors will be filing the 2019 CAFR & Popular Annual Financial Reports for GFOA Awards. In addition, as mentioned, the City is required to adhere to continuing disclosure requirements. Staff will be filing the 2019 CAFR with numerous federal, state and credit rating agencies.)

Jamie Wilkey, Lauterbach & Amen – Good evening, as Melissa had indicated we have successfully completed the FY 2019 Audit. I think in light of the current pandemic and remote environment that we completed the audit in, I certainly wanted to thank the Finance Department especially for their efforts in preparing for the audit. This is certainly a task that really happens throughout the year but to have the bulk of our testing done under some unique circumstances was certainly not something any of us were anticipating. Melissa, I just want to thank you and the rest of the team and Barry as well for all of your efforts. The audit did result in a clean audit process which resulted in an Unmodified Audit Opinion and that is the highest level opinion that the City can receive. It does mean that the Financial Statements as presented are materially correct. The City also received the Certificate of Achievement for Excellence in Financial Reporting (CAFR) for the 12/31/2018 Audit, that is another independent third party review of the annual audit and really the highest level reporting that any government entity can have. We're also happy to report that we have no internal control findings. Part of our audit requirement is to in fact assess the internal control environment. If there were any red flags, findings or issues those would have to be brought forth to the Council this evening and we're happy to report there were no such findings, again, a very clean audit process. On top of that we have not issued any new management letter recommendations. The management letters serve as our opportunity to provide to Council any future recommendations related to best practices and items that may be coming down in the future that have significant impact potentially. So we have no new recommendations and the management letter simply provided updates or status for prior recommendations that have been provided. Page 5 of the document once you receive it will in fact provide that copy of the Certificate of Achievement Award so we wanted to point out that page number reference as Council has the opportunity to review the final document when it becomes available. The audit opinion itself as I indicated was in fact a clean audit opinion that will be provided on pages 8-10 of the document as well and was issued as an unmodified opinion again. Probably the most important section of the document, I know Melissa indicated it is a 200+ page report, there's a lot of information to digest within the document and pages 12-33 will provide what we call management discussion and analysis. This section is really intended to be the executive summary to the audit itself really focusing on high-level results as well as comparisons to prior year. I always encourage our Boards and Councils to read this section in detail. Staff has done an excellent job of highlighting some of those key transactions for the year and as you have a few minutes to navigate that section of the document you'll see some of the following discussions, overall cash reserves did increase for the fiscal year ended December 31, 2019, the General Fund had strong operating results and did in fact meet its fund balance minimum requirement as well as any of the other City funds that do have minimum balance requirements, those funds also met their ending reserve balance requirement as of December 31, 2019. The pension funds had a positive return for the year as well. When we take a look at liabilities for future pension costs in relationship to the assets that have been set aside for those pensions, the funded status where the ratio of assets to liabilities increased for all three of the City's pension plans this year and that came in the form of positive investment returns. Covid certainly through a loop for all of us but I think based on the results you'll see in the end the City is strategically positioned and hopefully be able to respond to the future impact from Covid and certainly the positive results in the operating funds as well as the improved funded status will help in that regard as well. GASB or the Governmental Accounting Standards Board is our standard setting authority in the government world, they are always very active so we recently had to implement in the past years statements with regards to how we report our pension plans as well as other postemployment benefits for retiree healthcare. Just an important note to mention that they are always looking at new standards and we will certainly be working with staff internally as those new standards come out to address the impact in the future to the City's

financial statement. I just provided a couple of high-level charts that are provided within that Management Discussion and Analysis section on pages 12-33 of the final CAFR, taking a look at just the revenue mix of the City as of December 31, 2019 being fairly diversified between the various property taxes and intergovernmental taxes as well as charges for services. Then taking a look at the expense side of the equation, not surprising here most units of government especially municipalities, the predominant expense driver here is really Public Safety and Public Works, we're seeing that indicated as of December 31, 2019 results as well. The last section of the document I want to point out will be provided on pages 188-224. In this section is what we call our Statistical Section which provides all kinds of 10 year trend information for the City. There is financial information provided, revenue capacity, long term debt activity, demographic and economic information as well as operating indicators. I always like to point out this section to Council, there is a wealth of information at the back of the report and if you're looking for any of that historical data this would be an excellent resource where you can find that information. This is a lot to take in in a brief presentation and once Council has a chance to review the document in detail I have provided my contact information. If there is any follow-up questions, we are happy to always entertain those.

Melissa Gallagher, Finance Director – Thank you Jamie for your presentation and thank you to Lauterbach & Amen for your team and your efforts through our audit process particularly through the Covid. I would just like to close and open up in case City Council has any questions or comments. Also, direct you again in the packet itself for the City Council's notes, we do have a high level fund balance summary for the 2019 fund balance for each fund, when you look through that in the General Fund we have two items to highlight. At the year end, as Jamie has mentioned, we had a very solid operating year and our General Fund balance came in at 33% for our fund balance target and we increased our overall cash position and there is just one fund that is still in a negative position which is our TIF #2 (Kirchoff/Owl) and that will become positive towards the end of its life. Overall, the City had a very strong operating year.

2) Actuarial Discussion on Police and Fire Pensions

Melissa Gallagher, Finance Director – Tonight we will have presentation from the City's Actuary Todd Schroeder and Kevin Cavanaugh of Lauterbach & Amen, LLP, to present information and data to the City Council regarding the City's Police and Fire Pension Funds.

The City's Police and Fire Pension Funds are governed by state statute (Article 3 for the Police Pension Fund and Article 4 for the Fire Pension Fund). State statute stipulates the types of investments the Funds may make. Each fund has a separate investment policy (not governed by the City) and has a professional investment consultant (who reports to each Fund's Board). However, despite the separation from the City, the City ultimately holds the liability and risk for the Funds. By state statute, the City must fund the pension funds per actuarial studies and reports. [Each Board consists of five members, and have to have two active employees, one retiree and two appointments by the City Council.]

The City has made progress over the years to ensure that the City is funding per the actuaries. It is important to note the progress achieved is in that despite of the fluctuations in investment returns and changes in actuarial assumptions (such as the mortality tables). The City is consistently maintaining a funded status position and moving towards 70%. For FY 2019, the funded status increased from 44.2% to 51.05% for the Fire Pension Fund and from 53.3% to 59.95% for the Police Pension Fund. (Some years it is higher than others – it all depends on the investment returns, changes in benefits, changing mortality tables and other assumptions.)

The City has maintained its credit rating from Standard & Poor's and Moody's. Their reasoning is that while the total liabilities are very high, the City has a consistent funding plan of action and the City has taken steps to add

more funds from reserves. They view this is a positive course of action and recommend that this action continues. The total liabilities effect the General Fund's financial position and continued monitoring is essential for the City's future finances. The City has made additional contributions to the pension funds from reserves (such as in FY 2019 with a \$500,000 contribution to the Fire Pension Fund and \$500,000 to the Police Pension Fund.)

Property Tax Levy Impact for Next Year's Budget = \$0 Increase.

Due to COVID-19, the City must balance its priorities of funding the pensions and the level of the property tax levy. The City has consistently funded over the state minimum for the past several years or so. To be sure that the City does not increase the property tax levy for the FY 2021 Budget, the Actuarial Report shows that the City is funding higher than the state statutory minimum at the same level as this year's property tax levy. The City had been funding to 2033 (to put more money in) (about 15 years and now it is 17 years for amortization) versus funding to 2044 (the state minimum which is less funds to the pensions) (20 year amortization). This change of two years (15 to 17) allows for the zero increase. If this was not done it would have been approximately a \$750,000 increase.

Kevin Cavanaugh, Lauterbach & Amen – Good evening. We are essentially consolidating all of our actuarial reporting which consists of four different reports that are approximately 50 pages each so we are talking about a 200 pages of reporting down to about a 12 slide PowerPoint. I'm here today to go over the results with the Council and I would be happy to answer any questions. Just for the sake of efficiency using the Zoom format it will probably be easier if I just go ahead and go through the material and then open it up to any questions afterwards. Before we get into any of the results, I want to mention three very significant changes and Melissa already touched on one of them. This year, as a firm Lauterbach & Amen did a comprehensive assumption study, we've looked at national trends in experience like mortality as well as local experience within Illinois amongst police and fire pension funds, what sort of trends have we been observing for demographics versus what we used to expect. We've gone ahead and updated across the board demographic assumptions as part of our 2020 assumption study and you're going to see that reflected in this year's results. Another change that impacted both the fire and police pension funds this year as part of the pension consolidation bill which some of you may be more or less familiar with, there was a component to that bill that improved benefits to tier 2 police and firefighter employees. This is any employee who was hired after January 1, 2011 we're seeing increases to their projected benefit payments and so you're going to see that as well reflected in this year's results. The first page is going to have the bottom line results for this year, as Melissa mentioned, in terms of our recommended contribution it comes in essentially flat. For the fire pension fund we're looking at a recommended contribution of \$4,307,000 which represents about a .09% decrease. For the police pension fund, a recommended contribution of \$3,598,000 which is essentially flat from last year's recommended at \$3,597,000. Across both funds, a full recommended contribution for this year's tax levy in the amount of \$7,905,000. You can see a few of the key metrics, you'll notice depending on the report funded status it could kind of looked different on different metrics. When we talk about the funded percentages that are shown on this page, this is how we base the actuarial funding so this is on that basis we are seeing an increase in funded percentages for both funds with the fire pension fund up about 1.4% since last year and the police pension fund up just under 1% from last year as well. It's so nice to see that funded percentage moving in the right direction. This slide is going to show you some of the demographics of the pension funds. Just to note, both the fire and police pension funds are slightly weighted more towards inactive population so it's what we consider to be a fairly mature pension fund certainly not one that's going to see massive increases in retirements on a going forward basis. What that leads to is some reasonable stability and expected benefit payments going forward. Keeping in mind when we talk about these projected increases in benefit payments 5 and 10 years from now, when we developed the recommended contributions for the pension funds it's taking into account these future increases essentially by funding for those future increases today getting the dollars inside the pension fund and investment earnings in the meanwhile. This next page is going to have similar to what Jamie mentioned in the audit, there's the management discussion and analysis, in our actuarial reporting in the front section of each report there is a management summary

as well. I just want to pull out some of the comments from our management summary that we've identified as risks for the pension fund. Every pension fund comes with risks, there's always going to be risks with pension funding. A couple of the things that we've identified specifically for the Rolling Meadows Fire and Police Pension Funds, for both funds the total market value that exists for the fund is less than the liability for the inactive portion of the population. It's not uncommon to see this in a mature fund such as yours but it definitely poses a little bit of a cash flow concern because essentially the dollars that are coming in that are funding for future members benefit accrual, some of those dollars are being used to pay current members benefit payments so that is just a cash flow risk that we wanted to identify. Another metric that we look at for each pension fund that we work with is the ratio of benefit payments for each fund as a proportion of the total market value. Both funds we're seeing a ratio that's slightly higher than the expected rate of return on investments. In an ideal world we'd like to see your expected return on investments essentially paying for benefit payments on an annual basis. We're seeing this ratio for the fire fund at 9.5% and the police fund a little closer at 7.68% and again this goes back to some of the money that should be funding for future members benefit accrual is really being allocated towards current members benefit payments right now. Finally, there's a comment on each of the pension funds, something we always want to bring up as a discussion point is the expected rate of return on investments. Just for the Council's information, both funds use a 7% rate of return on investments currently, if that rate of return was lowered to 6.75% you would be looking at about a 6% increase from the current results from the fire pension fund or almost an 8% increase on the police side, just purely for reference. For the fire pension fund, I won't go through all these demographic changes for each pension fund in interest of time but if anyone has any questions on that we can certainly circle back to some of those demographic changes that we saw during the year. This slide kind of recognizes the fact, as I mentioned in the beginning of my presentation, we've updated assumptions across-the-board so on this slide you can see all the assumptions that are detailed out, these are the ones that we've updated. Also notable, is that last bullet point for all of the retired and disabled members for both fire and police pension funds, we're now relying upon actual spousal data, that's just a change in reporting due to some reporting requirements that go on the compliance side. We now have access to that data that means from an actuarial standpoint we're able to generate a more accurate recommended contribution going forward. It increases accuracy of our figures on our end as well. The next change is the funding policy change, we took an initial look at the results we were looking at a fairly massive contribution increase in a time when the City is faced with some budget concerns. We looked into some funding policy options and certainly a City like Rolling Meadows that funds so much more into their pension funds than the statutory minimum, there's a little bit of flexibility with funding policy because essentially you're being so much more aggressive than what the state requires you to contribute on an annual basis. In order to mitigate some of the contribution increase this year we took a look at what was the payment period on the initial unfunded liability so this is essentially when we took over the actuary last year we bundled up everything that existed in unfunded liability prior to our takeover and we called it the initial unfunded liability. We were going to pay that down for 14 years which is very aggressive compared to statutory funding policy is 21 year funding and it's just actually to target 90% funding versus the City of Rolling Meadows is targeting that 100% funding. We took a look specifically at that piece of the puzzle and then we extended out the amortization period on that a little bit. In essence what that means is if you just took your total amount of unfunded liability for the fund and just were to pay it off over one single effective period, essentially if we hadn't changed the funding policy that would have been over a 14 year period but with the change to funding policy everything is effectively being amortized over a 16 ½ year period. Just keeping in mind, we're targeting that 100% funding over about 16 ½ years versus the statutory minimum funding policy is to target 90% funding over 21 years. The funding policy that's in place is still well above statutory minimum funding requirements. Finally, the plan changes so this is the final change for this year, as I mentioned as part of this pension consolidation bill, the tier 2 benefits have been improved. I won't go into the minutia of the details of how exactly that has been changed but what that means essentially is that it generates more costs for the City for the pension funds to fund for the additional benefits promised to tier 2 members in the future. That's all the changes summarized in words and this slide puts it all to numbers. You can see the breakdown of each one of those pieces I just mentioned, essentially we expected to see an increase of about \$250,000 across both funds. We

saw the assumption changes and the plan changes were the big drivers of increases this year. You can kind of see a \$237,000 increase due to assumption changes across both funds and then those tier 2 benefit improvements led to about a \$270,000 increase but that was essentially offset or mitigated by the adjustment of the funding policy which provided a funding relief of \$830,000. When we look at the total increase in contribution during the fiscal year we're back to where we started where everything is relatively flat for this year, a change of a few thousand dollars across both funds. This slide is just going to give you a summary of the changes that occurred on the investments throughout year, I just want to highlight the stellar returns across both the fire and police pension funds. December 31, 2018 was a really unfortunate time to measure investments as the market had a big dip in December 2018 and early on in 2019 and then throughout FY2019 we saw big returns so it certainly helps. We had a lackluster or a negative return last year offset by stellar returns this year so that provides a little bit of relief on the funding side as well. Again, just to highlight, just the statutory minimum contributions as they compare to the recommended contributions, for the fire pension fund the recommended contribution it's about \$1.2 million higher, for the police pension fund it's about \$1 million higher, for a combined it's about \$2.3 million discrepancy across both funds comparing the statutory minimum to the recommendation. It's due to the State's funding policy is targeting that 90% funding by 2040 versus our recommendation of starting more aggressive of 100% over the equivalent period of 16 ½ years. In addition to that, there's a little bit of a difference in the way that you value liabilities under statutory funding policy but I won't get into those details here. Next you can see a contribution history of what the City has done historically, it certainly paints a nice picture and I don't think that the fire pension fund or the police pension fund could say that the City has not done their part to make the recommended contributions to the pension funds over these last five years. We've seen consistently that the City has done their part to contribute above the recommended contribution levels. These pages come from our GASB 67/68 reporting, it ends up in the financial statement reporting that Jamie works on and this is essentially showing you that when we run out the cash flows for the fire and police pension funds for the next 80 years, this is an image of what it would look like, there would be no cash flow concerns with the pension funds, it would be able to pay out its current membership in full over the next 80 years. It's a good thing for financial statement reporting the City doesn't have to inflate their net pension liabilities larger because they're not doing their part to make contributions. Some municipalities are forced to do that because they're not making those full recommended actuarial contributions but the City of Rolling Meadows does their part to do that so there's no increase in net pension liabilities due to projected insolvency so that is good news on the GASB side. That's it for the results for the pension funds this year and then I'll just open it up for questions if anyone has anything.

Alderman Sanoica – Could you please repeat and clarify the cash flow risk mentioned on slide 4.

Kevin Cavanaugh, Lauterbach & Amen – There was a couple cash flow concerns that we wanted to identify. On page 4, the first of which is that when we talk about the total market value of the fund it's less than the liabilities for the inactive portion of the population. I can give you the breakdown if you're interested in kind of what's the market value versus the inactive liability. The other cash flow risk is that the benefit payments for both the fire and police pension funds is a relatively high ratio, it's kind of in that moderate risk category. In an ideal world, we would like to see the funds paying out less than what they expect to return on investments are every year as a proportion of their market value. So for both funds that expected return assumption is 7%, if they were to get 7% in investment earnings each year but they were paying out less than 7% in benefit payments then essentially you could view it as the investment earnings are paying for the benefit payments for the current year. All the other money going into the pension fund namely employee contributions and City contributions would be funding for future member benefit accrual. That is what I was trying to get at when I mentioned the cash flow risk. A decent portion of the funds is going out in benefit payments every year. It's not too uncommon to see in a mature pension fund like this which is something we wanted to observe and something we will keep an eye on going forward.

Alderman Sanoica - Is this a risk that we would expect to decrease within the next 2, 3 or 5 years as we continue to fund above the statutory requirements?

Kevin Cavanaugh, Lauterbach & Amen - Yes, as you start to see the market value of the fund rise and you're not about going to see, as I mentioned earlier, big spikes in benefit payments going forward because it's a fairly mature fund. So yes with the City continuing to do their part, assuming investment earnings are decent and close to expectation on a going forward basis, certainly we would expect to see this ratio going down or approaching that 7% where we like kind of like that sweet spot.

Alderman Sanoica – So 20% on our returns is as you said stellar but certainly not expected or sustainable especially with this past year that we've been experiencing. What would be a realistic timeframe for us to expect that risk to decrease without further increasing City contributions into the pension funds?

Todd Schroeder, Lauterbach & Amen - I think from that metric standpoint it's really one of those things like your funded percentage where we're expecting improvement to be subtle but steady over time. Obviously, as the market bounces up and down that could cause that metric to go the wrong direction or the right direction. It certainly went the right direction this year but a year ago on December 31, 2018 it went the wrong direction just based on when the snapshot was taken from an asset standpoint. It's one of those things that over time as we look at it over an extended period, 5 years, 10 years, we do expect steady improvements which would be a decrease in those figures the 9.55% for fire and the 7.68% for police.

Alderman Sanoica - So when I'm reporting back to my residents, they would want to know then if this is something that we can fix with increasing our contributions from what's recommended at this point over the next 3 or 5 years. Would that be prudent in your recommendation?

Todd Schroeder, Lauterbach & Amen - Absolutely, I think with the pension funds anytime it's less than 100% funded, increased contributions are going to improve all your metrics across the board. More contributions are going to improve the funded percentage more regardless of what assets do this year or next year, more contributions will bring you to a higher funded percentage and more contributions will bring you to a lower ratio of your fund assets being paid out. It will help build that asset base up more quickly over time.

Melissa Gallagher, Finance Director – I'll weigh in too. I wanted to say thank you to Todd Schroeder and thank you to Kevin Cavanaugh. So much work goes into the actuarial reports and just so much goes into the detail and behind the scenes. I would want to touch on what Alderman Sanoica has mentioned and what Todd Schroeder has mentioned is that that steady approach that we've done here at the City is showing in our metrics but I think that it's always mindful that when we move ahead in the next timeframe while we can't put in more at this point we have done so in the past and that would be something that we would always come back to recommend to the City Council going forward. At this point, we feel comfortable as the actuaries have presented that we do not need that additional this year but as long as we're keeping track going forward to see what we can do to put more reserves at a later date to continue to make sure we keep an eye on all the metrics.

Alderman Sanoica - I do have one final question before I yield my time. I wanted to ask what risks does increasing the amortization period pose to our City's financial health and potential taxing burden on our residents?

Todd Schroeder, Lauterbach & Amen – When we look at funding policy there's a lot of things we try to do to minimize the risk. Funding policy, specifically here, we're talking about how long do we take to pay off the unfunded liability or at least a big chunk of the unfunded liability that exists? When looking at those policies, the longer you take the more interest builds up on the unfunded liability and the reason for that is anytime you have unfunded liability in a pension, those dollars are really intended to pay more than that in benefits in the future. For example, if we said you had \$1000 of unfunded liability it really might be \$1000 that we want to use to pay \$2000

in future benefits because we know those dollars were in the fund they would grow with interest and we have a combination of those dollars and interest on those dollars that will pay our future benefits. Our unfunded liability represents dollars that aren't getting that interest right now and that interest becomes future contribution requirements. Anytime you look at an extended amortization period you're looking at an increase over the long-term in that interest. One of the things we do when we're going through these reports and we do have a metric in the report as well, we try to make sure under the parameters that exist for sound funding policy there is really a range of parameters and we try to keep folks within that range and when it comes to paying down unfunded liability you want to make sure that you're paying more than the interest on the unfunded liability. Under the new funding policy to try to mitigate some of that risk you're still paying \$1 million higher towards the unfunded liability than that expected increase so you're covering the increase in unfunded liability plus continuing to chip down on that principle as you have in the past. That's why we kept that parameter within the 15 to 20 year range as opposed to going outside of that that you see for example at the state level on a common basis.

3) **Restaurant Gift Certificate Dining Incentive**

Barry Krumstok, City Manager – This program is one small way of stimulating the economy, encouraging residents to eat locally and maybe try a new restaurant or visit one that they have not been too for some time.

Before April 1st there were sixty-three designated locations that were classified as a restaurant/bar/eating establishment. The City will purchase gift cards or certificates from the participating locations and through the City Council, City Staff and the Community Events Volunteers will distribute to residents. The cost of this program is 100% funded by the City's General Fund (general reserves). Another way would be for City Staff to randomly send cards/certificates out in the mail.

There is no cost to the restaurant, but they need to have a certificate (City Staff can create one if they do not have one yet) or have gift cards. The certificates/cards can only be utilized for food and not for liquor. If a business does not want to participate they do not have to.

Staff recommendation is to not exclude any of the sixty-three locations in this classification. Staff is also not recommending not having locations participate that are behind on payments to the City (this was before COVID-19) or are on payment plans.

Staff recommendation is to purchase \$1,000 from all the sixty-three locations and utilize \$20.00 for the card or certificate (a total of fifty from each location). If everyone participated, then there would be 3,150 cards/certificates to distribute. If someone is hesitant on this kind of stimulus program, then may I recommend \$500 be utilized and then \$10.00 gift cards would be utilized.

Mayor Gallo - What I would like to do is first open the floor up for Councilmembers to ask any questions or discuss any comments or concerns of their own and then go through each one of the line item questions that you have provided in the packet if necessary but I would like to address them in a linear form. Prior to doing that I would just want to look at the third question really quickly just for clarification, it says does the City Council feel comfortable with \$1000 in \$20 cards/certificates per location? If I'm reading that correctly, that's \$1000 per location so approximately \$63,000 we're going to potentially allocate to this stimulus or restaurant incentive package?

Barry Krumstok, City Manager - That is correct.

Mayor Gallo – Okay, for me that is a little disheartening seeing the decision we made as a Council last week to help our residents with the money we couldn't find in ourselves to do that and the dollars that we are looking at

here I feel is a big disproportionate but I will open the floor up for any other Council men or women who have questions, comments or concerns at this time.

Alderman Sanoica - My first question for City Staff or perhaps our Business Advocate is what the \$1000 stimulus represents in terms of percent of quarterly expenses for these establishments? On average or per median whichever data is more widely available at this time? What is \$1000 to a restaurant that pays payroll, ingredients, equipment, rent and utilities?

Barry Krumstok, City Manager - It depends on each of the locations. We don't know what they're paying in rent or how many employees they have. I can tell you that when you look at the 2020 Budget for Food and Beverage Tax the City estimates about \$1.5 million.

Melissa Gallagher, Finance Director - I think the intent of this is to drive patrons to the restaurants. Perhaps they may receive a \$20 gift card but that might drive more foot traffic and they might spend beyond. It's twofold, driving patrons to the restaurants and getting people out there and comfortable and also driving more dollars to the restaurant and it's a small impact nonetheless. The thought process is to help drive as much as possible in any amount that we could.

Alderman Sanoica - As a follow-up, is the intent to bring anyone physically to these locations? By physically, I mean to dine alfresco?

Melissa Gallagher, Finance Director - Yes, if people have a gift card and a little bit more money in their pocket, they can eat out and enjoy the nice summer weather as well.

Alderman Sanoica - I suppose if the type of behavior that we're in trying to encourage is to bring people to these locations physically, the US Center for Disease Control guidelines still hold that there's a higher risk spreading coronavirus with outdoor dining even when spaced 6 feet apart compared to drive thru, delivery, take-out or curbside. If the goal of distributing gift cards is to encourage residents to engage in a riskier behavior from what they could be engaging in now I don't know if I could support this program at this time because that is not a behavior that I want to encourage. Residents' hesitation to eat out at restaurants even alfresco is a rational reaction supported by epidemiologist's recommendations and public health data. If we were in phase 5 with a treatment or vaccine that was widely available and fear of the virus was no longer based in reality then I would certainly consider this program but at this time it seems inappropriate and counterproductive to statewide containment efforts if that's what we're aiming for.

Alderman O'Brien - I did hear feedback from 14 residents and 2 were opposed to it. They said that they would like to see the money be allocated to storm or flooding which I said that's another conversation when we get into the budget planning in the next couple months. The other 12 were open and in support of the idea. I do think the \$63,000 is high as well. The other comments from them that if we were to move forward make sure we include all the eating establishments that were on the list. I spoke with Director Gallagher about this as well in the past, something more consistent that seemed to be the theme is either based on need or something consistent across-the-board. For example, Hallmark was also impacted but they're not a restaurant and residents were wondering if we could do something for other categories of businesses based on need. I would be open to that but maybe at a decreased value based on need or something that can be consistently done across different industries as well.

Alderman Vinezeano - I did mention when this was proposed at our City meeting that I'm not in favor of giving reserve money to any corporate owned restaurants/businesses and I do still see them on the list. I did hear back from some residents as far as the distribution of these potential gift cards whether it be from Council, staff or

randomly. The comments seem to be pretty consistent in that these are my tax dollars and my neighbor may get a gift card and I don't and it is my tax dollars that are purchasing these gift cards which is a valid point. It really got me thinking that it's just not our restaurants that were impacted by this, all of our businesses were. Instead of allocating this money to just a dining incentive, I would really like to see us incorporate a business assistance program much to like what Alderman O'Brien just said, assist all of our businesses. It would be similar to the process of our Family Assistance Program, an application and prove that they're in need and they would then get money they would need to pay rent or payroll whatever that may be to fund their business and not be so much as far as gift cards. As far as helping our restaurants, talking with some of the restaurants in our area the thing that they brought up is that their liquor license renewal is coming due and it's pretty hefty of \$4800 and they didn't get to use it for a couple months. Thinking about that, is there a way that we can push their liquor license renewal maybe to August or September 1st and they would get a couple months of additional in their liquor license and they would actually get something and it wouldn't cost the City any additional money. We just wouldn't get payment for couple months but they would get essentially two months free out of their liquor license, a way to help our restaurants. Those were couple of my thoughts. I would be in favor of some of those ideas versus giving gift cards and having to try and get them out and who gets them and determining what businesses we're going to buy them from.

Mayor Gallo – I appreciate the sentiment about maybe setting up a Business Assistance Program much like the Family Assistance Program, it's pretty logical.

Alderman D'Astice - I think the \$63,000 is too high. I think that offering it to the restaurants is a good idea, I don't think it's necessarily meant as Alderman Sanoica said for just dining alfresco. I think our residents could use the gift cards for curbside pickup or what have you. I do like the idea of opening it up to other businesses. I wonder if it's possible to add some other businesses or other retail businesses like the Hallmark store and have gift cards available from them as well. I did like what Alderman Vinezeano said about the liquor licenses or any licenses for that matter that haven't been usable per se maybe we could just extend all of those licenses for three months or so.

Alderman Budmats - Following last week's vote the irony of looking at giving \$63,000 as an incentive to businesses when we could muster more than \$5000 for residents it kind of turns my stomach it's hard to even fathom that as a Council we would look at doing that. We're here to serve residents and businesses in the complaint that I hear that Rolling Meadows is not always business friendly just thinking that we would be willing to spend 10 times plus the amount for businesses then we would for residents is just mind-boggling. There's no way I could support this. The truth is the same criteria that we decided to use for the families that are in trouble where we ask them if we have other reserves to draw from, what other programs have they attempted to utilize to there are federal programs for businesses the PPP Program, there are countywide programs, there are statewide programs so for Rolling Meadows to look at being a first-line of defense for businesses to me seems foolish when there are these federal, state and countywide places for them to get funds. If we were going to offer funds I think it needs to be in the same exact concept, we find out what their need is and get an accurate idea of what their ability is to secure help from other places first and if not we can give donations to them just like we did for the families, \$500 and I would say whatever we're going to increase funding for businesses we increase it for residents as well. If we really want to spend \$63,000 on businesses and we think that businesses in Rolling Meadows are in trouble that really need that \$63,000 then I think we need to take the same \$63,000 and parcel it out and make it available for residents who are in trouble. I never met a business with an empty stomach but I have met residents who are looking for their next meal. I would really have us move slow on spending this kind of money and disproportionately to business then to residents.

Alderman Bisesi – Alderman Budmats pretty much said most of what I wanted to say. First off, I think definitely \$63,000 is way too much and there's absolutely no way you're going to convince me to vote for this at \$63,000. I

also would like to second the thought that if it's a corporate owned business they would not be eligible. That's pretty much all I really need to say, Alderman Budmats pretty much covered it.

Mayor Gallo - I think I'm going to start with a straw vote on the first question which is does the City Council want to do this kind of program or category? I believe what I'm hearing is that we're trying to shy away from specifically restaurant incentive type programs and looking for an opportunity or mechanism to be able to help the business community as a whole in general for some of those shade of gray type entities that operate in our community. For this point, what I will just do is ask for this specific item that's up on our agenda being this restaurant incentive program. The first straw vote is, does the city Council want to pursue this kind of program for this category? With a show of hands, all those in favor? Opposed? 0 in favor; 7 opposed.

We should probably go back to the drawing board similar to what Alderman Budmats said and take a little more caution of what we're trying to develop. I do think that we should take a straw vote just to see if Council wants to put together a program that mirrors the Family Assistance Program and see if we can set up something for a Business Assistance Program and those entities who are in need of financial resources and have exhausted state, county and federal, then they can come to the City of Rolling Meadows. Who would be in favor of having City Staff put together some sort of program similar to the Family Assistance Program that we discussed last week by show of hands? 5 in favor; 2 opposed. I think that's the direction we should start exploring and come back with something better.

Alderman Vinezeano - I would also like to see if we could put to a straw vote staff putting together something with my suggestion of looking at restaurant liquor licenses due dates and giving them a 2 to 3 month grace period or extension on their liquor license to help with some of their costs of when they couldn't use their liquor license through the pandemic.

Mayor Gallo - Just to clarify and add a little transparency to that as the Mayor and the Liquor Commissioner, I've had conversations with Manager Krumstok of allowing a credit type period because there are entities who have had 90 days, almost 3 months without being able to utilize a license that they paid for. This conversation going on behind the scenes with Manager Krumstok and Finance Director Gallagher about how this could work. We're also trying to wait and hear back from some of the businesses that have the liquor licenses to see how many are in need of a credit like that, is it just one or all of them so that is actively taking place.

Alderman O'Brien - Just to follow up on that point for clarification because I do agree with Alderman Vinezeano's idea on that. When you're talking about an extension and I'm just going to use an example, if liquor licenses are due August 1, do we extend to November 1 to get to three months? It's not that we're just deferring their payment for three months, it's their next liquor license would then be running November 1 through the following year's October 31? It would be kind of like two or three months' worth of credit versus just postponing somebody's payment?

Mayor Gallo - Yes, that's what we're exploring right now, is the ramifications and how that actually looks going forward. If we just push it out two or three months and then we have them square up on the original timeline just like last year's cadence then all we've done is deferred it for a little bit of time which may have offered them immediate relief but it doesn't give them any sort of background overall reprieve so that's what we're trying to figure out.

Alderman O'Brien - Thank you for clarifying just wanted to check.

Mayor Gallo - How about a straw vote for a financial range, if \$63,000 was too much is there member of the Council who has a better range they would feel comfortable with?

Alderman O'Brien - I'm in agreement that we mirror what we do for the residents. I think a starting point of \$5000 and once we can see trending or analytics for need we can revisit but I would be in support of mirroring the current Family Assistance Program until we have some more data to see if it needs to be adjusted. I don't think there's a reason to go above that at this time.

Alderman Sanoica - I would also mirror my stance on our Emergency Temporary Family Assistance Program and try to utilize what indicators we have to anticipate need and ensure that there is funding available for the need that exists within the independent and franchise owners of our City.

Mayor Gallo - To echo your point and sentiment how we relied on Dr. Natalia Nieves, a Police Social Worker PRNC individual as well, we may have to reach out and lean on Martha Corner, Business Advocate to recon some of this information for us and present that back to the Council.

Alderman D'Astice - I would go with \$5000 and then based on trends and needs and if we have to meet to increase it afterwards so be it. I basically agree with what Alderman O'Brien said.

Mayor Gallo - At this time let's go ahead and take a straw vote on benchmarking at a \$5000 mark mirroring what we did for the Family Assistance Program. Those in favor of a \$5000 benchmark until trending data becomes available. Those in favor? Opposed? 6 in favor; 1 opposed. I think we have little bit greater of guidance for staff.

Barry Krumstok, City Manager - Hopefully we'll have this back to you at the July COW.

Alderman Budmats - I just hope that we're going to be able to be flexible enough to meet these needs for both our residents and our businesses. If they've demonstrated a clear need in the case of residents keep them from getting evicted and in the case of businesses to keep them from going under that we will be responsive enough to be able to do so and increase funding within a timely manner so that we don't lose businesses or residents either of them as a result of our inability to quickly recognize the need and then fund those needs.

Mayor Gallo - To that point, if staff can maintain cognizance and let us know and be quick to communicate with the Council with email, phone call or request an emergency meeting if something needs to be done on our end to maintain that flexibility and malleability so we can go ahead and adapt if circumstances need.

4) FY 2020 Financial Estimates

Melissa Gallagher, Finance Director – This financial estimate report shows results of operations as of May 31, 2020. At this time, there is not significant change from the March 31st Financials Report. Remember, that some of the major General Fund revenues received in May are receipts from the month of March.

The City is currently trending at a negative \$113,897 (Expenditures greater than Revenues). Recall that the City budgeted at a negative position because the City lowered the Property Tax Levy and used General Fund Reserves for the FY 2020 Budget. As of May 31st, the City is trending better than the FY 2020 Budget with 3% above the target for the month of 42%.

Total General Fund expenditures amount to \$15.2 million for the year-to-date which is approximately 2% above the budget target of 42%. With the City in receipt of the allotment of the property taxes, a corresponding expense is recorded for pension benefits of about 50% for the police and fire pension funds. As a reminder, the Fire Chief retired in March 2020. All expenditures are being reviewed across all Funds and Departments.

COVID-19 reimbursement programs: The City is maintaining an accurate tracking of costs for the duration of the response to prepare for reimbursement. As of May 31st, the City has spent approximately \$35,000 on COVID-19 related expenditures (Payroll, PPE, sanitizing, protective barriers and other items). Potentially, the City may see a reimbursement back up to 75% of total expenses.

With early, preliminary estimates, there is a potential revenue loss of \$2.9 million to the General Fund at the end of FY 2020 (as discussed at the May 19th COW Meeting). To mitigate these losses, the City took action to release funds to the General Fund Balance overall fund balance (called Unassigned Fund Balance). The following Resolutions bring additional funds into the General Fund Balance:

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

Utilities Fund Notes: Total year-to-date revenues for the Utilities Fund are \$4.4 million (similar to FY 2019) which is approximately 6% below the target for the budget for the year-to-date. Residents are still paying their bills and some have payment plans. Nearly 30% of the City's customers are on Automatic Bill Pay. Expenditures are trending at about 7% below budget and total \$4.1 million year-to-date. As a reminder, the COVID-19 waivers of late penalties started late March 2020. Current and future capital expenditures are being reviewed. The bond project funds will be spent down for the underground utilities projects.

Refuse Fund Notes: Refuse Fund revenues and expenditures are fairly stable through the year. Revenues are \$897,739 which is on target with the budget. Expenditures are trending lower with \$897,434 spent to date which is approximately 3% below budget (some of this will increase due to landscaping invoices coming in).

City's Fund Structure: As a reminder, each of the City's Funds complies with accounting standards per the Governmental Accounting Standards Board (GASB) and the City produces financial statements which follow the Generally Accepted Accounting Principles (GAAP).

Cash & Investments (Unaudited): The City's estimated, unaudited cash position at May 31, 2020 shows \$25.6 million across all funds. The General Fund shows \$3.4 million which is 13.6% of the total cash on hand is the primary source to pay salaries and City expenses. Continued monitoring of cash reserves will be essential in the upcoming months and in FY 2021.

Alderman O'Brien - Can you refresh my memory, I know in a couple weeks we can start collecting sales tax for recreational marijuana, when we did those estimates last year what was that at? I don't know why but I'm thinking it could be up to \$300,000 for a year, not for the half year. Is my memory way off or could you refresh it?

Barry Krumstok, City Manager - We were looking roughly at about \$100,000 from the estimates that we had. It was fuzzy math because we never had recreational marijuana. It starts July 1st and the State has stated that they should be about a month in arrears. Even for the 2021 budget we're still going to use some estimate because we don't have any history.

Melissa Gallagher, Finance Director - To add to that, we did not budget for any dollars in 2020 so whatever we receive will help us overall.

Alderman Sanoica - Based off of this information, do we have enough information at this point to support increasing the amortization timeline from 15 to 17? Or is not the topic that we were referencing at that point?

Barry Krumstok, City Manager - This is not the topic that we were referencing.

Alderman Sanoica - Which topic is that just so I'm aware for later on today?

Melissa Gallagher, Finance Director - When we touch on the Budget Parameters then we will review that as well during that topic.

5) G1 Ordinance Discussion

Barry Krumstok, City Manager – What's before you is the revised ordinance from our last discussion that we had. We do know that Alderman D'Astice also wants to have the 13 items discussed. We changed the 900 feet to 1800 feet and then there some other nuance changes but we want to mention that one of the other items that City Attorney Melissa Wolf will be talking about is that at the end of the zoning ordinance on page 5 that talked about all video gaming cafés that exist as of whenever this ordinance comes in play and is actually approved by the City Council, it that deals with how they are going to be dealt with. All those other changes that we talked about are in this new ordinance that is before you. The G1 has been changed to GA and GC. The amount for each of the licenses are discussed so please remember that the GC is one fee and then for the GA it's a different way of doing things that we've done in the past. The license map is also included.

Melissa Wolf, City Attorney - This is our third time at the Committee of the Whole with this new process that we're establishing which allows for in the liquor application process the determination as to whether an establishment is an accessory gaming use or whether it is in fact a gaming café. If it is a gaming café, new establishments not those that already exist will go through a special use process and be referred by the Council prior to undergoing that special use process so that the Council has a say at the very beginning as to whether or not they would like another establishment that is a gaming café to be permitted to get a special use and they'll be able to have that input right in the beginning. Alderman D'Astice has proposed some different criteria in order to identify if an establishment is in fact a gaming café. I would just like to reiterate that the criteria that's set forth in our proposed ordinance now with respect to the changes to the liquor code and any changes proposed by Alderman D'Astice should not be regulations opposed upon existing or new establishments but just elements of that business which would identify whether the establishment is in fact a gaming café or not. We've gone through this a couple of times so this version has been prepared in ordinance format so you can see what would come before you at the City Council level. We've taken into consideration and made the changes as indicated at prior City Committee of the Whole meetings. There was an identification of one element on page 3 of the liquor code ordinance that addresses the business plan and one of the criteria. As you can see in a prior edit, the written business plan submittal is something that the majority of the Council decided that they did not want to impose upon those establishments so we've stricken that submittal requirement out. That category number 7 will be eliminated from one of the categories if we keep those elements that are existing here. In addition, just to explain the process going forward, during these meetings we've been considering two changes, the first change to the liquor code which identifies the establishment and the other changes is to the zoning code and that would be the creation of the special use process. That requires a text amendment in our zoning ordinance so it cannot be passed by the City Council via a simple passage of an ordinance. We have to go through a public hearing process before the Planning and Zoning Commission to authorize that text amendment. When this comes before the City Council, the City Council will see only the liquor code ordinance that you have here today, if that passes and this process is created, then it will be

referred to the Planning and Zoning Commission for those text amendments in the zoning code. In addition, one of the important elements that we wanted to make sure was that those existing establishments that are here in the City today that have been already approved are not negatively impacted by this ordinance and their operations will not be required to change at all. We anticipate that all those establishments will continue with business as usual based on our prior approvals. In that vein, these existing businesses that we perceive based on the categories we've established as gaming cafés, those establishments will be automatically granted an administrative special use permit so they will not be required to go before the Planning and Zoning Commission and they won't be required to go through that process. They will upon the passage of the liquor code ordinance be authorized administrative special use permits so they can continue to operate as is. If we do move this forward that would be another provision within this liquor code ordinance, it would be identifying those establishments that exist that are gaming cafés and authorizing administrative special use permits for those establishments. You can see that the fees were reduced for the gaming cafés and if it's an accessory license it remains the same so that would be for our restaurants or bars that have gaming and they would be required to have two licenses, their original license for the restaurant or bar and a license for the gaming accessory use. For those that are a gaming café they will be required only to purchase one license and that license is priced now based on the Council's recommendation of \$4500, it's not the highest license and it's not the lowest license. There was an amendment related to the application fee for these liquor licenses, it was \$1000 fee that we indicated was nonrefundable and that's in a prior paragraph within the liquor code. That's the gist of the changes within the liquor code which is what will have to be considered first by the Council ultimately at the City Council level. With respect to the zoning, we made the changes as previously discussed as well. We've capped the establishments at five so one of the areas that will have to be considered by the Council is how that cap implicates existing establishments, it definitely covers those and any of those applicants that may be on file. We'll have to take a close look at the map that's before this Council because we do reference that map in both the liquor code and zoning ordinance and make sure we have the areas that the Council would like to identify. As it's written now, there are really only three applicable areas and area 4 as it's stated within our code is the remainder of the City. We'll have to make sure that before this is presented at the City Council level that we have that defined with respect to the map and the areas. If there's any questions that you have or recommended changes I'll yield the floor to discuss any other matters and maybe Alderman D'Astice's recommended criteria.

Alderman Budmats - I thought at the culmination of the last COW we had set aside one gaming café for area 4 and one for area 2. Has that changed intentionally since then?

Melissa Wolf, City Attorney - That was changed based upon the actual existing gaming cafés that exist right now. Are you defining area 4 as the rest of the City or are we looking at area 4 as on the map? On the map here area 4 actually does not have any gaming cafés.

Alderman Budmats - Right, we had said that area 4 would be like the rest of the City we would have one gaming café. The last time we talked we said that area 2 which is defined there only had one gaming café and there was only one presently there. I haven't seen an application for Shelby's other than I've heard that there is a building permit. Can you tell me if a building permit is a placeholder for a liquor license?

Barry Krumstok, City Manager - No, it's just a building permit. When people get near the end of their construction that is when the City Council typically sees the liquor license.

Alderman Budmats - Once again, I drove past the property and looked inside and nothing has been done since it was "demolished" so right now it is an empty space. There's nothing that exists there so at this point if nothing's been built it's just all talk. I don't understand why we're holding a place open for a business that doesn't exist.

Melissa Wolf, City Attorney - That was just me, I put that number in there so the Council would have this discussion and we could make a final determination as to the areas and the numbers within each area. I will move

that back down to number one, one gaming café for area 2 and that will be a limit there. Area 4, as you see, I left it at zero and if we don't want to have that I would just eliminate the area. We have zero gaming cafés permitted so I will make area 4 which will be any other place in the City as one.

Alderman Bisesi - In the changes that we had in the ordinance there was discussion regarding 900 feet versus 1800 feet. Would establishments that are already in business that would be within that 1800 feet still be allowed to operate as a gaming café?

Melissa Wolf, City Attorney - Jo Ellen has done this analysis and I believe she is on the meeting so if she could provide some input.

Mayor Gallo - She is in the process of rejoining because she lost connection.

Alderman Bisesi - What I'm alluding to is that we approved Lulu's and Daisy's is a gaming café and I found out today that they're 920 feet apart so that would violate what we have written here. It would also make Shelby's a nonstarter because they are just about 900 feet as well. Other than that, I think everything is updated pretty well and I'm interested in hearing what Alderman D'Astice has.

Mayor Gallo - Assistant Director Charlton is back on if you wanted to ask your question again.

Alderman Bisesi - We have a situation right now where Lulu's and Daisy's are about 920 feet apart, if we pass this ordinance and make it 1800 feet would they be getting a lifetime grandfathered into being able to continue doing business?

Melissa Wolf, City Attorney - I can speak to the grandfathering of it. They would be nonconforming and that was the reason why the 900 foot distance was initially established. We didn't want any of our establishments to be nonconforming uses. I believe staff felt that because we reduced the limitation on the number of actual gaming cafés in the City, the 900 foot requirement was what we could do so that those that are existing are still conforming to each other and it created that separation if there were any new establishments that would like to be proposed.

Rob Horne, Director Public Works - I just measured the restaurants that Alderman Bisesi was referring to on our GIS system and it is approximately 2200 feet between Daisy's and Lulu's.

Alderman Bisesi - Okay. What would Shelby's be from Sally's?

Rob Horne, Director Public Works - That is the space that would be approximately 900 feet. I think that's what originally spurred the 900 foot requirement because it would have allowed Shelby's within that area but per the recent conversation if area 4 is the entire rest of the community they still wouldn't comply because there within 1800 feet. Based on the regulation they would not be able to open their facility in its current location.

Alderman Bisesi - I guess the only thing that I would like to add that whenever we have these nonconforming special uses I think it can get into a slippery slope.

Rob Horne, Director Public Works - We, as staff, agree with that which is why when we worked with the City Attorney Wolf we put so much effort into developing regulations that didn't make any of the existing facilities noncompliant.

Alderman Bisesi - None of them currently are if we don't consider Shelby's as an existing facility.

Rob Horne, Director Public Works – Correct.

Alderman Bisesi - I know one of the reasons that they haven't really built out from my understanding is the uncertainty whether or not they'll be allowed to open. They'd be putting more money into something that may never happen.

Alderman D'Astice - Yesterday I sent to all Councilmembers and Mayor a list of 14 elements that I thought, having done some research and having been restaurant/hotel business for some 30 years, might help us to objectively and unbiasedly define what a gaming café is. I know the Mayor is not putting it up on the screen but the gross floor area I said probably 1300 as opposed to 2500 that was originally in there. 1300 is about 25 x 50 and it's about the standard size of about one bay in a strip mall. I'm not locked into 1300 but 2500 is a lot of space if something is just going to be a gaming café. I think a gaming café does not have a commercial grade gas grill or a commercial hood over the grill as they won't go into that expense. As for menus, it's my experience that most restaurants are going to have at least 10 hot items and half of which are going to be prepared from scratch not prepackaged and not pre-prepared. An example of prepackaged would be a cooked breakfast sandwich that's just heated up. An example of a pre-prepared item is a frozen pizza that is heated up in convection oven. A full-service restaurant isn't going to do that they're going to make it all from scratch. I defined a café as having 12 or less seats and again that was a number that seemed to be appropriate as most restaurants are going to have at least 20 seats or more. I kept the establishment not continuously operating from the previous. I kept that the applicant maintains other gaming cafés outside the City that seemed appropriate as well. I said that if the gaming floor area constitutes more than 50% of the gross floor area then it's a gaming café. I increased that from 10% that was previously written. It's my experience that gaming cafés may only have one employee in the location so if they only have one employee they're probably a gaming café and not a restaurant or even a bar for that matter. From the State of Illinois it says if they don't have a certified food service sanitation manager on site whenever the kitchen is open, a restaurant has to have that so if they don't have that then they're not a restaurant or bar they must be a gaming café. A couple of hard easy objective things, they don't have a sink designated for hand washing, they don't have a three compartment sink or a commercial grade dish machine and they don't have a mop sink or a grease trap. I've come up with 14 elements that I believe are objective and unbiased and if an establishment checks off 7 or more they're a café. Again, it doesn't take into account the name of the establishment or you have to walk through the establishment to get to the restrooms as I don't think they are objective. I think I put together pretty straightforward objective and unbiased ways to define what a gaming café is. I propose we use these 14 as opposed to the other 13 and make it so they have to hit 7 of them because they'll easily hit 7 if they're a café.

Alderman Cannon - The proposal that Mr. D'Astice just made seems reasonable to me and I would be willing to support that. A couple other issues that I would like to go over. I'm a little surprised that we would all of a sudden knockout Shelby's just because one Alderman objects, I thought we would at least have an open discussion about it. The fact that they haven't built out their store would make them very prudent businessmen to me because why would someone build out before they know they're going to get approved? They've made a commitment to the City in a sense that they spent some money to demolish what was there already and they've applied for a building permit that we can either approve or not. I just don't understand why we want to kick them out. Just for a point of order, that shopping center right now has three empty spaces and I think if anybody is following with what's happening in the news the thoughts of getting three people to move in there anytime soon are small to none. The last point I would like to make, I would like to make a proposal that all these changes we are making with fees especially the ones that are being increased they would not go into effect until 2022. I think the last thing we need to do right now is increase fees on anybody in light of the fact that many of these businesses have been completely closed down for 12 weeks. It would be like pouring salt into the wounds in my opinion. I would propose that when we write this final ordinance that the increase and all the liquor fees would not go into effect until 2022.

Alderman Bisese - I think Alderman D'Astice did a great job going through those and I would recommend that we use his 14 versus what we have in the ordinance right now. I also would like to see at the end if we could do a straw vote and the 900 versus 1800 change.

Alderman O'Brien - Thank you Mr. D'Astice for putting that together, with your 30+ years' experience in the hotel/restaurant business I do like that those are more objective. Attorney Wolf just for a point of clarification, I know you clearly laid out that any current businesses that would be classified as a gaming café would automatically get that passed through, that would be for going forward? I believe in Alderman D'Astice's write up if it were to move forward could impact some of the current ones, they would never have to come into compliance, correct? I do agree with them moving forward but I wanted to confirm that moving forward, when this does go into effect, that it would be carried through indefinitely unless one entity went out of business and a new gaming café moved into an established location than they would have to come into compliance? Is that how that would work?

Melissa Wolf, City Attorney – Again, these are not regulations applicable upon our establishments. No one has to come into compliance with anything based upon these categories. In evaluating Alderman D'Astice's proposed elements, none of our existing establishments would be categorized as a gaming café by evaluating the 14 criteria. What we're trying to do is identify which establishments in our City are in fact gaming cafés and right now our evaluation and staffs evaluation is that there are 4 that exist that are gaming cafés. The rest of our establishments are restaurants or bars that have gaming accessory. There is potentially one that could come in but it may be restricted by area or not or distance requirements or not. By evaluating the 14 criteria that Alderman D'Astice proposed and I'm not saying that we can't tweak these or figure this out but none of our establishments would meet 7 of those and none of our existing establishments would be gaming cafés. That would then leave open 5 more gaming cafés to come into the City. Those establishments would fall under a gaming accessory use and there would be five more gaming cafés that could come into the City with a special use permit. We want to be careful about what these criteria are because they are not regulations on any establishment, we're just trying to identify what a gaming café is. I understand what Alderman D'Astice is saying but I think he's trying to identify what is not a restaurant and that's a little bit different. Our criteria are trying to identify gaming cafés, are they predominantly gaming?

Mayor Gallo - Thank you Attorney Wolf for clarifying. I have been trying to bite my tongue for quite some time and though I appreciate Alderman D'Astice's efforts and work in defining what is not a restaurant. It doesn't help us to keep it simple and I do believe staff did a good job at keeping this differentiator between restaurant and gaming café simple for us and to make it more simple than that, any entity whose primary business operates on gaming with a secondary services as food is a gaming café and any other entity whose primary service is food with the supplement of gaming is a restaurant. I would really caution on trying to incorporate the elements and do away with what staff has so diligently worked towards so we can keep these differentiators in place.

Alderman Vinezeano - Thank you Attorney Wolf you actually answered one of my questions in Alderman D'Astice's list how many of those criteria what our current gaming cafés meet and for me I appreciate that list but if our 4 current gaming cafés do not meet those criteria then as much as I appreciate his hard work I can't approve that because that's the point of establishing this breaking up of our license. To go off of what Alderman Cannon had stated that waiving or postponing these new imposed fees for the gaming cafés until 2022 I'm kind of opposed to because these businesses, before Covid happened these gaming cafés are making quite a bit of money. If Manager Krumstok could give me the amount again of what our revenue was to the City for just one gaming café to pay that new fee I don't think is going to be a problem when we're asking our restaurants who are not making that kind of money to pay their liquor license. To say let's postpone these fees I cannot support when we're asking our other businesses to pay their fees. As far as Shelby's, I have to agree with Alderman Budmats, just because you knock down some walls doesn't mean you're guaranteed a license. I know we've talked at length about this and I think

that putting another gaming café over in that area is saturating the market again. Obviously the owner is feeling that there might be a conflict with their license and that's why they haven't proceeded. I just pose the question and sometimes it's not quantity over quality, what kind of business are we filling in these spaces? Is it really worth filling the actual space?

Alderman Budmats - In response, having two gaming cafés 900 feet apart and honestly I'm opposed because it's within about 1500 feet from my house. The truth of the matter is that they're 900 feet apart and you could almost throw a rock 900 feet and I just don't see the need to have two gaming cafés that close to each other. If we're worried about filling up strip malls, we could put strip clubs in if we really have to get them full, I'm sure we could attract whatever kind of element we'd like to get in just to fill them up and make sure they're all rented. That's not the purpose of doing this, we want to maintain the quality of our community. I don't want a gaming café on every corner and I don't want a bar every corner, our community has never been about that. When this was passed I was the deciding vote. This was passed we can help restaurants that's what we did this and now it's turned into gaming cafés will bring us money. It's ridiculous to think that some businesses is going to have 50% of their floor space going to be for gaming machines and that we're going to call that a gaming café if they have more than 50% of their floor, that's a casino that has more than 50% of their game space for machines, that number of Mr. D'Astice's 14 requisites is a joke. None of our current facilities have 50% floor space for machines. If we're trying to open up five more gaming cafés all we need to do is vote these 14 items and because that's what you just did. We'll have another half a dozen of them based on Mr. D'Astice's 14 criteria so I strongly urge that we go through a well-thought-out city plan of how they came up with it and pass it the way it is. I appreciate Mr. D'Astice's efforts but honestly I do not want 5 more gaming cafés and to think that we have none now based on his criteria in Rolling Meadows is absurd. We all know there are gaming cafés in Rolling Meadows, they exist and unfortunately they're not going anywhere and there's no sense in inviting more.

Alderman D'Astice - The elements that I put together, if they need to be tweaked, my goal is not to allow 5 more gaming cafés like Mr. Budmats said. I don't think including the use of a woman's name as the name of the business would make it a gaming café. I'm happy to get together with Attorney Wolf and tweak these so if 50% is the wrong number and 30% is a better number I'm happy to do that. I really don't think that staff did a good job in coming up with 13, they are not objective, they pretty much used existing businesses to define what they believe is a café. I think that we should approach it from a different standpoint. I'm happy to sit down with Attorney Wolf and review this so it does make more sense because the 13 that staff put together doesn't make sense and I wouldn't vote for that.

Mayor Gallo - To the point of woman's names and gaming cafés, market analytics does show the gaming cafés using a female name does attract the demographic that they're looking for to sit in their seats. This is why staff did define the parameters they did and though we've used staff in the context as Alderman O'Brien did in the past when we wanted to review the money spent on fire stations, they're professionals and they know what they are doing and so we shouldn't need to double check them. If you do want to work with Attorney Wolf off-line of this but I think it's a bit premature that we go ahead and straw vote on incorporating the 14 criteria that you put forth at this time because again it may be premature especially if you're willing to refine them.

Alderman D'Astice - Absolutely, I'm more than willing to not put forth the 14 today and get together with Attorney Wolf so that we can tweak these so that they do become a good element that's objective and unbiased that can define what a gaming café is. Attorney Wolf I'll be happy to get together with you at your convenience.

Alderman Sanoica - I'll be very brief since we've already discussed many of these points regarding the current qualifications that Alderman D'Astice has put forth. This is just a rehash from the September 17, 2019 Committee of the Whole meeting which was nine months ago. We've had many meetings and staff has dedicated significant

time and field research since then to ensure the criteria are consistent and custom fit for us, its sophisticated criteria at this point and we've moved on since September. In regards to Alderman Cannon's proposal to wait until 2022, as discussed earlier today if a business requires relief then staff is developing a process for businesses to pursue and for the City to review that need. We've also had examples of those waiting for a gaming license in the past of sitting on a property for more than year. If a business is willing to pay rent on an empty lot for more than a year, that business doesn't appear to require relief from taxpayer money from my observations.

Mayor Gallo - There are series of straw votes that I do believe we have to address for staff clarity and direction but prior to doing that I am going to open the floor for the two public speakers that are on tonight's sign in sheet and after they conclude their statements we will go ahead and circle back for the conclusion of straw voting and then move onto the next line item on the agenda.

Mayor Gallo opened the floor.

Charity Jones, CEO Laredo Hospitality - Good evening and I would like to thank Mayor Gallo and Aldermen for the opportunity to address the Council this evening. My name is Charity Johns and I am the CEO of Laredo Hospitality/Illinois and Café Service Company. We own and operate Stella's Place, Shelby's and Dottie's premium gaming cafés throughout the State of Illinois. As you're probably aware the reason why I asked to address the Council this evening is because the Council is considering changes to the current video gaming ordinance, liquor licenses and special use requirements, specifically addressing video gaming cafés in the City of Rolling Meadows. As a point of reference and a little bit of historical information, we had been working with the former Mayor and City officials for about a year and a half to bring Shelby's café to the City. We've had a handful meetings to ensure we could meet the city requirements, we have a signed lease and the Plum Grove Shopping Center, have submitted architectural drawings and recently were approved for our building permit. We haven't built out yet because we haven't had the opportunity to meet with the new Mayor and understand what the direction would be or if anything was going to change. Upon recent review of the proposed video gaming café and special use ordinance, specifically the proposed ordinance section (d) point 9, that requires video gaming cafés "must be separated by a minimum of 1800 feet from the next closest video gaming café," it became clear that our site may no longer be able to meet this requirement. Our location is approximately 900 feet from Sally's gaming, which I understand may be already be licensed. To build a Stella's or a Shelby's it costs us about \$250,000 so we wouldn't want to make the investment if we didn't think the City was going to move forward in a way in which we could be successful in the City. Because we have been working on this site for over a year and have worked with the city officials to meet all the prior requirements, I wanted to show up tonight to respectfully request that the Council consider changing the 1800 feet requirement back to the original proposed 900 feet and allow for us to build out our location and move forward with our site. I've listened to the discussion this evening, I understand that getting a liquor license is a privilege not a right. We have waited and have remained committed to this site in Rolling Meadows and would like to build and that shopping center. It's been a tough time for everybody in business for the last few months but I would like for the Council to understand that we did make our investment, we signed our lease and are ready to start construction and move forward with our site. Thank you for your time and consideration.

Noel Escalona, Broker for Laredo Hospitality - We've been working with the landlord and she was very particular on choosing the right tenant to be there. After numerous call phone calls she actually looked at our location and approved it. Based on our existing stores, Prospect Heights, Hoffman Estates and Wheeling, we are in the surrounding areas but not in Palatine, Rolling Meadows or Mount Prospect. We spent a lot of time with Manager Krumstok, Martha, the previous Mayor and I've had several conversations with Alderman O'Brien and Alderman Bisesi discussing where we stood in terms of waiting so we can start construction but based on our investment on this location we could be in a situation where we have a built out restaurant that we can't operate.

I've been working with them since they opened their first store in 2012. Charity covered most of the items and concerns about trying to get in position to operate our business in Rolling Meadows.

Mayor Gallo closed the floor.

Mayor Gallo – For the sake of efficiency I'm going to turn to Attorney to see which straw votes staff needs this evening to make this move forward.

Melissa Wolf, City Attorney - As Alderman Cannon initially mentioned, I think we need to address the issue of whether or not Shelby's can be a potential business in the City. That will change two elements of what's proposed, not only to distance requirement but also the areas as we were additionally talking about, the limitation on establishments within the area. We should have a straw vote on that. Alderman D'Astice and I will work on the elements and criteria so that will be something for a later date. We had some comments regarding fees, the fees being extended into 2020 and not applied immediately. Those are the matters that I have that would need to be voted on with a straw vote.

Mayor Gallo - Starting with the issue of Shelby's, are we talking the distance in relation to the potential Shelby's that would like to open?

Melissa Wolf, City Attorney - There are two elements that would impact Shelby's, the distance requirement 900 versus 1800 feet between another existing gaming café and the other is the areas we will establish in our zoning code, area 2 could potentially only allow for 1 gaming café so we would have to make sure area 2 also allow for 2 gaming cafés.

Mayor Gallo – All those in favor of shifting the distance from and 1800 feet to 900 feet. 5 in favor; 2 opposed. All those in favor to allowing area 2 allowing to have 2 gaming cafes....

Alderman Budmats - This is a relatively small area, we already have a gaming café and an accessory gaming license within 900 feet of each other already. This would be the third gaming license within 900 feet of each other, just for point of reference.

Mayor Gallo – It is disheartening. However, a straw vote is up on the floor to adjust area 2 to allow what would essentially be a third in that 900 foot radius...

Melissa Wolf, City Attorney - It's 2 gaming cafés, the other gaming establishment has it as an accessory use in that area and would not be identified as a gaming café so it wouldn't be subject to this cap within that area.

Mayor Gallo - It still has games and we're still trying to reduce the amount of gaming entities but you're right. Those in favor of allowing area 2 to have 2 gaming cafés, please show your hands. 4 in favor; 3 opposed.

Melissa Wolf, City Attorney - Now that 2 cafés have been identified for area 2, we have area 1, area 2 and area 3 that equate to 5 gaming cafés. We're back to area 4 with a maximum number of 0 cafés. We can eliminate area 4 and only have those three areas that authorize gaming cafés at this time or we'd have to increase the maximum number of video gaming cafés and then establish a gaming café in area 4 which would be the remaining area of the City.

Mayor Gallo – We'll look at this as two separate straw votes. The first one, all those in favor of abolishing area 4, please raise your hand. 0 in favor; 7 opposed.

Melissa Wolf, City Attorney – We can keep area 4 designated as zero for now. What it would require is an ordinance change at this time and if you increased at a later date the number of cafés you would have to do a text amendment in the zoning ordinance because that limitation is there as well. What we need to know from the City Council is if 5 gaming cafés is the cap that they would like to keep at this time.

Mayor Gallo - All those in favor of keeping 5 gaming cafés as the cap at this time, please raise your hands. 7 in favor; 0 opposed.

Melissa Wolf, City Attorney – What we will do is keep area 4 established as the remainder of the City with just right now the number being zero.

Mayor Gallo - Sounds good to me, if it sounds good to staff.

Barry Krumstok, City Manager – It does.

Mayor Gallo - Any other straw votes for further direction?

Barry Krumstok, City Manager – The only other questions I have is going back to Alderman Cannon’s request for fees not to take effect until 2022, if we can get a straw vote on that because that would have to be in the liquor code and then the 14 elements if that’s just going to be worked on then we would have to hold the ordinance.

Mayor Gallo - Alderman D’Astice did mention that he is willing to work with Attorney Wolf off-line of this meeting to refine that because he’s not a big fan of the current work staff has done with those regulations.

Alderman O’Brien - Based on straw votes of Council, it seems that we were trying to limit it but we’re taking that by majority, we’re increasing the space back to the 1800 feet and going forward with a cap of 5 versus the 4 currently in business. What I’d like add to a potential straw vote for gaming accessory it’s saying a cap of 12 which would double. If we’re going to allow another gaming café which is opposite of what I thought Council’s direction was at our previous meetings, can we reduce the proposed cap for accessory? We are going to go above one than we were expecting. It’s your discretion as Liquor Commissioner, just by that we are going to go up one from what our previous cap was. We’re currently capped at 12 for accessory by allowing the fifth to come in that would be 17 where initially it was potentially 16. If are going to go up in one I’d like to come down in the other to stay net neutral.

Mayor Gallo – You want to see a reduction in the gaming accessory?

Alderman O’Brien - I was not for that initially. I was with Council and the intent that it’s for restaurants that need it and if a current restaurant wants to put it in to help their business but since we’ve increased one for gaming cafés which was surprising to me, I’d like to reduce one someplace else so we stay net neutral. If we have six current gaming accessory as proposed tonight we have 6 if I write up is correct, so between 6 and 5 that would potentially 6 more because gaming accessory is capped at 12 in the ordinance, that would open it up to 17 total establishments that have gaming. Prior to that it was going to be 16 so all I’m asking if we could cap the accessory at 11 so an additional 5 could come in if they’re a restaurant versus keeping it at 6 because we’re going above at what we’re looking to do initially.

Mayor Gallo - Can someone please define the gaming accessory...

Alderman O'Brien - In area 1 it would be Rep's, area 2 is Anna's Red Apple, area 3 is Grande Jake's, Bulldog and Bigsby and in area 4 is the Stadium and potentially with Picante whose application is in.

Mayor Gallo - Those are all genuine restaurants.

Alderman O'Brien - I'm not disagreeing with that but the way the proposal is written is we are putting a cap on the accessory of 12.

Mayor Gallo - It almost becomes counterproductive to the point of helping restaurants by shooting the gaming accessory down to be quite honest with you.

Alderman O'Brien - That's why wanted to bring it up. My understanding from the Council is that we did not want to increase the number of gaming establishments or entities as you mentioned earlier. Now looks like a fifth café is going to be allowed we are going to go one above of what the initial write-up was.

Mayor Gallo - I understand what you're saying but I just don't know if the reduction is worth the reward to our current business community and if there is someone that we're actually putting at a detriment as a result. I get the logic and we can have a straw vote on that but I do think it becomes detrimental to what a gaming accessory is and what the genuine intent of what this old gaming policy G1 ordinance was for.

Alderman O'Brien - I don't disagree, I know earlier everyone stated that we wanted to minimize this and now we're going higher than we intended to potentially.

Mayor Gallo - Okay, let's hold this straw vote. When we get through these other two hands that are up and then I'll get to Manager Krumstok's fees for 2022 and then we'll come back to this potential straw vote.

Alderman Vinezeano - I know we kind of went back-and-forth on Alderman D'Astice's proposal of his 14 items and then it was voiced that some Aldermen preferred what staff had proposed. I would like to see that put to a straw vote, do we keep what staff proposed in the ordinance as written or do we allow Alderman D'Astice to work with Attorney Wolf.

Alderman Bisesi - This is going back to what Alderman O'Brien was talking about. We established these areas and I was under the impression that in each of these areas we were only going to allow a certain number of establishments whether cafés or restaurants within each of these different areas.

Melissa Wolf, City Attorney - No, that is not how the ordinance is written. The intention of this round of ordinances was to allow restaurants and bars to have gaming as an accessory use and not restrict by area. There are regulations that would be applicable to those establishments in the liquor code but they are not restricted by area and right now they're capped at 12. Only gaming café are restricted by these areas.

Alderman Cannon - I just want to reiterate a couple of things since we're going to be voting on something I proposed. I'm not proposing to get rid of any fees, all I am suggesting instead of having an increase in the fees we hold the increases for a year and half or whatever the months are. I'm also not saying that they shouldn't pay anything and I'm not asking for a discount. Many of our neighbors have reduced their fees across-the-board and some have even eliminated some fees. I just think that the people who have been closed for 12 weeks need a little bit of help. I don't think many of them are rich for what they've done so far. I had a conversation with a gentleman who owns a large business in our town who has more than 200 employees and he's struggling to make ends meet

and he actually got PPE and he still has some problems. If anybody thinks that any of these people are getting rich off of any of this is crazy.

Mayor Gallo - I have down here for a straw vote for the increased fees postponed to 2022 based on your sentiment earlier. There's three additional straw votes that I have here. The first one is the one from Manager Krumstok and Alderman Cannon which is postponing the increase of fees to 2022. All those in favor of postponing any increase to fees to 2022, please show your hands. 4 in favor; (straw vote not completed)

Melissa Wolf, City Attorney - For point of clarification, the fee that's applicable in these materials is the liquor license for the gaming café and based on what's been voted on via the straw vote the GC license would now be \$120 similar to the GA license, is that what the Council is wanting to do? That's the only license that's \$120 and the only license that these establishments will be getting and will be paying \$120. It's not a second license applicable to them. I just want to clarify that that's what this Council wants to do, they want that fee for the gaming café to now be \$120, it's essentially reducing it because these establishments currently have two licenses, either A1, A2, A3 or D and then the G1 license. I want to make that point and get that clarified.

Mayor Gallo - Alderman Cannon, what was your intent with your request to postpone these fees until 2022?

Alderman Cannon - Don't they have a G1 right now and have to have a liquor license for \$3500?

Melissa Wolf, City Attorney – Correct, they do have to have one of the liquor licenses that is authorized.

Alderman Cannon - Again, I'm not asking to reduce what they have right now. Whatever fees they're paying right now that's fine. I'm just asking going forward that we don't raise them until 2022 and I thought that's what we were voting on.

Melissa Wolf, City Attorney - Okay. Alderman Cannon, I'd like to point out that there are some establishments that may actually pay less for their liquor license for a GC license than with their current license that they have now because there are different classes that qualify for what is now the G1. For instance, an A1 fee which can have an accessory use is \$4600 plus the \$120 and are now GC license being proposed at \$4500. I believe A3 is \$5200 and that is also allowed to have a G1 license right now and so it's a gaming café and an A3 it converts to \$4500. Staff and I can figure out how to keep that fee the same, the \$3800 plus the \$120 going forward for this GC license for those current. It would require reducing the GC license to \$3920 until 2022 and at which time it would increase to \$4500.

Mayor Gallo - I hope those businesses recognize they've gotten some reprieve after all of this. Alderman O'Brien would like to reduce the gaming accessory license by one. All those in favor of reducing game accessory license by one to stay net neutral, please show your hand. 2 in favor; 4 opposed. (One Alderman did not vote)

All those in favor with sticking with staff's criteria as opposed to Attorney Wolf and Alderman D'Astice refining his 14. If you're in favor of sticking with the current criteria that staff has compiled and put in this document, please show your hands. 4 in favor; 3 opposed.

Alderman D'Astice – I don't have a problem with meeting with Attorney Wolf to review and/or adjust any of the criteria.

6) FY 2021 Budget Parameters

Melissa Gallagher, Finance Director - This discussion begins the process of reviewing parameters for developing the FY 2021 Budget (very similar to the last few years). Initial development of the budget has been started. The City Council's input from this discussion is valuable and appreciated. It should be noted that the City continues to monitor new revenue estimates due to COVID-19, unfunded mandates, the State of Illinois' changes to the Local Government Distributive Fund (Motor Fuel Tax, Personal Property Replacement Tax, Use Tax, Income Tax and others), grants, and other items. Within this discussion, the Property Tax will be reviewed as a starting point for the FY 2021 Proposed Budget.

Budget Development: The City develops two key financial planning documents to guide the City's decision process in allocating revenues and expenditures: the Fiscal Year Budget and the 5-Year Capital Improvements Plan (CIP). The City's Budget and 5-Year Capital Improvements Plan (CIP) are developed throughout the fiscal year.

The Annual Budget is the City's financial planning document that communicates the City's plan for revenues and expenditures each year. The 5-Year Capital Improvements Plan is a five-year financial plan with detailed information on capital expenditures. The CIP is reviewed in depth by the Ad-Hoc Capital Improvements Committee from January to July. The 5-Year Capital Improvements Plan will be presented to the City Council at the August 18th Committee-of-the-Whole Meeting. It is important to note that the 5-Year CIP is not a prediction of the future but a financial planning tool. (Please remember that all items in the Capital Plan do not always make it into the Budget.) At the September 8th City Council Meeting, the FY 2021 Proposed Budget will be presented to the City Council. After these documents are adopted by the City Council, the documents are added to the City's Transparency portal on the City's webpage at www.cityrm.org.

Budget Awards: The City has applied for and received the Government Finance Officers Association's "Distinguished Budget Presentation Award" since FY 2016. This award represents a significant achievement by the City. The award reflects the commitment of the City to meeting the highest principles of governmental budgeting.

Budget Parameters – Property Tax Levy (City's largest revenue source at 44%):

Due to COVID-19, the City is proposing NO increase in the Property Tax Levy for FY 2021:

1. No increases to the IMRF Tax Levy.
2. The Police & Fire Pension Tax Levy amounts are the same as last year per the actuary reports.
3. The Annual Street Program Tax Levy is the same amount as last year.
4. The 911 Tax Levy remains the same as last year.
5. The Debt Service Annual Payments for the Tax Levy will remain the same as last year. However, it is important to note that the required payments per the debt repayment bond ordinance are \$699,000 for the 2018 Bond (the \$1,800 not levied will be paid from the bond's investment income) and the debt payment for the 2019 Bond is \$623,600 (the \$374,267 not levied will be paid partially from the bond's investment income and the Utilities Fund.) At some point, the required payment amounts will need to be on the Property Tax Levy.
6. As a reminder, the City reduced the Property Tax Levy for the FY 2020 Budget and used General Fund Reserves in the amount of \$678,108. The Police and Fire Protection line items were reduced by \$678,108. For the FY 2022 Budget, these line items will need to be evaluated to be restored to their previous amounts.

** DRAFT ** PROPERTY TAX LEVY (2020) FOR THE FY 2021 PROPOSED BUDGET					
	2018 Tax Levy	2019 Tax Levy	Proposed 2020 Tax Levy	Dollar Change from From 19 Levy	Percent Change From 19 Levy
General Fund					
Police Protection	\$ 1,850,000	\$ 1,511,946	\$ 1,511,946	\$0	0.0%
Fire Protection	1,850,000	1,511,946	1,511,946	0	0.0%
Police Pension	3,400,000	3,600,000	3,600,000	0	0.0%
Fire Pension	3,700,000	4,380,000	4,380,000	0	0.0%
IMRF Pension	800,000	900,000	900,000	0	0.0%
Public Works Operations	1,087,002	187,002	187,002	0	0.0%
Sub Total General	12,687,002	12,090,894	12,090,894	0	0.0%
Local Road Fund					
Annual Street Program	900,000	1,000,000	1,000,000	0	0.0%
E911 Fund					
E911 Service	651,500	700,000	700,000	0	0.0%
Debt Service Purpose					
2002A Bond (matures FY 2018)	430,500	0	0	0	0.0%
2018 Bond (matures FY 2038)	0	696,833	696,833	0	0.0%
2019 Bond (matures FY 2039)	0	249,333	249,333	0	0.0%
	430,500	946,166	946,166	0	100.0%
Total City	\$ 14,669,002	\$ 14,737,060	\$ 14,737,060	\$ -	0.0%

Budget Parameters – Revenues & Expenses:

I wanted to touch on what Alderman Sanoica had asked prior to this discussion I wanted to address right now. We feel comfortable based on the actuarial metrics that they provided, that we do not have to increase the property tax levy for this year. Also, going forward there will be opportunities, given the financial health of the City, we’ve had opportunities to fund with additional reserves and we are certain that will take place at a later date. Getting back to the amortization, right now we would be amortizing the Fire and Police Pension funds over a 17 year look versus a 15 year look.

Uncertainty surrounding the COVID-19 pandemic’s complete impact will continue throughout the planning process for the FY 2021 Budget. There are decreases in revenues and we will be making difficult to decisions about how to prioritize spending and cuts to balance the City’s budget.

The following are actions that the City is undertaking as we plan for the FY 2021 Budget:

- No Utility Rate Increases for the Utilities Fund based on the Utility Rate Stabilization started in FY 2020.
- Monitor and assess revenue estimates and provide frequent updates. There is significant uncertainty surrounding current estimates and as the Illinois Municipal League reports “precise estimates are impossible.” Keeping estimates updated frequently will assist in evaluating the economic situation and our continued path forward.
- Delay, defer and reprioritize capital projects. We are currently developing the FY 2021 to FY 2025 Capital Improvements Plan (CIP) and some projects will be delayed, deferred and reprioritized. For some projects already started, we are evaluating how to modify the project’s timeline or approach. We are looking into all funding opportunities for projects.
- Leverage COVID-19 reimbursement programs. Federal and other funding for emergency expenses related to COVID-19 will be made available at some point. The City is maintaining an accurate tracking of costs for the duration of the response to prepare for reimbursement.

- Reviewing all expenditures across Departments. We are reviewing expenses to help reprioritize items that are essential over items that may be discretionary or projects that may be completed later.
- Reviewing fund balance levels to ensure Fund Balance Policies are in parameters.
- Staffing changes and slowing down the filling of vacancies.
- Actively reduce overtime in Departments by reviewing scheduling and other items (except overtime required by employment agreements or job responsibilities).
- Monitoring growth in new revenues such as recreational marijuana sales (recall that on July 1st the City will begin receiving sales tax from recreational marijuana sales).
- Review Community Events for FY 2021 for some savings.
- Collective Bargaining Contracts. The City's union contracts have contractually determined items which will be incorporated into the FY 2021 Budget. (There will be a "Manager's Hold" as in past budget years for the ASFCME and Local 150 Contract.)
- Evaluate the Chargebacks for Funds (based on Expenditure needs). Please remember that chargebacks are not at 100% because we cannot fund completely at this time. Chargebacks are increased incrementally, when possible.
- Continue (and evaluate) the repayment plan of \$100,000 (6th year) from the General Fund to the Vehicle and Equipment Replacement Fund. [The City started with \$100,000 in FY 2016 of a \$1.0 million repayment to the Vehicle and Equipment Replacement Fund. This was an interfund loan.
- The City is down to only one fund that has a negative balance. This is TIF #2 (37) (Kirchoff & Owl). This TIF was created on December 10, 2002 and is a 23-year TIF so it has an expiration date of December 2025. Now that the bonds have been repaid, this fund is slowing becoming positive. It will be positive on its own before the 2023 end of the TIF's term.

As mentioned and shown in the FY 2021 Budget Planning Calendar, the 5-Year Capital Improvements Plan will be presented to the City Council at the August 18th Committee-of-the Whole Meeting. At the September 10th City Council Meeting, the FY 2021 Proposed Budget will be presented. The September and October Committee-of-the-Whole Meetings are the meetings in which the FY 2021 Budget is discussed. There are public hearings at City Council meetings for the Property Tax Levy and the FY 2021 Budget. The City Manager and Finance Director will hold one-on-one discussions with the Mayor and City Council to review the FY 2021 Budget.

Alderman Sanoica - I wanted to touch on two things that my residents would like to know and it's for any capital improvement projects that are going to be pushed out from their anticipated construction date or implementation dates that were included in our capital improvement reports. Those have a public justification of why they can be deferred and what the long term impact will be on the maintenance of various capital improvement projects throughout the City, things like water mains that need to be maintained. If that's something that we will be deferring then how can we defer that and why are we deferring it as opposed to other projects. Then the other item that I would want us to discuss either individually or perhaps at the next Committee of the Whole, I understand that we're

within budget parameters regarding our pension obligations as required by the state at this time but I would want to know there are any strategies that staff has considered to accelerate paying off of our liabilities it in that regard.

Melissa Gallagher, Finance Director – Yes that is what we're doing now, public justification, why we're deferring it, how long and in terms of long-term maintenance. I think the work of the Capital Improvements Committee has been really important because I've mentioned this before it's not only building your assets or infrastructure but it's how you're maintaining it over time so you do take care of the assets that you build. We'll make sure we include those items and prioritization when we get to the capital most likely in August. In terms of the pension, I do want to make sure that it's understood overall because I think it's really important, there is a state statute minimum as the actuaries talked about to fund at only a 90% level out to 2040. The City has been able to with the fiscal health that we have fund at a shortened amortization so we were funding to 2033 but now we're funding to 2035. The State has a certain amount that you have to fund. For the Police Pension we're funding \$1 million more or above what the State is requiring and for the Fire Pension we're funding \$1.2 million above the State minimum, so all in we're about \$2.2 million above what the State is telling us to contribute. That's the first part is making sure we're above the State minimum and that's what we're doing with the current proposal even though we're not increasing the tax levy we're still \$2.2 million above what the State wants us to contribute. To your point Alderman Sanoica, definitely keeping an eye on the long-term liabilities and how to reduce them over time. We're in Covid-19 right now and we really have to balance that so additional reserves towards the property tax levy for pensions is not something that staff is recommending right now. If at the end of the year when we present the budget next year in June 2021 like we have done in the past we would come back with a recommendation to release reserves into the pensions as we've done in the past. I hope that helps in the process of chipping away at that long-term liability and hopefully the pensions also do their part in making sure that they achieve their pension actuary returns as well.

Alderman Sanoica - Based off the presentations we had tonight that seems prudent. We can talk off-line after we have a copy of the reports from both our auditor and our actuary.

Alderman Bisesi - Are there any other funds that are close to having an issue? I seem to remember there was some discussion and I think it was the Refuse Fund that was getting close to being out of the parameters.

Melissa Gallagher, Finance Director - No, in the Council write up the Refuse Fund is well within parameters. The Local Road Fund comes to mind, take the money in and you spend the money in one year. We don't have a lot of fund balance for Local Road and Building and Land Funds. We're balancing everything and our comfort level right now with the property Tax Levy is a zero dollar increase. To your point, Refuse Fund is within parameters and there's no other funds right now that are heading in that direction.

Alderman Bisesi - One other question regarding Community Events, what funds does that come out of?

Barry Krumstok, City Manager – The General Fund.

Alderman Bisesi - Is that where Public Works labor for those comes from or is it just supplies and things?

Barry Krumstok, City Manager – When we talk about Community Events we specifically say in the General Fund, there's a line item for each of the items such as Fourth of July. There's another section that deals with the other events we have. Each of the departments with the overtime are dealing with that other items.

Alderman Bisesi - It kind of touches various places?

Barry Krumstok, City Manager – That is correct.

Alderman Bisesi – I'm all for Community Events, I just wanted to make sure I understood where all the money was coming from for those.

Barry Krumstok, City Manager – I also wanted to remind everyone of the Community Events Foundation and the Foundation does pick up what it can. When we talked about the General Fund which is picking up most of it but the CEF specifically has been able to do more even with Covid-19 and it's picking up a lot this year.

Alderman O'Brien – As we all heard over the last several months just as we go into the budget process, I think we can keep an eye on in terms of storm water retention and flooding with the storms we had in the month of May. Just keep that in mind, any place we can put a couple more dollars to the storm water or flooding would be great.

Alderman Vinezeano - Director Gallagher, we had to pull reserves to offset our budget because of the pandemic, how does that play into next year's budget and moving forward and building up those reserves again with the assumption that we actually have to spend that money that we did pull out of reserves?

Melissa Gallagher, Finance Director - The reserve blend into the General Fund if we don't need that money we don't have to spend that money, that's to make sure that we are covering potential losses to revenue. We don't know right now where we are going to exactly sit with the Covid-19 revenues. The thought process is by City Council taking some action now that we could mitigate those losses potentially on the revenue side. That just stays in fund balance and if we do not need to make up that revenue loss, let's say that the sales tax continues at the level based on the report even with the stay-at-home order we were still year-over-year sort of in the same category of revenue for sales tax. Obviously, there are going to be fluctuations and I think the point being is we will make sure based on how we're looking at the overall budget that if we do not need to use reserves then we don't use reserves. At this point, we know that a property tax levy increase is not the direction we need to go to because we can balance based on our current levels of spending if we could provide some of the changes to spending that we can also look at the revenue side as well because we did include some of those reserves. Bottom line is that the influx of revenues coming in for reserves will mitigate the losses for 2020 and once we complete the entire estimate for 2021 we're going to know how we sit a little bit further. At this point in our current estimates we're comfortable with no tax levy increase right now. We're looking at that even in the proposed budget. Those use of reserves is really just to mitigate the losses to 2020 and to put us within our fund balance parameters for the General Fund.

Alderman Vinezeano - Hypothetically, if we need to spend those reserves in 2020, moving forward in the 2021 budget is there a plan to start paying back some of those reserves since we had to use hypothetically in 2020? Is there a plan that we have to pay it back over time?

Melissa Gallagher, Finance Director - It's not a plan of paying it back it just stays in your reserves. It just means that your reserve level will increase in case the revenue losses don't turn out to be what they were.

Barry Krumstok, City Manager - It's a little bit different from the recession period of time when the Vehicle Replacement Fund actually loaned to the General Fund \$1 million and we've been continuing to be making a payment of \$100,000 which Moody's and S&P appreciated because it was a loan. These are not loans this is a transfer of reserves, the only thing that staff would be working on in 2021 budget we're trying to hold the line the best that we can. At this time for the Liability Fund and Insurance Fund we are not reimbursing or have a plan to put those reserves back into those funds, they're in the General Fund and at the end of the day in June 2021 we can reallocate it to the pension funds or reallocate it to some other fund or use it for some additional capital. At this point in time there is no plan to reimburse those funds.

Alderman Vinezeano - Essentially at this point we don't have a plan to reimburse or build up those reserves of what we needed to take so I guess I would ask is that moving forward staff start developing a plan to give Council idea of what it may look like 2 or 3 years of how we can rebuild those reserves. Again, the pandemic may last a few years and we want to make sure that we're doing everything we can to make sure we have those reserves like we needed this time.

7) CDD Fee Schedule Revisions

Rob Horne, Director Public Works - As the Council may recall, during recent Community Development operations updates, it was communicated that the City's Fee Schedule was found to be cumbersome and difficult to read and administer. This presents problems on a variety of fronts. Historical fee schedule revisions focused on a slight increase of all fees without any attention to making the fees easier to comprehend and without right-sizing of the fee based on resources expended.

As part of this comprehensive change, staff is not proposing across the board fee increases. Instead, staff is attempting to evaluate the fees by evaluating the fees and administering a right-size approach to amending the fees. Additionally, staff made efforts to align fees with third-party consultant fees to ensure equity among permit applicants.

Major concerns that have driven the need for a revised fee schedule include the following:

- In its current state, the fee schedule is very confusing and is overly and unnecessarily complicated. *Staff is proposing an easier to read format that should allow applicants, business owners and developers to better understand applicable fees.*
- The schedule is not comprehensive. *There are fees throughout the code that are not reflected in the fee schedule. Staff has (and will continue) to update these areas as they are identified.*
- There is a problem with the consistent application of fees by Staff, which ultimately creates unfair and/or confusing situations for applicants. *The revised fee schedule should minimize errors or inconstancy in the application of fees on permits by staff.*
- There were issues related to the application of third-party consultant fees. *This revision will create a consistency in the processing of fees related to third-party consultants, which will better align their fees with City fees.*
- Alignment with consultant fees. *This revision better aligns City fees with consultant fees to ensure equity in the application of fees regardless of who provides the service.*

Staff has worked to prepare a comprehensive revision of the fees, but inevitably some fees will need to be amended as the fee schedule is applied. Also, some of the more complex fee sections may remain, until staff can investigate further with other communities and the consultant working through the City's Zoning Code changes. These changes will be brought to the Council individually, as they are developed.

Following a general consensus by the City Council, at this meeting, that the fee revision amendments can move forward, staff will conduct a follow-up review of the fee schedule with the City Attorney, prior to bringing it to the Council for approval, to ensure that there are no discrepancies between the Code and the Fee Schedule. Staff will be doing a more in-depth analysis of budget impacts and will continue to perform analysis of various permit types to protect against drastic deviations in fees, either high or low.

Alderman Sanoica - This seems like the City is really going in a positive direction with having some justification for the fees and explaining where it's going. My question is regards with to any residents who need to fill out permits in order to complete any home improvements where repairs are needed to alleviate an imminent threat to the health and welfare of the resident, is there a process currently in place within Community Development to handle those types of situations?

Rob Horne, Director Public Works - I don't know necessarily if we have a specific process for what you described but what I will say is that all of our emergency related permits such as furnace, hot water heater, air conditioning, sewer backup etc., those are either express permits or same day permits. Our staff is very in tune with assisting residents when they're dealing with an emergency that's going to affect their ability to function and be in their home within 24 hours. We absolutely work with contractors and residents for those kind of emergency permits to make sure they're issued over the counter and we'll worry about any review or the inspection later.

Alderman Sanoica - An example that I would bring up is that everyone on Council received an email from a resident that showed their neighbor where their roof was falling off and so a development permit like that, if that resident has a debilitating roof for example and if they're unable to pay, what options are available to them with this new fee structure that looks to be adequate and appropriate but perhaps out of reach for some residents that might be struggling?

Rob Horne, Director Public Works - We do have and it's probably something we need to advertise little more than we do, we do have a handyman service that is in our budget for I think about \$7500 but I believe it's primarily for disabled or senior citizens to take advantage of but I don't know if there is an economic impact with that. I know there is with our senior snow removal.

Barry Krumstok, City Manager - In the past if we had a person that couldn't afford to pay the permit fee we would put them on a payment plan just like utilities but we typically take it on a case-by-case basis.

Alderman Sanoica - That does help clarify some things. The reason I'm asking is because while these fees appear appropriate I want to ensure that if it's not realistic for the economic reality of many of our residents and I want Council to consider how we might subsidize some of those fees to ensure we're covering what needs to be covered or if we're not covering what needs to be covered in the fees themselves we need to understand why.

Rob Horne, Director Public Works - In regard to your example the permit fee is \$40 and that would be one that we are subsidizing already. That would take a minimum of two inspections and that's already \$100 so we're subsidizing \$60 on that permit. That is what we are opposing as well.

Alderman Cannon - With our new ERP system is that going to give us any more efficiency so everything doesn't have to be done on paper? Can we actually have people electronically submit their permit?

Rob Horne, Director Public Works - Yes, we are actually speaking about that today at a staff meeting. We do want to pursue as part of the ERP program the use of electronic submittals. That is also one of the motivations to try and get this fee schedule revised because the fee schedule will be loaded into the computer and will eliminate paperwork. Our staff will be able to just plug in the numbers and they'll self-calculate and it will make it a lot easier for staff and applicant.

Alderman Cannon - Do you have any idea when possibly that might rollout?

Rob Horne, Director Public Works - We're actually meeting soon with representatives from the company that provides the software. The implementation of the software needs to be done in person with the implementer. We've tried to do it online and it just doesn't work so we had to take a three-month hiatus and we are starting to have conversations with them again and it was very encouraging. We had a meeting with our GIS staff and they're aware of other communities like Park Ridge using this software and we've heard nothing but great things about it which is really good news.

Alderman Cannon - Do you think it will be implemented this year?

Rob Horne, Director Public Works - It's a one year build so my guess it would be next year before you see it but we will certainly be working on it this year.

Alderman Cannon - I have a friend that owns a couple of houses in town and it seems like the permitting process for his rental properties is overly cumbersome. It seems like it could be reduced dramatically both with paperwork and time. He has a lot of suggestions that I would like to pass on to you but we could do that off-line. The last thing I would like to point out, when all of us drive through our Wards on any given day, I think many of us can see many projects that are being accomplished without permits. I'm not asking to hire detectives but it sure would be nice that sometimes people could be stopped when you see a dumpster in the driveway and you know they don't have any permits. It's a little bit frustrating for all the people who follow the rules.

Alderman Bisesi - One of things that I have found personally frustrating is the only way that I could find out the cost of a permit is to call the City. Is there any way that we can have the fees, at least for the ones that are flat fees, on the internet such as a water heater, air conditioner, etc.? It would be nice to be able to see the fees online instead of calling the City.

Rob Horne, Director Public Works - I don't see a problem with that. We want to put some work into our webpage regarding Community Development. We've talked about that internally so we certainly would consider doing that. Again, our goal is to make it so if someone looks at the fee schedule they can find the cost of a hot water heater etc.

Alderman Budmats - I don't mean to be a wet blanket but I'm kind of getting used to being it. Here's the deal, in tonight's meeting, I've heard Aldermen say that we don't want to raise the fees on gaming cafés because they're a struggling business and they suck hundreds of thousands of dollars out of our community. But yet the average guy who owns a home in Rolling Meadows is going to pay \$100 more for a deck permit and yet the average guy who wants to redo his patio is going to pay \$100 more for that permit but the last thing we want to do is screw up and mess with having anybody who wants to open up a gaming café in town and having them pay a couple more bucks. I just need you to have a look and see how we look as a Council to the outsider looking in and they have to wonder what we're thinking. We're here to take care of residents and not to make gaming companies rich. It's a real bummer. I didn't want to say anything but I just can't let it go. Think about all the things that we've passed tonight and who has benefited and how does it affect the average homeowner in our community and then judge your actions accordingly please.

Mayor Gallo - I just had a question regarding the current fees, you mentioned some fees that were upgraded for decks, patios, driveways and I just wanted to know if you've factored in the frequency of these projects into that equation? Let's say you elevate some fees for project but it's a project that's only done once in a blue moon so it doesn't really help either the Community Development Department financially or it doesn't really have an impact on a resident or vice versa, did you factor the frequency of these projects into those prices?

Rob Horne, Director Public Works - No we haven't but that's one of the things precisely we're going to do in the next month because when I was talking to you about that report we generated that gave me the percentage of costs that were actually bringing in revenue. We wanted to run the proposed fees against all those different permit types to see what the budget impact would be and as you said if we raise a permit \$50 that we do a lot of, that might have a more impact on our financial standing. With ones that are rare we would look at those differently. I guess the answer to your question is that we have not done it but that's precisely one of the things we're going to do in this next month.

Mayor Gallo – One of my thoughts would be that the project that we do frequently or the residents request to have done frequently hopefully we can maintain some happy medium between elevating the fee and knowing that we are consistently seeing residents request this sort of service and the inspections that go with it so those common projects don't get kicked so hard with the spike that it does end up becoming a shock to a resident. If we could just take the frequency of projects into consideration when adjusting the fees so we don't make them so disproportionate so quickly in some cases.

Rob Horne, Director Public Works - Absolutely. I know the deck and the patio are significant increases but most of the residential permits are not that high. I wanted to show those because they are the projects that would be increased a little higher but most of the permits that get issued are just going to be a little higher. As you said, the ones that are more common like the driveways we have actually reduced. We know that a lot of our commercial permits do subsidize the smaller residential permits.

Alderman Vinezeano - When you were figuring out the costs for processing the permits, are those costs are what it is costing right now and/or did you take into consideration that we're going to be having a new software system that we're spending a lot of money on and obviously that is the plan that's going to expedite that process and save staff time as well and how did that play into it?

Rob Horne, Director Public Works - We did not take the ERP system into account. It was based on current operations but I will say it was estimated conservatively so I did lowball all the time periods because I didn't want the expenses to look overinflated. I did try to put the minimum, for example most of our plan reviews, as you all know from calls you received, are two or three plan reviews and I only considered one plan review. The likelihood that we only get one plan review on a plan and it gets issued right away is rare. I think I'm pretty close even with the application of the ERP but again I would be more than happy to come back to the Council in two years and tell them we have a need to decrease some fees because residents will complain to us first. I want to keep reiterating it is not our intent to increase fees to discourage people from getting a permit. We're just trying to bring them more in line with what our consultant charges, what other communities charge and we're losing so much money in comparison to the expenditures we're using with our resources.

Alderman Vinezeano - I would just ask that in two years that it would be reevaluated, when we have the ERP system in place and when it's up and running efficiently, to see if those costs are in line with whatever fees that are passed at the time and to have better data at that time.

Mayor Gallo – Are there any other questions or comments from Council? Seeing none, is there a motion to adjourn? Alderman D’Astice has made the motion and it has been seconded by Alderman Bisesi. 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 meeting is adjourned.

There being no further business, by unanimous consent the Committee-of-the Whole meeting was adjourned at 11:25 p.m.

Respectfully submitted: Judy Brose, Deputy City Clerk

June 16, 2020 Committee-of-the-Whole Minutes Approved by Council on July 28, 2020.

Judy Brose

Judy Brose, Deputy City Clerk