

**COMMITTEE-OF-THE-WHOLE  
MINUTES  
August 16, 2022**

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

**ROLL CALL:**

Present: McHale, Budmats, Bisesi, Reyez, Sanoica

Absent: O'Brien, Vinezeano

**STAFF IN ATTENDANCE:** City Manager Rob Sabo, Finance Director Molly Talkington, Deputy City Clerk Judy Brose, Police Chief John Nowacki, Fire Chief Pete Sutter, Director Public Works Aaron Grosskopf, Assistant Director Public Works JoEllen Charlton, Chief Information Officer Waseem Khan, and City Attorney Melissa Wolf

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

**1) Sustainability Plan Recommendation from the Environmental Committee**

Alderman Sanoica presented the Sustainability Plan recommended by the Environmental Committee. In 2017, the City of Rolling Meadows adopted the attached Resolution 17-R-42 endorsing the Metropolitan Mayors Caucus' Greenest Region Compact ("GRC") which is a planning tool for municipalities for sustainability efforts. The GRC includes a Framework which is a document featuring various initiatives and objectives that have been pulled together from GRC member community sustainability plans into one listing which can be used to formulate a sustainability plan for a community or as a tracking mechanism. Comparable communities have used the GRC Framework as one of the foundations for identifying what projects or initiatives the City may want to include in a Sustainability Plan and also to identify those projects or initiatives that the City may be interested in pursuing in the future but will defer. The GRC Framework is a useful tool which can be used by the City to formulate a Sustainability Plan for Rolling Meadows. The City's endorsement of the GRC via Resolution 17-R-42 doesn't require any specific actions to be taken with the Framework but it does voice the City's commitment and interest in pursuing sustainability for the City. More information on the GRC can be found on the MMC's website: <https://mayorscaucus.org/initiatives/environment/rec/>.

At its July 5, 2022 meeting, the Rolling Meadows Environmental Committee ("RMEC") reviewed the GRC framework and 2017 Resolution, and unanimously recommended that (1) Council reaffirm its support of the GRC; (2) Council direct staff to evaluate the 49 goals presented in the framework within a specified timeframe, such as December 31, 2022 and (3) upon completion, use staff's GRC evaluation as a starting point to create a Sustainability Plan.

Many of the GRC goals may have already been accomplished through current department processes, but presently there is no formal plan within the City of Rolling Meadows to highlight the City's progress. Using the GRC framework evaluation as a starting point, RMEC recommends that the Council support the creation of a Sustainability Plan to establish goals and priorities for the City that support economic development, energy use, land use, water management, transportation, and many other areas that contribute to the prosperity, health, and wellbeing of residents.

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A brief presentation was given which aimed to seek Council's concurrence with the RMEC's recommendation to create a Sustainability Plan for the City of Rolling Meadows.

Mayor Gallo took a straw vote for those in favor to have Staff evaluate the 49 goals presented in the GRC framework by December 31, 2022 so the Environmental Committee can pursue future objectives with the Plan. 6 in favor; 0 opposed.

## **2) FY 2023 – FY 2027 Capital Improvement Program (CIP)**

JoEllen Charlton, Assistant Public Works Director, Molly Talkington, Finance Director and Waseem Khan, Chief Information Officer presented the FY2023-FY2027 Capital Improvement Plan (CIP). It is a financial planning tool that allows local governments to identify and prioritize long term capital projects. Rolling Meadows annually re-evaluates and adds capital projects to the CIP on a five year look ahead. The process allows projects to be prioritized or deferred to future years in response to economic conditions. It also helps communities define whether local fund balance policies can be achieved when combinations of projects are programmed in given years. In short, a CIP is NOT a budget, but rather a tool that helps define and finalize a budget based on a reasoned process.

*ERP Update:* Pursuant to Resolution 17-R-47, approved by Council at their meeting on April 25, 2017, the City authorized a new ERP system, and chose to proceed with Tyler Technologies software products. That package included software licensing, software development assistance to City staff to build the new system, conversion assistance, end-user training, 3<sup>rd</sup> party hardware and software, and related services to establish the following modules:

*Financials:* Accounts/General Ledger/Budget/Accounts Payable, Cash management, Fixed Assets, Inventory, Purchasing, Work Order, Fleet and Facilities Management

*Payroll/HR:* Payroll with Employee Self Service, Human Resources Management, Time and Attendance, and Advance Scheduling

*Revenue:* Accounts Receivable, Central Property File, General Billing, Tyler Cashiering, Utility Billing and Interface

*Productivity:* Citizen Self-Service, Employee Self Service, Tyler Notify, and EnerGov Citizen Self Service, Tyler Forms Processing, Tyler Content Manager, Munis Analytics and Reporting

*Energov:* Licensing and Regulatory Management, Permitting and Land Management Suite, Reporting,

*Other:* Payroll Tax Table Updates, EnerGov GIS, and Workforce Apps.

The initial plan was to have all modules implemented by 2019, however due to internal staff changes of key City and Tyler Trainer personnel, issues related to COVID-19, and delays caused by a Tyler necessitated software system update, the implementation of certain modules had to be postponed to later dates. Tyler has been very supportive of the City's project goals and have offered discounts on training and annual maintenance as a result of delays from their end. The contract amount authorized by Resolution 17-R-47 was \$824,915. The total paid to Tyler to date, including annual maintenance for 2017 and 2018 is \$789,057.65, leaving an available budget from the original approval of \$35,857.35. Staff anticipates completing the original project and spending the balance down by the end of FY 2022.

The following information provides a status on activated, pending, and outstanding modules.

*Activated Modules:*

April 2018 – Live with Financials – General Ledger, Accounts Payable, Budget, Tyler Content Management (TCM)

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Oct 2019 – Soft Live - Work Orders

July 2020 – Live with Utility Billing, Cashiering, Self Service Portal

*Pending Modules:*

EnerGov – Implementation in Progress – Tentative Go-Live Jan 2023

Human Capital Management – Payroll – Implementation in Progress – Tentative Go-Live Jan 2023

Employee Self Service - Implementation in Progress – Tentative Go-Live Jan 2023

*Outstanding Modules:*

Project & Grant Accounting, Central Property, Tyler Incident Management (Tyler 311)

Contract Management – Add-On Approved (Resolution No. 22-R-51)

Recruitment Module – Tentative

The proposed 2023 budget amount of \$250,000 entails implementing and activating all “outstanding” add-on modules, and also includes post-live training and annual licensing costs.

*Park Street Storm Update:* On April 20, 2021, Baxter Woodman, the City’s selected consultant for the Park Street Storm project, presented the City with its recommendation to complete the project in a total of four phases with a total cost of \$1,630,000. Based on this recommendation, the project was programmed into the CIP in four phases over four years from 2022 through 2025. The total cost for the project has been redefined in three phases over three years at a revised cost estimate of \$2,850,000.

The cost increase is due to a variety of factors including delays and increased costs due to unexpected easement costs from the Jewel Shopping Center, COVID-19 and “supply chain” costs, and due to an error Baxter and Woodman notified the City that they made during the estimating portion of the project. While estimating, they mistakenly carried over restoration costs from the first phase of the project, which only included landscape restoration, to the future phases, which included pavement and landscape restoration. Early estimates also had not accounted for an estimated \$80,000 in costs associated with repairing/restoring impacted parking lots.

The first phase of the project was to begin this year in 2022, however, the project was delayed pending an easement from the Jewel Shopping Center and the resulting inability to complete the project during the summer when school was not in session. The easement was recently authorized, and the work is tentatively scheduled to resume in 2023. Revised 2023 costs are projected at \$986,500, with \$383,500 of that amount guaranteed from two grant sources. This grant funding has been confirmed for 2023, but there is no guarantee it would continue to be available if the project was not completed in 2023.

After speaking with Baxter & Woodman regarding their mistake and the projected increase, they offered to assist the City at no additional cost for applying for and managing additional grant opportunities. Two such funding opportunities exist from the Army Corps of Engineers (ACOE), which provides funds earmarked for "water" infrastructure projects in Cook County. The program requires support from the local congress person and generally provides a 75% match in the range of \$1,000,000. These funds are generally not overly competitive, but can take time to acquire. Furthermore, the Metropolitan Water Reclamation District of Greater Chicago (MWRD) Stormwater Partnership provides funding assistance to stormwater flooding mitigation projects. The District prefers to distribute funds across several communities, and Rolling Meadows has not previously received partnership assistance. That said, they do prioritize projects that mitigate residential structure flooding and projects that provide detention. While there is no required match, a 50% match has been fairly standard. The call for projects for this program is anticipated to occur within the next month or two.

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The new funding sources identified above would help offset the second and third phases for this project, rescheduled for 2024 and 2025. Estimated costs for these phases are \$810,000 and \$790,000 respectively, compared to the \$200,000 and \$300,000 originally estimated for those phases. The originally recommended Phase 4, to extend improvements north of School Street to Sigwalt, is recommended to be eliminated from the project, as it was not part of the original project, and believed to provide minimal additional flood control benefit.

Again, in addition to the difficulty of predicting the increase in costs over the last year, the increased costs in these last two phases are due mainly to the error Baxter and Woodman made in estimating costs, but that they are willing to help mitigate by seeking and administering additional grant funding at no additional cost to the City.

Given the important flood relief provided by this project to both the school and neighboring residents, staff recommends the project remain in the CIP for the 2023-2025 cycle.

*Local Roads Fund Balance Trend:* The Local Road Fund balance is projected to be negative at 2022 fiscal year end and the negative balance continues to grow through FY 2027. The Capital Projects Committee review resulted in staff looking at the other funds in the Capital plan and adjusting revenue and project expenses to lessen the negative fund balance trend. This negative fund balance trend was shown in the FY 2022 to FY 2026 Capital Plan.

Staff looked at the 911 Fund. This fund is building reserves for the mobile radios and CAD system update with NW Central Dispatch. Police staff is working to obtain a new estimate on the cost of these radios and will follow up on the progress of the CAD system update. Until those costs are updated, staff is recommending holding the property tax levy in this fund at the current \$700,000 annually through FY 2027. At the CPC meeting, this fund included a property tax levy increase of \$25,000 in FY 2023. The levy increase has been moved to the Local Roads Fund levy request.

At the CPC meeting, the Local Roads levy request for the Annual Street program was an increase of \$75,000, bringing the total levy to \$1,075,000. With the addition of the \$25,000 from the 911 Fund, this brings the Annual Street program levy to \$1,100,000. The five-year forecast includes an increase in this levy of \$50,000 annually.

The Motor Fuel Tax (MFT) Fund was adjusted to include road reconstruction funding from FY 2024 to FY 2027. Originally, road reconstruction funding from MFT was included in FY 2022 and FY 2023 as part of the Build Illinois program. The Build Illinois program funding is a total of \$1.6 million in revenue over FY 2020 to FY 2022. The planned expenditures totaled \$1.6 million and are in FY 2022 and FY 2023. Additionally, the State added the Transportation Renewal funding for MFT. This funding began in FY 2019 and continues through this capital plan. This funding is estimated between \$397,000 and \$380,000 from FY 2023 to FY2027. MFT fund balance is estimated to be positive over the life of the capital plan. Therefore, staff shifted \$385,000 from FY 2024 to FY 2027 in road reconstruction funding from the Local Roads Fund to MFT. This still leaves MFT with an estimate fund balance of \$1.1 million in FY 2027.

With these adjustments in the capital plan, the Local Roads Fund estimated fund balance has improved by \$1,425,000 but remains in a negative position at (\$4,712,345) in FY 2027. This fund requires a structural review and potential overhaul to address the expenditure needs that are outpacing the current revenues to bring this fund into a positive position.

*Recommended CIP Impact on Fund Balance:* The Local Roads, Motor Fuel Tax, and 911 Funds were discussed in the prior item. The other capital funds are Utilities, Vehicle & Equipment, Building & Land, and General Fund. The General Fund balance will be outlined in detail in the FY 2023 Proposed Budget. This is scheduled for September 20, 2022.

1. **Vehicle & Equipment Fund:** This is an internal service fund and its revenues are generated by other City funds that have capital assets in this fund for purchase and/or replacement. The chargeback amount does not cover the full costs of this fund. The FY 2022 funding was \$1.5 million and this was increased to \$2.0 million for FY 2023. There is a 5% increase in the chargeback amount built in annually through FY 2027. Additionally, there is a 10-year loan payback of \$100,000 from the General Fund that ends in FY 2025.

The fund balance is working as it is intended. The fund builds balance (its savings) over the life of the assets until the assets are set for replacement. Public Works staff balances the replacements for vehicles over the years to limit spikes in expenditures in one year. However, Fire vehicles typically cause a spike in expenditures due to the nature of the vehicles and the total cost of replacement. This is seen in FY 2022 with an Engine replacement and in FY 2024 with a Ladder replacement. These two large purchases use the fund balance (savings) in those years. As the capital plan shows, that in the years the spending is not a great, the fund balance is built back up. This fund has a low fund balance in FY 2024 of \$444,889 projected but by FY 2027, the fund balance is projected back up at \$5,090,010.

2. **Building & Land Fund:** Similar to the Vehicle & Equipment Fund, this fund is an internal services fund. The chargebacks do not cover the full costs in this fund. There is an increase built in for FY 2023 of \$420,500 or 73% from FY 2022 at \$579,500 to \$1,000,000 in FY 2023. Also, a 5% increase annually is included through FY 2027.

The expenditures for this fund also fluctuate in the same manner as the Vehicle & Equipment Fund. As projects are identified for this fund and planned, the fund balance is drawn down. In the years of lighter expenditures, the fund balance is built up. Since the chargebacks are not fully covering the costs of the fund, FY 2026 is projected to have a high expenditure year and therefore, the estimate fund balance is negative at (\$980,408). FY 2027 fund balance is also estimated negative at (\$376,627). This is showing the fund working as intended because the FY 2027 year is a fund balance growth year and significantly reduces the projected negative balance. There are ways to address the projected negative fund balance through increasing the chargebacks to the other funds greater than 5% and/or shifting or reducing the scope of the projects scheduled for FY 2026.

3. **Utilities Fund:** This is an enterprise fund meaning it functions like a business. This fund is supported by its customers. The rates charged to the customers have not increased since FY 2019 while the cost for supplies has significantly increased. The JAWA water supply charge to the City has been increasing at 5% annually and is projected to continue at that rate. The FY 2023 anticipated cost for water is \$4.3 million and is 31% of the total expenditures for the fund. JAWA is actively working to find ways to reduce the increase that is being passed on from the City of Chicago and if successful, any decrease in the cost will be updated in a future capital plan and not anticipated in this forecast.

The Utilities Fund is projected to fall into a deficit position in its fund balance in FY 2024 at (\$836,418). This trend continues through FY 2027 with a projected balance of (\$1,719,548). This downward trend is based on services and revenues remaining as is and assuming that water shut offs, penalties, and late fees resume in September 2022. Since this is a business-like fund, a review of the rates for service should be done and adjustments recommended to Council for review. Any increase in the rates would help to cover the anticipated costs. Also, a review of the planned projects and the potential use of the American Rescue Plan Act (ARPA) Funding to fund some of the projects is needed. The ARPA funding and its use will be brought to Council for consideration in the upcoming months.

### 3) Video Gaming Establishment License Code Enforcement

Rob Sabo, City Manager provided an overview of the City’s requirements and regulations for Video Gaming Cafes, the financial impacts of Video Gaming Cafes, and the enforcement mechanisms available to the City in the event of a violation of the City Code pertaining to holders of a Class GC or GA liquor license.

*Video Gaming Regulations Overview:* Video Gaming Cafes (“VGCs”) are locally regulated via [Sections 6-34, 6-36, 22-1182, and 122-86](#) of the City Code and by the Illinois Gaming Board in accordance with the [Illinois Video Gaming Act \(230 ILCS 40/1 et seq.\)](#) (“the Act”). According to the Act, VGCs are defined as a “Licensed establishment” which “means any licensed retail establishment where alcoholic liquor is drawn, poured, mixed, or otherwise served for consumption on the premises, whether the establishment operates on a nonprofit or for-profit basis.” Home-rule municipalities may impose further regulations of VGCs with respect to local land use and licensing. Accordingly, in order to open and operate in the City of Rolling Meadows, VGCs require approval of a special use, must be licensed per the Act, must receive a Class GC liquor license from the City, and must adhere to the laws set forth within the City Code and the Act pertaining to operating VGCs.

Per the Act, VGCs may not locate within 100 feet of a school or place of worship. Per the City Code, a VGC must be separated by a minimum of 900’ from the next closest VGC and not more than one VGC can operate in the same multi-tenant building. Per the City Code, VGCs must have a minimum gross square footage of at least 1,200 square feet and not more than 30% of the gross square footage can be occupied by video gaming machines and surrounding space. The City Code also restricts the number of VGCs allowed to operate in the City to a maximum of five, with specific geographic limitations as follows:

*Area 1:* (Kirchoff Road Corridor generally described as the commercially-zoned area along Kirchoff Road between Wilke Road and Rowling Road). Maximum # of video gaming cafes = 2

*Area 2:* (Meacham/ Plum Grove Road Corridor generally described as the commercially-zoned area along Meacham/Plum Grove Road between Algonquin Road and Illinois Avenue). Maximum # of video gaming cafes = 2

*Area 3:* (Golf & Algonquin Road Corridor generally described as the commercially-zoned area along Golf, Algonquin and New Wilke Roads, in the vicinity of Meadows Town Mall Shopping Center). Maximum # of video gaming cafes = 1

*Area 4:* (All other commercially zoned areas of the City of Rolling Meadows). Maximum # of video gaming cafes = 0

The City Code also requires that, “All video gaming cafes shall maintain one or more commercial-grade cooking device(s), including at least one or a combination of full-sized commercial grade ovens, grills, fryers, or ranges capable of preparing made-to-order hot items on the menu. Countertop equipment, food warmers and other holding and warming equipment are not sufficient on their own to meet this requirement. The beverage and food offerings of the establishment shall include a variety of non-alcoholic beverages and a minimum of ten hot food items which shall be served during all hours of operation. No less than five hot food items offered by the establishment must be prepared from scratch in the establishment and may not be pre-packaged and/or pre-prepared. An example of pre-packaged would be a pre-cooked breakfast sandwich that is heated up. An example of pre-prepared is a frozen pizza that is heated up in a standard or convection oven.”

For a proposed VGC to obtain a Class GC liquor license, in accordance with [Section 6-34\(B\) of the City Code](#), the City Manager or a designee must conduct an investigation on the proposed VGC to ascertain if they meet the criteria specified within [6-34\(C\) of the City Code](#). The findings of the investigation are presented to the City Council. If the City Council finds that the proposed establishment qualifies as a VGC, the Council will consider whether or not to refer the matter to the City’s Planning and Zoning Commission for special use consideration. If

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the Council does not refer the matter, there is no further consideration of the Class GC license for the specific VGC applicant and they may not open or operate as a VGC. The City Code also allows for existing food establishments with a Class A1, A2, A3 or D liquor license, that have been operating for more than one year, to apply for a Class GA liquor license to operate video gaming which is incidental to the service of alcohol and/or food. There is a cap on the number of Class GA liquor licenses at 12.

The City also requires Video Gaming Terminal Operators to obtain a business license from the City and a video gaming terminal license for each video gaming machine that is located in the City. Terminal Operators provide and maintain the video gaming machines for VGCs and are also licensed by the Illinois Gaming Board.

*Financials:*

The City receives video gaming revenue from a few sources:

- 1) Video Gaming Terminal Operator License: \$2,000/establishment  
Total Estimated Terminal Operator License Revenue in FY2022 for 5 VGCs: \$10,000  
Total Estimated Terminal Operator License Revenue in FY2022 for 5 Class GA: \$10,000  
  
Grand Total Estimated Video Gaming Terminal Operator License Revenue in FY2022: \$20,000
- 2) Video Gaming Terminal (“VGT”) License: \$1,000/machine  
Total Estimated VGT License Revenue in FY2022 for 5 VGCs (30 terminals): \$30,000  
Total Estimated VGT License Revenue in FY2022 for 5 Class GA (26 terminals): \$26,000  
  
Grand Total Estimated VGT License Revenue in FY2022: \$56,000
- 3) Illinois Video Gaming Tax Municipal Share (reports attached): 5% of Net Terminal Income  
Total Video Gaming Tax FY2021: \$177,938.88  
Total Video Gaming Tax FY2021 January – August: \$106,884.00  
Total Video Gaming Tax FY2022 January – August: \$111,660.35
- 4) Push Tax: \$.01 per play on a video gaming terminal (Codified but not currently collecting)

Approximate grand total video gaming revenue (Calculation includes FY2022 Estimated Total Terminal Operator License Revenue of \$20,000 + FY2022 Estimated VGT License Revenue of \$56,000 + FY2021 Total Video Gaming Tax of \$177,938.88 (2022 full year total gaming tax not yet known but revenues in FY2022 are higher year to date versus FY2021): \$253,938.88.

In addition, each business is required to have a business license which ranges from \$200-\$600 per business, per year depending on the square footage of the business location.

*Code Enforcement:* Certain City staff can conduct inspections of VGCs to ensure compliance with the City Code. VGCs who are found to be in violation of the City Code requirements pertaining to operating VGCs are subject to the enforcement mechanisms set forth for Class GC liquor license holders as outlined in [Section 6-46](#) of the City Code:

*Sec. 6-46. Violations.*

- (a) The mayor, as city liquor control commissioner, shall have all of the authority granted to local liquor control commissioners by the Liquor Control Act of 1934 and as set forth in this

section pursuant to the city's home rule authority, including but not limited to the authority to suspend, cancel, revoke, or otherwise terminate any license issued by him or impose a fine for the violation of any applicable law, ordinance, regulation, or rule.

- (b) In lieu of or in addition to the suspension or revocation of the license, the liquor control commissioner may levy a fine on the licensee for such violations. The fine imposed shall be as provided in appendix B to this Code. Proceeds from such fines shall be paid into the general corporate fund of the city treasury.
- (c) In addition to the suspension, revocation or imposition of a fine pursuant to subsection (a) or (b) of this section, the liquor control commissioner may require that the licensee found guilty under this section pay some or all of the city's expenses in regard to the prosecution of the liquor violation, including but not limited to attorney's fees, court reporter expenses, investigator's fees or witness fees.
- (d) However, no revocation, suspension or fine shall be imposed on any licensee except after a public hearing by the liquor control commissioner with not less than a three-day written notice to the licensee affording the licensee an opportunity to appear and defend.
- (e) An appeal of an order or action of the local liquor control commissioner shall be limited to the official record of the proceedings, as certified by a certified court reporter or certified shorthand reporter, which official record shall be filed with the state liquor control commission by the liquor control commissioner within five days after written notice from the licensee of the filing of such appeal. The appellant licensee shall pay the cost of the hearing transcript.
- (f) In any case in which a licensee appeals to the state commission a suspension, revocation or fine by the local liquor control commissioner which is the second suspension, revocation, or fine imposed on that licensee within the preceding 12-month period, the suspension, revocation or fine shall be in effect until a reversal of the local liquor control commissioner's order has been issued by the state liquor commission or court having jurisdiction thereof, and the licensee during the appeal process shall cease all activity otherwise authorized by the license.

Procedurally, if a violation of the Class GC or GA license was found by staff, notification would be made by the City Manager to the Mayor as Liquor Control Commissioner who thereby can schedule a public hearing at which the City would present its findings and the licensee shall have an opportunity to appear and defend against the alleged violations. Ultimately, it would be the Liquor Control Commissioner's decision of whether or not a violation is found to have occurred and if so, whether to impose a fine, suspend or revoke the license.

The City may also issue a local ordinance violation citation for violations of the City Code which would be heard in an Administrative Hearing, however, the Administrative Hearing Officer does not have the authority to impose any suspension or revocation of liquor licenses. That authority rests solely with the Liquor Control Commissioner.

There is also a mechanism whereby the City may suspend or revoke a business license through a process set forth in [Section 22-40](#) of the City Code but the instances in which such a procedure can be undertaken are limited to, "when the conduct or operation of any business, occupation, activity or establishment, whether licensed or unlicensed, shall constitute a nuisance in fact and a clear and present danger to the public health, safety or general welfare or where the holder of any license or permit shall have refused to allow an inspection of the premises or has refused to furnish a sample of his goods for testing" (City Code Section 22-40(a)).

All license holders will be notified that the City will be stepping up their enforcement and conducting it regularly. The annual renewal process requires them to sign documentation saying they will adhere to the City's Code and

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adhere to the video gaming requirements. By obtaining a license they are affirming that they will adhere to the Code so even if we don't issue letters we can still conduct enforcement. In the spirit of ensuring that they have an opportunity to comply with the Code, we can take the opportunity to notify the gaming cafes and reaffirm the fact that they should be adhering to the Code and that there are specific requirements within the Code that they should be following and that the City will inspect and ensure they're adhering to those requirements.

The next step would be to amend to the Code via an ordinance approved by City Council.

After Council discussed this topic, Mayor Gallo took a straw vote for those in favor for Staff to bring this topic back to a future COW discussion. 6 in favor; 0 opposed.

Manager Sabo stated he will do some research and this discussion will be brought back at the September COW meeting and then advance an ordinance thereafter.

#### **4) Reinstatement of Late Fees and Penalties for Delinquent Water Accounts** **Discussion** *(Follow up from March 15, 2022 COW meeting)*

Molly Talkington, Finance Director stated that at the January 18, 2022 Committee of the Whole (COW) meeting, staff presented information related to the City Council policy decision to suspend water shut-offs for customer non-payment. The original memorandum from that meeting is attached for reference. The Council suspended all late penalties, non-payments, and water shut-offs/penalties for late or non-payments in an effort to assist residents during the pandemic. As is identified in the January memorandum, the City lost revenue in the amount of approximately \$250,000 for all delinquencies related to non-payment for services covered as part of the initiative, along with \$75,000 and \$100,000 annually in revenue for penalty fees associated with these services.

At the March 15, 2022 follow-up Committee of the Whole meeting, a timeline was set to reinstate the utilities shut off and late fee and penalties policies. Additionally, the March memorandum updated the total outstanding balance to \$357,326.54 including some commercial properties the City cannot shut off due to fire suppression requirements. This memorandum is also attached.

Since the March COW, Finance staff has proceeded with notifying past due customers of the impending reinstatement of the shut off and late fees and penalties policies. Effective September 20, 2022, the City plans to begin charging financial penalties for past due balances and starting in October the disconnections (shut off) of water service are planned to begin.

Residents and businesses that are currently delinquent have received two notices informing them of their delinquent status and options to return to a paid status prior to having their water shut off, if allowed. The first notice was sent to 219 accounts and by the second notice, 75 accounts or 34% were removed from the delinquent list. The second notice was sent to 144 accounts. Approximately, 10 customers have been referred to the Community and Economic Development Association of Cook County, Inc. (CEDA). CEDA may provide financial assistance to those customers if they meet the qualifications the non-profit has in place. There are three customers that have opted to use the City's payment plan option to bring their bill current over a set period of time. Since the second notice was sent out, Finance staff has received many calls inquiring about the payment plan option. Based on historical trends of delinquent accounts, Finance staff anticipates an influx of calls and payments once the shut off notices are received by customers. Residents who are currently on payment plans will not get shut off.

The delinquencies include three foreclosure properties that most likely won't come into compliance until the property changes owners. The outstanding balance at the end of July was \$178,273 excluding one commercial

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property. This commercial property is delinquent by \$117,219, and Finance staff and the City's Business Advocate are working closely with the management company to secure payment. Additionally, the City's eNews letter included information on the reinstatement of the policies in the August 2022 newsletter.

Additionally, there have been some unintended outcomes due to the temporary pause in water shut off and late fee and penalties waiver. The City is aware of one landlord having a financial burden due to continued utilities service during this time. Also, refuse payment collections were also negatively impacted by the freeze in shut offs. The financial burden to the one landlord may apply to other landlords as well. The one landlord had a tenant that choose not to pay their utilities payment during the pandemic period. Since the City was not shutting off the utilities, this tenant continued to use the services including refuse. Per City code the financial obligation of the utilities and refuse is on the owner of the property. Since the tenant has vacated the property, the landlord now has the delinquent balance to pay. In this case, it is over \$4,000 since it was for multiple years and includes the refuse. Staff has offered the payment plan option to this landlord.

The City of Rolling Meadows went live with Tyler Utility Billing in July of 2020, with online bill pay starting in August of 2020. Prior to Tyler services, The City was using MSI Utilities Billing as well as Illinois E-Pay as a third-party vendor to accept online Utility Billing payments. With any new system, comes new opportunities to make processing more efficient and secure.

With the implementation of the Tyler Customer Self Service (CSS) portal, the City has been able to leverage real time bill payments as well as account access for all residents. The services were well received by City residents and patrons.

The online bill payment numbers are going up and the over the counter numbers are going down, which shows that the system is working as intended with the shifting of over the counter payments to online electronic payments.

One of that main challenges, regarding Online Bill pay via Customer Self Service (CSS), customers are currently experiencing today is related to the implementation with Tyler ID. Tyler ID is a two-factor authentication protocol established to enhance security for online usage of the Tyler CSS portal. Unfortunately, certain users are unable to either create an online-account, log into their account or receive their monthly statements. This is related to the user's particular email address not receiving the new account creation email, forgot password link or their monthly statements.

The City receives roughly a dozen support calls/emails each month from customers experiencing issues with the portal services. Staff makes it a point to ensure all issues are properly documented for further review with internal staff and/or Tyler Support. Staff works to ensure there is no disruption in services by the customer who is experiencing portal issues. Bi-weekly meeting with City staff and Tyler engineers will be ongoing until a resolution is in place. Also, any other utility billing issues are tackled in these meetings as to prevent and/or limit the scope of any problem that may arise.

Mayor Gallo asked for a motion to adjourn. Alderman Sanoica made the motion and was seconded by Alderman McHale. A voice vote approved adjournment.

There being no further business, by unanimous consent the Committee of the Whole meeting was adjourned at 8:59 p.m.

Respectfully submitted: Judy Brose, Deputy City Clerk

August 16, 2022 Committee of the Whole Minutes Approved by Council on September 13, 2022.

*Judy Brose*

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Judy Brose, Deputy City Clerk