

ROLLING MEADOWS CITY COUNCIL
COMMITTEE OF THE WHOLE
January 18, 2011

Mayor Nelson called the meeting to order at 7:30 pm.

COUNCIL IN ATTENDANCE: Mayor Nelson, Aldermen John Pitzafarro, Barb Lusk, Larry Buske, Brad Judd, Glenn Adams, John D'Astice, Jim Larsen

STAFF IN ATTENDANCE: Acting City Manager Barry Krumstok, Public Works Director Fred Vogt, Community Development Director Valerie Dehner, Fire Chief Ron Stewart, Police Chief Dave Scanlan, Assistant Finance Director Melissa Gallagher, Assistant City Engineer Jason Souden, City Attorney Jim Macholl

DISCUSSION ITEMS:

1) 2011 Fuel Purchase Contract

Mr. Hartnett: We realized \$8,500 in savings for 2010. For 2011 people are saying crude oil will go up again. Averages prices are expected to be \$3.17 for gasoline and \$3.40 for diesel fuel. There are no firm predictions. Pricing could exceed \$3.50 in the summer then maybe up to \$4.00 by the end of summer or early fall. This contract would lock in our prices. Staff is requesting purchasing 75% of our usage. A chart was provided to council with estimated prices for the 2011 contract. Gasoline would be locked in at \$3.10 for the entire year with diesel fuel ranging from \$3.21 to \$3.35. These prices are very favorable. Attachment B shows the usage of fuel over the last few years which have stayed pretty constant.

Alderman Judd: Of the \$3.10, what are we actually paying for the gas? Do we know what the actually delivery charges are?

Mr. Hartnett: There is about a \$.25 charge for delivery.

Mr. Fell (Palatine Oil): That \$3.10 includes all taxes and delivery.

Alderman Judd: I don't know that I am totally sold that gas is going to continue to spike. I don't have a problem with it, I just don't know if the savings is that great to lock in the prices if all of sudden gas tumbles.

Mr. Fell: We provide over \$10M of margin and collateral. Those are costs that we add into the program that we are trying to get back. We saved our customers over \$2M over the last 2 years and this City saved almost \$39,000 in two years.

Alderman Judd: I don't disagree. I am not suggesting that you shouldn't make money, but buying long dated contracts at a premium to what the market is telling me they're worth tells me that someone is making even more money. That is my opinion and it is the same one I had last year.

Alderman Pitzafarro: Have we ever lost money in this program?

Mr. Hartnett: No.

Alderman Pitzafarro: It seems to me that we should do it again. I will vote to continue to do it.

Alderman Buske: The question was brought up last year, should we go 50% or 75%. Mr. Vogt has worked with this oil company for many years and we have saved money with this program. We should let Staff do what they need to do. What was our savings last year?

Mr. Vogt: \$8,500.

Alderman Larsen: I don't have any expertise with futures contracts. That said it seems to me that the price of crude oil is a volatile market. Thus far, this program has worked out pretty well for us. Should we approve this, something really strange could happen in the market and we won't save money. But, we don't know that today. I would feel more comfortable with a program that saves us of money.

Alderman Judd: I am not suggesting that we don't do this. I am not opposed to the program. The question I have is whether we go 50% or 75%. Just because everyone says the prices are going to go up doesn't mean that they will.

Mayor Nelson: The plan is to present a Resolution next week.

2) New MWRD Regulations for Sanitary Sewer Systems

Mr. Vogt: Presented new regulations from the Metropolitan Water Reclamation District (MWRD) regarding sanitary sewer transport and collection systems inflow and infiltration limits. The MWRD has set a 150 gallon per capita per day target as part of its sewer systems permit ordinance.

Alderman Adams: Were there any specific reasons how the storm water mixes in with the sanitary sewer system?

Mr. Vogt: I don't think there is any uniqueness to the Rolling Meadows sewer system. There are always possibilities of residents with illegal sump pumps, etc.

Alderman Adams: So, most of it is coming from sump pumps?

Mr. Vogt: Most of it, yes.

Alderman Adams: Didn't the City go around and check as many houses as they could? What were the results?

Mr. Vogt: That was in the 1980's and we did make efforts to have those pumps disconnected. Since that time, there has not been a concerted effort.

3) City Vacant Property

Mr. Krumstok: This was brought up in 2010. A list was presented to Council of what the City currently owns.

Mayor Nelson: With the exception of the Station 17 site, all these were ones that when we did a review and actually sold some property, these were included in that review then, right?

Mr. Krumstok: Correct, this is all inclusive. At least four of them are buildable.

Alderman Buske: Are we putting these back up for sale?

Mr. Krumstok: Staff is not doing anything with this.

Alderman Buske: I would like to see the sign removed from the lot where Fire Station 17 was going to go. Also, at Wellington, now is the wrong time to try and sell property. With the seed down, it looks good over there.

Mayor Nelson: Is the Vermont street property all wetland?

Mr. Krumstok: Yes. That is not buildable.

Mayor Nelson: In some cases, when a developer is developing a piece of property and building on some of the wetland they have to do a replacement. Is this at all a suitable property to let other cities know that if they've got a developer and he needs to replace the wetland that he could buy this? Could that work?

Mr. Vogt: I don't know that there is a formal program in effect in Cook County now, but part of the proposed Cook County Storm Water Management Ordinance does address the possible banking of wetlands. This may be a site that, once that ordinance is put into place, might be attractive for that type of use.

Alderman Pitzafarro: I don't understand how you can say that Cottonwood Park is buildable property. It is right next to a creek.

Mr. Vogt: From a soil condition standpoint something may be able to be built on it, like a playground.

Mr. Krumstok: Does the City want the City Attorney to ask for assessments?

Mayor Nelson: I agree that this is not really the time to sell.

Alderman Buske: I think that if that sign is taken down and someone asks about the property then it would be time.

Alderman Lusk: I agree with Mayor Nelson.

4) Possible Chamber Relocation to City Hall

Mr. Krumstok: There has been no formal past discussion on this issue. A history was presented. Does the Council want the Chamber to relocate to City Hall? Alderman Judd asked a few questions, one being their budget and how much we actually give. 10-20% of their budget is City Funds. Right now it is close to 20%. Another discussion with Alderman Judd was about membership dues. The dues are based on two major parameters: # of employees and field. From the discussions, the City has been overcharged. We should have been paying \$330 and we have been paying \$770. Room 240 is available and if it was to be utilized there are questions that need to be answered. There is a fallback for the Chamber from a business that would allow them to move into their location.

Alderman Buske: I was under the impression that most Chambers are located in their City Hall, but that is not the case. Since someone has offered the Chamber free housing, why didn't they take it? I would sooner see if they can move to the other place and come back and advise us. With 1,100 businesses and only 200 Chamber members, that is very poor. The membership has to pick up or the Chamber will go nowhere. Can we get their budgets from the last year?

Mr. Krumstok: We can make that request. One comment I would like to mention is that right now the Chamber does new resident packets. I would make the recommendation to move that function back to City Hall.

Alderman Buske: Where would that money come from?

Mr. Krumstok: From our budget. There should be a more structured program for new residents.

Alderman Buske: Asked if Linda Ballantine could come to the podium. Do you find you are getting enough people to come to the events?

Ms. Ballantine: Presented the history of their locations and their funding from the City. We are not making a huge amount on the regular events. We make the majority of our money from membership dues and fundraisers.

Alderman Buske: What are you doing to get more people to join?

Ms. Ballantine: That is what we are working on. You need someone to do that full-time and right now there is myself and a part-time person.

Alderman Buske: Are the numbers of businesses I presented proper, 200 members and 1,100 businesses?

Ms. Ballantine: Yes.

Alderman Buske: The reason I joined was to support the Chamber. It doesn't mean you have to go to all the things.

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Ms. Ballantine: We have cut our budget by no longer sending out the newsletter and have taken a salary reduction. We certainly appreciate the Hotel/Motel Tax. We have reduced expenses by cancelling one of our telephone lines. Yes, we do have an offer that if all else fails they would consider taking us in. The Board feels it is more appropriate to be at a downtown area or at City Hall. For years the City was never charged membership dues so it was worked out with former City Manager Tom Melena that dues would be based on number of employees.

Alderman Buske: I think what has to be done is that there needs to be another membership drive. Do a survey with these people and see what they want.

Ms. Ballantine: We hope to do a 50th Anniversary celebration this year. A Chamber cannot run on staff alone. We count on those volunteers.

Alderman Buske: I would like to see the place that was going to give them free rent if they are willing to still offer that.

Ms. Ballantine: If all else fails the business would entertain the thought of having us there.

Alderman Pitzafarro: I am a member of the Chamber and on the Board. I believe in the Chamber overall. No organization is perfect. I have never seen anyone as dedicated as Linda. The impression that would be made if they move to someone's office does not look good and is not appropriate. If we have the space we should let them use it. The Chamber is part of the City. There is no more savings in that budget. If we want to continue to support the Chamber then we need to do this.

Ms. Ballantine: The building is very nice that we have been offered, but it is off the beaten path and there would be no signage for us.

Alderman Pitzafarro: The things the Chamber does for the City we could never do for what we pay the Chamber. Financially there is a gain here if we keep doing it the way we have been doing it.

Alderman Lusk: Thank you for everything you have done. You have done a great job. With all that said, I am not 100% sold that having the Chamber at City Hall is completely in our best interest.

Alderman Larsen: I have looked over the notes and I don't have a clear sense on being able to quantify what it would cost the City to have the Chamber relocate.

Mr. Krumstok: It is kind of hard to quantify.

Alderman Larsen: Could you give me a wild guess?

Mr. Krumstok: I can't even do that.

Alderman Larsen: What time frame are we looking at?

Ms. Ballantine: The sooner the better. We need to be out of our current space by the end of the March.

Alderman Larsen: Can you give me a sense on when we may know what it would cost us?

Mayor Nelson: We need to get a consensus on whether we want to pursue this.

Alderman Larsen: The Chamber seems in pretty desperate straits. What would happen if we didn't have a Chamber? I couldn't quantify what it would cost us to not have a Chamber. It feels like we would be kicking them to the curb if we don't help. I am in favor of pursuing exploring this if we have the space.

Alderman D'Astice: I think the issue that a couple of your Board members called me about was rent. We should do this rent free. And that doesn't really make a whole lot of sense. You have telephone costs that have to be talked about, internet costs, and possible build-out costs. I think those are the big costs. I don't think this will cost the City anything. It is going to cost the Chamber to get the telephone and internet hookups. We talked about space in the lobby where we were talking about building an office there. Maybe that is a build-out space that the Chamber can build-out and have their own little thing right out in front. I am willing to look into this further, but we need to look at what makes the most sense to both the Chamber and the City. There are a lot of questions that I did not hear answers to. Does the Chamber need to be in City Hall?

Ms. Ballantine: It does not have to be.

Alderman D'Astice: Is this a permanent move to City Hall?

Ms. Ballantine: No. About 3 years.

Mayor Nelson: The Chamber and the City have had a long time symbiotic relationship. The Chamber is important to the City. It is one agency that we look to when businesses call. The Chamber is a semi-quasi governmental agency. To have them buried in an area that is difficult to find does not make sense. In my opinion we need to work out more details.

Alderman D'Astice: I am okay with that, but the Chamber needs to have a Plan B. I think we need to pursue this to get more answers and be able to make a decision. Why did you wait until now to talk to the Council?

Ms. Ballantine: It was discussed in our Board meeting back in August. The City Manager at the time sat on our Board and we assumed that it had been discussed at the City level. I was under the assumption that all the Aldermen knew, not just a couple.

Mayor Nelson: I believe it just got caught up in the turmoil at that time.

Alderman Judd: I am not super concerned with the phones and the internet. One of my bigger concerns is the liability. What if someone coming into City Hall to visit the Chamber falls or trips. Who pays for it?

Mr. Macholl: It would initially just depend on who owned that particular piece of property. Obviously toward immunity, that applies to the City and the City's property. There is also the issue of whether it was for proprietary purposes, that being the Chamber of Commerce, they could provide us with a Certificate of Insurance naming us as an additional insured so we would have additional coverage there.

Alderman Judd: So we have to indemnify each other?

Mr. Macholl: Yes. That would be a standard thing.

Ms. Ballantine: We do carry casualty and liability insurance and we also have Board liability insurance as well.

Alderman Judd: I agree with Alderman Pitzafarro that if we have space maybe we should find a way to utilize it and help. On the flip side, if you are struggling and you continue to struggle is the market dictating that you continue to exist? The viability needs to be discussed.

Ms. Ballantine: That has been discussed with the Board.

Alderman Judd: What % of businesses belongs to other Chambers? We are at about 18%.

Ms. Ballantine: We are low. We are definitely one of the smaller Chambers. But we do have 10 of the 12 largest companies as members.

Alderman Judd: You mentioned that after 3 years you hope to be solvent again.

Ms. Ballantine: We hope to be more than solvent. We hope to have a contingency fund.

Alderman Pitzafarro: There was a lot of talk about “us” and “them”. They are a semi-quasi part of the City. We are in this together with them. They are a liaison to the City for the businesses.

Mayor Nelson: Is everyone comfortable pursuing this and getting more answers?

Council: Yes.

5) Cottonwood Park

Mr. Vogt: We received a request from Palatine Park District a few months ago about the City selling them the property outright and the next thing we knew we received a letter about renewing the 10 year lease. We have not had any problems with the lease.

Mayor Nelson: It has been a good partnership. I don't see any reason to not renew the lease.

Alderman Pitzafarro: I totally agree with everything that is being discussed.

6) Bike Path Grants

Mr. Vogt: We wanted to get some direction about priorities. We recommend pursuing the Quentin Road bike path and the Salt Creek/Library bike path.

Mayor Nelson: What should we be looking at?

Mr. Vogt: I think we should limit it to 2 or 3.

Alderman Buske: On the Quentin Road bike path. Are you talking about putting up a whole bridge? I would think it just needs a guard rail.

Mr. Souden: Since we would be using federal funding we would need to use federal guidelines and standards. We would have to either extend the culvert or build a new bridge. The rough estimate of the bridge or culvert would cost \$80,000.

Alderman D'Astice: We just went through 3-5 grueling budget months. Now we are looking at \$81,000 for one bike path with another at \$150,000 and two more at \$119,000. I want the Council and the people to know that we need to spend \$1M to build our roads. I believe that 95% of residents would want us to spend the money on the roads.

Alderman Judd: The Quentin Road total cost at \$405,000. I am looking at something from 12/14 that states \$730,000. How did it become \$325,000 cheaper?

Mr. Souden: That was from an older estimate when the project was 5,000 feet. It was an error. It is only a 2,000 foot project.

Alderman Judd: Are the rest of the numbers accurate?

Mr. Vogt: Yes, as rough estimates.

Alderman Judd: I would have to echo Alderman D'Astice. You want to provide nice things for the community and while I believe that the Quentin Road bridge area needs to be addressed because it does not look good from a safety perspective, but we have to be cognizant of the future and where funds are going to be coming from because the state is going to start hammering us. We need to be cautious on where we spend money and how we spend money. The Quentin Road issue, at least at the bridge, needs to be addressed much sooner rather than later, but the rest of these should be off in the distant future.

Alderman Pitzafarro: The last I recall was that Quentin Road was the one everyone needed to focus on. I would think that we could address this issue and take care of our streets.

Mayor Nelson: Do all have some federal funding commitments?

Mr. Vogt: Yes.

Mayor Nelson: We need to release those commitments if we are not moving ahead with the project?

Mr. Vogt: Yes. I don't believe the City can hold those funds forever. We would most likely need to apply for those funds again.

Alderman Buske: I believe that, the one on Kirchoff Road, I would want nothing to do with. I would be looking at the Quentin Road one for safety reasons. I will be honest that bike paths are not my biggest priority.

Alderman Adams: I agree that our priority needs to be the road work and the Quentin Road bike path. The Golf Road Corridor one needs to be put on the back burner.

Mayor Nelson: Is everyone comfortable pursuing the Quentin Road bike path?

Council: Yes.

7) Sick Leave Survey

Mr. Krumstok: It was asked at the last Council meeting that we conduct a quick survey. It was presented to Council.

Alderman Adams: Three municipalities have "No max, no payout at retirement". I would like clarification.

Mr. Krumstok: They accumulate all the time that they are there, but when they get ready to retire there is no payout of that time.

Alderman Adams: Would we happen to know if that has any benefit? As I understand it our workers have short-term disability...

Mr. Krumstok: All these people that you are talking about right now are the same IMRF employees. So, again, making it through the 30 days and then after the 30 days they can go into the IMRF short-term disability. This is not union individuals.

Alderman Adams: I do not think it is fair for middle-class Americans to pay for benefits for government workers that they're not receiving themselves. I think where we stood was 80 hours of carry over to get people through the first 30 days and I think that is where I would go as far as in support of it.

Mr. Krumstok: Again, 30 days is not considered 80 hours. If you want the true 30 days you would have to go higher.

Alderman Larsen: How was the survey done?

Mr. Krumstok: Phone calls.

Alderman Larsen: Was there any commentary?

Mr. Krumstok: No.

Alderman Larsen: The 8 hours/month shows up regularly. I am not sure what to make of it at this point.

Mr. Krumstok: Staff is recommending that Council return to the original recommendation of 4 hours/month with a maximum accumulation of 600 hours and allows this issue to be discussed at future union negotiations.

Alderman Larsen: I don't know how comfortable I am with focusing on the non-union employees. Is it fair to suggest that if the City is willing to dig their heels in on sick time accrual that would probably be offset by something else in union negotiations?

Mr. Krumstok: In any negotiations it depends on what your priorities are. Again, this is only dealing with non-union personnel.

Mayor Nelson: It would be up to the Council at that time to determine whether it is subject to change or not. The Council doesn't have to do a "me too". There will be a union negotiation and there will be something that comes out of that, and I'm sure that sick leave is going to be part of the discussions, and it may or may not get changed. Even if it does, there is no rule that says you have to make that change for anyone else. It would be up to that Council to make that decision. The only groundwork you are laying is that this is an area that we as a Council today feel is important.

Alderman Larsen: That's fair.

Alderman D'Astice: What we approved last week on first reading was for new employees. What we are saying is if you want to be hired here this is what your benefits are. As far as the survey, I'm sure it is accurate. One thing that we have found is that one town copies another town. We are leading the way. We are not going to be the followers anymore. We are setting new precedents and other communities will follow our lead. Kudos to Glen Ellyn for bringing it down to 4 hours.

Alderman Lusk: I have no problem with allowing 600 hours of accrual time. 80 hours is not enough. I would want to bring it up to at least 200 hours. Bringing it down lower than that would lose our competitive edge.

Alderman Judd: I am not worried about losing our competitiveness. We still pay pretty darn good.

Mayor Nelson: I would hope that this Council reconsiders the 80 hour maximum. We have made it clear that an employee has to wait 30 days before they can go on short-time disability. We are telling them that we will give you two weeks and make them wait two weeks before they get 60% of their pay.

8) Non-Binding Referendum – Outsourcing City Services

Alderman Adams: I wanted to talk briefly about this. I feel that we on City Council are getting mixed messages from residents. We have looked at outsourcing services and have been contacted by the residents that we have great services. On the other hand, at budget time, we get calls from residents that we can't raise taxes. I came up with the idea of putting a non-binding referendum at the next election. Unfortunately, we have missed the cutoff date and wanted to let the residents know that it was something that we looked at, but couldn't do at the next election.

Alderman Judd: We talked last summer about possibly looking into the privatization of garbage. We got some information back from Mr. Vogt and then we talked about going to RFP's and the numbers that were thrown at us was \$10,000. Where are we standing on that?

Mr. Krumstok: I can tell you that no additional work has been done on that.

Mr. Vogt: The contract with Groot extends through 2011. We plan to put together proposals for bidding that work.

Alderman Judd: I would be interested in pursuing this. Could we talk about this again at the COW?

Mr. Krumstok: Yes, with the understanding that we could bring back the old 2010 information.

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CLOSED SESSION:

Alderman Buske made a motion to enter into Closed Session, seconded by Alderman D'Astice.

Yeas: Pitzafarro, Lusk, Buske, Judd, Adams, D'Astice, Larsen

Nays:

Absent:

Motion Passed

Entered into Closed Session at 10:17 pm

Returned to Open Session at 10:42 pm

ADJOURNMENT:

Meeting adjourned at 10:43 pm

Respectfully submitted by Lisa M. Hinman, City Clerk

January 18, 2011 Minutes Approved by Council on January 25, 2011

Lisa M. Hinman, City Clerk