

Special Committee of the Whole Minutes
November 22, 2011 – 7:30pm

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

COUNCIL IN ATTENDANCE: Mayor Rooney, Aldermen Mike Cannon, Jim Allen, Larry Buske, Brad Judd, Robert Banger, John D' Astice, Jim Larsen

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

DISCUSSION ITEMS:

1) Budget

a) Utilities

Mr. Krumstok: We were asked to come back with the sewer fund, all the expenditures, all the projects and what would that do. In the proposed budget there was a deficit in the sewer fund and the sewer fund is part of the overall utility fund. You were asking in the original proposed budget a 7% increase. Then from the last Committee of the Whole meeting it was proposed that staff go back to backing in 1.9 million dollars and that's what you have in front of you and also making sure it was tied away from the water rates, so it's a direct number times the gallons that you are utilizing. It is not a percentage of your water charge. That's 2.50 per 1000 gallons and that backs into 1.9 million dollars. What this actually did for the sewer section of the utility fund was to create a slight sewer surplus. When you look at the overall utility fund, it's going from a fund balance of 2 million dollars down to around 1 million dollars. When staff was looking at numbers, staff recommended going to the 7% increase that we originally had or to 10% to break even on the sewer division. That does not help the fund balance.

Mr. Vogt: What we had going on for about the last 15 years was the sanitary sewer rehabilitation program. Pipelining is the predominant type of work we do in this program. Several years ago we were consistent in funding about 200 – 250,000, but we paired that down in 2009 with the recognition of the IEPA Grant/Loan programs that are available. We applied for that funding. Since that time we put the 88 different locations where we identified lining needs or pipe excavation to repair cracked or offset pipes and cut this back to about 125,000 a year which really just gets us by roughly 8-10 locations per year where we can't wait any longer to do the pipeline repairs. Manhole rehabilitation we are requesting 50,000 for next year which is lining of manhole structures that have considerable infiltration into them. This is very important work. The Metropolitan Reclamation District is about to be mandated by the Federal & State IEPA to come into better compliance with getting raining water out of the sanitary sewer systems. The treatment during heavy rainfall events, or even moderate rainfall events, for them to treat stormwater is never cost-effective and as some of their facility permits are coming up for renewal, we are seeing roughly 200 communities or sewer districts in the Cook County area that this is only going to become more evident to cities like Rolling Meadows that we are going to be more aggressive with getting our infiltration inflow out of the sewer systems. Other aspects, GIS there's 40,000 proposed. We're

hoping to partner with some of our neighboring communities to perhaps get that cost down. There's a corresponding cost proposed in the water side of the utility fund as well. Storage building is a line item for 35,000 is a project that we have deferred for three years now which is to get all of our pipes, poles, and manholes and valves and hydrants that we currently store outside at Pump Station # 5 inside to build an addition on to that well house. The Station 1 improvements Phase II is the lift station at Meadow, School and South Street. What's proposed would be done in-house. The next two projects, sewer relocates and watermain relocates at Golf/New Wilke Road, those have been deferred for the last few years because of the delays in getting that project going. There are some watermains that need to be relocated as part of the road widening, as well as a sewer main that crosses Golf that needs to be relocated due to elevation conflict and those costs are to be incurred by the City. It's not eligible for any grants or State loans. The next item is for sanitary sewer pipe enforcing and rehab. Part of that ties back into the lift station. The last item is manhole rehabilitation which unfortunately we misclassified this in sewer when it's really more storm sewer. We tend to do those projects concurrently. Those are the 2012 proposed capital projects.

Mr. Krumstok: If we don't get the IEPA loan of 1.5 million dollars then we would not do 1.5 million dollars of work or the 80 locations that we have attributed at this point and time.

Mr. Vogt: Indications are that at the earliest we would see that loan offer come through to us in the summer of 2012, but it could well be into the fall or even next year. We are currently working on the water loan that will be made available in the spring of 2012.

Mr. Krumstok: That would bring us back to the rate issue of 7% and 10% or the 20% which would be considered the 2.50 times 1000 gallons and that would move revenues to 1.9 million dollars. The fourth part is overall on the fund balance.

Mayor Rooney: Those are the two items that you'll need instruction on?

Mr. Krumstok: That is correct. Depending on what rate you choose, that will also be part of the ordinance for 1st reading December 6th and what it will do to the fund balance overall in utilities.

Alderman Larsen: What you're presenting here now is showing a deficit of 59,371. What was in the originally proposed budget?

Ms. Gallagher: The first page in you packet is directly from the 2012 proposed budget. We split out all of the revenues vs. expenditures. There were deficits in each of the service types, but overall there is a cumulative fund balance because of the fund reserves that we had. This is just directly taking from the 2012 budget.

Mr. Krumstok: Page 6 has what the proposed budget originally started with for each of the items that are in utilities. Each one of those was going to be having a negative fund balance at the 7% rate. With water rate going to be at 6.25, the sewer rate if it stays at 7% is a 59,000 deficit, and then stormwater even with the increase we've talked about still has a deficit. That brings, overall where fund balance would start at 2 million, all the way down to 1 million.

Alderman Larsen: So there was no additional deficit created by direction from the council.

Mr. Krumstok: No, actually the 1.9 takes one of those three main components and makes it into a positive, but you still have the other two that are negative.

Alderman Buske: On lift station 1, is that the one on Meadow?

Mr. Vogt: Yes

Alderman Buske: How many do we have?

Mr. Vogt: Three

Alderman Buske: The other two would be on the west side?

Mr. Vogt: Technically west of Salk Creek. One is on Cardinal, the third one is on Richnee Lane near Meacham Road.

Alderman Buske: Mr. Mayor, I would make a suggestion that this storage building for 35,000, that we eliminate that. I would like a straw vote on that please.

Mayor Rooney: Is there discussion on that quick item, the 35,000 for the storage building as listed in the packet.

Alderman Larsen: As much as I appreciate Mr. Vogt's overall management of this budget and the ongoing desire to provide that building, we're trying to save something somewhere. We put it off for several years in a row, but the least painful thing I can see here is to cut that from the 2012 budget and save 35,000. I'd support what Mr. Buske is proposing.

Mr. Vogt: It is an important improvement, especially in the winter with getting at our parts, but I can't argue with Mr. Larsen that we put it off several years, what's another year.

Mayor Rooney: Show of hands how many would be in favor of cutting the 35,000 for the storage building. That's direction. Further discussion on the choice of the three rates that's now on a per gallon basis rather than a percentage.

Alderman Cannon: We have a fund balance right now of a little over 2 million dollars. What's an ideal balance to have there? What do we need there going forward?

Mr. Vogt: I can answer that simply by looking at what our capital improvement needs are for infrastructure. Without having a specific capital improvement fund or specific revenues planned for that each year and having to compete every year with ongoing maintenance costs every year, it does become a challenge. I'd probably best answer that by saying what our budget operations are, 3 or 4 months of that, or 25-30% of what your operating budget is fairly standard within the industry.

Mr. Krumstok: Typically what would happen in a utility is that you would have 4-6 months of operating. That's not with the capital. What you typically do is you take your 5-year capital improvements, average that number, and that should be part of the number. In past years we had 3 million dollars, that was a safe bet. Over 2 million dollars would be comfortable for the City.

Alderman Cannon: We're at 2 million right now

Mr. Krumstok: Right now. With the 20% increase that would take you back down to 1.5 million. If you stay with the 7% you're at a million.

Alderman Cannon: Considering the 7% doesn't make financial sense for the City. I think at minimum we should look at 20%. We shouldn't reduce that fund anymore.

Alderman Banger: Maybe we can approach this with a little more control each year where we have x amount of money and how much do we want to fund it, or do we want to use that to back into the number that we're looking at now.

Mr. Vogt: We're not only with the 5-year capital plan that we submit for Council every year, but internally we also have documents that go out as far as 20 years in terms of projections for watermains, sewer, and stormwater. We tie those projects in when necessary with street improvement needs so we're not doing one and missing the other. That is all coordinated to the best of our ability and with the City Engineer annually and if its council's desire we could make a presentation at a future Committee of the Whole meeting for discussion beyond 5-years.

Alderman Buske: I know we run our water pipes, testing and so forth to make sure they are not leaking which is conservation. Do we do that for the sewers also? Maybe Mr. Banger would benefit from seeing those.

Mr. Vogt: All of our sanitary sewers throughout the community have been televised within the last 7-10 years max. We have the capabilities with our own equipment to televise the 8", 10", standard size pipes. We do have to contract for the larger pipes, but all of those have been done within the last several years and that's how we determine what our needs ours. We do the same with storm sewers.

Alderman Buske: All that information is there, right?

Mr. Vogt: Correct

Alderman D'Astice: The relocates, is that New Wilke Road project, are we going to spend that money this year or are we putting it there in case that all happens?

Mr. Vogt: My best case scenario time estimate would be that money would be spent late in 2012 if the project can begin in March/April or May. We have work to do with some land acquisition between IDOT and ComEd. We have had our City Engineer redesign a portion of that area to try to avoid the majority of the ComEd property that's holding the project up. We have a meeting tentatively scheduled the first full week in December for that. That's our best hope at this point that we can get the project let and the contract awarded in the spring.

Alderman D'Astice: So is it better for us to have it there and spend it, or not have it in the budget and it stays in reserves and should we need to get to that point you just come to the council and say we're at that point to spend the money and we decided to draw it down at that point.

Mr. Krumstok: It's better that it's in the budget.

Alderman D'Astice: It seems to me its one of those just in case we might do it, we're putting it in and we'll tax the people more just in case. I don't want to tax the people any more for just in case.

Mayor Rooney: The three options are: status quo, 7% increase on the current rates, and then setting the amount from the last meeting was this is what we need to stay above the water line. If

those were the three options, how many people would be in favor of the status quo, meaning no increase at all.

Alderman D'Astice: How is the price figured on this? Is it a percentage or a dollar amount?

Mayor Rooney: It's now a dollar amount based on water usage as opposed to a percentage of a bill.

Alderman D'Astice: So the more water you use the higher your sewer bill will be.

Mayor Rooney: Correct

Alderman D'Astice: But it's not a percentage any longer.

Mayor Rooney: It's no longer a percentage; it's now based on gallons of water.

Alderman D'Astice: The first one is what was originally proposed?

Mayor Rooney: The first one would be to leave it at the 2011 rate where literally the increase would be zero percent, no increase at all for 2012. The second one was originally proposed in the 2012 budget that said we would operate down about 59,000 for that one, and then as the discussion came up where we've really got some things we think we could do if we just took advantage of this switchover to change the rates, that would generate the dollar amount roughly equivalent to a 20% increase on what's current.

Alderman D'Astice: A 20% increase.

Mayor Rooney: Correct

Mr. Krumstok: It's 2.10 currently, 2.50 is you go to that full amount.

Mayor Rooney: Correct

Alderman D'Astice: Do we know approximately what standard usage would be in a home?

Ms. Gallagher: A family of four is about 8,000 gallons a month and typically going from the 2.10 per 1000 gallons to 2.25 per 1000 gallons would be 1.24 increase per month.

Alderman D'Astice: 1.24

Ms. Gallaher: Per month, a little over 12.00 per year to go to the 7%

Alderman D'Astice: To go to the middle one, or go to the last one, the third one?

Mayor Rooney: 40 cents per month, per 1000 gallons multiplied by an average of 8

Ms. Gallagher: 20.00 more a year. We're looking at the 7% rather than the 20%.

Alderman Buske: When we're looking at the 7%, you'd have to take the 35,000 off there

Mayor Rooney: You are correct. All those numbers would be better to the tune of 35,000, so it would actually be about a 70,000 deficit with the first option, about a 25,000 deficit with the second option, and you're up over 150,000 to the good with the third. Let's try again. Those who would be in favor of keeping the rate at the 0%, just leaving it as the 2011 budget, alright. The middle, the originally proposed numbers just run by gallons instead of by percentage of the water rate, alright. The option at the bottom to create the surplus of about 150,000 in the fund, that's four, that's direction. Mr. Krumstok, you said there were two things. What's the second thing?

Alderman D'Astice: Would you mind, please, I know these are straw votes, but this will all come back and I don't think the people on television can see who voted for what. Can you please say who voted for the 20% increase? It's only fair. I know I didn't vote for it. When it comes time to vote on the budget, it's all lumped into one thing.

Mayor Rooney: Mr. D'Astice, I agree in general that there's not a reason, and I certainly won't block that. However, it's not our practice at the Committee of the Whole and in my opinion the suggestion is to just to try to draw attention and that's not appreciated. People will be voting for this in a final form...

Alderman D'Astice: Not individually. It will come to the council as a whole budget.

Mayor Rooney: You're forgetting this is the sewer rate. The sewer rate is not an item that will be fairly spotlighted. I don't mind the suggestion of do we always want to announce every straw vote for every Committee of the Whole? If we want to change to that procedure, we can, but in the Chair's opinion this is not something that's meant to shed the light on anything. This is an attempt to spotlight for cameras and I don't appreciate the suggestion.

Alderman D'Astice: That's fine. I'm just saying there are lots of people at home who are watching this that don't know the four people who just said ok to a 20% increase and I'm not one of them. I think we don't have to announce straw votes at every meeting, but this is a particularly touchy subject for residents and I think they are entitled to know who is in favor of raising taxes and to what degree.

Mayor Rooney: I'm not objecting in any way, shape, or form. People are free to discover what the votes are. I sincerely disapprove of being backed into a corner to make a single exception for this item just for a show for the camera.

Alderman D'Astice: I had no intention of making a single exception. I intend to ask that for everything we vote on as it relates to raising taxes. The residents are entitled to know.

Mayor Rooney: They certainly are, Sir. There is no question about that. Again, that is not our practice at the Committee of the Whole. It has never been our practice at the Committee of the Whole and in my opinion we're just talking grandstanding here and trying to point fingers and this process is about trying to arrive at decisions as a team. It's not about finger pointing and its not about saying this person did that and this person did that, everyone will see that and again, I feel backed into a corner now that I can't say no we're not going to do that. This smacks of decisiveness that is not what we did in a budget. We've never done that with straw votes before. It's just to say look at what I need, look what they did, that's what's ripping Washington apart, that's what's ripping Springfield apart. I object to it being brought into this room. Unfortunately I

feel that I have no choice because now folks watching are going to say are they hiding something. Now I really want to know. Being backed into a corner is not a negotiating tactic that makes decisions something that people can share in. I'll grant your request under serious disagreement.

Alderman Banger: I have no problem with my vote being announced. It will be public record eventually. I don't think we would be disturbed by everyone knowing what our vote is, but I would say if we're stating this just for the TV audience, that puts the people that don't have a TV at a disadvantage. I think that's unfair.

Mayor Rooney: In keeping with the request the Chair strongly disagrees with, the Chair's recollection is that Mr. D'Astice voted for the top option, the one that was a zero percent, Mr. Buske and Mr. Allen voted for the middle option, which was the 7%, leaving the remaining members of the council, Mr. Cannon, Mr. Judd, Mr. Banger, and Mr. Larsen who voted for the one that actually brings a surplus to a city fund. The request has been complied with.

Alderman D'Astice: Thank you.

Mayor Rooney: I hope to not have to be backed into corners again.

Mr. Krumstok: At the December 6th Council meeting there will be an ordinance that talks about the 20%.

b) Chipper Service

Mayor Rooney: I know there's a staff run down of the numbers, but also Mr. Buske would be entitled to first comments after the staff proposes what they have because this was something he asked to be brought forward. Is there staff comments?

Mr. Krumstok: This was a request made. We only do one chipper service during the spring and we were asked what is that May, June collection of one time brush chipper program for the City cost. The cost is around 20,610.00. Equipment and fuel is around 1,899.00 and the dumping fees are about 6,439.00. The total program for once a year is 28,949.00. The costs are spread over general fund and refuse. This does not include anything that deals with storms.

Mr. Vogt: The good of this program is that it's been a service the city has provided for many years. We reduced it from twice to once. We have had a few complaints that it's only done in the spring and not in the late summer and fall. The majority of the residents that use it have adapted to that. We do see quite a bit of repeat use. The bad of it is from the standpoint that it's not a big savings if we reduce it in terms of net dollars. Equipment costs are very minimal. Our dumping costs are 6400 for the 2011 program. The labor costs are all in-house, regular employees, or seasonals in some cases. If we did away with the program I certainly wouldn't complain because we have plenty of work to do. We would use that time for more parkway tree trimming and improve on our level of parkway service requests that do get backlogged in May and June and focus more on street repairs. We can go either way with it from a staff standpoint.

Alderman Buske: Basically, about 20% of residents use this. 80% have to pay for it that don't use it. I think that this can be eliminated. It's not going to shock anyone. They can still call to get their

brush chipped up but they are going to have to pay for it. I say we cancel this service. I'd like a straw vote to eliminate this.

Alderman Cannon: I have no problem with eliminating this. Would we still be able to offer chipper service to our residents and would it become more complicated?

Mr. Vogt: I would have to pose that question back to the Council as a whole. If we don't do the scheduled curbside brush, do we as a City wish to provide that service on-call? We could certainly have the private sector do it. We might want to look at that when we look at the refuse and yardwaste outsourcing early next year. It's hard for me to answer that.

Alderman Cannon: I think it's a concern because some people don't have the ability to get rid of their stuff. I think if we go to this program we have to be aware that if four or five neighbors got together and piled it up 8 feet tall in their driveway, it's not just a clean cut if we cut this out. There are issues if we go to another service. We need to consider them. This is not a bad idea to get rid of it but I think there are issues we need to address before we just say get rid of it.

Mr. Krumstok: If you're going to make it into a special service, obviously it's going to be when we can fit it into the schedule with the personnel and then it might be sitting there for a week. The biggest thing I would say if you're looking at eliminating it, we're still working on the refuse and this ties up to it. We will still be keeping the chippers because of storms.

Alderman Larsen: I think Alderman Buske and Alderman Cannon make valid points about this service. This would save nothing from the overall budget. We would still have the costs built in there, except for the dumping costs perhaps and potentially the fuel. We would still have chipper service in place if there was a storm.

Mr. Vogt: We would, given that we have two brush chippers. Would we want to keep that service or would we do what other communities do that have private scavenger services and hire them or hire others to assist.

Alderman Larsen: Can you ballpark what we might realize if we were to divest ourselves of the chippers?

Mr. Vogt: Not at this point, but we can certainly provide that information.

Alderman Larsen: We're trying to save costs all over the place. As much as I think this is useful, it would be an inconvenience to some degree for those residents that do use the service, but currently you have to stash your yardwaste somewhere until that chipper service comes through and hopefully you're on the ball when they do. If not, we can still bundle it up, so a little more labor intensive for the residents, but I just can't come up with a good reason to not support doing the savings, but I just want to underscore that. This doesn't change anything in the budget except the 6400.00 dumping fee.

Alderman Buske: No, if we're not going to be spending money on contractual work, and we're going to be keeping our own people, that's going to save money there. We've got the chippers. We're not talking about storm damage. If that comes up we'll be out on that anyway. You've got the equipment, it's paid for, you don't just say get rid of it, which Mr. Vogt is suggesting can be done.

Mr. Vogt: I'm not suggesting that at all because we haven't looked at it that far out.

Alderman Buske: There is more savings than just the 6,000.

Alderman Larsen: But not in the overall budget. The labor cost is going to be reallocated to something else.

Alderman Buske: That is true.

Alderman Larsen: That's my point.

Alderman Banger: I think this is one of those things that we offer residents that distinguish us from surrounding suburbs. For the amount of bang for the buck, even if only 20% of the residents are using this, it's well worth it. It comes up to be not even a dollar per resident. I want to keep it in place.

Alderman D'Astice: I think we're making a mountain out of a mole hill. It saves the city in hard costs 8,338.00. If that's peanuts, then the next few pages have a lot of peanuts on there. You can still schedule by appointment. Then establish a charge, 50 or 100 bucks. 20% of the people use it. I don't see that as big bang for the buck. If I need to use it, I have to pay for it. It's not fair that everyone has to pay so I get free service. Do this chipping the same as the schedule is now. The only difference is people need to call Public Works and you charge them. There's an 8 338.00 savings. If that's important and it's a high enough dollar amount, then we eliminate it. If it's not a high enough dollar amount to save, don't eliminate it and then carry that same thought process through the next 20 pages of this budget.

Alderman Larsen: I think that is a high enough dollar amount to save. We can restore it at a later date. It's ok for it to go away.

Mayor Rooney: The Chair will ask how many people would be in favor of removing the chipper service from city services. That's direction.

c) Museum

Mayor Rooney: I'd like to clarify how we decide what makes the list. What these come down to is not the dollar amount that's spent. It's the swing of the ax that is properly swung by the council only, not by the staff. I agree with Mr. D'Astice, if you're looking at the dollar figures, a lot of this stuff is in a range where maybe there's not a lot of huge savings to be generated, but the point is this is where the council's nose belongs. For 1c, Mr. Krumstok is there a staff portion? If there is, then Mr. Judd is entitled to first comments after.

Mr. Krumstok: This is the museum itself. There are parts that we want to discuss. Earlier this year we set up the Rolling Meadows Community Events Foundation. The Foundation is in its infancy and we are waiting for the IRS determination on the 501c3. Once we have that, we can get more support into that. The Foundation is set up to deal with 4th of July, Memorial Day, and the Museum. When you look at the 2011 budget, it's less than 6,000 that maintains the museum. The building is the City of Rolling Meadow's buildings. It sits on Park District property. We've

provided an update on statistics for 2010 for the museum. The museum is healthy for the community because so many people visit it. In 2008 the budget was 4,440.00, 2009 it was 4,030.00, and in 2010 we did the painting of the museum and that brought the budget up to 8,466.00, and the 2011 estimate is about 5,730.00 and in the 2012 budget we have proposed the same number of 5,730.00. My recommendation is to keep it in the budget.

Alderman Judd: I think this should get eliminated because I'm taking a closer look at what government should and should not be involved in. While there might be some minor benefits to this, we're talking about 20% of the people use the chipper service, let's eliminate it, 1000 people showed up here, you're a little over 3 ½% of the population of Rolling Meadows that use this. We're spending 5,000 for something that the government shouldn't be involved in. If they want to continue this, they can get donations. For residents to come up with money to pay for this, when 97% of them don't even use it, it seems to me that it's something we shouldn't be involved in and that's part of what I think government in general lost sight of. They get involved in things they shouldn't be involved in. I think its time for government to look at what we should and shouldn't be involved in.

Mayor Rooney: I could not disagree more. I don't know of any theory of government that says historical preservation is not something the government belongs in. At every single level of government, if government's not going to lend a hand to historical preservation, then who will? If the City of Rolling Meadows will not stand up for our own history to the tune of about 500 a month, there are places around the country where government property is managed by somebody else and those people are paid a management fee because it's considered part of the bill of running the building. The Rolling Meadows Historical Society does it and asks nothing in return except for the landlord who owns the building take cares of its own bills. That's it. That's all. This is the history of our town. Down the road, if we have a Foundation that actually can show us the money that they have and say we would be willing to take on the museum, I certainly would not stand in the way. That would be fine, but for the City to kick the museum out on to the doorstep and hope somebody comes along to pick up the baby in the basket is a slap in the face to the history that is being preserved wisely here in town. I don't know a single theory of government that doesn't say at some level historic preservation is something that government does. It's called a public good and every level of government does it.

Alderman Buske: I agree 100%. The city owns this. It's our building. The people are fantastic over there. I think it would be a disservice to walk away from this. I think they cut back on the electricity, did they not.

Mayor Rooney: To a point that you can. That historic house has documents in it. You can't go down to some levels that regular people can turn their thermostats down to. You do have standards that you're not supposed to go below so that the original charter, the original signatures on petitions, don't get ruined.

Alderman Buske: The entire cost for a year is 5730.00. I think that's nothing to take care of our building and our history. I'm for keeping it the way it is.

Alderman Larsen: You stated my views better than I could. If we were to defund this, what happens?

Mayor Rooney: I'm not sure because the City is legal owner of record for the building.

Alderman Larsen: I'm not sure either.

Mayor Rooney: Mr. Macholl, if the defunding were to take place and the first ComEd bill gets unpaid because the Finance Department says we're not directed to pay this, I don't know what would legally happen. The City is the owner of record. What takes place?

Mr. Macholl: It would depend on the lease with the Park District. The Park District owns that land. It's been quite some time since I've set my eyes on that lease. If we didn't pay the utility bill which would be our legal responsibility, then ComEd would shut off the utilities and could possibly seek collection against the City.

Alderman Larsen: So we would expose ourselves to collection action?

Mr. Macholl: Well, if they shut it off you'd be exposed to collection action for whatever we actually owed.

Alderman Larsen: And whatever the contents of the building is if the pipes froze or if the building incurred damage. If this conversation surrounded whether we should embark on a museum expense at this point or not, and initiate such a thing, that would be a different conversation. In this case, it's already there, so for us to simply walk away from it I don't think is applicable. This is what I was alluding to with the chipper service. You can restore the chipper service. If you take funding away from the museum for a year or two, you don't have much of a reason to come back to three or four years down the road and then refund it. The good people who volunteer to support this museum, they've got a personal investment here and I just can't see, as much I talk about differentiating between the wants and the needs, I can't see defunding this. I will not vote in favor of defunding it.

Alderman D'Astice: I agree with Mr. Rooney, Mr. Larsen, and Mr. Buske.

Mayor Rooney: Those in favor of taking the museum out of the City's budget? That's 2-5, that's direction.

d) 4th of July Parade

Mayor Rooney: If there are staff comments, Mr. Buske is entitled to first comments after that.

Mr. Krumstok: There was a discussion regarding the 4th of July that was requested and its only regarding the 4th of July parade. There's 12,000 currently in the budget just for the parade. That includes bands, flags, clowns, giveaways, and that's all out of general government community events. For police staff overtime in 2011 it was 1,786.00. There was not fire overtime. Public Works overtime was at 2,989.00 for a total for this program of 16,776.00.

Alderman Buske: I'd like to thank Mr. Krumstok. When we first started this budget he gave us quite a few options to take. I figured we would take one of those and tweak it from that point. When we came up with the 400,000 into the retirements, it threw this entire budget off. Now we have to start looking at cuts to keep this under 15%. With the parade, I've heard from several people that the parade has gotten down to nothing. If you took City officials out of it, Public Works, the Police, and the Fire, it would probably be one float and a van. What I'm suggesting is that we discuss this and see which way we want to go on it. I would say cancel the parade for this year and you can reestablish it at a later time. If we get this 501c3 going, we still have to keep

something in the budget in case we don't get enough from that. I would like to see a straw vote on eliminating this, not the fireworks, just the parade.

Alderman Banger: I think this is a timing issue. I'd rather keep this in the budget and then with the timing of the non-profit opening up, depending on the outpouring from residents, the City spending would be voided by whatever the non-profit generates. I'd rather have the parade than the fireworks. This is Happy Birthday America and I'm not looking at this as an item to take away. This adds to our specific community. Right now I'm all for parade, fireworks, the museum and then we can have this discussion come June/July when that fund has been up and we can see what response we get from it.

Mr. Krumstok: Typically in March/April, we're starting to book the bands.

Alderman Judd: This falls under what I was talking about with the museum. As Alderman Buske alluding to, the number of participants in the parade has dwindled dramatically and now we're paying bands to come in to perform and we're buying Jessie White Tumbler. It doesn't make sense to me. I will support eliminating the parade.

Mr. Krumstok: Rolling Meadows High School is in our parade.

Alderman Banger: Maybe something that would be worth our time, staff's time, or residents, if one of our complaints is the parade is boring, or if one of our complaints is if you take out Public Works, Police, Fire, there are tons of churches that have floats. If that's one of our complaints, let's get aggressive and woo some of our footballers in there, get a strong showing from our Boy Scout Troop, etc. I would just assume go that angle and be surprised during the parade.

Alderman D'Astice: I've been involved with the parade since the early 90's. I remember years when the high school parking lot was so full of floats and bands and participants that you had to double up. We've always paid for bands. We've always paid for tumblers. I think this is an item that can go away for a year and can always be brought back. I think a lot more people turn out to the fireworks than the parade. I love the parade, but when we're talking about a 15% property tax increase, here's almost 17,000 that if we're looking for pennies because we spent extra money that need not be spent at this point and time, this is something that we have to look at. Maybe we have to form an ad-hoc committee that's headed up by a councilman. Unlike the museum, we can bring this back. Right now it saves 17,000 and that's a significant amount of money.

Mayor Rooney: Before asking for the straw vote, I want to get approval from the gentlemen here on the phrasing I'm going to ask. What I'm going to ask is how many folks would be in favor of cutting the City's monetary contribution to the parade, because the last thing we want to have come out of tonight, if that's the direction of council, is for people to run around saying they just canceled the 4th of July for 2012. Maybe, but maybe not. There are a number of different things that might happen. Maybe the fact that the City's not making a contribution might have some of the entities that we're talking about come out of the woodwork. I don't think the comments here are saying people don't want a parade anymore. What they're saying is people don't want to contribute in this tight budget year the dollar amount to the parade. We've got a January/February newsletter which means we have a March/April, which means we have a May/June. By May/June the latest, we'll know what's going on and we can put it in the newsletter if it turns out to be that there might not be a parade this year. I think it's far easier to undo, to again take the vote tonight to make the

statement the City will not be contributing the City's funds to the parade. Does that mean there will not be a parade this year, certainly it might, but it also might mean that it's in place with other funding sources available. Does anyone object to it being phrased that way so there's no misconception that the Council is cancelling the parade?

Alderman Judd: Are you talking about the 12,000 or the entire 16,000?

Mayor Rooney: My intention is this entire dollar amount is something that will not be budgeted for. If things come around, again the remaining for the police and public works to participate, Mr. Krumstok can do that anytime he feels like with a stroke of a pen as long as he gets council approval. If they were to come back in April and say most of this has gotten paid for, do people want to provide 4300 bucks for the police and public works to participate in the parade, he could always bring that back to us at that time and it doesn't wreck any budget to do. So yes, my intention is to say the whole 16,776 is what you'll be voting on in just a second. It's about the money. It's not about the parade itself. We've never been totally in charge of the parade; we've just been the biggest money source for it. The money source is going away. That may or may not mean the parade does. Any objection to that?

Alderman Buske: When did we actually apply for that 501c3?

Mr. Macholl: That was applied for with the IRS back at the end of June, beginning of July.

Alderman Buske: That's not that long ago.

Mayor Rooney: In my experience that means it could be all the way until August or later.

Alderman Buske: I think this 501c3, everyone can donate, not just businesses. That's a complete right-off, is that correct, Mr. Krumstok?

Mr. Krumstok: Until you get the 501c3 it is not. It's a tax. That also means on the revenue side we will reduce the Foundation support from 50 down by 12,000 too.

Mayor Rooney: If it comes through the Foundation

Mr. Krumstok: Yes

Mayor Rooney: Knowing the wording ahead of time, how many aldermen would be in favor of removing the City's monetary contribution to the parade from the budget? Then that's direction from the Council.

e) Overall Budget

Mayor Rooney: At this point there is a resident that signed in on the public comment portion. Mr. Engelking has asked to speak to the Council.

Mr. Dale Engelking, 3206 Plum Grove Drive: I'm a longtime resident and I've talked to a couple alderman and my alderman and I'm pretty disturbed about the taxes. We've had tax increases now for the last few years. Other towns, DesPlaines hasn't had a tax increase in three years, Palatine hasn't had a tax increase in two years, and it just bothers me a little bit that why Rolling Meadows,

and it's a great town. I've lived here all my life, why we keep raising taxes. We tax and spend, tax and spend. I understand we have an issue with pensions and I also belong to a union. I've talked to a couple of aldermen about the union that I belong to what they've done and what we've done as members to help our union out as far as bringing up negative fund balances. We were 60% funded and with the actions the union has taken we're over 80%. I just hope each one of you take into account that taxes have to stop somewhere. I don't know how it's done. You guys have been elected and hopefully it can get done. I just want to bring something up on the straw votes. I'm watching on TV at home and when people have straw votes we don't know how our aldermen are voting. Good or bad, every alderman has the right to vote the way they see fit. If we don't see how our alderman is voting, how do we call him and disagree or agree with them. I don't think anyone should be ashamed on how they vote. It's the way they want to vote. At least give the residents a way to see how they voted. I know you guys want to take the money away from the parades and that. We used to have a DiamondFest. Rolling Meadows was put on the map. It was discontinued because of negative fund balances. Maybe we could think about bringing back a DiamondFest. The main thing was the taxes. My taxes have gone up substantially the last couple of years. People are hurting today. We have to hold the line on taxes. The Police & Fire Departments are the best. Public Works are great. We all like the services we have in this town, but there has got to be a way to try to do things balanced. I thank you for your time.

Mr. Krumstok: On October 18th the natural gas revenue, the 1 cent per therm was eliminated by a straw vote. The Tax Levy proposed increase for 911 was halved. Passenger vehicles we already have had first reading on. The refuse transfer station was moved from refuse into the general fund. The local motor fuel tax was increased by 1 cent. We've already had the public hearings. We've had employment agreement concessions and the savings have been put into this budget. We've also had as recently as November 8th, the pension increase of 400,000.00 and we've talked about the JAWA increase in the water rate and tonight we've talked about the sewer. On November 15th we dealt with a lot of these issues with recycling and with the overall purse strings on everything except for the sewer ordinance. Where we sit right now on the property tax levy is 10,575,810.00. When you continue moving on to things, the refuse rate was amended from 30.90 to 32.50, and that's with the loss of the transfer station and overall there will be some more discussion on refuse and where we stand at that point in time. As things stand right now, we still have 3 negative fund balances and we go from roughly over 5 million dollars in all of our different funds into about 4.2 million dollars as it stands right now. We're specifically now talking about the General Fund. We've used a lot of fund balance in the general fund over the years. We are back to a positive amount and it's where we continue moving on. The next part is actually the part that was called budget overview continued and that's from the November 8th's Committee of the Whole Meeting where council directed the three major departments, but also what I threw in there after talking to each department head, were a few other items. A lot of these will create reductions in service and affect critical staffing and other issues. In general government we had our part-time employee recently announce he is retiring. That could be a realized 30,000 in savings. Staff is working on reorganization, shifting priorities and tasks to make this work. Another service production program that is talked about is the video production that you will have to make a decision on. That overall program is 21,000. In Community Development we are offering up the 10,000 in professional services for a consultant. In the Fire Department there are some staffing issues that we could deal with. We have two positions that are currently open in the Fire Department, one is for logistics clerical and the other is for the training officer. Line item reductions in the Fire Department could be an additional 11,000.00. The Police Department has one program that last year was talked about, it was going to be 10,000.00, it's a 5,000 item, it's the Trap and Release program. We've had discussions in the

past about the crossing guard program which is 65,000. Chief Scanlan and I have had this discussion. We don't know when the City took it over. Every time we bring it up to the school to give us some money for it they say no. We have six crossings that we take care of right now. If we're going to do that, give us some time so we can notify the schools. Public Works comes back to a lot of programs, senior snow plowing program, the City would not participate in that. Other programs and reductions are GIS inspections, tree removal, new tree replacements, contract tree pruning, overtime overall, snowplowing overtime, two Maintenance C vacant positions not filled until later in the year, inspection supervisor that is retiring at the end of the year. We are using reserves. We are maintaining where we can. In the proposed budget where it stands right now the general fund would have an ending fund balance of 571, again that's roughly 2% of our expenditures. MFT would end with 837,000, E911 is negative 322,000, debt service is negative 188, local roads is 438,000, our TIF's, TIF 2 is negative, TIF 3 is slightly positive, the TOD is still out there and has a positive of 501,000 at the end of the year, it has about 394,000 before we make some transfers into that, utilities with the actions we did tonight with the 1.9 million makes it a fund balance of 1.5, refuse we're looking at 264,000, garage 29,000, vehicle & equipment fund would be at 544,000, that's after we buy the radios that we need, building & land is about 95,000, liability insurance is 23,000, and health insurance about 42,000. That's the snapshot of everything.

Mayor Rooney: What we're saying is that's the report of where things stand at the moment. If council has final changes that they would like to propose before the staff prepares the documents, now is the time.

Alderman Buske: Streets, forestry, overtime for the snowplowing, says its 70,000, I would be looking at how we can reschedule things. A lot of this overtime could be saved with good rescheduling.

Mr. Vogt: When we had the blizzard this past February we started that week by putting everyone on 12-hour shifts so that we did not have people where we could keep them doing snow operations. We curtailed every other operation that we could with the exception of water meter maintenance and shutoffs and the refuse collection. One day we didn't do that either. There are times such as that when we know the snow is imminent that we can shift schedules and we do shift schedules. The problem with committing to doing that on a regular basis is sometimes we get snow forecasts and it doesn't snow. We try to have contingency plans for that. I can assure you where we can, we schedule and minimize the overtime based on forecasts and when that snow occurs. It always seems that it snows overnight and on weekends as opposed to from 7 – 3:30pm.

Alderman Buske: Would I take it for granted that this 70,000 for this year was due to the fact of that major storm. What was last year for overtime for plowing?

Mr. Vogt: It depends on not so much the size of the storm, it's the number of storms and when they occur. A few years ago we had probably a record number of callouts, but we didn't have a record number of snowfalls. We went out 17 times in December but only had about 10-12 inches of snow. We can cut back overnight and not put all the routes out and hold back on that and bring people in at 4 or 5 in the morning rather than at midnight.

Alderman Buske: What they are calling for this year is not a major storm like we had last year, but the same accumulation.

Mr. Vogt: Going back several years we have seen where we have had as little as 45-50,000 in overtime costs and we've had as high as 80,000, in fact we have budgeted in past years for 80,000 and this was scaled down this year.

Alderman Buske: I would think you should reschedule and you are. I was very impressed with Mr. Vogt's snow plowing plan. I congratulate Public Works on doing a wonderful job snowplowing our streets.

Mr. Krumstok: In 2009 the City spent 76,192 in overtime for street operations overtime and snow seasonal overtime, in 2010 it was 76,420.00, the 2011 budget we're budgeting 91,000, but right now the projection might come in at 92,000 and the budget in front of you has 80,000, leaving 10,000 for street operations and the 70,000 for snow removal.

Alderman Larsen: What are we looking at here?

Mayor Rooney: What we're looking at in broad brush strokes is a surplus if you want to call it that, a contribution to reserves if you want to call it that, of 571,000 for the general fund and that's a 15.3% property tax increase. What we're looking for reductions in one, offsets another.

Alderman Larsen: How to whittle away at that 15.3%

Mayor Rooney: For a number of folks, yes. For a number of folks its how are we going to get that 15.3% down? The question would be each way we do it, is that something that's going to take the contribution to reserves down, is that something that's going to be offset by another cut, that's what we're open to.

Alderman Larsen: Are we anticipating a series of straw votes here?

Mayor Rooney: I am just because I know some folks have things that they want to throw out.

Alderman Larsen: Like video production, eliminate a part-time employee

Mayor Rooney: The general idea wouldn't necessarily be go down each one and say straw vote; it would be for somebody to pick up a ball of one of them and say I'm in favor of this and then see where folks go. I think as late as we are going to be here anyway, if we go down every single one, I think a lot of these folks looked at in the packet and went no, not that, yeah, no not that. If folks are pretty much in the same ballpark of things they wouldn't choose to go forward with, there's no point in stopping to talk about it. It's more I know there are a couple of footballs people want to pick up and throw out there, that's the general path.

Alderman Larsen: Can I start that process now?

Mayor Rooney: If you wish

Alderman Larsen: Starting with the general government level, I'm in favor of eliminating the part-time employee and as much as I'm not keen about getting rid of the video production, but I could live with eliminating the video production program.

Mayor Rooney: In the general government section, is there any discussion on those two items?

Alderman D'Astice: If eliminating video production means no more.....

Mr. Krumstok: This means there would be no more Plan Commission, ZBA, and no City Council or Committee of the Whole.

Alderman D'Astice: I can't go along with that. We spent years trying to make all those meetings accessible to the people who watch from home and to eliminate it makes us go backwards. We already cut the newsletter back. I think that's a connection that the residents have to see what's going on. I'd go along with your Jim with the elimination of the part-time employee, since the person is retiring anyhow. I would not go along with video production.

Alderman Judd: I agree with Alderman D'Astice. For video production, I'm not in favor of elimination the council meetings or the COW's, but is it necessary to having the Plan Commission and the ZBA based on the fact that there is never anyone in the audience except for someone who has something pertinent to that. Do we want to save that money? Should we eliminate just those two? I'd be inclined to say eliminate those two.

Mr. Krumstok: I would not have that breakdown for the Plan Commission and ZBA.

Alderman Larsen: When we're talking about things reducing expenses, this is one of those things that it looks like when you're reducing expenses. I'd much rather forgo the video production than I would reduce the clerical position from the Fire Department which is 30,000, or some other line item that we'll be looking at later on. These are the challenges we are facing. We're talking about reducing expenses; we're at the point of reducing services. If I had to give up something, I would be willing to give up the video production before anything else.

Mayor Rooney: First of all we need to be split. First is not replacing the part-time person. How many folks are in favor of reducing that line item, taking the 30,000 out? That's 30,000 in the pot. On the second one, let's ask for two different options. Leaving it in tack, cutting only ZBA and Plan Commission, not realizing at the moment how much money that would be, but figuring we're the most expensive one and we meet three times a month, the others meet once. Figure at most it would be 40% of that line item; it's probably a third or maybe talking 7,000.00. I'd like to offer three options, keeping video production the way it is, cutting ZBA and Plan Commission only, and cutting the entire video budget. How many folks would be in favor of leaving the entire video budget as it is? How many folks in favor of cutting ZBA and Plan Commission only? That's direction. Mr. Krumstok will get us a dollar amount on that as an estimate as soon as he can. I know there are folks that have things they want to throw out there. Does anyone want to jump in to be next?

Alderman Buske: How about a break?

Mayor Rooney: We're a little shy of the traditional 10:00, but I don't have any objections to doing it now, figuring there's still a long haul left. Anyone object to taking the break a little early and taking it now? Fair enough, we stand in recess for 5-10 minutes.

Recessed at 9:35pm

Reconvened at 9:45pm

Mayor Rooney: So far, before we recessed, there was a 30,000 item cut that basically either translates into a surplus kicked up to 600,000 or a levy that just went from 15.3 to only 15% exactly. I know people will have different preferences as to where that money should go. It's my suggestion that I'm keeping a running tally of both, I know Mrs. Gallagher is, we can match up when we need to. It's either this much in the reserves or that much in the levy. It will allow us the flexibility at the end of the night if we come up with a dollar figure that's worth playing with to be able to say some goes to this, some goes to this. What we're trying to do, and not knowing what folks have, bigger items have much bigger impacts and I've always been a firm believer with our agendas, big stuff has to come first. The bigger the idea, the quicker I wish folks would stick their hand in the air so we can see the numbers actually change.

Alderman Buske: I thought that I asked Mr. Krumstok what 1% was worth and it was about 100,000.

Mr. Krumstok: He said .1.

Alderman Buske: Meaning .1 in the levy.

Mr. Krumstok: So where it's 15.3 it just moved down to 15.

Alderman Buske: That was with the 30,000

Mayor Rooney: Correct

Alderman Buske: You've got 79,000 and I made three suggestions that we cut also so we're over 100,000. You've got 35,000 in the storage building, the Chipper Service was 28,900.

Mayor Rooney: It's not all the same fund. The storage building is the sewer fund and that doesn't affect the property tax levy. The video thing we're not counting at the moment because it's going to be roughly 4-5,000. Those are nice, but I think you'll find the ball parking to be fairly effective.

Mr. Krumstok: Also the parade

Mayor Rooney: Exactly. I know there are folks out there that at least toyed with the idea of bringing something up to the council this evening. Anyone want to jump in line?

Alderman Larsen: I'll continue the list in order.

Mayor Rooney: If I might, I really don't want us to just go down the list and throw stuff up at the wall and see what sticks. I would rather have folks say here's something I'm proposing and here's why, who's with me? I would prefer those. If you see anything in there you really want Jim Larsen's stamp to be on, I'm not going to let this discussion evolve into just going down the list. I refuse to do that. Do you see anything there that you want your stamp on that item being cut out?

Alderman Larsen: Not at this time.

Mayor Rooney: Once again, we're still at 15%.

Alderman Banger: There are two outcomes to these reductions. One would be increased balance to our general fund. Outcome two is lower the tax levy, correct?

Mayor Rooney: Correct

Alderman Banger: Ok. I'm perfectly happy with our current tax levy. In fact, the part of the negotiation from last week was let's start at 9, we ended up at 18. Before the meeting we started rehashing numbers and brought it down below 15.4. I like that, I consider that compromise. I'm certainly not interested in changing that. Any money we're discussing now is going to be general fund. The tax levy is what it is and you're certainly going to be giving us this option when we're all said and done here, correct?

Mayor Rooney: Correct. I would like the Chair to strike the balance that I know some folks are of the general opinion that whatever we cut should build reserves. Other folks are of the general opinion whatever we cut should reduce the levy. Depending on what comes out, there might be a fairly sizeable couple 100,000, perhaps even more, where maybe folks might want to split the difference. We'll give that option at the end once we have a grand total, either from cuts or increases. Both are painful.

Alderman Cannon: I just want to make sure we can talk about any of this stuff that's on here.

Mayor Rooney: It was in the packet, which opened it up to the table.

Alderman Cannon: So are we allowed to?

Mayor Rooney: Absolutely. My only preference is we're not going to go down and say what does everyone think about every little thing.

Alderman Cannon: I'm going to make a proposal on Part 1, under police, for crossing guard program. In light of the fact that other towns have eliminated this, and I know there are some safety issues involved there, trying to be fair about all of it, I suggest we cut that in half. Go to the schools and tell them as of June they are on their own. Either come up with the money to support it, or next year we are not supporting it. They would have half a year to resolve this. I would say cut it from 65,000 to 35,000.

Mayor Rooney: That's the suggestion on the floor at the moment. That's one of those things that needs to be a council thing. Those of us were here before, it was we're cutting the crossing guards, the council put their foot down and said if anybody touches the crossing guards, it's the council. Don't you dare put us on the box for something we didn't decide. That's the type of thinking I'm trying to encourage, not nickel and diming small stuff but saying here's something the council needs to take a stand on. Opinions on the crossing guard program as a possible source for cuts.

Alderman Judd: That's not something I'm going to support. If you go back to the schools and say you have to pay for it, they say ok and raise school taxes, so you're just taking from one pocket to the other, so I don't see any advantage to it. It's not something we can completely eliminate. It's not something I'll support.

Alderman D'Astice: I was around when it happened the first time. For the safety and security of the children there is absolutely no way that I will support that. The kids are a resource for the future and the crossing guard program needs to stay in tack. I don't think that you can threaten the schools. We can take the approach that we can go to the school districts and say we'll cover it for the rest of the year and then you do something and see what they say, but I will not support taking 65,000 out and not having school guards.

Alderman Buske: I was here too. Mr. Cannon, you can't even take part of it off because you come down to what corners aren't going to be covered. The crossing guards even took a cut in pay. They are very dedicated people. I wouldn't touch this either. These are our children, our future. This is a safety issue. I wouldn't touch that at all.

Mayor Rooney: A show of hands for getting some or all of the savings from the crossing guards. We won't go there. Other thoughts.

Alderman D'Astice: Public Works – I would accept their reduction of seasonals by two for a savings of 12,000 and leave the two maintenance C positions vacant for a savings of 120,000. That's 132,000 total.

Mayor Rooney: Mr. Vogt, would that be correct, those items together would be a 132,000?

Mr. Vogt: Yes

Mayor Rooney: That's deferring until October which would save those three put together are 132,000. Discussion? Folks in favor of cutting those items, that's direction. Mr. Judd I inadvertently forgot you were after Mr. Cannon. You have the right to go next.

Alderman Judd: That's two of the things I was going to say. Also the inspector supervisor for 22,000. I think the contract tree pruning is easily done and we took care of the chipper. Fred, if you don't have the chipper service, I think we eliminated it, correct?

Mayor Rooney: That was the direction of council.

Alderman Judd: Do we pull this whole 20 out or did you still think 10 is the reasonable number?

Mr. Vogt: I think 10 is a more reasonable number based on the fact that we're gaining four weeks of two to three employees.

Alderman Judd: Ok, so that you're totally fine with losing the 10,000 because you're going to gain it basically in the chipper program.

Mr. Vogt: I'm never fine losing. Certainly if you're proposing it that way, it's an offset and you're giving me time with the loss of the chipper service to make that up in-house, I'm fine with that.

Alderman Judd: I would go with the tree trimming for 10, the inspector for 22, seminars and GIS inspections and awards, those are all fine. Do you want us to say what we're not interested in?

Mayor Rooney: Once again I'm looking for somebody saying I propose we cut this. I'm hearing 10,000 and 22,000.

Alderman Judd: 10, 22, and then 2, 3 and 4, so 750, 1500, and 3385.

Mayor Rooney: From the Public Works list, # 2, # 3, #4,

Alderman Judd: # 8 and # 13

Mr. Krumstok: # 8 is a reduction of 10,000.

Mayor Rooney: So that's 32. #2, 3, 4, 8, and 13 all as a package. Folks in favor of cutting those? That's direction. Basically with ballpark figures, we either have a levy sitting at about 13.3 or we have the reserve contribution of roughly 200,000. A levy of 13.3 if we apply it all, that's what it would be toward, or if we apply it all to reserves it just went from 570 to 770.

Alderman Larsen: Based on Chief Stewart's comments that he would feel comfortable removing the helmet, patches, and turnout gear line items with the understanding that retirements that he's anticipating do occur that these expenses might need to be absorbed by other budget categories, I would like to remove those two line items for a total of 11,300.

Mayor Rooney: Who's in favor of cutting? That's direction, that's another 11,300.

Alderman Buske: I hear the possibility of overtime for snowplowing from 70 to drop it to 60,000 which would save 10,000. I have a feeling that a bunch of this money is because of this major storm that hit. They're not forecasting that for this year, the same amount of snow but not all at once. I would say let's drop that down to 60,000.

Mayor Rooney: It's a management item, Public Works, line #10 for 10,000. Who's in favor of cutting? That's 10,000 more. As the running tally, we're still in the 13's, we're at 13.1. Further recommendations?

Alderman Judd: Police Department - 5% cut across the board for contractual services for 45,000. Could we do that across general government and the others?

Mayor Rooney: That we would have to ask and really a phone call when someone read it, those numbers could have been prepared. I don't believe those numbers are prepared.

Alderman Judd: I'm just saying can we go back and look at that in the two weeks prior to the meeting? I read it and didn't think to do it for the others. Seems to make logical sense.

Mayor Rooney: You're right, it could.

Alderman Judd: Let's go with the 45,000.

Mayor Rooney: And we'll do that in a second. Mr. Krumstok, is that something you could prepare over the next couple of weeks? You're asking Department Heads to sign on for something that only one of them signed on for. We would have to leave that up to the discretion of the Manager. Mr. Krumstok, could you play with those numbers to possibly help this get fine tuned.

Mr. Krumstok: We could play with the numbers; however we're already down to the department heads. We already looked at this. I feel very uncomfortable coming back with a number. Everybody looked at this.

Alderman Judd: Let it go then. Just the 45.

Mayor Rooney: If folks want to take a look. This is numerically numbered page 23, the last sentence in what was prepared by Chief Scanlan from the Police Department, it's a 5% cut across the board in contractual services and supplies for 45,000. Without discussion, just asking, who's in favor of making that cut? That's direction.

Alderman Buske: I didn't find that sheet yet. I understand that we asked the different departments to come up with things to cut.

Mayor Rooney: Correct

Alderman Buske: Some I think they would be doing hesitantly. I'd like to have the Chief say if this is something that he is doing begrudgingly. Do you really not want to cut this or what? I think if a department head wants to speak about this they should be able to.

Mayor Rooney: I do think you can safely make that assumption for everything on these lists. As Mr. Vogt said when asked if you would be in favor of that, they are never in favor of it. The fact that it's here on the list put it in play for this table.

Alderman Buske: I guess we did the same thing with Mr. Vogt

Mayor Rooney: Yeah. I would say department heads feel free to chime in when an item is taken. You certainly can.

Chief Scanlan: The only thing I want to tell you that contractual cuts, many of those contractual obligations are already in play, so the 5% that comes out of those contractual obligations has to come out of either supplies or somewhere else, so I'm going to have to find the money somewhere else in the budget to cut it. Major Case Assist Teams membership dues comes out of that which means I don't have enough money to pay our MCAD dues next year. I won't have enough money to pay our NIPAS dues next year. Both of those are extremely important contractual agreements we have that help mitigate our cost to our department in the event of a major incident. A barricaded subject, I can call NIPAS and get full support. In order to pay those membership dues or our contractual agreements for maintenance on all of our radios, I'm going to have to find other cuts from somewhere else in the budget in order to do that if those cuts are made.

Alderman Larsen: Given that qualification do you want to take another vote?

Mayor Rooney: I suppose we could. Given that qualification, the 45,000 roughly coming from 5% across the board in contractual services, who's in favor of making the cut? That takes it out. Further thoughts, we're at a levy of 13.1.

Alderman D'Astice: To Chief Scanlan's point, you put 45,000 on the page, can you lose 20 of that and still make your contractual obligations, or can you lose 15 out of that? I understand what you

said and I don't want us to put ourselves at risk or jeopardy. Do you have 10 you can give us back out of that?

Chief Scanlan: The problem with what we did is that we were asked to come up with 200,000. I tried to meet that 200,000 figure. When it came to the end of the day I was still short about 50,000 mostly because we have already made some significant cuts in the police department's budget over time. Many of those things were backed out with the concession agreements. I really didn't have any more money to pull out without making some significant draw downs on programs we already got moving forward in regard to records. There's so much going on with our radio system and our records management system and with all the cuts we've already go into this system, technology and outsourcing is very important to it and when I put all of those numbers in there I also put in where the service cuts are going to happen. It is going to be significantly painful for us. If I had 6 months to come up with a long term plan to try and cut that money, I'm sure I could do it. Doing it in 2 weeks from a philosophical approach trying to run the police department over a year long basis, having already cut so significantly, for everything we do it has a systematic effect on something else. I'm going to have to constantly try and work my way through the budget to try and find those cuts.

Alderman D'Astice: You want to give us 5,000?

Chief Scanlan: I think I tried to with the animal trap and release program.

Alderman D'Astice: If you can't do it, you can't do it. I had to ask. I understand how you got there and I'll accept that number.

Mayor Rooney: Further thoughts.

Alderman Judd: Two small ones and one large one. Which would you prefer first?

Mayor Rooney: Always large

Alderman Judd: In the Fire Department, option 1, reducing overtime expenditures. I realize that it's going to have some impact. I would ask the Chief to never drop to 3. If that number doesn't go from 83,000, it goes to 76,000, so be it. I realize some potential impact but we also have a whole other station that can support some of this. I think in an effort to try to reduce costs, we're paying overtime; I think that's a gamble I'm willing to take. Option 1, I'm ok with.

Mayor Rooney: If you really want to have to have the chance that something goes wrong and then in some kind of proceeding folks can actually point to a piece of paper that says council actually made a decision to allow below minimum staffing, that's certainly not a gamble I'm willing to take. Chief do you want to jump in, then Mr. D'Astice gets the floor.

Chief Stewart: I would simply say that I highlighted in the document what those risks are. Any time you talk about staffing you're really looking into a crystal ball. I can't give you guarantees. I can tell you this, if I thought over the last three years there was an opportunity to reduce staffing, I've had plenty of opportunities to do that with the retirements within the Fire Department. I certainly wouldn't go through the hashing out of these expenses if I thought there was a more efficient way to do things and a more cost effective way to do things. I don't think it's a wise move

to make. I think we're doing everything we can to work with our area agencies to make our operations as effective and efficient as they can be and I would certainly not recommend this move.

Alderman D'Astice: I think part of the City's Charter is for the health, welfare, and safety of the residents. Cutting to below minimum staffing goes right in the face of that so I will not support that.

Alderman Larsen: I echo Mr. D'Astice's comments. Each of the department heads took pains to outline the risks to the community for various reductions. Chief Stewart has articulated the risk to the community extensively here. Not the least of which, in terms of dollars, this reduced staffing will surely result in the lower ISO classification. We are going to be competing against other municipalities. This is one more reason an organization or business might say that's one more thing against considering Rolling Meadows. There is no way I would reduce staffing levels for Fire or Police.

Alderman Buske: Under land & building chargebacks....

Mayor Rooney: If I could ask you to hold on one moment, we're still on the minimum staffing issue.

Alderman Buske: I would not allow that to change.

Mayor Rooney: Could we ask for a show of hands for cutting option # 1 from the Fire Department suggestions. Those in favor? That cut won't be made.

Alderman Buske: In the land & building fund chargebacks, I'd like that dropped 20%. There's 95,000 in there now, it would drop to 75,000 and there should be no backlash. It would save about 19,000.

Mayor Rooney: Mr. Buske did make a contact to Mr. Krumstok and say what about this.

Mr. Krumstok: What it is is when you look at the chargeback section, the general fund makes the 144,000 chargeback from the general fund to the land & building fund. Reducing that amount also reduces the fund balance in that amount. Slight reduction in general fund would also have a reduction in land & building.

Mayor Rooney: Is that enough information for folks? Those in favor of making the cut? I'm sorry, Ms. Gallagher.

Ms. Gallagher: Right now the building & land fund is budgeted at 95,442 and that would bring it down to 66,442. A 20% cut is 28,800.

Mayor Rooney: Is this something that affects the general fund?

Ms. Gallagher: There would be less revenue out of the general fund unless....

Mr. Krumstok: It's transferred out, so you're actually reducing the general fund, but you're also reducing land & building.

Mayor Rooney: So we're saying that's 28,000.

Alderman Buske: I got lost now. In the book I was looking in under chargebacks, it said 95,000 was in there. 20% would drop it to about 75,000, where did we get the 144?

Mr. Krumstok: 95,000 times the 20% equals the 75. If you do the 144, which is general fund transferred to the land & building, reduce that by 20% that's where you get the new number we're talking about. One's calculated on the 95, one's calculated on the 144.

Alderman Buske: Ok, take the one calculated on the 144 then.

Mayor Rooney: So at 28

Alderman Buske: Yes

Alderman Banger: This is a surprise and I think we talked about this. I like having the opportunity to soak these things up and evaluate them. Thanks for the explanation, but it's still something we didn't have in front of us to evaluate.

Mayor Rooney: That's a fair position to take, but to explain the rationale, at least it came to staff before. A packet comes out on Friday. What kind of time do we have? The cherished preference is always it doesn't come up at a meeting without staff having had a chance to look at it. Mr. Buske did follow the procedure that is available for somebody when they read something in a budget packet. The budget has been out for a long time, but as Mr. Judd pointed out, sometimes when the wheels are turning, people come up with something new. My only really thing that I ask is that you get the wheels turning before we all sit together.

Alderman Banger: I just don't feel comfortable voting on it.

Mr. Krumstok: If we get it on Tuesday, we're not giving everybody a piece of paper.

Mayor Rooney: Correct. Those in favor of reducing that item by roughly 20% and making it a 28,000 cut to the land & building fund chargeback? That's direction. If everything we've gone with so far is applied to the levy only, you're still sitting at 12.8. If everything was applied to reserves, we'd be up to 800,000, about 820.

Alderman Judd: Two little ones – the Community Development 10,000 and the Trap and Release 5,000.

Mayor Rooney: Trap and Release came up already.

Mr. Krumstok: The Community Development one is on the first page when we discuss....

Alderman D'Astice: Page 18

Mayor Rooney: Got it Mr. Krumstok. So eliminate the 10,000 that has been placed in professional services for the consultant and the 5,000 for trap, neuter, and release. We can take them separately.

They are both minor management items. That's not so, they're both in middle ground. It's only fair to open for discussion.

Alderman D'Astice: To remove 10,000 from Economic Development is like cutting your nose off to spite your face. We're trying to build Economic Development and there is only 10,000 there to basically employ a consultant to try to bring some new business into the City. I have a real tough time taking that one out. As far as the other, I know the trap, neuter, and release is only 5,000 so its an amount of money, but once again, depending on where you live, there are a number of feral cats running around. To eliminate that program, which is the only animal control type program that the City offers, means that feral cats are going to continue to breed uncontrollably. You might not have them in your ward but I have them in my backyard already. I think we're doing a disservice to the residents, so I won't support either one of those.

Alderman Buske: Chief, the thing started out with 10,000. Are you bringing it down to 5,000?

Chief Scanlan: In the original budget document I cut it to 5000.

Mr. Krumstok: In 2011 it was 10,000. It was suggested by council action to bring it to 5,000 and that's all that's in the 2011 budget and now in the 2012 budget.

Alderman Buske: When we first started this I took this as being animal control, not only neuter and release. The woman that does that, weren't we supposed to be helping her out with this. That's what the money was put in for.

Mayor Rooney: Yvonne Porter down in the 5th Ward.

Alderman Buske: She's still putting money out of her own pocket for this. I thought this was to help her?

Mayor Rooney: The amount that was budgeted for last year is still budgeted for this year at the moment. The discussion is whether to cut that.

Alderman Buske: If we don't cut it, is she going to get the help on doing what she's doing. It was ten, now it's down to five. Now you're talking about eliminating it.

Mayor Rooney: Correct

Alderman Buske: I won't support eliminating it. I'd like to know if we are helping her out.

Chief Scanlan: We are. It's 3-400 a month that we're using not just for the cat portion, but for the dogs. We have two different line items.

Alderman Buske: Ok

Mayor Rooney: So split them in two. Let's take the Economic Development consultant first, the 10,000 line item. Those in favor of making that cut, that cut won't be made. The trap, neuter, release program for 5,000. Those in favor of making the cut, that cut will not be made at this time. Further items? Still sitting at 12.8.

Alderman Buske: I had a list I gave to the City Manager. There was a small item. Do I bring it up now?

Mayor Rooney: For something in the packet or from the budget document?

Alderman Buske: From the budget document. Do we do that in the council meeting?

Mayor Rooney: Pretty much. The purpose of sending it to Mr. Krumstok is that it is something that he says ok, a pencil change can be made without discussion. That's something that does need to be brought forward to the full council. Is there anything else to be brought forward? Then not necessarily closing everything, but saying the basic pool of money in ballpark figures that was just made by the straw votes was about 250,000. That's the pool of money. If it's all pushed to reserves, that takes reserves from almost 600,000 to over 800,000. The contribution to building up reserves. If it's all pushed to the levy, it takes the levy from 15.3 down to 12.8. Ms. Gallagher is this roughly speaking correct?

Ms. Gallagher: Yes

Mayor Rooney: Thank you

Alderman Larsen: I propose allocating 2/3 of that money toward a reduction in the tax levy and allocating a 1/3 of it toward the reserves.

Mayor Rooney: That's the proposal on the table, 2/3 to go toward reducing the levy, 1/3 to go toward increasing reserves. Thinking that way instead of saying I want this many dollars to go, we can use that as a guideline for future things that might come up when the resolutions and ordinances may get amended. It would be a general guideline that we could use, so let's talk about that. Mr. Larsen you're entitled to explain the reason behind your motion and Mr. Buske would be entitled next.

Alderman Larsen: We don't want to raise taxes more than we have to, but we do have an obligation in making our reserves. I think that this seems to me to be a fair balance between the two. The reduction of the tax levy is of greater importance in the immediate to taxpaying residents and yet we're still honoring our obligations to maintain our reserves.

Alderman Buske: If that's done, when we're saying the levy, how much going toward the levy and what's going towards the reserves and what will the reserves have?

Mayor Rooney: I can tell you that at the moment, remember that this is a general guideline that we're trying to establish, but in general the reserves would go to about 650,000 and the levy would come down about 13.65 as a ballpark, so basically a levy of 13.6 and a contribution to the reserves of about 650,000 at the moment and we could use this formula to apply to other things.

Alderman Buske: What was the cost of living last year?

Mayor Rooney: If I remember right, we're talking somewhere around 2 point something.

Alderman Buske: And we're still at 13.65

Mayor Rooney: Correct

Alderman Buske: This is what bothers me, the way we're going about this. I won't support putting any more into reserves. What are we going to have if we don't put that 1/3 in the reserves?

Mayor Rooney: That would take us down to 12.8.

Alderman Buske: No, if we don't put the 1/3 in reserves, how much do we have in our reserves?

Mayor Rooney: 571

Alderman Buske: 571,000

Mayor Rooney: Right

Alderman Buske: What bothers me is we're talking a levy. The cost of living is somewhere in the twos and we're going to raise 13.65. We've raised everything else. The water went up. The sewer went up. Garbage rates went up. Vehicle stickers went up. Somewhere along the line we have to say we have to look at this levy. My vote would be to put it all against the levy and I want to see this levy come down not in double digits.

Mayor Rooney: Further discussion on Mr. Larsen's proposal that the general statement be 2/3 of any savings goes to reduce the levy, 1/3 goes to build reserves.

Alderman Banger: Staff handed us a budget and now we're shifting through and looking at the goal. I didn't walk into council seeing any grand plan of where we're going to be at this time next year and hopefully between now and then we would have formulated one. Bottom line is I trust what staff has given us. The department directors have done exactly what we asked. What I'm saying is four years ago we ended with a general fund balance of 3.7 million. Some of the numbers that fed into that are different what we see today, but in my opinion I'm exactly the opposite of Larry because I think that any additional money that we're chipping out of this budget should go to general fund. I try to rely on staff as much as I can and then we pick up the ball and massage it and then look back at their intentions. I think their intentions were clearly let's get our general fund built back up to a respectable level. If I were to make a suggestion on what we do with the extra 250,000, I would get creative and say let's throw some into our street program. But instead I'm kind of generalizing by saying put it back into the general fund and continue building that up. My intention is to maintain the tax levy as it stands. I'm going to be very simplistic and just say take the extra money and shift it to the general fund, maintain the tax levy.

Mayor Rooney: Further discussion on Mr. Larsen's proposal to divide whatever comes in from budget numbers, 2/3 to reduce the property tax levy, 1/3 to build reserves. Let's take the proposal as it stands on its own. How many folks would vote in favor of that distribution, 2/3 of anything we cut here goes towards reducing the levy, 1/3 goes toward building reserve, who would vote in favor of that? That's four. By using those numbers, we're now looking at a levy of 13.6, 13.7, right in that range, 13.65 is what I get, and then we would be looking at an increase to reserves of 650,000. Is there any further items on the budget that again staff can still be brought forward with ordinances and resolutions, but this tells the staff what to prepare in final form? Any other final items? Seeing none, staff you get the wonderful job of bringing this whole mish mash together as a final document

to be brought forward to the council. Anything that's revenue, anything that's a tax being charged to the residents, has to be done in ordinance form meaning it requires a couple of readings. The 1st reading were for most of them at the last meeting and so December 6th would be the last chance to change them and the budget itself is done in the form of a resolution. That means one reading, one vote. There's not a reason why if there's a lot of nipping and tucking to do, we still have the December 13th meeting, but they're both slated to come to a head two weeks from tonight on December 6th with only one meeting as an outlet valve if we get stuck somewhere on the 13th of December.

2) Refuse Collection RFP Development

Mayor Rooney: Mr. Krumstok has asked that Item 2 be placed on the list because as staff was following the direction that was given at a previous Committee of the Whole Meeting to develop requests for proposals to look at for refuse collection. Just a whole slew of different things that are part of the process that the staff felt we had to ask council what they think about this and that. Mr. Krumstok asked that this item be placed so they could get council direction for some of the things that are necessary for the RFP. Mr. Vogt, tell us what you got and tell us what you need.

Mr. Vogt: With the direction at the November 8th Committee of the Whole to have staff bring proposals or bids for outsourcing refuse and yardwaste, we want council to be aware of a number of things that have to be considered and we certainly don't need direction tonight but want to give you this information. Some of them are concerns we have, some we will need direction on, but things that we will be grappling with could affect future budgets as well. We would expect as a base to put a call for proposals or bids together on our current level of service for refuse collection and yardwaste. That being said, we want to in the upcoming weeks, months, when we get into the first of the year start looking at other considerations and identifying some of them here in the reports, yardwaste sticker programs that a number of communities do because we had some discussion here earlier tonight about users paying for that if you don't generate any yardwaste, if you compost, or if you have a landscape service take that off-site and don't pay for it that might be considered more fair to those that don't use it as opposed to those that do use the yardwaste program. In addition, I'm looking at whether it's unlimited or whether there is a limited number that can be provided with the service. The containers that we use and the automation issues certainly should be looked at in our staff opinion in terms of planning for the future. Do we want to continue the current program of just setting any type of bag out or do we need to work with vendors who may come back to us and say they would price a service proposal with containers as opposed to any type of bags. Billing services is something we have to look at if we are truly going to outsource everything. That's something that we do see many of the other communities that do not handle the billing for refuse and yardwaste and recycling in-house. This is done by the provider. City-owned recycling carts we're still paying on from the original bond issue in 2007 or 2008. We have several more years to that. We need to decide if we're going to keep paying that off or if we're going to put that burden on the provider if we were to outsource, as well as the maintenance of the refuse carts that we are currently providing. The labor force in Public Works has been discussed. We have talked with providers as we labeled it here as kind of an empty promise if we look at loading a contract with the requirement that they hire people if we can't find a place for them elsewhere in our organization. There's some concerns that we have. It may not be as attractive for the employees that would find themselves looking to be hired to have to work 50 miles away or be on a call list and not have a regular job. These are some of the concerns as we have been talking with some of the providers in recent weeks. From a budget standpoint as far as what we provide in the refuse fund currently, such

as street sweeping debris, the sheriff's work alternative program and the highway litter collection that we fund out of that, brush collection services if we did go back to doing that at some point where we would fund that and also the emergency response for storm damage. When we do the pickups like we did in the summer after the storm, those dumping costs are charged to the refuse fund. We will need to decide in the future if we outsource or if the refuse fund as we know it goes away, does that become a burden to the general fund or is there some other way that we could cover those costs. There also are operational concerns in our budgets from the standpoint that the refuse fund currently provides for it in terms of administrative fees and services to the general fund, to the building and land fund, to the liability insurance fund, health insurance fund, vehicle replacement fund, those revenues will go away if we totally eliminate what we know as the refuse fund by outsourcing. Lastly, we would feel that we should at least make the effort or make the consideration as we put a staff together to do the specifications we will need to decide if we are going to seek proposals or if we are going to seek formal bids. We've touched in previous discussions about that. Bids and proposals are not the same thing. If we bid, it's formal and as the City Attorney will agree with me, you generally have to work with the lowest responsible bidder in terms of any considerations for negotiating any additions or deletions to the contract specifications as we put them together. You have much more flexibility with proposals in terms of negotiation not only with the lowest proposal, but with other proposals that come in in terms of picking and choosing services. We really anticipate that in some way shape or form our specification will be a shopping list. It will not simply be here's the best price for the service you have now, but we will want to get some pricing for some of these alternative concepts or alternative ways to set up the revenue source in terms of user charge. In that respect, the proposals may be the best way to go. We will certainly look at that and expect to bring recommendations back to you at the January Committee of the Whole, at the latest, with the intent of getting either proposals or bids out by early spring for consideration. We also feel that council should consider perhaps having some representation on our specification preparation or particularly on the review of the proposals or bids, the interview process that we would go through, just so that there's more understanding and more of a team effort as opposed to simply being staff putting this together. We've had some success with that with other endeavors and certainly welcome the opportunity to consider doing something like that to have one or two elected officials part of the process.

Mr. Krumstok: We do hope that people look through this and give us your feedback so when we are back in January we will have more discussion as we formulate an RFP or bidding process.

Alderman Banger: Thank you for that summary. My expectation is an apples to apples comparison. By the time this is all said and done, my personal expectation would be we provide the following, your proposal from vendor x takes that into account and either has a line item estimate or bid for that particular component of the service and then the accumulative amount at the end is either 32.50, less than 32.50, more than 32.50 and then the variations are going to influence my decision.

Mr. Vogt: That's what we would be striving to look for to be able to give you those comparisons. One thing that I didn't delve into, but certainly would likely do in January, is the ability for the refuse division of public works now to submit a proposal or a bid, or at least to have staff look at that true cost if we didn't have the other burdens that we currently have and those burdens would go to the general fund, for example. As we've talked with having 5 people assigned to the refuse fund, could we do it with less people than that and if we could assign the daily costs that aren't refuse subsidized back to the general fund or utility fund, that has an effect on the refuse fund in terms of

the rate, but we're not doing that now. These are hard decisions and comparisons that we are going to do so that you really do get to the apples to apples.

Alderman Banger: Are you saying you'll get to those once you start breaking things apart to give to a vendor?

Mr. Vogt: The vendor is, as I would anticipate, going to be presented with service levels that we have now to the best that we can define them, as well as anything that we would choose to put on a shopping list in terms of if we wanted to price out separately what base cost reductions we could have in the yardwaste component if we went to a sticker program, or what the cost would be for the residential billing if the contractor did it rather than keeping within the Finance Department. Of

course there is going to be a cost to our internal operations that we will have to take into consideration.

Mr. Krumstok: Right now we don't charge ourselves for picking up all our garbage. We also pickup in downtown. What's this new vendor going to do about that?

Mr. Vogt: We don't want to overlook any costs that we have that someday will need to be absorbed back into the general fund or utilities fund, or somewhere because we didn't realize or take into account this is something we paid for that we don't pass on to the provider.

Alderman D'Astice: I volunteer for the Committee.

Mayor Rooney: There are a couple of volunteers with names in the hat already.

Alderman D'Astice: As much as I would like to see the pure apples to apples, I don't want to have to be paying for those who put their waste in bags and for those few times that somebody has white goods, it's great to get it for free but I don't want to be paying an extra dollar a month so that somebody else can get it for free. I think it's a pay as you go system. What we did in the past was good, but now we need to look forward to the future. We have to change as needed. It's not bad to get apples to apples, but I think as we move ahead we need to look at it what different needs are taking place here and around us. We have to adapt to what's going on. Maybe change is good and maybe change is not, but I just don't want to see here's what it's going to be and here is what it was. Well, what would it be? Do we have to have the white stuff? Do we have to have a lot of those items on your laundry list?

Alderman Cannon: I would challenge you to go back to all the people that work in that department and you guys come up with a proposal to keep it in-house. I think there are a lot of ideas that we have kicked around, but I think you have five dedicated employees who would like to keep their jobs. I don't think anyone here has made up their mind one way or another yet. I think if there are innovative ways to cut costs and get rid of 158 days of overtime and things like that, maybe rescheduling some things, but I think there are probably things that your own people could tell you to do better.

Mr. Vogt: The transfer station is one thing that isn't on the list, but we have had discussions in the last several years, but more focused in the last few months with Veolia on that as well as with the Solid Waste Agency. That's something that certainly can be part of this process, but also will have its own life. You're right, we would expect to be able to as part of this process put a proposal or a

bid together based on the consideration of what our funds setup is and how we've done business in the past years vs. what other innovations or other adjustments we can make.

Alderman Cannon: The guy that stole all the money from SWANNC, how does that affect us?

Mr. Vogt: I would defer to the City Manager, if that is even appropriate for release of any information.

Mr. Krumstok: It does not affect our rates. It's already done and it is in the court system.

Alderman Buske: I don't think the white goods is a real pressing issue. The fairest way is a sticker program. Fred, could our own garbage company use a sticker program?

Mr. Vogt: You mean as a City setup a sticker program for refuse as well as yardwaste? We could certainly look at all that.

Alderman Buske: If you're going to bid on it yourself to keep it in-house, that should be part of it.

Mr. Krumstok: A sticker program we have talked about.

Alderman Buske: You know what you're making on garbage now. How do you figure out the sticker programs?

Mr. Vogt: We know what our tonnages are in terms of refuse and yardwaste. We would have to basically work that back off the tonnage to determine what an appropriate rate would be.

Alderman Buske: You're saying it could be done

Mr. Vogt: Absolutely. Most communities we've surveyed are charging anywhere from a 1.60 to 2.10 per sticker, so on the one hand you assume they have a reason for that or their providers have a reason for that, but we would look at our own cost and propose it accordingly.

Alderman Buske: Are there still a lot of communities or garbage companies where your garbage is so much and they have big cans for garbage. Do it that way, so much for that and on your yardwaste you use the sticker program.

Mr. Vogt: There are communities that limit how much you can put out without paying more for it. There are communities that subsidize their cost.

Mayor Rooney: Thank you Mr. Vogt.

3) TIF and Marketing

Mr. Krumstok: Regarding TIF 1, for the budget itself, the 607,000 that is in that TIF is going to have a new line item called Environmental Clean-Up/Demo/Land Acquisition/Marketing and its going to use all of that 607,000 that is in there to deal with TIF 1 area. Staff has been spending time with a group that is working on the property and working on the note. If everything goes as planned, we will have more information for people to hear. In TIF 2 we would ask direction to use

5,000 to do some marketing in that area and in TIF 3 about 10,000 to do some marketing for the community. TIF 2 is one of our negatives, but we feel comfortable with the little amount that will help overall.

Alderman D' Astice: It sounds like the plan is to use the TIF money to further some economic development at the old Dominick's site and that being the case, I would say the Economic Development Committee is very excited and looking forward to getting some more information on December 6th. It's there to be used and it's absolutely the right thing to use it for.

Alderman Banger: When we're talking about 5,000 for marketing on one of the TIF's and 10,000 what's that encompass? Is that hiring an outside consultant to give us a report or is this just monies going towards actual deliverables.

Mr. Krumstok: The idea is to market those areas, market overall so it makes it more attractive to get more people to look at a piece of property or purchase it from the City. The plan has not been set up yet and that's part of the discussion in 2012 with the Economic Development Committee and Valerie and I as we try to formulate how we are going to be using some of this marketing overall.

Alderman Banger: But for TIF 2 and 3, do you bring that back to us in terms of here's what we're getting for our bill?

Mr. Krumstok: What typically happens is at the Economic Development Committee meeting we would be talking to the individuals on how we would do the marketing. First ED would get it and then the Council would see it later on.

4) Municipality Electricity Aggregation

Mayor Rooney: This is a really big decision for the City to make. Everybody and his brother, now that deregulation is happening in Illinois, is trying to take advantage of lower electricity rates. There's a big misconception in the towns that are going for the referendum that we might be going for. A lot of folks are hearing the percentages and saying they can reduce my electric bill by 20%. That's not true. They can reduce a portion of the electric bill by 20% and it's a healthy portion, but it's not your whole electric bill. ComEd is going to continue with the distribution/delivery portion. None of this electric aggregation touches that. This is just buying the electricity that will go through the wires. ComEd's main business is delivery. It's not electricity production. That's about a 1/3 of the average electric bill. What can be saved on your electric bill through any form of electricity purchasing, that 1/3 of your electric bill is going to stay right where it is. It's not going to be changing. You can't take your regular electric bill and knock 20% off. You can only knock it off of about 2/3's. To get electric rates cheaper for people you've got one route called an opt-in, one called an opt-out. An opt-in program is something that even if the City sponsors it, every resident who wants to participate has to call, has to send it a form, a letter, a postcard and people have to sign up. It's notoriously hard to get people to do stuff because they're not sure they're going to save money, they're not sure if it's a hassle, a hoax, whatever. The opt-out that can only be done through this process that we're talking about. If it passes, it automatically signs up everybody in the City whether they want to or not. If they don't want to be in the program, they don't have to be. They have to make the phone call, send the letter, or the brochure, send in the postcard and they have to take themselves out of the program. Basically you have a choice to make. If there's an opt-in that we're interested in, saying we don't want to force anybody into anything,

you've got lots of different options you can use. People can sign up with their own companies that don't need us. We can sponsor a program through ourselves or some other agency. There's all kinds of stuff that can be done. If opt-out is what we're looking for, there's only one single possibility and that's us. Municipal Aggregation is just a fancy way of saying every resident, every businesses in town all gets together to be a big electricity purchasing pool. You can't make anybody do anything against their will. To be able to say we're going to stick everybody in the community into this process, you actually need to ask the voters' approval. That's what this referendum does. Because the majority of the people that vote sign up for something, it's not the council making the decision, its not staff making the decision, it's the residents making the decision themselves. On the opt-out side, you get bigger pools of people and bigger pools of people get lower rates, that's the benefit. Problem is it's a big process to go through. It requires putting a referendum on the ballot. It requires having a consulting agency come in and run your campaign for the referendum to educate the public as to what it is. Nobody out there doing this is charging the cities the money for the education process. They are charging the supplier that gets the contract as part of their mediator fee. It's not an expense the City pays, but its put a referendum on the ballot, educate the citizens, go through the process of having a mini-election and then if the residents say no, then you're back to square one and you have to go back to the opt-in side. These referendums do fail, but they don't fail in very big numbers. There were 24 communities that tried it in 2001, only 3 of them failed. People who do this in other states say that the failure rate of referendums is only about 5% so it's a pretty good bet that the referendum passes. On the opt-in side the rates aren't as low because your pool of people isn't so big, but the benefit on that side is that if people want to sign up for an opt-in program, they can literally make the call today and on the next billing cycle or maybe two billing cycles, their savings start. There's no way in the world that to go through the big process people will start seeing the actual reductions in their bill until late next year. People can't do both without having to pay some type of penalty. Every opt-in locks you in for a certain amount of time and if you want to get out you have to pay a fee. For folks that are opting in or thinking about it, we need to let them know soon whether we are going to try this because they don't want to lock themselves in if we are going to use the big pool. Anybody right now could sign up through lots of programs that are out there that are not sponsored by anybody, they just find their favorite and they get charged 3.6 cents. If they do that for a whole year they are saving 75.00 off their electric bill. We could encourage everybody to participate in a program like Clean Air Counts. The NWMC is also hooked up with the Metropolitan Mayor's Caucus and they are the ones pushing this program. You could get it down to 6.2 and save almost a 100.00. Anybody can do this right now by making a phone call and it kicks in in December or January at the latest. If you want to look at places that have done Municipal Aggregation, these are the rates that they are locking in and you can see the differences are bigger. The really low rates can only be gotten through Municipal Aggregation because it's a numbers game of pools of people. If we want those rates, Municipal Aggregation is what we have to do. There's going to be a big lag time before people start seeing those rates. Everybody I know in the Economic world is expecting that when ComEd sets its rate in June, as they do every year, they are going to drop it. Right now people on the Municipal Aggregation side who were pushing it a little too hard are saying look at all the savings those people in Fox River Grove are going to get. Well, only until June and even if ComEd drops down to 6.6, still higher than everybody else, all those numbers get smaller. To do the apples to apples, that's the kind of savings we're talking about. The question is take a look at something like Clean Air Counts, 52.00 a year you'd save once ComEd lowers their rates, and take a look at the middle community, New Lenox. It's a difference of about 35.00. Is it worth the 35.00 of extra savings to go through this great big process that requires a referendum and all the rest? I happen to think it's worth the gamble, but there are different communities out there deciding different things. A lot of communities are proposing referendums. A lot of communities are saying we don't think it's worth

the bother. More communities are opting for the referendum. I think that's a quick ball park sketch of the ins and outs of this idea. The question is if we want to propose a referendum for our town to get into Municipal Aggregation and get those lowest rates that will take a little longer to come around, we basically have to have a referendum filed by January 3rd. Direction would need to be given to Mr. Macholl, direction would need to be given to the staff to hire one of these consulting companies, and I use the term hire loosely because they don't charge the municipalities. The question is are we interested?

Alderman Buske: I for one have never liked the idea of being put into something. When you're talking referendum, you're going to see if the ok comes or not. If this is marketed right, I don't see why this wouldn't be a go.

Alderman Cannon: How much time is this going to take Barry, Melissa, and Mr. Macholl to get this done?

Mayor Rooney: The drafting of the referendum, because there are already samples out there, will literally be a pretty quick job for Mr. Macholl. For Barry and Ms. Gallagher it depends on how many companies they want to talk to. If they want to talk to all 6 or 7, and maybe more, they can. It can be done, but the reason we're not pushing this off any later than tonight is because they are going to need the month of December to get it accomplished.

Alderman Cannon: Are there going to be other things up for election in March?

Mayor Rooney: I have heard at least two different rumors that other levels of governments are going to be putting referenda on, but no one will know until the 3rd deadline passes and the County actually announces who properly filed the referenda. We don't know.

Alderman Cannon: If things go the way they look, we'll have a turnout of 5 or 10%, maybe.

Mayor Rooney: No one is expecting breakout numbers from the primary this March, correct.

Alderman Judd: Except for the little bit of staff time and Jim Macholl's time, is there any other cost to the City to go through this process?

Mayor Rooney: The dollars are all eaten by the consulting company through the supplier. Let's not kid ourselves. Mr. Macholl does the thing, the staff gets the consultants, and as the consultant does the election campaign, there's going to be staff time involved. I do feel safe in saying its staff time costs as opposed to physical dollars.

Alderman Banger: The delivery services and taxes that won't be affected because those are all ComEd's. Isn't the smart grid what was affected by the legislation just passed? This is a great thing because we are going to be offsetting the costs that are going to be increasing by ComEd.

Mayor Rooney: That will be a PR piece that we all need to be aware of. If we're telling folks during the whole thing that this part of your electric bill will go down 7.00 a month, when they see it only go down 4, it did go down 7.00 but ComEd's smart grid bumped it up the ¾ that they have been talking about for months. We know where those calls are going to come; they are going to come to us.

Alderman Cannon: Are we going to join the group of other towns or are we doing this by ourselves?

Mayor Rooney: Nobody needs to make that decision until they know whether their referendum passed or not. Yes, if we choose to go forward with this, we're definitely at least going to talk to the other villages around us. Some of them have said they are interested in making a bigger pool than just their city, others have said our city is enough for us. How many folks would be in favor of going forward with an aggregation referendum to see what people think? That's direction.

5) Economic Development Proposal

Alderman Cannon: I would like to have discussion about this. My purpose in bringing this forward was to start a discussion on trying to do something to get people to expand, improve, make their properties better, nicer. I don't have a magic solution. I would like to let the people who live in our town know that we would like to do something to help them move forward with the process. I would like to see people improve their properties.

Alderman Buske: The one part about 25% refund for any building project of at least 25,000. The County gives you the first 30 or 35,000 with no taxation for several years so that one doesn't turn me on. I like the part that if a city resident comes in you have him do 25%, 50% of the project, that the guy can get 25% back. I like that because you keep the people working in their own city.

Alderman Judd: I'm the opposite way. I'm fine with trying to get people to put additions on and do large scale renovation and giving them a refund. I think restricting it to Rolling Meadows tradesmen to get an additional 25% is not something I'm interested in.

Alderman Banger: Alderman Cannon, thank you for thinking about this. I'm with Mr. Judd in terms of utilizing hometown contractors. The idea of rebates leads to another awkward conversation in regards to how much this takes away from our revenue stream. I'm kind of against the government getting involved with this because it would favor certain contractors from a certain area. As it stands I wouldn't be in favor of it.

Alderman Cannon: I look at this strictly as an investment. The 50% component about a local contractor, that's not what I proposed originally.

Mr. Krumstok: When he gave the proposal, I ran some numbers. The City would have been paying a lot more money out, so that's where this calculation came from. Also 25 and 50 were good numbers to be utilized.

Mayor Rooney: Based on the discussion, I'd like to divide this one into a couple of halves. How many folks would be in favor of an ordinance be brought forward that contained the first portion that says 25% of your building project costs can be refunded for a project of 25,000 or more? How many folks would be in favor of that portion of this proposal? That's direction. How many folks would say they are in favor of the additional stipulation that says you can get another 25% of your building permit fees back for hiring a Rolling Meadows contractor? How many would like to see the final proposal include that provision? That's staff direction. Mr. Cannon, down at the bottom the staff does have a recommendation there. We hope that refunds would not be given during the same fiscal year. Do you as the author of the proposal have any objection to the ordinance coming

forward with a provision that says January of whatever year we'll release money to people so that it's not in the same fiscal year?

Alderman Cannon: No

Mayor Rooney: Then staff will include that provision as well.

6) Proposal to Sell Algonquin Road Property

Mr. Krumstok: Alderman Cannon also asked for this one some time ago. The idea was to talk about the proposal to sell the City's Algonquin Road property. Any proceeds from this sale would be utilized for the replacement of Fire Station 15. We have not done a current appraisal of the property.

Alderman Cannon: I just would like to start the discussion because I've heard a couple of people say we shouldn't sell right now; it's not a good time. When is a good time? I don't think we should hold onto an asset that we're not going to utilize. I don't see any other municipal need for that property. I would like to get rid of it as quickly as possible.

Alderman Buske: I'm going to stay with what we talked about last time. It is the wrong time to sell it now. What did we pay for that slice of property? Was that 200,000?

Mr. Krumstok: I'm going to say yes but I'll have to look it up.

Alderman Buske: 200,000 plus we had the piece of property, you're talking big dollars. It is absolutely the wrong time to sell that. We used to have a sign out there.

Mr. Krumstok: We actually took the sign down.

Alderman Buske: Didn't we have a for sale sign out there?

Mr. Krumstok: No, we never had a for sale sign out there.

Alderman Buske: Maybe we could do something like that just in case someone passing by would be interested in the property.

Mr. Krumstok: Fred said it was between 270 and 280 that we paid for that 6000 sq ft.

Alderman Larsen: Are we being paid a storage fee for that property being used?

Mr. Krumstok: We are

Alderman Larsen: How much is it?

Mr. Krumstok: It's 400.00 a month.

Alderman Banger: I almost think if we put a sign up for sale we should get an appraisal. I like Mr. Cannon's idea. If someone buys it I don't want to see that money earmarked for anything. It should go into the general fund.

Mayor Rooney: You never take a one time income and spend it on ongoing expenses. It's an awful idea. The spirit of the proposal is to keep it in one place, but to spend it on a one-time expense as it should be. I would agree with Mr. Banger. I don't see a need to say it has to be for this project or that project. I would be very against just plopping any money into the general fund that could go towards operation expenses. You don't take one-time money and spend it on operating expenses.

Alderman Buske: We have repair work to do to 15. I would never support tearing 15 down. I would support using part of that money to repair Station 15. If there is money left over, put it back in the general fund.

Alderman Cannon: Wasn't it two years ago in our budget we took a million dollars out of a Fire Station Replacement fund and used it for general funds?

Mayor Rooney: Absolutely

Alderman Cannon: Then in light of the fact that this property was brought for a specific purpose of fire protection, that's the reason I came up with my proposal. We had money set aside so Ron's crew could get a new station and then we took that money away from that fund. There's no money there now and we're talking about doing something with the station.

Mr. Krumstok: That number that you're talking about was in the 2011 budget and that was the 563, the bond proceeds that actually paid for the market bond. In the 2012 budget is 583 because it came right back because there is not a one time source that was paying it. Next year its 600,000 and it keeps going up until we can refinance it. The other issue is it's going to take time for an appraisal. The Chief might come back and say that's the best property for a second station.

Mayor Rooney: Anyone else with thoughts? If we wouldn't mind, let's do a quick split on this one. How many folks are in favor of giving staff direction to take steps towards selling the property? That's a majority. How many folks would be in favor of the further step of directing staff that at least right now the intention is to take any money and not earmark it for anything in the budgets other than what's here in the proposal? It would have to go into a fund that would only be for whatever happens with Fire Station 15. How many people are willing to go that further step?

Alderman Buske: Say that again.

Mayor Rooney: It says here in the proposal that the money would be put into an account so it would be realized later for replacement for Fire Station 15. The money would not be deposited into any other account. How many folks are willing to go that further step on the proposal? That's also a majority. That's the recommendation.

Mr. Krumstok: For clarification, staff will be getting an appraisal and a later date we will be putting up a sign.

Committee-of-the Whole Minutes

November 22, 2011

Page 39

Mayor Rooney: That's my impression from the vote as well. We're adjourned without objection.

Meeting adjourned at 11:58pm.

Respectfully submitted by Ginny Cotugno, Deputy City Clerk

The November 22nd Committee of the Whole Minutes were approved at the December 13, 2011 Council Meeting

Ginny Cotugno, Deputy City Clerk