



MINUTES

President and Board of Trustees
Village of Arlington Heights
Committee-of-the-Whole
Board Room
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
June 27, 2016
7:30 PM

I. CALL TO ORDER

President Hayes called the meeting to order at 7:30 PM.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

Board Members Present: Mayor Thomas Hayes, Trustees Blackwood, Glasgow, LaBedz, Rosenberg, Scaletta, Sidor, & Tinaglia

Board Members Absent: Trustee Farwell

Staff Members Present: R. Recklaus, D. Mikula, T. Kuehne, S. Shirley, J. Massaelli, C. Perkins, C. Papierniak, G. Mourning, K. Koeppen, M. Juarez, D. Ruda, P. Wilkiel, & Various Village Support Staff

Others Present: Joe Keefe, Metropolis

IV. NEW BUSINESS

- A. Review of the Proposed 2017-2021 Capital Improvement Program (CIP)

Mr. Recklaus stated that the CIP requires the input and cooperation of almost all Village departments and that the document presented is the result of a lot of planning, estimating, prioritizing, negotiating, and cutting by staff in an attempt to have a viable plan based on the Board's values, staff's expertise and analysis, and with the resources that the Village believes it will have over the next five years. He noted that the five-year \$132.4 million CIP is a plan/placeholder and that it can be adjusted during the final budget process.

Mr. Recklaus continued by giving a brief overview of some of the major

features of the CIP which include increased funding for water main improvements and for the street program. It also includes the new Police station and the second year of the 2-year parking deck projects.

Mr. Recklaus went on to say that the Emerald Ash Program (EAB) is reaching its end and commended Public Works for their efforts in this great program. He said that because of the staff's good efforts, there is a \$5.4 million EAB fund balance which is being proposed to be spent on a couple of one-time items that staff believes is necessary for the maintenance and enhancement of existing assets. It includes a \$2.7 million transfer to the Storm Water Fund, and a \$2.6 million transfer to the Capital Projects Fund to be used toward the Downtown brick paver program, Northwest Highway corridor improvements, and for Rand Road corridor improvements, and \$72,500 to be transferred back to the General Fund.

Mr. Recklaus explained that a major undertaking that is not included in the CIP and has no funding source at this time is the storm water issue. He explained that an update will be given at the July 5th Board meeting, with more conversation taking place on August 1st. He said there are often questions on why this project is taking so long and said that when talking about a project that is going to cost tens of millions of dollars, staff feels that it is prudent to proceed cautiously. He added that with some exceptions, the storm water system since 2011 has performed fairly well. Mr. Recklaus said that prior to spending that kind of money staff wants to know how much better the storm water system would be after improvements, knowing that the improvements would not protect against another 2011 size event.

Mr. Recklaus finished by saying that it is still unknown how the State's budget crisis will affect municipalities, saying that the Village needs to plan assuming things will remain the same. He said that if we find that the Village will have significant cuts from the State that goes beyond what can be absorbed with reserves, then we will have to address what needs to be done differently.

Capital Projects Fund

Mr. Kuehne stated that infrastructure is a national, state, and municipal issue. He went on to commend the Village Board for making decisions to implement sustainable sources of revenue that are being used to bolster the Village's infrastructure. Mr. Kuehne gave an overview of the key Capital Project Fund projects including the Street Program, Paver Brick Maintenance, Northwest Highway Corridor Landscaping and the Rand Road Corridor Identification Enhancements. He continued by explaining amounts budgeted over the next five years.

Trustee Glasgow asked if there was enough in reserves to sustain the proposed spending levels if the State should end up pulling back funds. Mr. Kuehne answered yes for 2017 as presented. Trustee Glasgow stated his concerns with continuity by starting projects like the Northwest Highway

Corridor or Brick Paver Maintenance that are budgeted over five years and asked if they would be able to get finished once they get started. Mr. Kuehne said it depends if and how much the State would divert from municipalities, saying that the Village would have to look at all revenue sources. He said that the Village has a duty to maintain police and fire operations and that it could force us to look at all spending in the Village, not just capital projects. Mr. Recklaus added that one of the reasons there are reserves, is so the impacts can be smoothed from any cuts. Mr. Kuehne added that are reserves would give us time to react. Mr. Shirley said that in his opinion and because the materials and colors are similar to what is currently being used with brick pavers, he doesn't believe there would be a drastic reduction in service level or appearance in the Downtown.

Trustee Rosenberg stated his concerns with some of the proposed expenditures regarding pavers and corridor improvements in the CIP due to the condition of the State, and said that he has a problem with allocating funds the way they are laid out. He asked what other recourse for yearly maintenance the Village may have if the paver maintenance doesn't get done. Mr. Shirley said that we can get by with regular maintenance for liability issues, not including aesthetics, but not at prior levels of \$50,000 per year. Mr. Shirley felt that we should get a head start on this and decide what it should look like and make it look the way the primary part of Downtown Arlington Heights deserves to look. Trustee Rosenberg asked if maintenance for the unfinished areas was factored into the expenditures over the four years that it would take to complete. Mr. Shirley stated that the out years include monies for maintenance.

Trustee Tinaglia asked how old the Downtown brick pavers were. Mr. Perkins explained that the design is from the 1987 Downtown Master Plan and that installation of the first streetscape started being installed in 1984. Trustee Tinaglia is of the opinion that the Village can't hold back in the Downtown because of all the building and activities that take place there and felt that the Streetscape Program should go forward and be planned and budgeted for, and to be done right. Trustee LaBedz stated that more than with aesthetics, she is concerned with the liability and current condition of some of the streetscape and believes that the program should move forward. Trustee Sidor agreed with Trustee LaBedz and Mr. Shirley.

Trustee Scaletta voiced his concern with having the televised Village Board meetings listed as discretionary spending and feels, because of transparency, that the Board considers moving it to essential.

Trustee Scaletta asked that since there is cost sharing with Rolling Meadows on the Algonquin/New Wilke intersection improvements, if there have been conversations with them to help with the Arlington Downs Project. Mr. Massarelli explained that improvements to the Arlington Downs property includes a pedestrian/bike way along Euclid, and said that Rolling Meadows will provide a connection to that at the signal at Salt Creek Lane as well as the connection that will cross Rohlwing Rd.

Trustee Scaletta stated that he is willing to work with staff to identify some of the issues on Northwest Highway that need upgrades, but felt that \$400,000 over five years was a lot of money to spend on landscaping. He also stated his concerns with liability if the fence along the tracks on Sigwalt/Davis Street is removed. Trustee Tinaglia disagreed and felt that the fence is an eyesore and should be removed. He went on to say that he doesn't believe it would be a liability and that it is the only area of the tracks that has a fence. Trustee Tinaglia also said he is a proponent of the Northwest Highway landscaping improvements. Trustee Labeledz agreed with Trustee Tinaglia, saying that she felt that there are areas that need work and said that it is a reflection of how we think about our Village.

Trustee LaBedz asked about the effect on the Downtown area with installation of a decorative light ceiling. Mr. Perkins said these lights give a nice ambience in the evening, do not use a lot of energy, and that they can be timed to go off.

Trustee Sidor had the same question and also asked about the \$20,000 budgeted in 2017 for a marquee at Metropolis. Joe Keefe of Metropolis stated that a marquee is a critical aspect for the theatre, explaining that with the number of people visiting Downtown, they do not notice the theater. He went on to say that Metropolis is very serious about getting this done in 2017 and said that models will be coming in and that the Board will be impressed with their design. Mr. Keefe went on to say that the budgeted amount for the marquee is based on estimates that were received for a video board. Mr. Recklaus added that this was a place holder and that discussion will take place in July regarding electronic message boards. Trustee Blackwood asked Mr. Keefe if Metropolis' fundraising efforts could include the marquee. Mr. Keefe stated that development is going through a new series of programs that are being initiated in 2016 and 2017 and include sponsor outreach and new planning for more growth. He said that although they have not specifically targeted the marquee for sponsorship, he believes that it will support sponsorship because sponsorship space will be sold on it.

Trustee Sidor felt safety projects are more of a priority than aesthetic projects and felt that things should be shuffled around so that installation of midblock walk crosswalks can be done in 2017 instead of being phased in.

Trustee Rosenberg asked what was going to be done on Evergreen Avenue under the Downtown Streetscape Improvements. Mr. Perkins stated that an engineering firm will look at Evergreen Avenue and the potential for mid-block crosswalks on Dunton and on Campbell. He stated that Evergreen Avenue is the only street Downtown that has a center turn lane and that the consultant was asked to evaluate it to see if it makes sense to convert the street in order to add more parking, minimize the center turn lane, expand sidewalks, and create a mid-block crosswalk. He added that discussions took place with Engineering and that the project may be pushed back a few years so that it ties in with when the street will need to be redone.

Trustee Blackwood asked if most of the road work that will take place would be edge grinding. Mr. Papierniak stated that Public Works does various types of paver maintenance including edge grinding, pot hole, and cold and spray patching, saying that there are various needs for different products. He said that edge grinding is the most productive way to replace the edge of the road, which is critical in getting water to the curb, and added that it will be a critical part of paver maintenance in the future. Trustee Blackwood also asked about concrete fixing. Mr. Papierniak said that Public Works does some contractual concrete patching, but said that if Engineering has their own contract it would come to the Board for budget transfers. Trustee Blackwood stated her major concern is to have more quality street repairs done in the best possible way. She also said that although funding is attributed to structures, she would like to see organizations like the Historical Society and Metropolis find some underwriting of sponsorships for some of the issues that pertain to these structures.

Trustee Blackwood noted that there was nothing in the CIP for improvements to the hotel district in addressing the hotels concerns. Mr. Perkins stated that \$10,000 was budgeted for banners to be installed in order to help the hotels. He also said that there is a TIF funded project in "Other Funds" where it is planned to install landscape medians (Golf & Arlington Heights Rds.) in 2018 after a thorough and detailed in-house study of that corridor is complete next year. He added that as the plan develops it will involve having a series of meetings with the business owners in that corridor and that something will be presented to the Board prior to next year's CIP. Mr. Perkins said that for the short term, code enforcement can be involved in getting some of the private properties in that area to clean up their sites. He noted that it will take time and discussions on what IDOT will and will not allow.

Trustee Rosenberg asked if all officers now carry tasers and asked about the budget amount for them next year. Chief Mourning stated that when the tazor program was first implemented, the officers were given the option to carry them and a few who were not comfortable in doing so chose not to. He added that all of the recently hired officers carry them. Chief Mourning also stated that the current tasers are coming to the end of their useful life and said that the funds used will be from the Forfeiture Fund. Mr. Reckalus added that as of March 30th, 85% of all uniformed officers carry a tazor and felt that as people retire and new officers are hired that percentage will move up.

Trustee Rosenberg asked Chief Koeppen what equipment will be purchased for the Fire Department over the next couple of years. Chief Koeppen stated that in 2017 there will be an engine purchase, rescue squads in 2018 and in 2019, a refurbished reserve squad in 2020, a staff car, ambulance, pick-up truck, and an air trailer replacement in 2021. He went on to say that a lift system and cot will be installed tomorrow, and said that training took place at Station 2 for its use. He said the other three lift systems will be installed in 2017.

Trustee Rosenberg wanted to verify that the budgeted amounts in the CIP were placeholders and that the projects would need to come back to the Board for approval before being expended. Mr. Kuehne said that the CIP is a plan and that the first year of the plan would be built into the 2017 budget which will be brought before the Board. He also noted that any purchase over \$20,000 would need Board approval.

Motor Fuel Tax (MFT) Fund

Mr. Kuehne explained that there is a bigger spend down in 2016 of about \$4.2 million because of the \$2 million dollar transfer from the General Fund a couple years ago, and for 2017 and beyond it is now at its normal amount of \$1.8 million per year.

Storm Water Control Fund

Mr. Kuehne said that the two ongoing projects that are included in this budget are the neighborhood drainage program for \$300,000 per year, and the storm sewer rehab/replacement program at \$500,000 per year. He said that there is a proposed transfer of \$2.7 million to this fund which would allow just for ongoing maintenance work until 2021. Mr. Kuehne said that new sources of revenues will need to be discussed for any one-time storm water projects and to make this a sustainable fund for the future ongoing projects that are listed in the CIP.

Trustee Sidor asked how many residents have been helped by and lined up for the neighborhood drainage program. Mr. Massarelli stated that 9-10 sites were completed in this year's program, adding that the amount of residents that can be helped depend on what the projects entail. He said the amount of people helped yearly averages between 7-10 and that they are close to next year's program with 6 or 7 residences on the list. He explained that when calls come in an inspector or engineer looks at the site to see if there is a simplistic solution that they can encourage a resident to do, but if it is more of a major issue where a public sewer needs to be extended the resident can be added to the project list. Trustee Rosenberg asked if there is anything that can be done for the people waiting on the list. Mr. Massarelli explained that the difficulty is in the time that it takes to design and prepare plans. He added that a consultant will be hired to help prepare plans so that some projects can be done quicker and earlier in the year.

Water & Sewer Fund

Mr. Kuehne stated that the Water and Sewer Fund remains stable due to the five-year rate adjustment approved by the Board in 2014.

Municipal Parking Fund

Mr. Kuehne stated that \$810,000 is budgeted in 2017 for the Parking Structure Maintenance and Rehabilitation Program. He mentioned that this

fund is running annual deficits and that rates will need to be looked at eventually, and added that there has not been any parking rate increases in a number of years.

Trustee Scaletta asked why we are waiting until next year for the Parking Committee to review the financial projections when this fund is currently running at a deficit. Mr. Recklaus stated that it is partly because of availability of staff and committee members, and because of the turnover of committee members who have left. Ms. Mikula stated a lot of the committee's time has been dedicated towards looking at offering commuters a convenience with a new mobile payment option, and said that they are also looking to do a study for increasing parking rates for residents and commuters. Trustee Scaletta asked why there was nothing budgeted for an automated parking system. Ms. Mikula explained that the mobile pay app was a small monetary amount to the Village and said that at this time, the committee decided not to expand to a kiosk system because of their high costs and needed maintenance. She added that the dollar drop boxes would remain in place. Trustee Scaletta thought looking at increasing rates sooner should be reprioritized. Trustee Glasgow agreed. Ms. Mikula said that the Parking Committee can do that. Trustee LaBedz asked that when rates are increased, that there is increased patrolling around neighborhoods near parking lots.

Emerald Ash Borer Fund (EAB)

Mr. Kuehne stated that this program is coming to an end during 2017 and will have an estimated \$5.4 million remaining fund balance. He said it is proposed that \$2.6 million be transferred to the CIP Fund, \$2.7 million to the Storm Water Control Fund, and \$72,500 to the General Fund at the end of 2017.

Public Building Fund

Mr. Kuehne explained that this fund is where the new Police facility is budgeted for.

Mr. Reckalus said that after a Board member asked staff to look at fleet inventory, that five Village Hall vehicles will not be replaced when they are done with their useful life. He also said that IT created a common calendar for departments to reserve shared vehicles. Trustee Scaletta felt that it is important to show residents that the Board is doing everything they can to reduce costs, and commended staff on their effort with this reduction.

Unfunded Project

Trustee Glasgow asked why the police command vehicle and the Starline were still listed in the Unfunded Projects. Mr. Recklaus stated that the Starline is in there as a placeholder. He went on to say that the Police and Fire Departments feel that the command vehicle is something that they could

use, but said that it has not risen to something that staff feels appropriate for funding.

TRUSTEE GLASGOW MOVED, SECONDED BY TRUSTEE TINAGLIA, THAT THE COMMITTEE-OF-THE-WHOLE RECOMMEND TO THE VILLAGE BOARD THAT THE BOARD APPROVE THE PROPOSED 2017-2021 CAPITAL IMPROVEMENT PROGRAM AND THAT THE FIRST YEAR OF THE PROGRAM TOTALING \$31,852,100 BE INCORPORATED INTO THE VILLAGE'S PROPOSED 2017 BUDGET. The motion passed unanimously.

B. Operating Fund Overview / Recommended Budget Ceilings - 2017

Mr. Recklaus said that 80% of the General Fund expenditures are for personal services and said that the 2.5% proposed increase in personnel expenses is a conservative estimate. Mr. Recklaus went on to say that the proposed \$700,000 increase in property taxes is to fund the remaining portion of the road program, and said that it was worth noting that in the last three budget cycles there has not been any operational increase in the property taxes.

Mr. Kuehne said that one of the questions that continues to come up is how the State's budget issues will affect Arlington Heights, and said that \$31.5 million or 43% of the Village's projected 2017 General Fund Revenues are distributed through the State. He said that it is unknown if the State will change the percentage of pass-through income tax receipts sent to the Village, or if the State will defer it for its own use in the future. He also said that if a State budget is not passed by July 1st the Motor Fuel Tax and E911 funding would stop unless there is another action by the State to let that go through. He continued by talking about potential State actions that State legislators have discussed to balance its budget, which may include a property tax freeze or a 25% reduction of the Village's income tax receipts, and explained the negative effects to the financial position of the Village's General Fund if the State took action.

Mr. Kuehne gave an overview of sales and income tax history and projections as well as the three projections for the General Fund which shows a zero surplus/deficit for 2017. He noted that for budget ceiling purposes, these projections are based on worst case scenarios. He also gave a brief overview of General Fund revenue and expenditure assumptions. Mr. Kuehne went on to say that as far as the property tax projections, the Village reflects an increase of \$700,000 for street purposes and a 0% increase for all other Village levies. He said that the Library is estimating a 0% increase, and said that the combined Village and Library tax levy increase to be estimated at 1.49%. He added that the Board will not decide on property taxes until budget time coming up in November.

Trustee Rosenberg asked if what is being voted on this evening was subject to change if things get worse due to any possible State actions. Mr. Kuehne stated that it was.

TRUSTEE GLASGOW MOVED, SECONDED BY TRUSTEE LABEDZ THAT THE COMMITTEE-OF-THE-WHOLE RECOMMEND TO THE VILLAGE BOARD THAT THE BOARD APPROVE THE 2017 BUDGET CEILINGS OF \$73,661,900 FOR THE GENERAL FUND; AND \$18,932,200 FOR THE WATER & SEWER FUND. The motion passed unanimously.

V. OTHER BUSINESS

VI. ADJOURNMENT

There being no further business to discuss,

Trustee Scaletta moved, seconded by Trustee Rosenberg to adjourn the meeting at 9:30 P.M. The motion carried unanimously.