MINUTES
President and Board of Trustees
Village of Arlington Heights
Committee-of-the-Whole
Community Room
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
October 13, 2014
7:30 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

BOARD MEMBERS PRESENT: Mayor Thomas Hayes, Trustees Blackwood, Glasgow, LaBedz, Rosenberg, Scaletta and Sidor

MEMBERS ABSENT: Trustees Farwell and Tinaglia

STAFF MEMBERS PRESENT: D. Mikula, T. Kuehne, S. Shirley, J. Massarelli, C.Perkins, G. Mourning, M. Juarez, K. Koeppen, C. Papierniak, M. Paganes, B. Lyons, P. Alhman, R. Taraszka, D. Sabatello, S. Rowader, C. Gorecki, A. Karr, P. Robb, P. Wilkiel

OTHERS PRESENT: Melissa Silverberg, Daily Herald

IV. NEW BUSINESS

A. Review of Proposed 2015-2019 Capital Improvement Program

Ms. Mikula started by saying that the Executive Summary provides a general overview of the proposed 2015-2019 Capital Improvement Program. She explained that the CIP is a financial planning, budgeting and management tool that identifies public facility infrastructure, and equipment replacement and repairs, and schedules these requirements for funding and implementation. She said the CIP Committee assembles information to update the Village's five-year plan and projects funding sources to pay for them. **Ms. Mikula** stated that existing or ongoing projects included in the five-year CIP are consistently re-evaluated for continued inclusion in the plan, that cost estimates and timing of the projects are updated, and that the projects included in the five-year plan have

been prioritized by what is obligated, what is replacement/maintenance, what is essential, and what is discretionary. She continued by saying that the proposed 2015 capital improvement budget totals $15.3 million and the proposed five-year capital improvement totals $118.3 million. She said that the Village's street resurfacing, rehabilitation, and sidewalk programs remain as key components of the CIP with approximately 50% of the proposed 2015 capital budget expenditures designated for these programs. She also noted that the Village is changing its fiscal year and that the first full year of this change will be 2016 and said that the 2015 year will be an eight month transition year running from May through December 2015.

Ms. Mikula went on to say that one of the greatest financial pressures the Village is currently facing is the ability to continue to sustain a high level of repair and replacement of its capital infrastructure into the future and said that during the first two years of the proposed CIP the Village plans on paying for the proposed capital expenditures through projected cash reserves, grant funds, and by managing resources with bond issues that fall within current debt levels. She said that as part of the Village's long-term debt plan, the Village expects to cover most if not all of the proposed costs to replace the existing Police facility, and noted that the overall capital infrastructures continue to age and costs continue to increase. She also said that over the last three years, surplus from the General Fund was transferred to capital funds to augment capital program funding, that action was taken to provide adequate future funding for repairs and replacement of water and sewer systems, and said that in the next couple of years the Village will need to consider additional funding sources in order to maintain streets, storm water control, and public parking infrastructure. **Ms. Mikula** gave a brief overview of some of the capital projects including street resurfacing, pavement crack sealing, roof maintenance, sidewalk & curb replacement, and the Emerald Ash Borer infestation and the increased costs associated with each of them. She also mentioned some of the key Capital Fund projects that are on the "Unfunded Projects" list, which include the I-90 Bridge Gateway, Harmony Park landscaping, a Municipal Building Study, and Route 14/NW Highway Landscaping.

Ms. Mikula continued on to the Motor Fuel Tax Fund saying that for the eight month period ending December 2015, staff is proposing that that this year's efforts be dedicated to reconstruction of Nichols Road from Arlington Heights Road to Wilke Road and of Walnut Avenue from Thomas to Oakton Streets. She added that these projects are being reviewed by the Northwest Council of Mayors for STP funding and if approved the Village would be responsible for only 20% of the estimated costs and said that the Street Rehabilitation program allocation would revert back to the planned annual program cost in subsequent years.

Ms. Mikula stated that the Storm Water Control Fund is the new proposed name for the Flood Control V Fund to more clearly reflect the nature of projects and projected costs charged to this fund, which would include the Neighborhood Drainage Improvement Program and the Sewer-Rebate program. She noted that as a result of the Water and Sewer Study the Village does not have a storm sewer rehabilitation program and that the storm sewer failures are repaired when they

are identified. She said that the first part of establishing a program is to do an overall assessment of the Village's system and that the proposed CIP reflects a $500,000 annual cost to lightly clean, televise, and analyze the conditions which would take about eight years to complete, after which the entire annual budget would be devoted to storm sewer rehabilitation and replacement work that is identified. She also said that when the flood study results are presented and a projection of possible flood remediation costs are known, staff will plan on preparing an analysis of funding options to be presented to the Board for its consideration.
Ms. Miklua stated that the Municipal Parking Operations Fund covers the costs of maintenance of the public parking facilities, the operating costs to collect fees and enforce parking regulations. She said that after review of the Parking Garage Assessment that was prepared by Walker Restoration Consultants, the CIP reflects a ten-year working plan for maintenance and repair of the four municipal garages and said that a $2.35 million bond issued in 2016 is proposed to cover the initial five-year costs and that an alternative to a bond issue may be a transfer from another fund should funds become available.

Ms. Mikula explained that the Public Building Fund incorporates the Village's plans to reconstruct the Police Building and explained that by holding off on a decision to move forward on the construction of a new police facility over the last few years, the Village will be utilizing an approaching window of opportunity to finance most, if not all, of the costs of a new Police facility within our existing debt service level and said that at this point the Village has yet to complete the concept development phase for the new Police Station.

Ms. Mikula thanked Mr. Kuehne for his leadership in this process along with his team, saying that a lot of effort went into the CIP documents.

Mayor Hayes questioned the Village Board's priority list in the Executive Summary, saying that it has been a while since it has been assessed and that it warrants revisiting. He asked that for a future CIP, the Board look at the list for additional categories, deletions, and prioritizing. **Trustee Glasgow** agreed. **Mr. Kuehne** stated that a survey of the Board, like one that was done 4-5 years ago, can be done prior to the next CIP that will begin again in April 2015.

Trustee Glasgow asked that at what point is the CIP Committee going to present to the Board possible funding sources for the CIP projects. **Mr. Kuehne** stated that there are a number of studies that are being done right now (Parking Study, Pavement Management Study, Flood Remediation Study, etc.) and said once the results come in then there will be a basis for some data and revenue alternatives that can be provided to the Board.

Mr. Kuehne stated that one of the key issues is the sustainability of funding the CIP, saying that the Village will be in decent shape for the next couple of years, but that future year funding will need to be addressed. He said that for the last couple of years the Village has been able to transfer some monies from the General Fund to various capital funds. He continued by saying that the Board

recently took action with the Water & Sewer Fund, with the five-year rate increases, which put that fund in good shape.

Capital Projects Fund

Mr. Kuehne started by saying that the Street Resurfacing Project budget is $3.6 million. He said that in the past the budget was increased by $100,000 a year to reflect cost increases, and added that in order to maintain a 25% fund balance the Village will not be increasing the budget this year. He said that the Engineering Department will be working with a pavement management software consultant over the next few months, saying that street resurfacing and reconstruction program costs will be discussed at the next CIP meeting.

Key projects in the "Unfunded List" that were not included in the CIP because of cost were highlighted (I-90 Bridge Gateway, Harmony Park Landscaping, Building Study, Route 14/ Northwest Hwy. Landscaping)and the Board was asked if they thought any of these projects were of a higher priority if other funding becomes available. **Trustee Scaletta** felt that there are other priorities and that he is not in favor of spending money for signage on the I-90 Bridge. **Trustee Glasgow** agreed, saying that the Building Study would be more prudent. **Mayor Hayes** stated that he was not in favor of the Building Study, saying that it is a lot of money and thought that possibly it could be done in house. **Trustee Scaletta** also thought that some of the study can be done in house as well. **Mr. Papierniak** explained that the Building Study is a snapshot of inventory and age of all municipal buildings, including paint, fixtures, equipment, etc. and provides an estimate of life. He added that with all that data provided in a single snap shot, a thirty-year lifespan and cycle can be provided for all buildings including interior and exterior finishes and said that the goal behind the study is not to have any surprises, therefore the Village can proactively plan for all building costs. **Mr. Shirley** added that it would be used as a planning tool, would be very in-depth for all municipal buildings, and when completed, all information gathered would be in one place. Trustee Rosenberg thought that future funding for Harmony Park may be able to come out of the A E & E Fund and questioned the maintenance costs. **Mr. Kuehne** said that perhaps funding from the A E & E Fund can be looked at in the future and said that the maintenance costs currently come out of the General Fund. Discussion continued regarding Harmony Park's current maintenance and with the possibility of installing artificial turf and its benefits. **Mayor Hayes** and other Board members thought that if funds become available they would like to see the Harmony Park Landscaping Improvement get funded in the future. **Mr. Shirley** said that he can get a report to the Board in the next few weeks that would direct them to locations where they can view artificial turf that is being used.

Mr. Shirley went on to explain that there are several large areas in the Downtown where maintenance on the brick pavers is needed and where ADA issues need to be resolved. He mentioned a report that was given to the Board a few weeks back that proposes the use of the sidewalk money for the next two years to address the paver deficiencies in those areas. **Mr. Shirley** also said that

he would like to have a consultant give examples of other products that would be less maintenance intense, have a longer life span, and are less costly than brick pavers. He said that the Village may be at a juncture where we need to start thinking about changing what the streetscape will be going forward. **Mr. Shirley** said that he has prepared an RFP that will be sent out once comments and feedback is given by the Board and the CIP is approved. He said that then a recommendation would be brought to the Board for a consultant to guide the Village through the process and then have design plans bid out for the work to be done. **Mayor Hayes** asked if all the work would be done at the same time. **Mr. Shirley** answered no that it would be too costly and that areas that need the most attention would get done first. **Trustee LaBedz** was happy that the exploration of other types of surfaces was done saying that it is important that sidewalk has secure footing and said that she would like to see surfaces other than brick pavers be used on new developments. **Trustee Scaletta** agreed saying that he was frustrated with having to spend a lot of money on paver maintenance. He also questioned the use of a consultant to tell the Village what materials to use and asked if the Northwest Municipal Conference can be utilized to find out what other communities have done. **Mr. Shirley** explained that the consultant's proposal would give the Village alternatives to brick pavers, and will also include the design of the areas that are in need of repair and said that the Village would then decide what materials to use. **Mr. Shirley** said a survey can be done to find out what others are doing and what the cost per square foot are but said that the work that needs to be done cannot be designed in house because of the complexity of ADA compliance in grading and concrete work. **Trustee Scaletta** voiced his concern with always having to hire a consultant when the Village has professionals working for them and asked if a consultant can be hired just for the design portion. **Mr. Shirley** stated that there is capability of staff and said his concern is with the manpower and timeframe in getting this project started in the spring. He also said that other departments would have to get involved if that is what the Board chooses.

Trustee Rosenberg said he was concerned with the shifting of dollars from the sidewalk program in case of repairs would be needed. **Mr. Shirley** stated that public works would make repairs for immediate hazards but stressed that the Village will be behind on the concrete sidewalk cycle for the next two years. **Mr. Kuehne** stated that for liability purposes there is a contingency amount kept to get work done in an emergency situation. **Mr. Massarelli** added that as part of the street resurfacing and reconstruction programs extensive sidewalk repairs are made on those roadways. Trustee Rosenberg thought that looking into a sale of bonds may be something to look at in the future in order to get all the needed work done instead of shifting funds around for projects that have to be done anyway.

Trustee Rosenberg questioned the high cost for the roof replacement of the teen center. **Mr. Papierniak** stated that there is some leakage and said that the Village is being proactive with the repair and that the bid amount from last year was based on repairs that are needed. **Mr. Shirley** said that the Village owns the Teen Center and that the space is rented out.

Discussion continued on various projects in the Capital Improvement Fund including Downtown street furniture, streetscape improvements, and mid-block crosswalks among others, and the costs associated with them.

Motor Fuel Tax (MFT) Fund

Mr. Kuehne stated that an additional revenue source will need to be considered in the near future for the MFT Fund, saying that we will start to have funding deficits as of 2016 and a negative fund balance as of 2019 unless we cut back on the program. He said that this fund will be part of a pavement management study that will be brought back to the Board for the next CIP in June.

Storm Water Control Fund

Mr. Kuehne said that the Storm Water Control Fund is adequately funded for a couple of years and said that there is no ongoing revenue source for the Storm Water Rehabilitation Replacement Program or the Neighborhood Drainage Improvements. He said that once the flood remediation studies come in and are reviewed along with the costs identified for the storm water rehab program, a report will be provided to the Board. He added that certain revenues are envisioned including a storm water utility fee, a possible special service area for flood remediation areas and/or a bond issue to pay for some of the costs.

Trustee Sidor asked how the Neighborhood Drainage Improvements were progressing. **Mr. Pagones** stated that a project that will include eight to ten locations will be ready to go out to bid in the spring, and be completed in 2015.

Water & Sewer Fund

Mr. Kuehne stated that the Village has taken action on the Water & Sewer Fund with the current rate increases and that this fund will be in a good position for the next five years.

Trustee Rosenberg questioned the almost $800,000 budgeted amount for an Electric Generator Replacement. Mr. Papierniak stated most of that amount will pay for the replacement of the Well #13 generator which was built in 1972. **Trustee LaBedz** asked about Well Rehabilitation. **Mr. Shirley** said that since the Village went to Lake Michigan water in 1984/85 the Village has not used well water for drinking water and said that a decision was made at that time to keep the wells operational as an emergency back-up. He explained that all the wells are pumped every month to make sure that everything is operating in case it is needed, saying that records are kept on what they are pumping per minute.

Trustee Scaletta asked about the budgeted amounts for 2017 through 2019 for battery replacement of the Automatic Meter Reading System. **Mr. Shirley** stated that these amounts are placeholders for failures of the batteries, which are not being experienced yet and added that the batteries are at the end of the

manufacturer's recommended useful life.

Emerald Ash Borer Fund (EAB)

Mr. Kuehne stated the Village is moving forward with the EAB program with an estimated completion date sometime in 2017, at which time this Fund can be removed from the CIP.

Trustee Rosenberg asked if there are signs of the treatments helping the trees that were treated. **Mr. Sabetello** stated that for the first time there is some evidence of success.

Public Building Fund

Mr. Kuehne said that the Village is still in the very early planning stages for the new Police station which will include concept development, site selection, building layout, architectural designs among other things.

Municipal Parking Fund

Mr. Kuehne said that the Municipal Parking Fund covers operations and capital costs associated with four municipal garages. He went on to say that there are two key issues. On the capital side he said that there was a recent garage study that was completed and said for an investment of about 2.35 million the Village can return four garages that are 15-33 years old, back to their original integrity and have a new service life of about 40-50 years. **Mr. Kuehne** said that proposed financing for the work will be through a bond issue, but added that if there are other available monies, we may want to consider the transfer of funds.

The other key issue is on the operations side. **Mr. Kuehne** stated that expenditures are higher than revenues in this fund and said that for sustainability purposes a review of the parking fee structure will be done by the Parking Committee over the next year followed by a recommendations being forwarded to the Board. He noted that there have not been any parking fee changes for at least 5-7 years. **Mayor Hayes** said that we need to see what other communities are doing.

Trustee Scaletta asked what repairs were needed to the Vail garage. **Mr. Shirley** mentioned some of the major repairs and maintenance that need to be done and said that the Evergreen garage requires the least amount of work. He also said that the work being done to the garages will be phased in so that no one garage is taken out of service.

Trustee Rosenberg asked about the amount budgeted in 2017 for Fire Department equipment in the Fleet Fund. **Chief Koeppen** answered that it was for a fire engine replacement.

Unfunded Projects

Trustee LaBedz wanted it noted that she would not be in favor of the Parking Lot S – One Level Parking Garage project on the unfunded project list. **Trustee Rosenberg** asked about the Pavement Patching project on the unfunded project list. **Mr. Shirley** said that this is something that has been proposed over the past four or five years because of large scale patching that needs to be done on areas that have not yet been added to Engineering's project list. He explained that Public Works does edge grinding and patching in-house as well as some piecemeal spot patching, but said that it is not cost effective and is difficult for Public Works to do large scale patching.

Trustee Rosenberg stated that he objects to the roof replacement expenditure for the Teen Center saying that he would like to further discuss the viability of the Teen Center and whether it makes sense at this time to spend the money on it. He said that he would like that project to be deferred and be discussed at a future meeting. **Mayor Hayes** asked when the roof was scheduled to be replaced. **Mr. Papierniak** stated that it would be done either in May if the weather allows or in the fall and said that we are not committed at this time. **Mayor Hayes** asked if the building was a historical landmark. **Mr. Perkins** said it was not on the national register, but it may have some historical significance.

TRUSTEE GLASGOW MOVED, SECONDED BY TRUSTEE SIDOR, THAT THE COMMITTEE-OF-THE-WHOLE RECOMMEND TO THE VILLAGE BOARD THAT THE BOARD APPROVE THE PROPOSED 2015-2019 CAPITAL IMPROVEMENT PROGRAM AND THAT THE FIRST YEAR OF THE PROGRAM TOTALING $15,261,100 BE INCORPORATED INTO THE VILLAGE'S PROPOSED BUDGET FOR THE EIGHT MONTH PERIOD ENDING DECEMBER 2015.
AYES: 6
NAYS: 1 ROSENBERG
The motion carried.

Mayor Hayes thanked Mr. Kuehne and all those involved in the CIP process for all their hard work.

V. ADJOURNMENT

There being no further business to discuss,

TRUSTEE GLASGOW MOVED, SECONDED BY TRUSTEE SIDOR TO ADJOURN THE MEETING AT 9:16 P.M. The motion carried unanimously.