MINUTES
President and Board of Trustees
Village of Arlington Heights
Committee-of-the-Whole
Virtual Meeting
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
June 29, 2020
7:00 PM

I. CALL TO ORDER

A. **In response to the COVID-19 pandemic, this Committee-of-the-Whole meeting is closed to in-person, public attendance. The meeting will be held virtually, which permits the public to fully participate via their computers or by using their phones.**

To participate in the virtual meeting, please review these instructions.

If members of the public prefer, they can comment or ask a question pertaining to the meeting by emailing rhume@vah.com by 3 p.m. on the day of the meeting, June 29. Please limit your email to 200 words and if your question relates to a specific Agenda item, please note that in the email. Emails will be read at the meeting.

II. PLEDGE OF ALLEGIANCE

IIIROLL CALL

President Hayes and the following Trustees responded to roll: Rosenberg, Scaletta, LaBedz, Padovani, Tinaglia, Canty, and Schwingbeck.

Trustee Baldino was absent.

Also present were: Randy Recklaus, Tom Kuehne, Charles Perkins, Scott Shirley and Becky Hume.

IV.NEW BUSINESS

A. Review of the Proposed 2021-2025 Capital Improvement Program (CIP)

Mr. Recklaus explained that a detailed five-year Capital Improvement process is conducted biennially. Information is assembled by Departments in a detailed five-year Capital Improvement Program (CIP). Also project funding sources are looked at. Ideas are gathered from residents as well. In 2020, two major storm water projects were completed. The Village is beginning to replace its water mains to meet industry standards. The annual Street Program is continuing and has increased. Challenges include the replacement of the internal ERP system and finding funding for projects through grants.

Mr. Kuehne summarized the 2021-2025 plan. Due to maturing debt, the Village has an opportunity to manage its debt service by selling bods without increasing the annual debt service cost. The Bond monies gained from August bond refinancing is supporting the water main replacement program, commercial water meter replacement program, capital projects/streets, and the municipal parking fund. The goal is to reduce debt service. This would give the Village financial flexibility in the future. He explained the upcoming storm water projects and the ERP projected costs. Money could be transferred from the Building Fund to support the cost of the ERP if necessary. The Street program has grown since 2016. The MFT fund partly supports the Street resurfacing fund.

Mr. Recklaus said the Capital Improvement Fund has a notable increase for the Road Program. The Brick Paver Maintenance program will decrease after it is fully implemented as in the future it will only require maintenance.

Trustee Rosenberg asked why street funding was less than budgeted. Mr. Shirley said the Greenbrier, Berkley/Hintz projects are differed to 2021. There is nothing shovel ready that could occur before winter. If the money isn't used, it stays in the Capital Projects Fund. Mr. Shirley said he will investigate if there are some adjacencies with roads already under construction or look at working on roads that are upcoming. The other option would be to do more in 2021. Mr. Shirley said he will put together a report about possibilities. Trustee Scaletta suggested we would fall behind if we didn't keep that money earmarked for the roads that have been identified for reconstruction.

The AV system in the building is out of date. Trustee Rosenberg asked if the cost of a new system could be staggered as the cost seemed very high to him. Mr. Shirley said yes. The projector in the Board Room was replaced 2 years ago. There is $150,000 to upgrade the Board and Community Room's systems. The $125,000 is for the other meeting rooms. They could be delayed or done one at a time.

Trustee Rosenberg asked if the money for the Rand Road Corridor was coming from TIF IV. Mr. Perkins said as much money as possible is being used from the TIF fund. The up lighting on Palatine Road lighting products

were received in November, but were not satisfactory. New options will be presented to achieve the lighting goal for that corridor.

Trustee LaBedz asked about the Northwest Highway and Wilke traffic signal. She thought the work was already performed. Mr. Shirley said the project is still "open" because we are waiting for bills from the County and IDOT. All the improvements have been completed.

Trustee LaBedz asked about the Vail pavers. Mr. Perkins said this money is to study the possibility of having a paver plaza at Vail and Harmony Park. Mr. Recklaus said the work might be grant supported if we also included water retention.

Trustee Scaletta said the Euclid/AH Road/Dunton timing signals should be considered. The signal timing is not proper causing a backup of vehicles. He believes it is a safety issue and he would like it to be in next year's CIP. Trustee LaBedz said people look ahead to Arlington Heights road and overlook the light on Dunton, she agreed it was a safety issue. Trustee Rosenberg asked if that could be done in house. Mr. Shirley said no. The $50,000 cost was a 2016 number, so the number might not be accurate. An accident report will be put together for the Board. Trustee Canty said there were other issues on Euclid that might warrant the Board's attention.

MFT
Mr. Recklaus said the MFT Tax was increased, but fewer people are driving at the moment. There is also grant money coming from the State. Staff is not counting on this grant money to continue because of the State's financial status.

Storm Water Control
This fund comes from the fee attached to water bills. Money will run out in 2024 for the major projects.

Trustee LaBedz asked if the Storm 6 project was not finished from last year. Mr. Shirley said that is money that is still owed to the contractor. Punch list items still need to be completed. One of those items is to get grass to grow over the area.

Water & Sewer Fund
Mr. Recklaus said the Village is playing catch up and there is a lot of work to be done. Even with the water rate increases, the Village's water rates are low compared to our neighbors.

Trustee Rosenberg said based on the numbers, this fund is going to continue to diminish. Mr. Kuehne said the rate increases are there through 2024. The next opportunity to review the 5 year rate plan would be in 2025. There is also a major meter replacement factored in, which is unusual. The model doesn't reflect the reality that there will be less water loss after the improvements are made. Right now, we are buying more water than we are selling. The meter and reading system are both being replaced. The $4

million should be sufficient.

Municipal Parking Fund
Better lighting, signs and electronic signs in the Vail Garage are being installed.

Trustee Rosenberg asked if the ongoing maintenance for the guidance system was included. There is an annual maintenance fee and it was included in the numbers presented. Mr. Perkins will see how many years it covers. It is not a huge cost, it will be an ongoing cost for software maintenance. The parking system is being calibrated right now and will be fully functional soon.

Public Building Fund
There is no major building work to do and a $3 million fund balance. Staff is suggesting $2 million be moved to the IT fund to help cover the new ERP system. Some monies could also be transferred to the fleet fund which will need an infusion of cash. COVID-19 has negatively affected the Food and Beverage Tax, so it may be a good place to add funds too.

Trustee Scaletta said he would like to put this decision off. The real discussion will occur during the Budget process. Trustee Scaletta asked about the Police Department fee. Mr. Perkins said the fee is being held until all issues are resolved and the project is closed.

Trustee Rosenberg asked if the Senior Center Study was going to be done. Mr. Perkins said the process will begin in August. The building needs to be updated. The Park District identified this need in their survey. The needs of seniors are changing. The new Senior Center Director is completing the re-certification which began under the prior Senior Center Director. It's important to do the assessment before identifying money sources. Trustee Rosenberg would like any improvements to be forward looking.

Arts and Entertainment
Downtown events and Metropolis Theater are supported by this fund. This fund will need help because of the reduction in monies coming in.

Trustee Scaletta said staff should stop adding events or not support events through the fund that do not support the Food and Beverage industry. Some events like Autumn Harvest and the 4th of July Parade should be put into another fund or reclassified.

Mr. Recklaus said Irish Fest, Spring Sweep, and National Night out were taken out last year. This fund will always be under pressure. COVID through us a curve ball, up until then, it was in a good place. Mr. Kuehne said the F & B tax has really been hit. It's a little early this year to have a handle on how we are doing as the information is not complete.

Criminal Investigation Fund
This is funded by forfeiture moneys, not by taxpayers. These monies must go to law enforcement. There is pressure for long term evidence storage. A long

term structure may be looked at as the requirements for storage have increased without support from the State.

Trustee Canty moved, seconded by Trustee Padovani that the Committee of the Whole recommend to the Village Board that the Board approve the proposed 2021-2025 Capital Improvement Program and that the first year for the program totaling $34,128,700 be incorporated into the Village's proposed 2021 Budget.
The motion: Passed

B. Operating Fund Overview / Recommended Budget Ceilings 2021

Mr. Recklaus said the Village is facing a $4 million deficit. Thankfully, we have good reserves. Staff is making a lot of changes to save money. As an example, we are holding back on replacing positions that become vacant. In addition, the Village is trying to support residents and businesses by providing assistance funding and forgiving late fees. We have added the Arlington Alfresco program. There are also zero interest loans available for small businesses. However, the biggest impact for residents would be to minimize property tax bills. Staff believes we are in a position to propose a zero % increase in property taxes. It will not be easy and there will be sacrifices. This year is unique is because we have a General Fund surplus and we paid down on the Police and Fire Pension Funds. Overall, the amount that we are paying toward debt service is going down. Healthcare costs are lower than projected. The Northwest Central dispatch dues were reduced. Staffing cannot really be reduced as the Village still working at the recession levels.

Mr. Kuehne expected a $5.3 million reduction from the budget because of COVID-19. He is assuming the economy will improve slowly over the last half of the year and into next year. His projections are conservative. Eighty percent of the Village's expenditures are wages and benefits and he anticipates a 2.1% increase to 2021. There are a lot of retirements upcoming. He is projecting 5% increase for health insurance. At this point, Mr. Kuehne anticipates Food and Beverage Taxes to go down 20% and sales taxes to decrease 9%. The Telecom Tax continues to decrease over time as land lines are dropped. The Cable Franchise Fees will go down as more people go to streaming services. Departments will be asked to sharpen their pencils and bring the projected deficit down.

Resident Keith Moens thanked Staff for the presentation. He encouraged the staff and Board to work toward a zero percent tax increase saying there is no better way to support the residents and businesses.

George Metropolis said he was pleased with the level of detail of the presentation. On behalf of the residents, the efforts are appreciated to keep taxes at a zero percent. During these times, it's warranted and appreciated.

Trustee Rosenberg moved, seconded by Trustee Tinaglia that the

Committee of the Whole recommend to the Village Board that the Board approve the 2021 Budget Ceilings of $79,861,000 for the General Fund; and $24,350,600 for the Water & Sewer Fund.
The motion: Passed

V. OTHER BUSINESS

Matthew Cohan submitted the following statement:
I have been a resident at 10 South Dunton for over 10 years. I would like to bring attention to the neighborhood's current problem with noise from outdoor music combined with overall noise on the streets from dining.There needs to be oversight to maintain a balance between business needs and peaceful residential life.The pandemic has forced nearby businesses to think outside the box. As neighbors, we support their needs, but it should not come at the cost of our right to a peaceful environment within our own homes. Please revise the current rules to better suit our needs as residents.

Dominique Sawko, the Vice President of the Metrolofts Condominium Association, submitted the following comments:

Our building houses approximately 75 units and is an important part of the Arlington Heights community. On or about June 8th, Metrolofts sent an email to the Mayor and the Trustees explaining the music noise level from the Alfreso dining experience and its negative effect on the Metrolofts residents and their right to quietly enjoy their homes. On or about June 10th, we received a response from Mr. Reckalus inter alia acknowledging the inappropriate music volume and indicating that the "music will have to be significantly diminished from what was experienced last weekend."On Saturday, June 27th, the music level once again rose to an unacceptable level. We have provided the Village with a video taken from inside a resident's unit with the windows closed. Once again, the music was unacceptably loud for hours. When it's that loud, our residents cannot enjoy their homes, watch TV, listen to their own music, or comfortably converse with their guests. This noise level is unnecessary and disruptive to the Metrolofts residents, their qualities of life, and their rights to quietly enjoy their units. Long before the pandemic began, Metrolofts' residents have been supporting the local business and restaurants. We happily order carry out, dine-in, and shop for goods and services. We wholeheartedly support our local economy. While we agree that the dining experience is a wonderful concept, the live, loud music continues to negatively affect the residents' qualities of life. We must find a balance between supporting our local businesses and the residents' right to the quiet enjoyment of our Metrolofts units. On behalf of Metrolofts, we ask for the immediate (1) significant reduction in the music volume level, where each facility plays its music on a level that's enjoyable to their patrons only, and (2) active oversight of the Alfresco dining experience by security or the Public Works Department.

President Hayes agreed a balance needs to be found. Mr. Recklaus agreed as well. The alfresco experience is an experiment. There have been extensive conversations with restaurants who have music. They agreed they would

keep their music down. It was okay until this past weekend. There will be another meeting with these restaurants directly. Staff had a meeting with 12 Housing representatives last week. These issues were discussed. One representative said music had gotten better, the others said it enhanced the quality of life. Multiple people said the overall sound levels are lower than when there was traffic going through the downtown. Staff will continue to work with residents.

VI.ADJOURNMENT

Trustee Scaletta moved to adjourn the meeting at 9:09 p.m. Trustee Canty seconded the motion.
The motion: Passed