

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 11, 2014**

I. CALL TO ORDER

The Mayor called the November 11, 2014, Regular and Committee of the Whole Meeting of the City Council to order at 7:00 P.M.

II. ROLL CALL

Roll call indicated the following Aldermen were in attendance:

Present: Esposito, Przychodni, Sarallo, Thomas, Vlach, and Mayor Ragucci

Absent: None

Also in attendance were City Clerk D. Greco, Interim City Administrator A. Marrero, and City Attorney R. Ramello.

III. PLEDGE OF ALLEGIANCE

The Mayor led everyone in the Pledge of Allegiance.

IV. ADDITIONS OR DELETIONS TO THE AGENDA

None.

V. APPROVAL OF MINUTES – CHANGES OR CORRECTIONS

1. Regular Meeting Minutes Of October 28, 2014.

Motion to approve the minutes of the October 28, 2014 Regular City Council and Committee of the Whole as presented was made by Alderman Przychodni and seconded by Alderman Esposito.

Ayes: Esposito, Przychodni, Sarallo, Thomas, and Vlach

Nays: None

Motion passed.

VI. PUBLIC PARTICIPATION

None.

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 11, 2014**

VII. ACTION ITEMS/CONSENT AGENDA

1. Payment Of City Bills: November 11, 2014 In The Amount Of \$267,252.78.
2. Approval Of Payout Number Eighteen (18): Harbour Contractor's In The Amount Of \$33,285.05 For The New Police Station And City Hall Renovation.

Motion to approve all the items contained on the Consent Agenda as presented for November 11, 2014 was made by Alderman Thomas and seconded by Alderman Vlach.

**Ayes: Esposito, Przychodni, Sarallo, Thomas, and Vlach
Nays: None**

Motion passed.

VIII. ITEMS REMOVED FROM THE CONSENT AGENDA

None.

IX. RECESS TO THE COMMITTEE OF THE WHOLE

Motion to recess to the Committee of the Whole portion of this meeting was made by Alderman Przychodni and seconded by Alderman Esposito.

**Ayes: Esposito, Przychodni, Sarallo, Thomas, and Vlach
Nays: None**

Motion passed.

X. MAYOR RAGUCCI

Ragucci wished everyone a Happy Veteran's Day and stated he attended the Veteran's Day celebration with the Oakbrook Terrace Park District. Ragucci suggested the event be held indoors next year at the new Police Station.

XI. COMMITTEE OF THE WHOLE CONSIDERATIONS

1. Presentation By The Hotel Convention And Visitor's Bureau/ Hotel Commission.

Don Hill of the Hilton Hotels and Chair of the Hotel Commission updated the Council on the third quarter performance of the seven (7) hotels within the City. Hill reported the City's hotels are doing quite well especially in comparison to DuPage County overall. Hill stated quarter three (3) was one of the best quarters

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 11, 2014**

in quite some time. Hill said the bi-annual conventions in Rosemont and at McCormick Place helped to make quarter three a success.

Hill reported the following statistics detailed in the table below.

January - September 2014 Hotel Data

	Oakbrook Terrace	DuPage County
Occupancy %	68.6%	66.4%
Occupancy % Change	0.1%	2.9%
Average Rate % Change	5.90%	2.80%
Revenue Per Available Room % Change	5.8%	5.8%
Average Rate	\$ 98.85	\$ 94.63
Revenue Per Available Room	\$ 67.78	\$ 62.83

Hill stated the average rate of \$98.85 is the highest amount since 2007. Hill added the revenue per available room of \$67.78 is the highest rate ever experienced by the seven (7) hotels. Hill noted the months of December, January, and February are typically the slowest months for the City's hotels.

Hill said increased hotel inventory in the area will become available in 2015 with the new Le Meridien property and the reopening of the Drake Hotel in Oak Brook. Hill reported the shopping packages have done really well this year for all the hotels. Hill said the second annual Salvation Army Day fundraiser will take place on Wednesday, December 17, 2014, where 10% of participating hotel revenues will be donated to the Salvation Army. Hill said the Hilton Suites, Hilton Garden Inn, Comfort Suites, and the Courtyard By Marriot are participating in this year's event and hope to raise \$7,000. Hill noted \$4,800 was donated last year.

Hill said with the recent hotel staff turnovers, having a quorum for the Hotel Commission meetings has been a challenge lately. Marrero asked about the status of the hotel report which compares the City's hotels against the Village of Oak Brook's hotels. Hill responded it is a matter of cost to purchase the report. Hill said if the Commission agrees to purchase this data from Smith Travel; a year-end recap can be presented to the Council in February of 2015. Greco asked about the shopping packages. Hill replied each hotel can offer the shopping package. Hill noted the two (2) Hilton properties have moved more of the shopping packages then they have in the past five (5) years. Hill said the shopping packages are allocated to each hotel equally. Hill said the Commission decided that half of the gift cards will be purchased by the Commission, while the other half will be purchased by the hotels.

Ragucci asked if the area retailers would be willing to donate items for the shopping packages. Hill said this is not something the Commission has done in

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 11, 2014**

the past, but he would explore this option. Ragucci thanked Hill for his presentation.

2. Status Report Payout Number One (1): Midwest Masonry, Inc. For Masonry Assemblies.

Ragucci referenced Midwest Masonry's application for payment number one (1) in the amount of \$63,810 for the new Police Facility and renovation of City Hall included in the agenda packet. The Council concurred to place this item on the next consent agenda.

3. Status Report Payout Number One (1): Cameo Electric, Inc. For Electrical.

Ragucci referenced Cameo Electric's application for payment number one (1) in the amount of \$50,900.40 for the new Police Facility and renovation of City Hall included in the agenda packet. The Council concurred to place this item on the next consent agenda.

4. Status Report Payout Number One (1): Unique Plumbing Co, Inc. For Building Plumbing.

Ragucci referenced Unique Plumbing's application for payment number one (1) in the amount of \$122,218.20 for the new Police Facility and renovation of City Hall included in the agenda packet. The Council concurred to place this item on the next consent agenda.

5. Status Report Payout Number One (1): Fox Excavating, Inc. For Site Utilities.

Ragucci referenced Fox Excavating's application for payment number one (1) in the amount of \$110,002.47 for the new Police Facility and renovation of City Hall included in the agenda packet. The Council concurred to place this item on the next consent agenda.

6. Status Report Payout Number Two (2): Builders Concrete Services LLC For Excavation.

Ragucci referenced Builder's Concrete Services application for payment number two (2) in the amount of \$40,619.70 for excavation work at the new Police Facility and renovation of City Hall included in the agenda packet. The Council concurred to place this item on the next consent agenda.

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 11, 2014**

7. Status Report Payout Number Two (2): Builders Concrete Services LLC For Concrete.

Ragucci referenced Builder's Concrete Services application for payment number two (2) in the amount of \$86,940 for concrete work at the new Police Facility and renovation of City Hall included in the agenda packet. The Council concurred to place this item on the next consent agenda.

8. Ordinance To Approve And Authorize The Execution Of A Material Purchase Order Between The City Of Oakbrook Terrace, Illinois And Heritage Moulding, Inc. For Wood Windows (Bid Package 08D) For The New Police Facility And Renovation Of City Hall.

Dan Skiera, Harbour Contractor's Project Superintendent, stated Heritage Moulding will provide the wood aluminum clad windows for all the offices in the new Police Station and City Hall renovation. The Council concurred to approve this item during the reconvened meeting.

9. Ordinance To Approve And Authorize The Execution Of Contracts Between The City Of Oakbrook Terrace, Illinois And All American Exterior Solutions For The Furnishing Of Shingle & Membrane Roofing (Bid Package 07A) For The New Police Facility And Renovation Of City Hall.

Ragucci referenced the proposed ordinance awarding the roofing contract to All American Exterior Solutions in the amount of \$404,040. Dan Skiera recommended All American Exterior Solutions to install the new roof for the Police Station and the City Hall tear-off and roof replacement. Skiera said the contract includes all roofing materials as well as gutters, downspouts, and aluminum cladding.

Skiera noted the cost overrun of \$57,695 is due to the higher cost of materials and labor since the project budget was calculated over a year ago. The Council concurred to approve this item during the reconvened meeting.

Skiera updated the Council on the construction status of the new Police Station. Skiera said the slabs were poured and the masonry will go on for another week at the front of the building and then head to the back of the building for another week or two (2). Skiera noted the trusses were approved yesterday and should be constructed in the next four (4) to five (5) weeks.

10. 2014 Property Tax Levy Determination/Police Pension Municipal Compliance Report.

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 11, 2014**

Aileen Haslett, Financial Consultant, stated increasing last year's levy by the CPI of 1.5% and capturing new construction, the City's total levy for 2014 is \$923,187. Haslett noted a hearing is not required because the proposed levy increases by 1.7% and a hearing is required for increases of 5% or more.

Haslett explained this year's levy is a little different from prior years in that the General Fund portion comprises 1%, while the Police Pension portion represents 99%. Haslett projected the Police Pension levy will continue to represent the majority of the annual levy going forward especially given PA 96-1495 which allows the Comptroller's Office beginning in 2016 to withhold State shared revenues to municipalities, when police pension obligations fall short.

Haslett stated the General Fund will no longer be able to rely on the property tax as a key revenue. Haslett recommended utilizing the actuary's amount because it provides a more realistic valuation to get the City at the 100% mark in 2041. Haslett noted the primary reason the actuary's recommendation increased from last year is because the City went from 7% rate of return assumption last year to 6.5% this year. Haslett explained the lower the interest rate assumption subsequently increases the amount the levy must be in order to make-up for the required contribution. Haslett said the Police Pension levy needs to be 90% funded by 2040, and as it stands today we are at 46% and will be at 100% by 2041.

Haslett reported on some recent General Fund revenue results and said last year ended with a surplus of \$609,000. Haslett said most of the FY 2015 General Fund revenues for the first quarter are flat in comparison to last year's. Haslett did note however that Hotel Taxes are about 5% higher, Amusement Taxes are 44% up, and video gaming revenues reported through September of this year total are already \$15,000 higher than the total revenues of \$21,000 for last year. Haslett also stated that Off-track betting receipts were down about 23%.

Ragucci said everyday there is something new with pension reform. Ragucci asked Ramello if the State is really going to take away state shared revenues from municipalities. Ramello said there is nothing in the pipeline that addresses this new law, but he is assured that as the issue becomes more critical, legislators will propose new laws. Ragucci said he will not levy new taxes on residents so the City will have to look at other means. Ragucci said some new restaurants will open next year which will help revenues.

Marrero said historically the Council levied more than the actuarial recommendation. Marrero said the City is at a 46% funded liability, which is better than most municipalities. Marrero recommended the Council continue to fund the actuarial recommendation. Marrero said the City does not really have to worry about PA96-1495 because historically the City has done their due diligence

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 11, 2014**

in levying the actuarial recommendation. Marrero said the General Fund will experience a huge hit next year and this will not improve. Marrero recommended the Council approve the actuarial valuation for the 2014 levy.

Vlach suggested taking a look at the Amusement Tax which was recently lowered to a 4% rate. Ragucci said the sunset clause on the Amusement Tax will be looked into. Ragucci said he does not like to tax people. Ragucci said we will have to see what shape we are in next year with the new businesses coming. Marrero said the Department Heads submitted their budgets today so she can project how this property tax decrease is going to impact the budget. Ragucci said other municipalities are experiencing the same problem. The Council concurred to fund the levy at the actuarial recommendation and directed Marrero to prepare the tax levy ordinance for the December 9, 2014 meeting.

11. Status Report Payout Number Nineteen (19): Harbour Contractor's Inc.

Ragucci referenced Harbour Contractor's application for payment number 19 in the amount of \$44,404.18 for the new Police Facility and renovation of City Hall included in the agenda packet. The Council concurred to place this item on the next consent agenda.

12. Appointment Of David Swartz To Alderman Of Ward 3.

Swartz shared a personal story with the Council and said when his home was burglarized this past spring, the Mayor stopped by his house to offer support. Swartz said he was impressed by this sentiment. Swartz indicated he currently serves on the Berkshire Condo Association Board. Swartz said government really works in Oakbrook Terrace and he would like to be a part of the Council. Swartz said he would appreciate the appointment. Swartz said he has lived in the City for the past 17 years. Ragucci said he interviewed a couple of candidates from Ward Three (3) and Swartz was the best one. Ragucci said Swartz would make a great addition to the Council. The Council concurred to approve his appointment as part of the next consent agenda. Ragucci said since Swartz will not be able to attend the next meeting, he will be sworn in at the December 9, 2014 meeting.

XII. COUNCIL MEMBER COMMENTS

Sarallo thanked all the Veterans for their sacrifices that have given us the opportunities that we enjoy today.

XIII. CITY ATTORNEY RAMELLO

None.

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 11, 2014**

XIV. CITY CLERK GRECO

Greco indicated the Lion's Club approached him about volunteering at City-wide events.

XV. CITY ADMINISTRATOR MARRERO

Marrero said all the old ComEd street lights have been removed.

Marrero said in the past couple of weeks the City has received correspondence from the Illinois Municipal Investment Fund (IMET). Marrero said IMET invested in some fake loans from a Florida based company that sold \$176 million in fake loans which were marketed as being backed by the United States Department of Agriculture. Marrero said \$50.4 million of government funds were invested in this scam. Marrero said IMET informed the City that \$125,000 of the City's \$4.5 million in investments in IMET were impacted by this scam.

Marrero said in an effort to recoup the loss, IMET has filed suit against the Florida based company. Marrero said the CEO of the Florida based company has been arrested and charged with fraud. Marrero said some are considering this a bizarre incident, while some are thinking that IMET is not doing their due diligence. Marrero said she did not know how the Council felt about this if they wish to move the funds out of IMET and place the investments in the Illinois Funds operated by the State Treasurer's Office. Ramello said several municipalities are discussing this issue as well. Ramello said he is not sure anything the City Council can do at this point other than decide whether they want to continue with IMET.

Ragucci recommended the City pull the investments out of IMET. Ragucci expressed disappointment in IMET's recent actions in allowing such fraudulent investments. Ragucci said Marrero will put something together regarding this issue and the City's options. Marrero said the Illinois Funds return on investment would most likely be comparable to IMET's. Przychodni asked if the City did pull the funds out of IMET; how would this impact the recovery of the loss. Ramello said if all municipalities pulled their funds out; then this would impact the recovery. Vlach asked about the City investing in federal notes and bonds. Marrero said this would be another option and she could speak with Tom Sawyer at Sawyer Falduto Asset Management, the City's Investment Advisor.

XVI. RECONVENE THE CITY COUNCIL MEETING

Motion to reconvene was made by Alderman Sarallo and seconded by Alderman Thomas.

Ayes: Esposito, Przychodni, Sarallo, Thomas, and Vlach

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 11, 2014**

**Nays: None
Motion passed.**

XVII. OLD BUSINESS

1. Ordinance No. 14-64: An Ordinance Authorizing The Issuance Of A Purchase Order To Heritage Moulding, Inc. For Wood Windows (Bid Package 08D) For The New Police Facility And Renovation Of City Hall For The City Of Oakbrook Terrace, Illinois.

Motion To Approve Ordinance No. 14-64: An Ordinance Authorizing The Issuance Of A Purchase Order To Heritage Moulding, Inc. For Wood Windows (Bid Package 08D) For The New Police Facility And Renovation Of City Hall For The City Of Oakbrook Terrace, Illinois was made by Alderman Thomas and seconded by Alderman Przychodni.

**Ayes: Esposito, Przychodni, Sarallo, Thomas, and Vlach
Nays: None**

Motion passed.

2. Ordinance No. 14-65: An Ordinance To Approve And Authorize The Execution Of Contracts Between The City Of Oakbrook Terrace, Illinois And All American Exterior Solutions For Shingles & Membrane Roofing (Bid Package 07A) For The New Police Facility And Renovation Of City Hall.

Motion To Approve Ordinance No. 14-65: An Ordinance To Approve And Authorize The Execution Of Contracts Between The City Of Oakbrook Terrace, Illinois And All American Exterior Solutions For Shingles & Membrane Roofing (Bid Package 07A) For The New Police Facility And Renovation Of City Hall was made by Alderman Przychodni and seconded by Alderman Thomas.

**Ayes: Esposito, Przychodni, Sarallo, Thomas, and Vlach
Nays: None**

Motion passed.

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 11, 2014**

ADJOURN

Motion to adjourn was made by Alderman Esposito and seconded by Alderman Przychodni at 7:57PM.

Motion carried unanimously.

Submitted,

Aileen Haslett
Recording Secretary