

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 12, 2013**

I. CALL TO ORDER

The Mayor called the November 12, 2013, 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, Shadley, Thomas, Vlach, and Mayor Ragucci
Absent: None

Also in attendance were City Clerk D. Greco, City Attorney R. Ramello, Finance Director A. Marrero, and Building and Zoning Administrator M. Dragan.

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 22, 2013
2. Special City Council Committee Of The Whole Minutes Of October 29, 2013

Motion to approve the minutes of the October 22, 2013 Regular City Council and Committee of the Whole Minutes and the Special City Council Committee Of The Whole Minutes of October 29, 2013 as presented was made by Alderman Shadley and seconded by Alderman Przychodni.

**Ayes: Esposito, Przychodni, Sarallo, Shadley, 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 12, 2013**

VII. ACTION ITEMS/CONSENT AGENDA

1. Payment of City Bills, November 12, 2013 In The Amount of \$1,082,826.54
2. Approval Of Payout Number Seven (7): Harbour Contractors Of Plainfield, Illinois In The Amount of \$4,580.49 For The New Police Station And City Hall Renovation.
3. Payout Number One (1): LumQuest Lighting Of Oakbrook Terrace, Illinois In The Amount of \$493,100.00 For The Residential Street Lights.
4. Ordinance No. 13-53: An Ordinance Amending The Provisions Of Section 32.011 Entitled "Duties" And Section 32.012 Entitled "Appointment Of Officers" Of Chapter 32 Entitled "Officers And Employees" Of Title III Entitled "Administration" Of The Code Of Oakbrook Terrace, Illinois
5. Ordinance No. 13-54: An Ordinance Amending The Code Of Oakbrook Terrace, Illinois, To Provide For The Duties Of The City Administrator.

The Mayor asked the Council if there were any items to be removed from the Consent Agenda. Hearing none, he asked for a motion to approve the Consent Agenda.

Motion to approve all the items contained on the Consent Agenda as presented for November 12, 2013 was made by Alderman Przychodni and seconded by Alderman Esposito.

**Ayes: Esposito, Przychodni, Sarallo, Shadley, 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 Shadley and seconded by Alderman Thomas.

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

The Regular Meeting recessed to the Committee of the Whole.

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 12, 2013**

X. MAYOR RAGUCCI

Ragucci read a letter of appreciation from the Village of Oak Brook's Police Chief, Jim Kruger, for the Police Department's assistance in apprehending a suspect in the robbery of Fifth/Third Bank on October 29, 2013.

XI. COMMITTEE OF THE WHOLE CONSIDERATIONS

1. Continued Discussions For Prior Request From John Wendland For 17W642 Butterfield Road – Connection To The Water System.

Marrero indicated that Mr. Wendland had originally requested a contribution of \$15,000 towards the costs associated with connecting his property (the former Holiday Inn Reservation Center) to the City's water system. Marrero stated Wendland is now requesting a \$33,000 contribution due to the higher costs associated with connecting his property to the City's system. Marrero explained \$33,000 represents 82% of the cost that Wendland incurred to disconnect the property's water main from the Village of Oak Brook.

Marrero updated the Council on the financial status of the Water Fund. Marrero reported that the Water Fund experienced a \$77,000 net gain for FY 2013. Marrero also noted that water sales for the first quarter of FY 2014 were 7% higher than last year, while utility taxes were down 1%. Marrero said the Water Fund still experiences cash flow problems especially with the cost for Regency Place. However, Marrero believes the recent cash flow problems are a temporary set-back and the Water Fund's position will improve in FY 2016 when some of the bonds mature. Marrero noted that the Water Fund will need to borrow from the General Fund to pay for the upcoming bond payments and the proposed contribution towards the Wendland project.

Thomas expressed confusion about Mr. Wendland's latest financial request. Wendland indicated that it cost approximately \$110,000 for him to connect to the City's water system, but that he was only seeking reimbursement for the cost associated with disconnecting his property from the Village of Oak Brook's system. Wendland noted that he would have no problem if the City opted to create a special service area for his property because he did improve the lots. Marrero noted that due to the legal costs associated with creating a special service area and given the rather low amount, it would not be in the City's best interest to create a special service area for this project.

After some discussion, the Council concurred to authorize a \$33,000 contribution towards the project and directed staff to work with Wendland on this matter.

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 12, 2013**

2. A Resolution To Approve The 2012 DuPage Mitigation Plan.

Marrero said the City is required to adopt the amended DuPage County Natural Hazards Mitigation Plan. Marrero noted the plan is updated every five (5) years. Marrero said through adopting the plan the City becomes compliant with DuPage County, who then becomes compliant with the State, who then becomes compliant with the Federal government. The Council concurred to place this on the next consent agenda.

3. 2013 Tax Levy Determination/Police Pension Municipal Compliance Report.

Jason Franken, an Actuary with Foster and Foster, addressed the Council and discussed the 2013 actuarial valuation. Franken noted that this year's suggested tax levy amount of \$871,341 significantly increased from last year's \$549,190. Franken explained the increase was due a change in the actuarial assumptions utilized for the 2013 calculation as detailed below. Franken noted the assumptions were changed to provide a more realistic representation of what the future liabilities are.

1. Franken stated the investment return was reduced from 7% to 6.5%. Franken explained that lowering the investment return increased the City's required contribution.
2. Franken also said the switch to the 2000 mortality table from the prior 1971 table increased the required contribution. Franken explained that life expectancies are higher now than in 1971, thereby increasing the amount of future payments to beneficiaries.
3. Franken added that the withdrawal, retirement, and disability tables were updated to match the Department of Insurance.

Franken said the actuarial value of assets is \$9,160,059 and the actuarial accrued liability is \$20,181,141, arriving at an unfunded liability of \$11,021,082. Franken said the funded ratio is 45.4%.

Franken noted that he prepared an alternative tax levy calculation of \$757,001 which is based upon a 7% rate of return. Franken explained increasing the investment income rate of return, reduces the City's required contribution by \$114,340.

Marrero referenced her memorandum regarding the 2013 tax levy determination. Marrero stated increasing last year's levy by the Consumer Price Index (CPI) of 1.7% and then capturing new construction, the City's total levy request for 2013 is \$908,565. Marrero noted a public hearing will not be required because the proposed levy will increase by 2.4% over the 2012 levy. Marrero noted a public

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 12, 2013**

hearing is only necessary when the request is 5% higher than the prior year.

Marrero noted there are two (2) options as discussed by Franken. Marrero said the first option is the \$871,341 amount, which would decrease the Corporate Fund levy by \$258,812 or 87% and would increase the pension levy by \$279,697 or 47% from last year. Marrero discussed the second option at \$757,001, would decrease the Corporate Fund levy by \$144,472 or 49% and would increase the pension levy by \$165,357 or 28% from last year. Marrero noted the Police Pension Fund is currently experiencing a 6.8% rate of return. Marrero also reported some of the City's top revenues for the first quarter including: Sales taxes are up 7%, Telecommunication taxes are 4.5% higher, Hotel taxes increased 11%, and Amusement taxes are 18% higher than last year at this time.

Marrero stated that the recommended increase in the levy was unforeseen and will cause a disadvantage for the City's General Fund. Marrero recommended that the City proceed with the alternative levy of \$757,001 based upon the 7% rate of return. Vlach suggested that the City be conservative in their expected gains for the Police Pension over the next year.

Vlach stated the investments are long-term, but he thought the pension fund was supposed to be 100% fund by 2016. Franken noted that the Illinois Pension Code is targeting a 90% funding ratio by 2040. Franken said in 2016 there is an enforcement mechanism that kicks in, which allows the State to garnish State shared tax payments to cities that are not contributing their pension plans. Franken added that the State can redirect these garnishments to the applicable pension plan.

After some discussion, the Council concurred to utilize the alternative amount of \$757,001 and approve the levy during the December 10, 2013 meeting.

4. Request To Dispose Of Certain Surplus Property – 2008 Ford Expedition

Ragucci said the Police Department is requesting that the 2008 Ford Expedition be declared surplus. Ragucci stated the vehicle has incurred numerous repair bills in excess of \$5,000. Marrero said a dealership offered to pay \$4,800 for the vehicle. The Council concurred to place this on the next consent agenda.

5. Letter Of Recommendation: 17W755 Butterfield Road

Dragan said the property owner is proposing to remove a portion of the building, thereby allowing them to install a new façade and to allow for more parking. Dragan noted that the property was previously zoned B-1 Professional Office. However, Dragan noted that in 2007, the City rezoned various commercial

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 12, 2013**

properties throughout the City and the property located at 17W755 Butterfield Road was rezoned from B-1 to B-3 General Retail District.

Dragan explained that the applicant seeks approval for yard variations, and a variation from the requirement to provide a loading dock, in order to bring the subject property in compliance with the regulations for the B-3 Zoning district.

Antonio Fanizza, the architect of record for the subject property, displayed the proposed site plan. Fanizza stated that a portion of the building will be removed, a new façade will be constructed, and some of the side parking will be brought to the front. Ragucci said the new building looks nice and will make a big difference in that area. The Council concurred to place this on the next consent agenda.

6. Status Report Payout Number Eight (8): Harbour Contractor's Inc.

Ragucci referenced Harbour Contractor's requested payout in the amount of \$9,691.34 for pre-construction services. The Council concurred to place this item on the next consent agenda.

7. Status Report Payout Number Two (2): Lumquest Lighting – Street Lighting Project

Ragucci referenced Lumquest Lighting's requested payout in the amount of \$222,720 for the street lighting project. The Council concurred to place this item on the consent agenda.

XII. COUNCIL MEMBER COMMENTS

Thomas said at the November 11, 2014 Veteran's Day event, candy was distributed from Ferrara Pan. Thomas stated the candy wrapper indicates that Ferrara Pan is located in Oakbrook Terrace, Illinois. Thomas asked why signs regarding "No Loitering and No Parking" were placed at the retail center along Hodges. Dragan said possibly to block people from parking here due to overflow issues from the nearby Park District facility. Ragucci said as soon as he hears from the property owner he will let the Council know.

XIII. CITY ATTORNEY RAMELLO

None.

XIV. CITY CLERK GRECO

None.

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 12, 2013**

XV. FINANCE DIRECTOR MARRERO

None.

XVI. RECONVENE THE CITY COUNCIL MEETING

Motion to reconvene was made by Alderman Vlach, and seconded by Alderman Shadley.

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

Nays: None

The Regular Meeting of the City Council reconvened.

XVII. OLD BUSINESS

None.

ADJOURN

Motion to adjourn was made by Alderman Thomas, and seconded by Alderman Przychodni at 7:50P.M.

Motion carried unanimously.

Submitted,

Aileen Haslett
Recording Secretary