

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 25, 2014**

I. CALL TO ORDER

The Mayor called the November 25, 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, 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 November 11, 2014.

Motion to approve the minutes of the November 11, 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.

VII. ACTION ITEMS/CONSENT AGENDA

1. Payment Of City Bills: November 25, 2014 In The Amount Of \$986,912.44.
2. Treasurer's Report October 2014.

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3. Personnel & Payroll Report October 2014.
4. Approval Of Payout Number One (1): Midwest Masonry, Inc. In The Amount Of \$63,810.00 For The New Police Station And City Hall Renovation.
5. Approval Of Payout Number One (1): Cameo Electric, Inc. In The Amount Of \$50,900.40 For The New Police Station And City Hall Renovation.
6. Approval Of Payout Number One (1): Unique Plumbing Co, Inc., In The Amount Of \$122,218.20 For The New Police Station And City Hall Renovation.
7. Approval Of Payout Number One (1): Fox Excavating, Inc. In The Amount Of \$110,002.47 For The New Police Station And City Hall Renovation.
8. Approval Of Payout Number Two (2): Builders Concrete Services LLC In The Amount Of \$40,619.70 For The New Police Station And City Hall Renovation.
9. Approval Of Payout Number Two (2): Builders Concrete Services LLC In The Amount Of \$86,940.00 For The New Police Station And City Hall Renovation.
10. Approval Of Payout Number Nineteen (19): Harbour Contractor's Inc. In The Amount Of \$44,404.18 For The New Police Station And City Hall Renovation.
11. Appointment Of David Swartz To Alderman Of Ward 3.

Motion to approve all the items contained on the Consent Agenda as presented for November 25, 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 Sarallo.

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

Nays: None

Motion passed.

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X. MAYOR RAGUCCI

1. Ragucci stated City Hall will be closed for the Thanksgiving Holiday on Thursday November 27, 2014, and Friday November 28, 2014.
2. Ragucci said the annual Children's Holiday Party and Christmas Tree Lighting will take place on Friday December 5, 2014 at 6:00 p.m.
3. Ragucci noted the cancellation of the Tuesday, December 23, 2014 City Council Meeting.
4. Ragucci expressed his condolences to the family of Helen Flanagan who passed away over the weekend and resided in the City since 1947. Flanagan was the longest living resident of Oakbrook Terrace at 95 years young.

XI. COMMITTEE OF THE WHOLE CONSIDERATIONS

1. Presentation of 2014 Comprehensive Annual Financial Report (CAFR).

Jody Gauthier of BKD LLP (formerly Wolf and Company) addressed the Council and thanked them for their continued support. Gauthier also thanked staff for their assistance in preparing the annual CAFR. Gauthier noted effective November 1, 2014 Wolf and Company joined the accounting firm, BKD LLP.

Gauthier stated as in the past, this year's CAFR followed generally accepted accounting principles (GAAP) and auditing standards. Gauthier highlighted some key items of the FY 2014 CAFR. Gauthier indicated the City spent approximately \$2.5 million on capital improvements including: residential streetlights at \$951,000, the new Police Station at \$952,000, and \$345,000 on the new Regency Place watermain. Gauthier said the City had one (1) bond issue in the amount of \$3.7 million which partially refunded the 2008 Public Services building bonds.

Gauthier noted the unreserved fund balance amount increased to almost \$5 million, which represents 9½ months of expenses. Gauthier also noted the City budgeted a \$400,000 increase in fund balance for FY 2014, and with some tight controls, the fund balance ended with a \$600,000 surplus, which is very positive.

Gauthier indicated that in FY 2016 the City will need to include the unfunded liability for the police pension on the entity-wide statements, which are the first two (2) statements. Gauthier said given the good condition of the City's financials the City's net position will remain positive even when recording this liability. Gauthier indicated some municipalities net position will be a negative as a result of this new GASB pronouncement.

Gauthier said the Water Fund reported an operating loss of \$279,000 which is consistent with last year's \$288,000 loss. Gauthier said the City consistently

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maintains the Water Fund's net position. Ragucci thanked Gauthier and the Council concurred to place this on the next consent agenda.

2. Renewal Of Property & Casualty Insurance.

Marrero referenced the Assistant Finance Director's memo regarding the insurance renewals. Marrero said Assurance continues to act as the City's broker and marketed the City's insurance requirements to a total of seven (7) insurance carriers. Marrero said the City's current carriers, Allied World and IPRF, provided the lowest priced options for the new plan year beginning January 1, 2015. Marrero said this year's renewal for general liability insurance will increase by \$3,820 or 5% from last year. Marrero said all policy limits, deductibles, terms, and conditions remain the same from the current year.

Anthony Way of Assurance addressed the Council and thanked them for their continued business. Way also thanked Marrero and her staff for all their hard work that goes into generating the renewal documents. Way said there is actually a rate decrease on the property and casualty carrier Allied World insurance, but the premium increased 5%. Way explained Allied World looks at the City's general fund expenditures which increased by 8% from last year. Way said while the premium increased 5%; the rate decreased by 3%.

Vlach asked if the property values should be increased considering the new Police Station currently under construction. Way replied the property values are all current amounts and when the new Police Station is complete the full value will be added to the property amounts. However, Way said in the meantime the new Police Station will be covered under a separate builders risk policy until its completion. Ragucci clarified the building will be covered while it is under construction. Way confirmed this. The Council concurred to place this on the next consent agenda.

3. Renewal Of Workers Compensation Insurance.

Marrero said this year's renewal for workers compensation insurance will increase by \$4,380 or 4% from last year. Way indicated the 4% increase in workers compensation insurance directly results from the 4% increase in the payroll from last year. Way said IPRF offers a safety grant in the amount of \$2,754 of which the City could purchase safety and emergency equipment. The Council concurred to place this on the next consent agenda.

4. Approval Of A Water Rate Increase – Ordinance Amendment.

Ragucci said this is the last year the DuPage Water Commission is passing on a rate increase to the City. Ragucci said he really did not want to pass the increase

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on to customers, but given recent events it is necessary. Marrero noted that due to some costly emergency repairs the increase will need to be passed on to customers. Marrero said the water tower's riser pipe burst and sprang a leak. Marrero said the pipe has been clamped and the leak is contained until a more permanent repair can be made. Marrero noted when Chicago Bridge and Iron, which is the company that originally installed the pipe back in 1998, came out to do the repair they realized the wrong size riser pipe was used in the initial construction. Marrero said the riser pipe needs to be replaced with the correct size.

Marrero said Craig Ward, Public Services Director, suggested since the water tower will be out of service for the pipe replacement, a complete cleaning and painting of the water tower should be completed simultaneously. Marrero agrees with Ward's suggestion and stated the pipe repair and the painting would cost approximately \$300,000.

Ragucci said Ramello looked into this to see if there is any recourse for the City. Ramello said the statute of limitations expired several years ago for the construction defect to the water tower, so the City has no recourse in this matter. Marrero said Ward is currently securing quotes for both projects and she hopes to have this item on the December 9, 2014 agenda. Vlach asked if the original contractor who installed the water tower, Chicago Bridge and Iron, would offer some concessions to the City given it was their error. Marrero said Ward is speaking with Chicago Bridge and Iron about this. Marrero said this work will not take place until the spring, but the City needs to schedule the contractor's work.

Thomas asked what the City will do for water while the water tank is down. Ragucci replied the City will receive water from Lombard or Oak Brook and he prefers Lombard. Ragucci said the City has a mutual agreement with Lombard to provide water services if necessary. Marrero said however long the City needs water from Lombard; they can provide it to the City. Marrero added all the water will be metered.

Marrero mentioned that she spoke with the Mayor about not increasing the water rate for next year, but due to these unanticipated projects, the rate increase will be necessary. Marrero said the rate will be increased by \$.67 per 1,000 gallons. Marrero said the rate effective January 1, 2015 will be \$9.97 per 1,000 gallons and the unincorporated rate will be \$14.96 per 1,000 gallons. Ragucci said the City's water system is growing and maybe future rate increases will not be necessary because he really does not like increasing the rate.

Marrero said some big customers have connected to the City's water system and in a few years some of the Water Fund's bonds will be paid-off, which will

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improve the Water Fund. Marrero said she does not foresee having to pass a future water increase. Ragucci said staff has looked into acquiring other big water customers, but unfortunately when the water tower was built years ago a big enough tower was not constructed. Ragucci said if the City tried to secure Versailles as a customer now it would hurt the City because there would be insufficient reserves on hand for an emergency because this complex is such a large user. Marrero said the construction of a larger water tank costs approximately \$2 million.

Thomas said at the time the tower was built; there was a plan to construct another water tower. Sarallo agreed there was a plan to construct another tower. Marrero said this plan was not completed because the Krilich property de-annexed from the City. Esposito asked how many rate increases there have been in the last three (3) to five (5) years. Ragucci replied every year since the City of Chicago increased their rates.

The Council concurred to place this on the next consent agenda.

5. Approval Of A Traffic And Parking Regulation Agreement Between Chicago Title & Trust Co., As Trustee Of Trust No. 01-3609 And Specialty's Café And Bakery, And The City Of Oakbrook Terrace, Illinois.

Ragucci referenced the parking agreement and the Council concurred to place this on the next consent agenda. Thomas suggested requiring all new businesses to have a parking agreement in place. Ragucci said the City cannot force properties to have an agreement. Ragucci said the City can suggest an agreement, but the property has the right to decline.

XII. COUNCIL MEMBER COMMENTS

The Council members wished everyone a Happy Thanksgiving. Ragucci stated tonight would be the last night Sarallo would be serving as an Alderman on the Council because he will now be working for the City beginning on Monday, December 1, 2014. Ragucci thanked Sarallo for his 15 years of service and stated at the second meeting in January the City will hold a ceremony for him.

Sarallo expressed his gratitude for all the Council members he served with including: John Valle, Joe Cantore, Jim Bojan, Martha Bojan, Ingrid Durham, Tom Mazaika, and the Mayor and all the current Aldermen. Sarallo said he is very proud of the progressive community that Oakbrook Terrace is, which is a credit to staff and the elected officials. Sarallo said the City is in a good spot and it is a bittersweet time for him. Sarallo said he appreciates that he has been able to see first-hand the inner workings of the City. Ragucci thanked Sarallo for all his service and said he is looking forward to working with him.

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XIII. CITY ATTORNEY RAMELLO

Ramello indicated there were two (2) new laws that affect municipalities. Ramello explained one (1) law becoming effective on January 1, 2015 allows offenders who challenge the municipal administrative adjudication process in the court system and if the judge sides with the offending party, the municipality could be liable for the offender's reasonable legal fees. However, Ramello noted that the City could also appeal the offender's challenge and have the City's legal fees paid by the offender. Ragucci said he does not recall any challenges to the City's administrative adjudication process.

Ramello said the other law allows minimum staffing levels for fire departments to be included as part of union negotiations. Ramello said in the past staffing levels were determined by a fire protection district.

XIV. CITY CLERK GRECO

None.

XV. CITY ADMINISTRATOR MARRERO

None.

XVI. RECONVENE THE CITY COUNCIL MEETING

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

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

Nays: None

Motion passed.

XVII. OLD BUSINESS

None.

ADJOURN

Motion to adjourn was made by Alderman Sarallo, and seconded by Alderman Przychodni at 7:36PM.

Motion carried unanimously.

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Submitted,

Aileen Haslett
Recording Secretary