

**CITY OF OAKBROOK TERRACE  
BUDGET MEETING OF THE CITY COUNCIL MINUTES  
WEDNESDAY, MARCH 6, 2019**

**I. CALL TO ORDER**

The Mayor called the March 6, 2019, Budget Meeting of the City Council to order at 6:00P.M.

**II. ROLL CALL**

The following Aldermen were in attendance:

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

Absent: None

Also, in attendance were City Administrator A. Marrero, Police Chief C. Calvello, Assistant to the Mayor and Administrator M. Sarallo, Building and Zoning Administrator M. Dragan, Finance Coordinator J. Haug, Community Service Officer J. Caruso, and Financial Analyst A. Haslett.

**III. PROPOSED FY 2020 BUDGET DISCUSSIONS**

City Administrator Marrero welcomed everyone to the first FY 2020 Budget meeting and distributed a PowerPoint presentation. Overall revenues and expenditures have not changed that much since the prior year. The FY 2020 budget includes revenues of \$12,451,675 and expenditures of \$11,367,988 with an expected surplus of \$1,083,687. The City's General Fund surplus has exceeded \$1 million since FY 2018. City Administrator Marrero stated there will be limited growth in the City's revenue base for FY2020. With revenues expected to increase by less than 1% over the current year. The City's key revenues have not changed much from the past year. Traffic enforcement fines represent 40% of General Fund revenues, while sale taxes comprise 14%, and hotel taxes at almost 13%. Mayor Ragucci said the former La Quinta hotel property should reopen within the year, which will generate more hotel taxes. Mayor Ragucci also said Governor Pritzker will most likely approve gaming for sports betting, with off-track betting facilities and casinos first in line to implement this, which will help the City's Off-Track Betting Facility.

**General Fund Expenditures**

City Administrator Marrero reported FY 2020 General Fund expenditures at \$11.3 million are 8.9% higher than the FY 2019 estimate. This increase is attributable to higher police wages and benefits resulting from the two (2) newly proposed positions of Deputy Chief and an additional patrol officer, as well as a higher police pension contribution due to switching to the 15-Year Open amortization approach, and an increase in risk management insurance premiums.

Salaries and benefits comprise 60% of the total budget, while contractual services represent 38%, and commodities represents 2%. The scheduled replacement of one (1) police vehicle is included in the FY 2020 budget and will be funded from DUI enforcement receipts.

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**General Fund Balance**

City Administrator Marrero said revenues have outpaced expenditures since FY 2011. For FY 2020 the General Fund ended with a \$2.2 million surplus, while FY 2019 should end with a \$1.9 million surplus and a little over \$1 million is expected for FY 2020. The FY 2019 expected year-end fund balance for the General Fund is \$9.1 million. City Administrator Marrero noted a more thorough review of the City's fund balance will take place at the next budget meeting on Wednesday, March 13, 2019.

**Executive Management**

Financial Analyst Haslett stated the Executive Management budget for FY 2020 is \$974,653, representing a 1.2% increase from the FY 2018 actual. The FY 2020 budget is standard with prior years. New for this year was the addition of \$1,500 for the Veteran's Day Luncheon. Some of the current year highlights include:

1. the receipt of \$22,300 in July 4<sup>th</sup> sponsorships for FY 2019;
2. passed the new Crime Free Housing ordinance which took effect on January 1, 2019; and,
3. rebated a total of \$5,840 to 37 homeowners for their residential security systems.

Alderman Greco asked about the new Top-Of-the-Range line items. Haslett replied this line item segregates out the longevity award from the other salary line items. The Top-Of-The Range award represents 1% to 3% of an employee's salary depending upon their length of service. Eligible employees who have reach the top of the step plan and satisfy other longevity requirements may receive this award on their anniversary date.

**Police**

Police Chief Calvello stated the Police Department budget for FY 2020 is \$5,662,751, representing an increase of \$596,000 or 11.7% over the current year estimate. More specifically benefits increased by \$367,000 or 18% due to higher benefit and police pension costs. Salaries increased by \$212,000 due to the reinstatement of the Deputy Police Chief position and the hiring of an additional police officer. Police Chief Calvello noted back in FY 2009 the City had 22 sworn officers, which is when the recession hit and at this time the City did not fill the officer vacancies. Police Chief Calvello noted very few communities decrease their police force, and the City has been running short for a couple of years. City Administrator Marrero indicated with hiring this additional officer, staff anticipates overtimes costs to decrease.

Alderman Esposito asked if the Deputy Police Chief will be heavily administrative. Police Chief Calvello replied yes. Alderman Esposito said the Deputy Police Chief is needed and important. Alderman Esposito added he is a big believer in promoting from within and it is important to show the officers that there is room to grow. Alderman Greco said this will be a great improvement to the Police Department. Mayor Ragucci said the Police Department has historically had a Deputy Police Chief position.

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Alderman Vlach asked why administrative overtime has increased over the last couple of years. Police Chief Calvello replied when the front desk full-time staff takes vacation time, overtime is paid-out to cover those shifts. Alderman Greco asked if the police officers could hold a discussion with the students after the lock-down-drills. Police Chief Calvello said he would be glad to stick around at the school after the drill, if the school allowed it. Police Chief Calvello said he would like officers greeting students at the doors on the first day of school this fall.

**Building and Zoning**

Building and Zoning Administrator Dragan stated the FY 2020 budget for Building and Zoning is \$561,704, representing a 5% increase from the FY 2019 estimate. This increase is due to higher salaries and contractual services. Building and Zoning Administrator Dragan provided a brief overview of her department's responsibilities. From January 1 through December 31, 2018 the construction cost throughout the City totaled over \$29 million. This includes over \$16.5 million for new major commercial tenant buildouts, approximately \$10 million for new and renovated medical offices, \$2.6 million for new retail businesses, and \$223,000 for new restaurants. A few of the projects completed in 2018 include:

- major exterior and interior lobby improvements at Mid America Plaza and the Tower building;
- the new tenant, Sono Bella, and the expansion of Vein Clinics of America at Mid America Plaza;
- Flood Brothers relocated their corporate headquarters to 14<sup>th</sup> Street and completely renovated the site;
- new businesses at Oakbrook Terrace Square including: Office Depot, Dogtopia, Palm Beach Tan, I Dream of Falafel, and AT&T;
- Sara Lee and McCain Food took up residency at the Tower building; and,
- a few new restaurants opened including: Brooks Kitchen and Tap and Cajun Boil.

Some of the new building activity underway includes:

- a new national chain restaurant, So Gong Dong Tofu and BBQ, will be opening soon along 22<sup>nd</sup> Street;
- Stan's Donuts at Butterfield Point will open in the coming weeks;
- Loyola Health Systems is performing a complete interior renovation of both of their buildings along Summit;
- Advocate Healthcare is opening a call center along Meyers Road;
- Eon Dental Clinic will be occupying a suite at Parkview Plaza; and,
- construction of the new BP Amoco and Kiddie Academy.

Projects for the coming year include:

- the redevelopment of the Midwest Office Center located along 22<sup>nd</sup> Street; and,

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- JRC Plaza will be welcoming several new businesses including May's Lounge, Remax Real Estate Office, and Capri Restaurant will be occupying the former Tilted Kilt.

The Planning and Zoning Commission is scheduled to review the following requests:

- the Joint Chiropractic Clinic is looking to occupy space at Oakbrook Terrace Square;
- My Dance Hub is proposing to move into the former Long Tall Sally space along Route 83;
- a dental office is seeking to occupy space at Butterfield Point; and,
- the Courtyard by Marriot is proposing exterior improvements and a redesign of the front façade.

Alderman Greco inquired as to whether the engineering services line item is sufficient to cover the cost of the City Engineer inspecting new construction after a project is complete to ensure the topographical studies have not changed. Dragan said it depends on the number of projects received. Dragan said the budgeted amount should be sufficient for the upcoming year, but if more money is needed a transfer can be done. Alderman Greco asked for an update about the digitizing project. City Administrator Marrero replied the project is on hold and will restart in the spring of this year. The current company has scanned a lot of documents, but staff is not really happy with the software, so we are currently looking for a more user-friendly software solution.

### **Tourism**

Financial Analyst Haslett stated the FY 2020 proposed Tourism budget is \$167,297. Membership fees have decreased over the past couple of years because the hotel tax base has declined due to the closing of the La Quinta hotel property back in August of 2016. Alderman Vlach said the City is still contributing to the Historical Society and asked for an update on their activities. Bob Shanahan of the Oakbrook Terrace Historical Society noted the open house held in conjunction with the Police Department's National Night Out drew much interest in the Sears home. The brick fundraiser program has been very successful. The Oakbrook Terrace Historical Society hopes to complete some exterior improvements to the Sears home this year. Shanahan thanked the Council for their continued support.

### **Police Commission**

Financial Analyst Haslett stated the FY 2020 proposed Police Commission budget is \$17,974, of which \$9,000 represents the Commissioner stipends. All the testing lists are up to date and the Police Commission recently updated their Rules and Regulations Handbook. Police Chief Calvello indicated new applicant testing for patrol officers will take place this April.

### **Finance**

Finance Coordinator Haug said the Finance budget is \$475,227, which is 6.7% or \$30,000 higher than the current year estimate This increase is due to higher risk

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management insurance premiums and also includes the step increases for the three (3) staff members.

**Economic Development**

City Administrator Marrero indicated the Economic Development budget is \$330,000 and includes the most recent economic incentive agreement with the new BP Amoco. City Administrator Marrero noted the agreement with Home Depot expires on July 29, 2022.

**Traffic Light Enforcement**

City Administrator Marrero said the Traffic Enforcement budget represents all the costs associated with operating the traffic enforcement cameras located at 22<sup>nd</sup> Street and Route 83. Costs increased 137% over the current year budget due to higher Safespeed fees resulting from higher traffic enforcement camera revenue.

**Motor Fuel Tax Fund**

City Administrator Marrero said the Motor Fuel Tax FY 2020 budget is a standard budget comparable with past years and includes snow plowing labor costs and snow removal materials. The FY 2020 ending fund balance is estimated at \$476,073.

**ADJOURN**

**The meeting was adjourned at 7:09P.M.**

Submitted by,

Aileen Haslett  
Recording Secretary