

**CITY OF OAKBROOK TERRACE
BUDGET MEETING OF THE CITY COUNCIL MINUTES
WEDNESDAY, MARCH 7, 2018**

I. CALL TO ORDER

The Mayor called the March 7, 2018, Budget Meeting of the City Council to order at 6:03P.M.

II. ROLL CALL

The following Aldermen were in attendance:

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

Absent: Swartz

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 Finance Consultant A. Haslett.

III. PROPOSED FY 2018 BUDGET DISCUSSIONS

City Administrator Marrero welcomed everyone to the first FY 2019 Budget meeting and displayed a PowerPoint presentation. City Administrator Marrero noted she would be providing a more condensed budget summary this year because overall revenues and expenditures have not changed that much since the prior year.

General Fund Revenues

City Administrator Marrero stated General Fund revenues for FY 2019 are expected to increase by 9.3% from FY 2018, and 29% from FY 2017 actuals, which is attributable to traffic light enforcement fines. City Administrator Marrero said the City's key revenues have not changed much from past years. Traffic light enforcement fines represent the City's number one revenues at \$2.6 million. Sales taxes at \$1.8 million represent the second largest revenue source at 18% of total revenues. Hotel taxes at \$1.6 million represent the City's third largest revenue source at 16%.

General Fund Expenditures

City Administrator Marrero reported that FY 2019 General Fund expenditures at \$8.9 million are 4.8% higher than the FY 2018 estimate and 24% higher than the FY 2017 actual. City Administrator Marrero explained this increase was attributable to traffic light enforcement costs, changes in health insurance enrollment, and two (2) years of estimated police salaries due to the contract that expired last April.

City Administrator Marrero said 66% of total expenditures are related to salaries and benefits, while contractual services comprise 31% at \$2.7 million and commodities represent 2%. City Administrator Marrero indicated the only capital expense in the General Fund is for the scheduled replacement of police vehicles at \$68,000. City Administrator Marrero noted due to the decrease in DUI revenues, she recommends that next year the police vehicles be allocated to the Capital Improvement Fund budget instead. Alderman Thomas suggested the City continue to purchase police

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replacement vehicles from the General Fund and utilize Traffic Light Enforcement fines instead.

General Fund Balance

City Administrator Marrero said revenues have outpaced expenditures since FY 2011 and a surplus of \$1,006,806 is expected for FY 2019. City Administrator Marrero stated the City has been fortunate over the last several years to show a budget surplus. The FY 2017 budget ended with a \$508,715 surplus and a surplus of \$566,213 is estimated for FY 2018. The FY 2019 fund balance is estimated at \$8.2 million. The City's fund balance has increased by \$5.6 million since FY 2010. City Administrator Marrero noted a more thorough review of the City's cash reserves will take place at the next budget meeting on Wednesday, March 14, 2018.

Executive Management

Finance Consultant Haslett stated the Executive Management budget for FY 2019 is \$888,360, representing a 6.3% decrease from the FY 2018 estimate and \$85,000 less than the FY 2017 actual. Finance Consultant Haslett explained this decrease is due to lower salaries, benefits, and contractual services. Finance Consultant Haslett said there are no major changes for the FY 2019 budget. Finance Consultant Haslett discussed some of this year's highlights including:

1. welcoming eight (8) new business to town;
2. the updating of the City's Personnel Policies and Procedures Manual; and,
3. the receipt of \$21,700 in July 4th sponsorships.

Police

Police Chief Calvello stated the Police Department budget for FY 2019 is \$5,017,715, representing a 7.6% increase from the FY 2018 estimate.

Police Chief Calvello discussed some of the goals for the new year including:

1. Establish a high visibility and a strong presence within the community to deter crime.
2. Network with other local law enforcement agencies to obtain crucial information about the City.
3. Keep up with new technology and incorporate new technology when possible.
4. Continue to conduct active shooter training at local schools.

Police Chief Calvello discussed some of the current year accomplishments as detailed below.

1. Continues to receive compliments from residents regarding the visibility of police patrols in the neighborhoods.
2. Hosted the second annual National Night Out at the Police Station.
3. Raised \$2,500 for the Illinois Special Olympics through participating in the Cop-On-Top fundraiser at the Dunkin Donuts on Roosevelt Road.
4. "Run of the Month" awards were presented to several officers in recognition for their care of a person choking on food at a local restaurant.

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5. Approximately 17 illegal handguns and various controlled substances were removed from the street, which resulted in felony arrests.

Alderman Greco thanked Community Service Officer Caruso for her efforts at patrolling the City's schools. Alderman Greco noted her presence is very reassuring to all the school parents. Mayor Ragucci said the City's police officers know they are supported by the community.

City Administrator Marrero noted that unlike past years, the FY 2019 budget includes new personnel requests. City Administrator Marrero said the Council will discuss these requests in more detail during Executive Session and it is up to them if the personnel requests will remain in the budget. City Administrator Marrero said the Police Department budget includes an additional full-time Records Specialist for a total cost of \$80,043. Police Chief Calvello said this new position will cover the midnight shift and will hopefully reduce employee turnover. Police Chief Calvello explained that the FY 2019 part-time staffing line item has decreased by \$43,725 from the current year due to changing this position to full-time. Police Chief Calvello explained that currently part-time staff covers midnights and weekends. Police Chief Calvello said most part-time staffers eventually leave for full-time work. Alderman Greco said he supports changing the position to full-time and hopefully the employee who fills the position is there for a long time.

Building and Zoning

Building and Zoning Administrator Dragan stated the FY 2019 budget for Building and Zoning is \$542,081, representing an increase of \$9,307 or 1.7% from the FY 2018 estimate. Building and Zoning Administrator Dragan said this increase is primarily due to higher benefit costs. Building and Zoning Administrator Dragan said back in FY 2016 building permits were at their highest amount with \$379,181 collected and contractor registration fees were \$27,450. If the building permit for the La Quinta hotel remodel would have been issued then this year's revenue would have been on par with FY 2016. Building and Zoning Administrator Dragan said many projects are underway throughout the City including:

- Bella Bridesmaids;
- I Dream of Falafel;
- Office Depot;
- Beyond Shades;
- Dogtopia;
- Brooks Kitchen and Bar at the former Basta Pasta location;
- Burger King redevelopment will begin demolition soon; and,
- Stan's Donuts at Butterfield Point.

Building and Zoning Administrator Dragan said there are many other projects in the planning phase. Building and Zoning Administrator Dragan noted staff is busy working with an outside contractor to digitize archived records for Building and Zoning. City Administrator Marrero said beginning May 1, 2018 staff will digitize all new files submitted to the Building and Zoning Department. Alderman Greco said he

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hears many compliments from local builders on how helpful Building and Zoning Administrator Dragan is at assisting businesses. Vlach suggested that Building and Zoning Administrator Dragan receive a monthly car allowance due to her site visits. Mayor Ragucci said this will be further discussed during Executive Session. Mayor Ragucci said there is currently a proposal for a new mall between the mattress store and REI. Mayor Ragucci added that the developer would like to acquire two (2) residential properties along Orchard that are adjacent to this site. Mayor Ragucci said it is up to the residents if they wish to sell their property to the developer. Mayor Ragucci noted that two (2) new restaurants on Summit are in the planning stages.

Tourism

Finance Consultant Haslett stated the FY 2019 proposed Tourism budget is \$165,133, representing a \$4,763 decrease from the FY 2017 actual. Finance Consultant Haslett explained that the FY 2019 budget decreased due to lower DCVB membership fees resulting from a reduction in hotel taxes. Finance Consultant Haslett explained that hotel taxes are lower than prior year because of the closure of the La Quinta hotel back in August 2016. Finance Consultant Haslett said the Tourism budget includes the standard \$100,000 marketing line item for the City's hotels and a \$6,000 contribution towards the Oakbrook Terrace Historical Society. Alderman Greco asked that the marketing line item clearly state that the advertising fees are paid to the DuPage County Visitors Bureau (DCVB).

Police Commission

Finance Consultant Haslett stated the FY 2019 proposed Police Commission budget is \$16,135, which is the same amount as the current year budget. Finance Consultant Haslett said the budget is based upon the Commission's recommendations.

Finance

City Administrator Marrero said the Finance budget is \$448,051 and increased by 8.2% from the FY 2018 estimate. City Administrator Marrero said the increase is due to higher risk management and workers compensation insurance. City Administrator Marrero highlighted some of the FY 2018 accomplishments as detailed below.

1. Successful receipt of the Certificate of Achievement for Excellence in Financial Reporting for the FY 2017 CAFR.
2. Successful receipt of the Certificate of the Distinguished Budget Presentation Award for the FY 2018 Budget.
3. Activated a credit card terminal for the Police Department to improve customer service.
4. Initiated the 7.18 financial software upgrade, which offers many user enhancements.
5. Started accepting online payments through the State of Illinois's E-pay system.
6. Implemented a system to record the new traffic light enforcement camera transactions.
7. Began in-house completion of the mandatory IDOT MFT documentation saving the City professional engineering fees.

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City Administrator Marrero noted one of the goals for next year is to distribute a financial report to the Council similar to the other departments. Alderman Greco asked if staff could look into going paperless for the City Council agendas. City Administrator Marrero said there are several firms that provide digital agenda packets and the City's current financial software company offers an agenda module. Alderman Esposito suggested that the City's website be updated to include more recent photos. City Administrator Marrero indicated the website was last updated about five (5) years ago. City Administrator Marrero said the City's current website vendor offers different packages and staff will look into these suggestions soon.

Economic Development

City Administrator Marrero indicated the Economic Development budget is \$234,167 and includes the most recent economic development agreement with the new owners of the former Burger King site. The Redbox agreement terminated in August of 2016.

Traffic Light Enforcement

City Administrator Marrero said this department was established to segregate all the costs associated with the cameras. This budget includes the costs for personnel, benefits, and the vendor's fees to implement the two (2) traffic enforcement camera systems.

Motor Fuel Tax Fund

City Administrator Marrero said the Motor Fuel Tax budget is primarily comprised of snow plowing labor and salt costs. Marrero estimated a surplus of \$13,451 for FY 2019. Marrero added the ending fund balance for the FY 2019 budget is projected to be \$439,438 and some of this could be used to pay for the street resurfacing project planned for next year.

ADJOURN

The meeting was adjourned at 7:25P.M.

Submitted by,

Aileen Haslett
Recording Secretary