

**CITY OF OAKBROOK TERRACE
BUDGET MEETING OF THE CITY COUNCIL MINUTES
WEDNESDAY, MARCH 3, 2021**

I. CALL TO ORDER

Acting Mayor Esposito called the March 3, 2021, Budget Meeting of the City Council to order at 6:03P.M.

II. ROLL CALL

The following Aldermen were in attendance:

Present: Barbari, Beckwith, Greco, Rada, Vlach, and Acting Mayor Esposito
Absent: Przychodni

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

III. PROPOSED FY 2022 BUDGET DISCUSSIONS

City Administrator Marrero displayed a PowerPoint presentation detailing the FY 2022 proposed General Fund budget. The General Fund FY 2022 revenues are estimated at \$10.5 million, while expenditures are anticipated at \$10.3 million, ending with a balanced budget with a surplus of \$198,564. The FY 2022 surplus is considerably lower than prior years. The City has fared very well over the last eight years, with pretty significant surplus balances. The surplus balances grew considerably in FY 2018 and FY 2019 due to the new camera fines, but unfortunately, because of COVID, we are facing a deficit of \$1.27 million coming out of the current year 2021.

General Fund Revenues

FY 2021 revenues will be almost 22% less than last year. This decrease is due to the pandemic which has really affected the City's key revenues, specifically, sales tax, police fines, amusement taxes, and hotel taxes. FY 2022 revenues are expected to increase by \$1.6 million or 17.9%. We are hoping Sales, hotel, and amusement taxes will slightly rebound over the current year. Also, for FY 2022, City Administrator Marrero recommended a 4-cent fuel tax. The City has three (3) gas stations in town, and the tax is estimated to generate about \$150,000. This fuel tax is a very common tax throughout many communities, and the City really needs to focus on other revenue streams for the near future. City Administrator Marrero went on to discuss the City's main revenue sources and how they have been impacted by COVID.

General Fund Expenditures

City Administrator Marrero noted that while revenues are down for the current year, so are expenditures. This graph shows the General Fund expenditure history. The FY 2021 General Fund expenditures are estimated to be approximately \$216,000 or 2.1% less than

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last year's actual. FY 2022 expenditures are expected to increase by \$134,515 or 1.3% over the current year.

FY 2022 salaries are expected to increase by 1% from the current year. The City hopes to reinstate employee step increases and top of the range awards in FY 2022. Approximately 65% or \$6.7 million of the total \$10.3 in expenditures are related to salaries and benefits. Contractual services comprise 34% of the total budget at \$3.4 million. Commodities represent 1% of the total budget.

Revenues versus Expenditures

General Fund revenues have outpaced expenditures since FY 2013. In the current year, revenues are expected to dip below expenditures with a \$1.27 million dollar deficit. However, the FY 2022 proposed budget is balanced. City Administrator Marrero recommended a one-time \$1.2 million transfer from the Capital Improvement Fund to the General Fund in the current year to offset the estimated deficit. The FY 2022 General Fund budget is balanced without any transfers. Back in 2008, the City utilized reserves in the Capital Improvement Fund to help balance the General Fund budget during the recession.

City Administrator Marrero explained the current year deficit is due to several factors including: lower revenues resulting from the pandemic; COVID relief rebates for hotels and restaurants totaled \$248,744; Oakbrook Terrace Eats program totaled about \$41,000; the Stella May Swartz Playground Donation \$20,000; additional Oakbrook Terrace Historical Society contribution of \$7,000; and unexpected COVID-19 expenses totaled \$101,860.

The one-time transfer of \$1,271,451 from the Capital Improvement Fund to the General Fund to offset the projected deficit will keep the City's cash reserves at a high level. For FY 2022, the departments requested a total of \$10,638,805 leaving a small deficit of \$55,188. To off-set this deficit, City Administrator Marrero made some cuts that amounted to \$253,752. These cuts were attributable to some personnel changes in the coming year.

The City recently conducted a survey of nearby towns and found that of the 12 communities surveyed only two (2) operate a 24-hour Police Records Desk. City Administrator Marrero recommended the Police Desk be manned only during the week from 7AM to 11PM and be closed on the weekends. Through eliminating holiday and weekend shifts the City will save about \$58,000 in part-time salaries. This change was discussed with the Police Chief and the Mayor and they are both in agreement. Residents still requiring police assistance will be able to still walk into the Police Station vestibule and use the call box to contact 911 and a police officer will be dispatched.

With traffic enforcement fines down, the hours of the part-time camera reviewers will be reduced next year saving the City about \$20,000. Unfortunately, if the City's hotel and amusement taxes do not recover, the City will have no other option than to look at additional personnel changes.

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Executive Management

Assistant to the Mayor and Administrator Sarallo stated the FY 2022 Executive Management proposed budget is \$922,123, representing a decrease of 1.2% or \$10,729 less than the current year estimate. The Executive Management budget is standard from the current year and includes special event programming including the reinstated luminary program. The Executive Management budget also includes costs for social media, the website update, and FOP labor relations.

Police

Police Chief Calvello stated the FY 2022 Police proposed budget is \$5,710,134, representing an increase of \$153,551 or 2.8% from the FY 2021 estimate. The FY 2022 budget is a bare bones budget. Alderman Greco inquired about police officer body cameras. Police Chief Calvello replied body cameras are mandatory beginning on January 1, 2025. The Police Department plans to purchase the cameras in 2024.

Building and Zoning

Building and Zoning Administrator Dragan stated the proposed FY 2022 Building and Zoning budget is \$570,527. The FY 2022 budget includes higher professional services for the anticipated Robinette property redevelopment.

Streets

Public Services Director Ward noted the FY 2022 budget is \$587,636, representing an 8.5% decrease from the FY 2020 actual. This decrease is due to lower costs for benefits and contractual services. Public Services Director Ward noted the high level of service will remain unchanged and many of the maintenance tasks can be performed in-house. This winter, the Street Department experienced 20 snow call outs over a 30-day period. The City experienced about 40 inches of snow, which is the most snow in 40 years. Acting Mayor Esposito indicated tree care is needed and when residents can show a hardship, the City should step in to remove a damaged or dead tree. Public Services Director Ward noted ComEd continues to trim trees throughout the community.

Tourism

Financial Analyst Haslett stated the FY 2022 proposed budget is \$134,378. The FY 2022 budget includes: \$48,378 in DCVB membership fees, \$80,000 for hotel marketing, and a \$6,000 donation to the Oakbrook Terrace Historical Society. DCVB membership fees are down because of lower hotel taxes. Alderman Beckwith suggested if the City lowers the DCVB marketing line item, that possibly the Oakbrook Terrace Historical Society contribution could be increased. City Administrator Marrero noted the Village of Lombard implements a hotel grant program whereby each hotel justifies how they are going to spend the grant monies.

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Police Commission

Financial Analyst Haslett noted the FY 2022 Police Commission is \$19,399 and the Police Commission turn in their own budget. Police Commissioner Shanahan said new applicant testing will take place at Willowbrook High School in March. Sergeant promotion evaluations will take place this fall.

Finance

Finance Coordinator Haug said the FY 2022 Finance Department budget is \$583,907, representing an increase of 6.6% from the FY 2021 estimate. Contractual services which makes up the largest portion of this budget, is up 21% from FY 2021. This increase is mainly due to higher workers compensation insurance premiums. Some of the accomplishments made this year have been the continued receipt of the Distinguished Budget Presentation Award for FY 2021 and the Certificate of Achievement for Excellence in Financial Reporting for the FY 2019 CAFR.

Economic Development

Financial Analyst Haslett said the FY 2022 budget is \$274,167 and includes the economic incentive for Home Depot and the BP Amoco. The BP Amoco installed a new water main, and the City agreed to reimburse them up to \$238,000. The City will pay-off this economic incentive in FY 2022.

Traffic Light Enforcement

Financial Analyst Haslett noted the FY 2022 Traffic Enforcement budget is \$1,582,782 and the biggest expense is for camera monitoring, which represents about 40% of total camera fines. City Administrator Marrero noted the net camera fine revenue (after expenses) is a little over \$2 million.

Capital Improvement Fund

City Administrator Marrero stated Home Rule Sales taxes are the largest revenue source for the Capital Improvement Fund at \$1.5 million projected for FY 2022. Home rule sales taxes are expected to decrease by about 9.3% for the current year and are projected to increase by 1.9% in the new year. Infrastructure improvements at 67% represent the largest expense at \$903,563, while bond costs comprise 25%, and equipment and services at 8% of the budget. As with the current budget year, City Administrator Marrero recommended to place capital projects on hold for FY 2022. Capital purchases will be reinstated in the FY 2023 budget year.

City Administrator Marrero noted the fund balance in the Capital Improvement Fund is estimated to decrease by \$327,420 in FY 2021. This decrease is due to the one-time \$1,271,451 transfer to the General Fund to offset the estimated deficit. City Administrator Marrero noted in five (5) years in FY 2026, the fund balance of the Capital Improvement

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Fund is estimated to be restored to the reserve amounts experienced prior to the new Police Station and City Hall remodel at \$6.3 million.

Capital Improvement Plan

The Council discussed the capital improvements budgeted for FY 2022.

1. **Disconnect the Choice Hotel's former water main** from the Village of Oak Brook's water system - \$33,000. This project should be completed in May 2021.
2. **ETSB** - \$32,242 for the ongoing charge for the new DuPage County integrated justice system.
3. **In-squad video cameras** - \$19,351 maintenance agreement through FY 2024.
4. **Police Vehicle Equipment** - \$41,698 – additional lighting and emergency equipment for the three (3) new police squads.
5. **Streambank Stabilization Project** - \$903,563. Public Services Director Ward indicated he learned earlier in the day that the City will not be receiving an \$80,000 grant for the project from DuPage County. The State of Illinois awarded the City \$234,000 towards this project.

ADJOURN

The meeting was adjourned at 8:32P.M.

Submitted by,

Aileen Haslett
Recording Secretary