

**CITY OF OAKBROOK TERRACE
BUDGET MEETING OF THE CITY COUNCIL MINUTES
WEDNESDAY, MARCH 11, 2020**

I. CALL TO ORDER

Acting Mayor Acting Mayor Esposito called the March 11, 2020, Budget Meeting of the City Council to order at 6:00P.M.

II. ROLL CALL

The following Aldermen were in attendance:

Present: Barbari, Esposito, Greco, Przychodni, and Vlach

Absent: Rada

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

III. PROPOSED FY 2021 BUDGET DISCUSSIONS

Acting Mayor Esposito invited everyone to the second budget meeting and noted the General Fund department budget will be discussed, followed by the Water Fund, and then any follow-up from the last meeting. City Administrator Marrero said the last meeting was more in regards to General Fund revenues and balancing the General Fund. Tonight's meeting the individual General Fund department budgets will be discussed.

Executive Management

Financial Analyst Haslett stated the FY 2021 Executive Management proposed budget is \$964,747, representing a decrease of about \$21,582 or 2% less than the current year budget. The Executive Management budget is standard from the current year and includes special programming for July Fourth, Children's Holiday Party, Fall Fest, and Spring Egg and Kite Fly. This year's budget also includes a \$1,000 donation for the parade. The labor relations line item increased due to the upcoming police union negotiations.

Police

Police Chief Calvello stated the FY 2021 proposed budget is \$5,747,319, representing an increase of \$63,045 or 1% from the FY 2020 budget. Other personnel benefits increased by \$114,876 or 5% from the FY 2020 budget due to higher police pension costs. Acting Mayor Esposito indicated overtime costs decreased significantly. Police Chief Calvello explained the decrease is due to replacing a police officer and adding a new police officer position. Alderman Greco said he always like to see more training and asked if this is something the Police Department discusses. Police Chief Calvello indicated he always like to see more money for training. Police Chief Calvello noted each year they ask Sergeants for any new ideas on training and they really do not receive a lot of responses so it appears that staff is happy with the existing training program. Deputy Police Chief Clark noted the Police Department is mandated by the State of Illinois to cover a wide variety of training. Alderman Przychodni asked what the DuComm charge was for. Police Chief Calvello said this is for the dispatch center.

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Alderman Greco inquired about the MERIT hierarchy and what they do. Police Chief Calvello said the MERIT program is an insurance policy and with one call-out for an accident the City gets their money's worth. Acting Mayor Esposito said for the amount of resources that are collectively pulled together and if something ever happened it would pay for itself. Deputy Police Chief Clark indicated it is an insurance policy that you are glad you have but you hope you do not have to use. Deputy Police Chief Clark explained the MERIT dues are spent on training equipment, software licensing, and advanced crime fighting technology that is available for use by the City.

The Council followed up on the proposed drones discussion from the last meeting. The proposed drone with training is estimated to cost about \$14,200. Discussion ensued regarding the proposed drone. The Council concurred to approve the purchase of the drones as part of the FY 2021 Capital Improvement Fund.

Building and Zoning

Building and Zoning Administrator Dragan stated the proposed FY 2021 Building and Zoning budget is \$562,274 and decreased by approximately \$10,000 or 1.7% from the FY 2020 budget. This decrease is due to lower contractual services. Building and Zoning Administrator Dragan provided an overview of the Building and Zoning Department's responsibilities. From January 1, 2019 through December 31, 2019, 350 building permits were issued totaling approximately \$22 million in construction costs and represented about \$219,000 in revenue. These included new commercial tenant build-outs, existing tenant alterations, new and renovated medical offices, new retail, restaurants, and site development work at Midwest Office Center. The City also collected \$27,000 in public hearing fees, \$22,500 in contractor registration fees, and \$3,500 in certificate of occupancy fees for new businesses. Dragan noted there are currently 46 rental homes. Dragan noted the FY 2021 is very similar to the current year budget. Alderman Greco suggested that once a year there should be a Planning and Zoning Commission meeting to review the prior year activities and discuss where they are going for the next year. Acting Mayor Esposito suggested the code enforcement officers provide a quarterly update on how the rental property program is going. Dragan said we can definitely do this and suggested beginning this process in July. Acting Mayor Esposito said the City has made huge progress in this area.

Streets

Public Services Director Ward noted the FY 2021 budget is \$623,978, representing a 6.5% or \$43,566 decrease from the current year estimate. Public Services Director Ward explained the decrease is due to lower wages, benefits, training and conferences, street repair materials, and telephone services. There has been 19 snow event callouts for this winter season. The gazebo at Kreml Park was reconstructed by staff. The decorative point at Elm Place and MacArthur was remodeled. Public Services Director Ward met with residents in the area and incorporated their suggestions into the decorative point improvements. Public Services Director Ward said he hopes to do more decorative point overhauls this upcoming year as well. City Administrator Marrero noted the City is now paying for maintenance on two traffic signals. The City has been paying for the traffic light maintenance at Butterfield and MacArthur for many years and now IDOT is billing us for

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the traffic light along Roosevelt at the entrance to Pete's just west of Summit. There is an additional \$5,400 in the Street budget to cover the new maintenance charges.

Tourism

Financial Analyst Haslett stated the FY 2021 proposed budget is \$167,163 representing a \$3,333 increase over the current year due to higher DCVB membership fees resulting from the new Choice Hotel. The FY 2021 budget includes \$100,000 for the hotel marketing and the \$6,000 donation to the Oakbrook Terrace Historical Society.

Police Commission

City Administrator Marrero noted the FY 2021 Police Commission is \$19,399 and the Police Commission turn in their own budget. City Administrator Marrero asked Police Commissioner Shanahan to speak on behalf of the budget. Police Commissioner Shanahan noted the FY 2021 budget includes testing costs for background checks, polygraph, psychological evaluations, and medical exams.

Finance

Finance Coordinator Haug said the FY 2021 Finance Department budget is \$541,521, representing an increase of 12.9% from the FY 2020 budget. Contractual services which makes up the largest portion of this budget at 65%, is up 24% from FY 2020. This increase is mainly due to higher risk management and workers compensation insurance premiums. Some of the accomplishments made this year have been the continued receipt of the Distinguished Budget Presentation Award for FY 2020 and the Certificate of Achievement for Excellence in Financial Reporting for the FY 2018 CAFR.

Economic Development

City Administrator Marrero noted the Economic Development budget at \$332,000 is up by .6%. The Home Depot reimbursable is budgeted at \$193,000 and this agreement will expire in July of 2022, which will free up some money for the General Fund. SIRVA has yet to remit any receipts under their economic development agreement. The City reaches out every year to SIRVA with a reminder letter regarding the agreement. The BP Amoco reimbursable is budgeted at \$130,000. City Administrator Marrero said the location is doing really well. Haslett estimated the City will pay-off this agreement in three (3) years rather than 10 years.

Traffic Light Enforcement

City Administrator Marrero noted the Traffic Enforcement budget includes two (2) months of revenues and two (2) months of expenditures, assuming that the cameras will be gone by June 30.

Water Fund

City Administrator Marrero provided an overview of the Water Fund and said Public Services Director Ward will be discussing his specific expenditures. Total water revenues are up 5.6% for FY 2021. The biggest revenue generator is the sales of water, which is estimated to be 5.8% higher than the current year with the new BP Amoco and the new Choice Hotel. City Administrator Marrero presented a table detailing the comparable

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communities water rates and fixed monthly charges. The City currently charges \$9.97 per 1,000 gallons of water.

Marrero explained that a Water Fund is an enterprise fund. An enterprise fund is a fund that is established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods and services to the general public is financed or recovered through user charges. City Administrator Marrero noted adding new customers is best for our Water system. Public Services Director Ward said it is very important when a new development comes here to force them to use our water. Marrero noted FY 2021 Water expenditures at \$1,426,369 decreased by 22% from the current year. Contractual services comprise 51% of the budget and DuPage Water Commission charges at \$545,000 make up 75% of this. City Administrator Marrero noted for FY 2021 the Water Fund will most likely experience a loss of \$20,769.

Public Services Director Ward noted the Water Department accounted for 98% of the water pumped under the newly implemented M-36 AWWA Audit. Another consecutive year of not having a sample test positive for coliform and bacteria, making it 19 straight years of not having a sample test positive for either. The Water Distribution budget includes \$33,000 to disconnect the former water main at the Choice Hotel from the Village of Oak Brook. Public Services Director Ward hopes to have the project done by May or June but it takes a while to get the DuPage County permits. Public Services Director Ward said there were not any notable increases in the FY 2021 Water Operations and Maintenance budget outside of the DuPage Water Commission purchase of water. Public Services Director Ward explained if we are pumping more water for our customers than we are buying more water from the DuPage Water Commission.

Open Items from Last Week's Budget Meeting

City Administrator Marrero said right now the City has about a \$271,000 surplus in the General Fund. City Administrator Marrero said she will be meeting with the Mayor and Hawthorne Race Track next week to get a little more information on what is going with the sports betting. City Administrator Marrero recommended the City impose a 1% sports betting wagering tax and said we do not have any estimates on this because it is too new. City Administrator Marrero asked for Council input on a sports betting wagering tax. Discussion ensued regarding the sports wagering tax and the Council concurred to impose a 1% sports wagering tax.

City Administrator Marrero indicated that when Dr. Jake Chung, Superintendent of the Salt Creek School District 48, presented information about the Swartz School Playground to the Council he said that the playground donation was secured and he asked for \$20,000 donation so they could add-on to the playground. Marrero said she would be happy with a \$7,000 to \$10,000 donation. City Administrator Marrero asked for Council input on what donation they want to make to Swartz School. Vlach said he would go along with a \$5,000 donation. Acting Mayor Esposito said in good faith of the City he would like to donate \$20,000. Acting Mayor Esposito said a lot of the neighborhood kids use the park. Alderman Greco said he appreciated Acting Mayor Esposito's comments and said he would be in

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favor of this as well. Przychodni said he would have been good with a \$10,000 donation, but he will go along with the majority on this. The Council concurred to donate \$20,000.

City Administrator Marrero noted with the \$20,000 playground donation, this will drop the surplus down by \$20,000 and the City still has upcoming police union negotiations and we do not know which way it will go. City Administrator Marrero said the team is going to their best for the City and the officers. City Administrator Marrero noted the FY 2021 budget does not include a cost of living adjustment (COLA). City Administrator Marrero said COLA discussions are typically one of the last things done as part of the budget and usually the Council meets in Executive Session for this matter.

Alderman Greco said all the departments did a great job. Acting Mayor Esposito commended staff on putting together the budget.

ADJOURN

The meeting was adjourned at 7:21P.M.

Submitted by,

Aileen Haslett
Recording Secretary