

**CITY OF OAKBROOK TERRACE
BUDGET MEETING OF THE CITY COUNCIL MINUTES
WEDNESDAY, MARCH 8, 2023**

I. CALL TO ORDER

Mayor Esposito called the March 8, 2023, Budget Meeting of the City Council to order at 6:00 P.M.

II. ROLL CALL

The following Aldermen were in attendance:

Present: Barbari, Beckwith, Fitzgerald, Greco, Rada, Vlach, and Mayor Esposito
Absent: None

Also in attendance were City Administrator J. Ritz, Assistant to the City Administrator A. Raffel, Finance Director M. Hoffman, Finance Coordinator Jen Haug, Public Services Director C. Ward, Police Chief C. Calvello, Deputy Police Chief D. Clark, and Community Development Director M. Headley.

III. PROPOSED FY 23-24 GENERAL FUND

City Administrator Ritz welcomed everyone to the FY 23-24 Budget season and began the meeting with a General Fund overview. City Administrator Ritz stated that during the budget process, they took a long-term strategic planning focus to concentrate on the best economic and financial interests of the City while placing a high priority on our capital improvement funding. He stated that this approach was to provide the best and most quality services to our residents, businesses, and visitors.

The FY 23-24 General Fund has total revenues of approximately \$13.6 million, with projected expenditures at approximately \$10.7 million. The proposed budget is balanced by having a surplus of approximately \$3 million. City Administrator Ritz stated that Finance Director Hoffman will provide an overview of the Executive Administration, Public Safety, Community Development, Economic Development, Public Services, Streets Division, Tourism, and Police Commission funding as proposed.

General Fund Revenues

City Administrator Ritz stated that the Sales Tax for Oakbrook Terrace is 28% higher than budgeted, and our Income Tax revenues are about 27% over budget. The Hotel Tax is coming in 45% higher than budgeted, but our Traffic Light Enforcement Fines are 40% below budgeted expectations. City Administrator Ritz explained that some funds are down due to the Employee Retirement Incentive (ERI) that was previously offered while others have a surplus due to some city personnel changes. City Administrator Ritz stated that the overperformance of specific taxes is bringing the City of Oakbrook Terrace budget back to pre-pandemic levels. Overall, estimated revenues are around \$11.4 million.

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General Fund Expenditures

City Administrator Ritz explained that General Fund Expenditures are around \$11.1 million, but the estimates are projecting around \$9.7 million. This is due to Traffic Enforcement expenditures still being down along with some savings in several departments due to the Illinois Municipal Retirement Fund (IMRF) ERI buyouts and budget cuts in the police department due to reorganization.

Revenues versus Expenditures

City Administrator Ritz described how the General Fund revenues had outpaced the expenditures since FY 2014, except for the COVID pandemic year FY2021. Currently, fiscal year revenues are starting to rise with expenditures having an estimated surplus of \$1.7 million.

Balancing the General Fund

Finance Director Hoffman explained that the overperformance of Sales Tax revenues, City Income Tax and Hotel Taxes have assisted with creating a healthy surplus in the General Fund. He also stated that with Red Light Cameras back online and performing well they have added to our revenue surplus. Alderman Rada and Alderman Beckwith then directed some questions regarding the surplus of funds.

Executive Management

Finance Director Hoffman stated that the proposed administrative budget for fiscal year 2024 is \$1,116,000, which is a slight decrease versus the 2023 estimate. This decrease is due to payroll cost savings and a reallocation of labor costs with one of the administrative positions. Finance Director Hoffman stated that we are looking to add a City Media-Special Events Coordinator to work on the Terrace Leaves, weekly E-News, social media sites, and to handle city special events, which will save on costs. Any additional expenses are due to the codification software provider, training, and with labor relations.

Police

Finance Director Hoffman stated that the proposed Police Department budget is \$5,825,527, a slight decrease from the estimated budget. The police department is looking to add one more Detective to the unit, a Police Services Technician, and to supplementing Police Pension funding. Police Chief Calvello explained his reasons for hiring a Service Technician and camera upgrades in order to assist and enhance the department's daily operations.

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Community Development

Finance Director Hoffman stated that Community Development is proposing a budget of \$541,000, which is a slight decrease from FY23 due to the reduction in personnel. This is primarily due to a full-time position being converted to a part-time position. Community Development Director Headley discussed additional training she proposes for herself and her staff. She is also looking into upgrading the current software system to assist the department with creating permits, storing data on parcels, inspections, and providing analytical data.

Streets

Finance Director Hoffman explained that the proposed budget for Public Services Streets is \$668,142, an increase from the FY23 estimate. The increase is attributed to hiring a new part-time maintenance worker and to hiring seasonal help. Public Service Director Ward explained the cost increases that includes traffic signal maintenance, rise in fuel costs, increase in salt prices, and adding a 600-ton storage site.

Tourism

Finance Director Hoffman stated that the Tourism Budget did increase by \$102,000 over the FY23 Budget. The projected funding increase included the DuPage Convention and Visitors Bureau (DCVB) Marketing Campaign along with new sponsorship programs and Membership Association Fees.

Finance

Finance Director Hoffman stated that the Finance Department is proposing a budget of \$960,000 which is an increase of \$140,000 over the FY23 estimate. This is due to the hiring of a new Finance Director including employee insurance and benefit packages, estimated costs for training and attending seminars for the finance staff. Finance Director Hoffman pointed out the shift in wage funds for the part-time assistant that allocated half of the wages in the water department due to the nature of their work.

Economic Development

Financial Director Hoffman explained that this account has little activity associated with it, only the Home Depot Sales Reimbursable Agreement, which began in 2002. This agreement is to end, which gives the City of Oakbrook Terrace a savings of \$200,000 a year. The City Council then recommended to keep allocating the amount to the account for any future economic development use.

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Traffic Light Enforcement

Finance Director Hoffman kept the proposed budget roughly the same due to a projected return to regular revenues. He explained that service and collections fees could vary slightly, but salaries remain consistent with four part-time reviewers.

ADJOURN

The meeting was adjourned at 7:50 P.M.

Respectfully submitted by,

Amy Raffel
Recording Secretary