

**CITY OF OAKBROOK TERRACE
BUDGET MEETING OF THE CITY COUNCIL MINUTES
WEDNESDAY, MARCH 15, 2023**

I. CALL TO ORDER

Mayor Esposito called the March 15, 2023, Budget Meeting of the City Council to order at 6:05 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, Public Services Director C. Ward, Police Chief C. Calvello, and Deputy Police Chief D. Clark.

III. PROPOSED FY23-24 BUDGET DISCUSSIONS

City Administrator Ritz welcomed everyone to the second FY 2024 proposed budget meeting. City Administrator Ritz noted during tonight's meeting that the Water Fund, SSA Debt Service, Motor Fuel Tax Fund, the Business District Fund, and the Capital Improvement Fund budgets will be discussed. City Administrator Ritz stated that the presentation would prioritize the Capital Improvement Fund to provide the City departments with first-rate equipment and resources in order to provide quality and efficient services to our residents.

Capital Improvement Fund

City Administrator Ritz emphasized that our most significant revenue source is our Home Rule Sales Tax, which has consistently climbed over the years. Finance Director Hoffman explained that in 2022, the City of Oakbrook Terrace saw a big jump in revenue that should continue through 2023 and 2024. This increase in 2024 includes a 2% inflationary increase and a reallocation of the Business District Home Rule Sales Tax to the tune of around \$120,000 and the reallocation of Home Rule Sales Tax. Finance Director Hoffman provided a breakdown of the Capital Improvement Fund by function and the 3% inflationary growth rate for the coming years.

CIP Plan

Public Services Director Ward discussed the proposed projects for his budget, including the Water Tank Exterior Overcoating, the replacement of the Water SCADA System in FY24-25, the replacement of the W-3 2001 Chevrolet Pick-up truck, and the Curb and Gutter Project. Public Services Director Ward asked City Council to invest in a mobile generator to utilize for special events taking place, and onsite power generation needs. Lastly, Public Services Director Ward discussed that the Storm Sewer Replacement Project on Halsey and Stillwell Road is in disrepair and needs replacing.

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Police Chief Calvello then proposed the following for the police department; replacement of NetRMS with the ETSB (Web RMS) system, recommended a five(5) year in-squad video camera maintenance agreement, the purchase of Flock Automated License Plate Reader Cameras, Body-worn camera maintenance agreements, Milestone video server replacement, and replacement of Squads #4, #5, and #7. Police Chief Calvello also requested to purchase a Utility Vehicle to use for special event patrols and to use for transport of city staff, citizens, and equipment, and also to increase community relations initiatives.

Public Services Director Ward then reported to City Council that the City's fleet is aging. He further advised that the Public Services Director's vehicle needs to be replaced and they would like to repurpose it for Code Enforcement, and that Car #10 a 2008 Chevy Impala needs to be replaced along with the T-1 2003 Ford F-350. He also recommended that Vehicle #A-2, a 2011 Ford Taurus needs to be replaced along with the possible purchase of golf carts for the 4th of July and Concerts in the Park events.

Public Services Director Ward discussed the Streambank Stabilization Project and the City's cost for FY23-24 and future expenses. He stated that the Irrigation System Install for the Municipal Complex has been put off year after year and should be installed soon. Kreml Park Enhancement and Fountain replacement were discussed between staff and City Council but pushed for FY24-25.

Water Fund

Finance Director Hoffman gave an overview of the Water Fund Revenue. Over time it has remained relatively flat except for a dip in 2021 due to COVID and has yet to recover from that. He stated that we budgeted \$1.2 million, which is essentially flat from last year, but there is a slight increase due to a projected increase in utility taxes of 1.67%. It was further explained that water sales equal roughly 65% of total revenue, with 29% from utility tax.

Finance Director Hoffman then stated that \$1.2 million was also budgeted for expenses, which is due to the delayed Water Tower Project and adding the Utility Billing Clerk's wages into this account. It was further explained that we have a couple years left to pay off the bond in 2026.

SSA Debt Service

Finance Director Hoffman stated that the SSA Debt Service is due to properties having private wells, connecting them to our water system, and needing to pay for the construction. The City has levied the property tax each year for the bond cost.

Motor Fuel Tax Fund

Finance Director Hoffman stated that the revenue budget for the Motor Fuel Tax Fund is \$116,000, and we will expel \$290,000. Most expenses come from the Curb and Gutter

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Project from the Motor Fuel Tax Fund. The reason for this is due to building up the account and having a healthy fund balance.

Business District

Finance Director Hoffman stated that the Business District account will change the most. The reason is that Bond Series 2012B became callable and will be paid off this April. Once that bond is paid off, we will have the 2021 Bond Series left, which we could reallocate the sales tax currently going into the business district funds back into the general fund. The City can also reallocate the Home Rule Sales Tax back into the Capitol Improvement Fund and use the remaining Business District Tax and surplus fund balance to cover the cost of the remaining bond. Currently, the fund balance is around \$713,000 and as we go through the life of the Bond Series, the fund balance will gradually decrease roughly in or around 2030, which is when the bond matures. Finance Director Hoffman related at that time, we should have a balance of \$270,000, which the Business District can be dissolved. The Business District Bonds do become callable in December 2028.

Police Commission

Finance Director Hoffman stated that this budget stayed the same as last year. Expenditures are steady at \$25,000 due to two rounds of testing instead of one for establishing a new police officer eligibility list.

Budget Wrap-up

Finance Director Hoffman stated he would send the corrective sheets and a memo with the timeline details regarding the next steps.

Mayor Esposito asked if the council had any questions. Council thanked the staff for the hard work and transparency of the budget and presentation.

ADJOURN

The meeting was adjourned at 8:30 P.M.

Respectfully submitted by,

Amy Raffel
Recording Secretary