

**CITY OF OAKBROOK TERRACE
MINUTES OF THE REGULAR CITY COUNCIL AND
COMMITTEE OF THE WHOLE MEETING
TUESDAY, NOVEMBER 12, 2019**

I. CALL TO ORDER

Mayor Ragucci called the November 12, 2019, Regular and Committee of the Whole Meeting of the City Council to order at 7:00P.M.

II. ROLL CALL

Roll call indicated the following Council members were in attendance:

Present: Barbari, Esposito, Greco, Przychodni, Rada, Vlach, and Mayor Ragucci

Absent: None

Also, in attendance were City Clerk M. Shadley, City Administrator A. Marrero, and Assistant to the Mayor and City Administrator M. Sarallo, Finance Coordinator J. Haug, and City Attorney R. Ramello.

III. PLEDGE OF ALLEGIANCE

The Mayor led everyone in the Pledge of Allegiance.

IV. ADDITIONS OR DELETIONS TO THE AGENDA

None.

V. APPROVAL OF MINUTES – CHANGES OR CORRECTIONS

1. Regular Meeting Minutes of October 22, 2019

Motion to approve the minutes of the October 22, 2019 Regular City Council and Committee of the Whole as presented was made by Alderman Barbari and seconded by Alderman Vlach.

Ayes: Barbari, Esposito, Greco, Przychodni, Rada, and Vlach

Nays: None

Motion passed.

VI. PUBLIC PARTICIPATION

None.

VII. ACTION ITEMS/CONSENT AGENDA

1. Payment of City Bills: November 12, 2019 In The Amount Of \$898,556.54

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2. Approval Of Road Salt Purchase With The Illinois Department Of Central Management Services Joint Purchasing Program For 400 Tons Of Road Salt At \$94.63 per Ton (\$37,852.00) For The 2019-2020 Winter Season.

Motion to approve all the items contained on the Consent Agenda as presented for November 12, 2019 was made by Alderman Rada and seconded by Alderman Esposito.

**Ayes: Barbari, Esposito, Greco, Przychodni, Rada, and Vlach
Nays: None**

Motion passed.

VIII. ITEMS REMOVED FROM THE CONSENT AGENDA

None.

IX. RECESS TO THE COMMITTEE OF THE WHOLE

Motion to recess to the Committee of the Whole portion of this meeting was made by Alderman Vlach and seconded by Alderman Greco.

**Ayes: Barbari, Esposito, Greco, Przychodni, Rada, and Vlach
Nays: None**

Motion passed.

X. MAYOR RAGUCCI

None.

XI. COMMITTEE OF THE WHOLE CONSIDERATIONS

1. Presentation by Foster & Foster for the Actuarial Valuation For FY 2019.

The City's actuary, Jason Franken, of Foster and Foster thanked the Council for their business and went on to highlight the May 1, 2019 actuarial valuation report. Overall the experience for the Police Pension has been really good with the investments exceeding or equaling the interest rate assumption rate of 6.5% for the last three (3) years. This year's actuarial required contribution of nearly \$1.5 million increased by \$113,379 over last year due to the new mortality table adopted, which is intended for public safety employees. Franken said the good news is that police officers are living longer.

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The City continues to pay-down the unfunded liability and there should be no assumptions changes going forward. The funded ratio continues to hover around 52% due to the switch to the new public safety mortality table. Franken noted the City Council should be very proud that the City's police pension fund is in much better shape than it was eight (8) years ago due to the sound funding policy and much more realistic assumptions. Franken projected going forward the unfunded liability will decrease.

Alderman Rada asked how the City's funded ratio 52% compares to other municipalities. Franken responded that the average funded ratio is 55%, but this funded ratio does not tell the entire story. Franken noted the City's funding policy is not back loaded and is way ahead of other communities, which will result in significant dividends over time. Alderman Rada asked about the impact of Governor Pritzker's recent pension proposal on the City's pension plan. Franken explained under the Governor's proposal, most of the pension work will be completed at the State level and all police investments throughout the State will be pooled. There will be some efficiencies with lower professional services fees paid to investment managers and actuaries. The State is looking to model the pension plan after IMRF. Franken expressed concern that the proposed plan does not resolve the unfunded liability issue that exists in most plans and potentially municipalities could be funding their plans at lower levels. Alderman Esposito inquired as to the life expectancy that the mortality table is built upon. Franken replied the average life expectancy for a 50 year old man is 84 years and 87 years for a 50 year old woman.

City Administrator Marrero inquired about the payroll growth assumption used on page 14. Franken replied payments are designed to increase by 3% per year. Franken explained that given there is a 15-year amortization period, it is still a reasonable assumption. The City's payments are sufficient and are covering about \$300,000 more than the accumulated interest. Franken noted this is not something that needs to be lowered from an actuarial perspective. City Administrator Marrero asked if any municipalities are moving to a 30-year open approach. Franken replied no and would not recommend it because in order for a funding policy to be sound it cannot be any more than 15 years. Franken noted the City is further ahead than most municipalities because the City is already at the 15-year point.

Mayor Ragucci thanked Franken for preparing the actuarial report.

2. Renewal of Property, Casualty and Workers Compensation Insurance.

Assistant to the Mayor and Administrator Sarallo indicated Assurance provided quotes for the renewal of the property, casualty, and workers compensation insurance. The casualty insurance renewal increased slightly from the current year pricing, while the workers compensation increase was higher than expected. Workers compensation increased by about \$40,000 over the current year because the underwriters reviewed claims over the last five (5) years. Every other year the City has had excessive workers comp claims. Illinois Public Risk Fund (IPRF) provides workers compensation coverage

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to the City along with many other municipalities. Overall staff is happy with the service provided by both the property and workers compensation companies. Once again IPRF is offering a safety grant in the amount of \$8,200 which will offset some of the increase. The current year grant in the amount of \$7,554 was used to pay for a portion of the new in-squad laptops.

Alderman Greco asked for clarification on the other insurance quotes. Anthony Way, of Assurance, commented that the other pricing was not competitive with the IPRF renewal quote. The City's five (5) year history shows that we are operating at a 100% loss ratio, which is really driving the increase. Way noted payroll growth of 5.5% also factors into the increase. Alderman Esposito said based upon the City's cycle and trend, he doesn't know if the insurance charges could be improved. Way noted over the last five (5) years the City had 10 claims that accounted for about \$1.1 million. Assistant to the Mayor and Administrator Sarallo noted staff is currently working on a safety program, which will help with part of the cost. Mayor Ragucci thanked staff and Way for putting together this proposal.

The Council concurred to place this on the next consent agenda.

3. 2019 Property Tax Levy Determination/Police Pension Municipal Compliance Report.

Jen Haug, Finance Coordinator, referenced her memorandum and stated the proposed tax levy for 2019 is \$1,025,578. This year's tax levy was calculated using last year's extended levy multiplied by the Consumer Price Index (CPI) of 1.9%, and capturing the estimated assessed value of new construction. This year's actuarial required contribution for the Police Pension is \$1,494,254. Under the locally imposed Tax Cap, the City can only levy \$1,027,578 so the difference between the proposed levy and the actuarial required contribution in the amount of \$466,676 will be funded through General Fund reserves. Beginning in 2016, State law requires the full funding of the actuary's recommendation or the City could face reductions in state shared taxes. City Administrator Marrero noted by law the City is required to fund the \$1,494,254 contribution and the difference between the levy and contribution will be paid for by General Fund reserves. Mayor Ragucci thanked staff for preparing the levy report.

The Council concurred to place this on the December 10, 2019 agenda.

4. Status Report Payout Number One (1): Orange Crush, LLC.

Mayor Ragucci said the payout in the amount of \$675,716.85 is due to Orange Crush for the second phase of the street resurfacing project.

The Council concurred to place this on the next consent agenda.

XII. COUNCIL MEMBER COMMENTS

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Alderman Esposito recognized the Oakbrook Terrace Historical Society and said that the John Dispensa III presentation on November 11, 2019 was great with about 70 people in attendance. Alderman Greco echoed Esposito's comments and said it was nice to see so many residents in attendance at the Council Chambers. Alderman Vlach commended Public Services Director Ward and the rest of his staff on their recent snow removal efforts. Alderman Rada said the Luther Avenue easements are currently being reviewed by the City Attorney and Berkshire subdivision appreciated the City's assistance on this matter. Mayor Ragucci welcomed Cynthia Thomas, ComEd External Affairs Manager, to the meeting.

XIII. CITY ATTORNEY RAMELLO

None.

XIV. CITY CLERK SHADLEY

None.

XV. CITY ADMINISTRATOR A. MARRERO

None.

XVI. RECONVENE THE CITY COUNCIL MEETING

Motion to reconvene the City Council meeting was made by Alderman Esposito and seconded by Alderman Greco.

**Ayes: Barbari, Esposito, Greco, Przychodni, Rada, and Vlach
Nays: None**

Motion passed.

XVII. OLD BUSINESS

1. Ordinance No. 19-53: An Ordinance Amending Chapters 154 Entitled "Fees And Deposits" And 156 Entitled "The Zoning Ordinance Of The City Of Oakbrook Terrace" Of Title XV Entitled "Land Usage" Of The Code Of Oakbrook Terrace, Illinois, Regarding Cannabis Business Establishments.

Alderman Greco inquired if the aesthetics suggestions from the last meeting were incorporated into this proposed ordinance. City Attorney replied yes on page 78.

Motion To Approve Ordinance No. 19-53: An Ordinance Amending Chapters 154 Entitled "Fees And Deposits" And 156 Entitled "The Zoning Ordinance Of The City

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Of Oakbrook Terrace” Of Title XV Entitled “Land Usage” Of The Code Of Oakbrook Terrace, Illinois, Regarding Cannabis Business Establishments was made by Alderman Przychodni and seconded by Alderman Greco.

**Ayes: Barbari, Esposito, Greco, Przychodni, and Rada
Nays: Vlach**

Motion passed.

ADJOURN

Motion to adjourn was made by Alderman Rada and seconded by Alderman Barbari at 7:41PM.

Motion carried unanimously.

Submitted,

Aileen Haslett, Recording Secretary