



# WHEATON CITY COUNCIL BUDGET WORKSHOP SESSION MINUTES

MAYOR MICHAEL J. GRESK

COUNCILMAN MICHAEL BARBIER | COUNCILWOMAN SUZANNE FITCH | COUNCILMAN JOHN PRENDIVILLE  
COUNCILMAN JOHN RUTLEDGE | COUNCILMAN TODD SCALZO | COUNCILMAN PHILIP SUESS

WHEATON CITY HALL, COUNCIL CHAMBERS, 303 W WESLEY STREET, WHEATON, ILLINOIS 60187

Monday, November 12, 2018 – 7:00 p.m.

Those attending the Nov. 12, 2018 City Council Budget Workshop Session included Mayor Gresk, Councilman Barbier, Councilwoman Fitch, Councilman Prendiville, Councilman Rutledge, Councilman Scalzo and Councilman Suess. Also in attendance were City Manager Dzugan, Assistant City Manager Duguay, Library Director Adamowski, Director of Planning & Economic Development Kozik, Director of Building & Code Enforcement Kreidl, Director of Finance Lehnhardt, Director of Engineering Redman, Facilities Manager Schefske, Director of Human Resources Schulz, Public Information Officer Thrower, Senior Project Engineer Lagvankar and Public Relations Coordinator Bishel. The meeting began at 7:00 p.m. and concluded at 9:36 p.m.

## I. Review of Calendar Year 2019 Draft Budget

### a. Library

Library Board Chair Christine Fenne reviewed the library's sources of revenue, including the City's distribution, plus funding from the Friends of the Wheaton Public Library, federal grant money, fees and fines. She stated the library's revenues for the 2019 budget total approximately \$4.3 million, with expenditures at approximately \$4.4 million. The difference between expenditures and revenues is a planned spending down of the library general fund. Library Board Chair Fenne highlighted some of the events and programs offered by the library in the past year, including a speaker for the United States Golf Association, the first Maker Day, and the Business Resource Center.

Library Director Betsy Adamowski reviewed the input received through the library's community analysis project. The top three topics or concerns the library received through the survey were:

- 1) Residents want more copies of books available because wait times for books are too long,
- 2) Residents want the library to be open Friday nights and Sundays year-round, and
- 3) Residents want transparency on how to use the library's e-resources.

Library Director Adamowski reviewed the library's strategic goals moving forward, including:

- 1) Expand strategic communications
- 2) Increase public awareness of library resources
- 3) Increase effectiveness of the library as an organization
- 4) Enhance library user experience
- 5) Communicate the library's value.

Library Board Treasurer Ray Sanguinetti reviewed the average spending per resident for the library compared to neighboring communities, which shows the Wheaton Public Library is spending less per resident in its materials collection. He stated the library is also analyzing the cost of staying open on Friday nights and Sundays between Memorial Day and Labor Day, which the board estimates would be approximately \$165,500. Library Board Treasurer Sanguinetti also highlighted the partnerships the library has made with local businesses and organizations

In response to Council questions, Library Director Adamowski stated the library is looking to address the community analysis responses in the 2020 budget, as they will be completing a capital

analysis. Some Council members expressed support for the library remaining open on Friday nights and Sundays, and Library Director Adamowski stated she will provide the Council with data on the library's Sunday utilization.

To answer Council questions, Library Director Adamowski stated non-residents pay the same for a library membership as a taxpayer pays, based on a state-mandated formula. She stated Wheaton College students receive a library card for free, but the library could look at charging a fee. She stated the library's café received very positive feedback from residents who took the survey.

**b. DuPage Convention and Visitors Bureau**

City Manager Dzugan stated the City this year joined the DuPage Convention & Visitors Bureau on a trial basis. The \$10,000 per year cost of membership is included in the Economic Development Department portion of the proposed budget. The Downtown Wheaton Association and Wheaton Chamber recommend the City continue this membership.

DuPage Convention & Visitors Bureau Executive Director Beth Marchetti outlined how the organization is funded, which includes state hotel tax revenue and a matching grant. She reviewed the activities of the organization and how they work to bring more people to DuPage County. Ms. Marchetti reviewed the visibility that Wheaton receives through its membership, such as inclusion in a visitors guide, social media coverage, a brochure featuring local businesses, articles about Wheaton and more.

In response to Council questions, Ms. Marchetti stated the DuPage Convention & Visitors Bureau has a budget of approximately \$2 million, with about \$1 million coming from DuPage communities. Wheaton's membership cost is \$10,000 annually, the set rate for communities that do not have hotels.

In response to a Council question, Wheaton Chamber of Commerce Executive Director Kerry O'Brien stated the Wheaton business community benefits from the City's membership to the DuPage Convention and Visitors Bureau because it gives Wheaton visibility to people staying in hotels in neighboring towns and brings them into Wheaton.

**c. General Government**

Director of Finance Lehnhardt reviewed the four tax levies set by the City. For the 2017 property tax distribution, the City's portion accounts for 13% of a homeowner's tax bill. The 2018 proposed tax levy is approximately \$20.5 million, which represents a 0.7% increase generated by new construction.

Some Council members expressed the desire not to increase the tax levy by the amount recaptured through new construction, citing the desire to provide a slight reduction in property tax bills for property owners. The majority spoke in favor of staff's recommendation, citing upcoming capital costs and a predicted closing of the difference between the City's revenues and expenditures. In response to Council questions, Director of Finance Lehnhardt confirmed that while the City Council must approve a tax levy by Dec. 17, the Council could choose to abate a portion of the levy until March.

Director of Finance Lehnhardt presented the proposed tax levy for Special Service Area 2, which was established in 1983 for parking and enforcement funding needs in the Central Business

District. The maximum rate is set at 0.30, but the proposed tax is 0.1593. In response to Council questions, Director of Finance Lehnhardt stated this is the proposed rate because the parking fund is in good financial health.

Director of Finance Lehnhardt also presented the proposed levy for Special Service Area 3, which is collected for maintenance of the common areas of The Streams subdivision. The proposed levy of \$12,000 is a slight decrease from the previous year.

For Special Service Area 8, which was developed to replace the expired Special Service Area 7 for downtown promotional and municipal services, City Manager Dzugan stated the City has passed the 60-day waiting period for objections to the proposed SSA, and the City did not receive any objections. Director of Finance Lehnhardt stated the proposed tax levy is 0.2921, which would generate \$250,000, the amount requested by the Downtown Wheaton Association.

Council members discussed whether or not to implement a higher tax rate to recapture part of the more than \$700,000 in annual costs to the City for services in the downtown. The majority of the Council expressed support for the City staff recommended rate of 0.2921 in order to provide some tax relief to downtown business owners.

**i. Mayor and City Council**

Director of Finance Lehnhardt stated the proposed budget for the Mayor and City Council is increasing \$13,000 to include a strategic planning workshop for the new City Council.

**ii. Boards and Commissions**

The budget for boards and commissions is largely consistent with the previous budget, with the one exception being a reduction for the Fine & Cultural Arts Commission. This is due to the previous year's golf event, which was offset by donations.

**iii. Senior Citizens Programs**

Director of Finance Lehnhardt stated this budget proposes a \$120,000 difference for the Senior Housing Assistance Program.

**iv. City Manager's Office**

Some of the accomplishments of the City Manager's office included implementing a small cell site ordinance, continued progress in the bonding plan for the downtown streetscape project, and progress in the human capital plan development. Goals include reporting on the Council's strategic priorities and continuing to work on a "right-sized" Capital Improvements Plan. This portion of the budget shows a \$21,000 increase due to personnel costs.

**v. Legal Services**

The legal services portion of the budget shows a slight increase due to an increase in the attorney retainer fee.

**vi. Finance**

Director of Finance Lehnhardt reviewed accomplishments for the Finance Department, including the transition to a calendar year fiscal schedule, and meeting the City's goals for financial stability. Its goals for the upcoming budget year include completing an analysis to reduce Police and Fire Pension Fund plan unfunded liabilities, developing a dashboard for

department expense monitoring and financial reporting, and completing an analysis of parking fund operations and capital expenses.

In response to Council questions about a proposed 8.1% increase for the Finance Department budget, Director of Finance Lehnhardt stated this reflects contractual services, the timing of investment manager fees, and that the previous year's actual costs reflect that the Finance Department was not fully staffed.

**vii. Human Resources**

Director of Human Resources Schulz reviewed the department's accomplishments, including completing a 3-year bargaining agreement with IAFF 3706, receiving the highest reimbursement package offered by the City's wellness program, and recruiting, hiring and onboarding 18 new employees. Upcoming goals include completing a salary benchmarking study, leading strategic workforce planning through the Human Capital Plan and implementing a formal supervisor development program.

In response to a Council question about how Human Resources has worked to reduce personnel costs, Director of Human Resources Schulz stated the department has been working with department heads to determine their department's staffing needs for the future and shifting staff as needed. They have also negotiated changes to the benefit plans through the fire union.

The Human Resources budget shows an increase of 6%, mainly due to the inclusion of the \$13,000 salary benchmarking study. In response to Council questions, Director of Human Resources Schulz stated the study will look at the salaries of similar communities and the ranges for comparable positions. She stated the last study of this kind was completed in 2013. In response to a Council question, Director of Human Resources Schulz stated it is a bit challenging to fill positions because unemployment is low.

**1. Liability Insurance Fund**

The Liability Insurance Fund shows a \$41,000 increase due to a decrease in liability premiums and an increase in workers compensation claims, which vary from year to year. In response to a Council question, Director of Finance Lehnhardt stated if the City chose to exit the liability pool in which it is a part, the City would get its funding back in approximately 2 years.

**2. Health Insurance Fund**

The Health Insurance Fund has shown a premium rate increase over the past 10 years, and this year's increases are approximately 3.4% for PPO plans and 3.7% for HMO plans. Starting in July, premiums will increase 5% for PPO plans and 3% for HMO plans. This budget reflects a \$507,000 increase in the health insurance fund, which reflects both what the City's portion of the increase and the portion that employees pay.

**viii. Information Technology**

Director of Information Technology Michaelis reviewed the department's accomplishments, including migrating more systems to the cloud, extending the ERP system, and expanding the number of applications that can be completed or viewed online by customers. Upcoming goals include extending the use of data analytics throughout the City and creating dashboards for

financial reporting. The department is shifting IT resources to secure a data analyst, and it is implementing the DuJIS dispatch and records management system, which will include new/upgraded mobile computers for the Police Department.

The Information Technology budget shows an increase of approximately \$14,000 due to personnel reorganization. However, there is a decrease of \$42,000 for ERP implementation.

In response to Council questions, Director of Information Technology Michaelis stated the data analyst is working with Public Works to set and measure goals and identify opportunities for improvement. The Police Department is also doing this and IT is helping automate some of their processes to collect data.

#### **1. Technology Replacement Fund**

Director of Finance Lehnhardt reviewed the Technology Replacement Fund, which has an increase of \$111,000 due to police equipment replacement related to the DuJIS project.

#### **ix. Communications**

Public Information Officer Thrower reviewed some of the accomplishments of the Communications Department in the past year, including keeping the community informed about the Downtown Streetscape Project through frequent short videos and social media. The department also created and implemented a Citywide style guide to give the City's print and online materials a professional, consistent presentation.

The Department's goals for the next year include increasing branding efforts throughout the downtown through new banners, wayfinding and welcome signage; and converting PDFs into mobile-friendly web pages.

Director of Finance Lehnhardt reviewed the budget, which shows an increase of approximately \$16,000.

#### **x. Planning and Economic Development**

Director of Planning & Economic Development Kozik stated the City is in the final stages for completing Special Service Area 8, which replaces SSA 7. Another accomplishment by the department this year is progress toward an ongoing comprehensive plan and market study for the East Roosevelt Road Corridor.

The department's goals include updating the Zoning Ordinance using the Roosevelt Road Corridor Study recommendations, and continuing to identify redevelopment, rehabilitation and retention opportunities in the downtown and promoting incentive programs.

Director of Finance Lehnhardt stated this portion of the budget shows a \$115,000 decrease due to the expiration of SSA 7 and supplemental funding taken out of this budget in the prior year. The City will create a separate fund for SSA 8.

In response to Council questions, Director of Planning & Economic Development Kozik stated the value of the DuPage Convention & Visitors Bureau is the ability to reach a much greater audience than the Downtown Wheaton Association and Chamber of Commerce and bringing an awareness of what Wheaton has to offer to a large number of visitors.

To answer questions about the health of various commercial areas in the city, Director of Planning & Economic Development Kozik stated new businesses and new owners are bringing growth to the downtown, and the completion of Front Street is positive for prospective tenants, because they can see what the improvements will look like throughout the downtown. He stated the Danada shopping area for the most part is doing well, and Pete's Fresh Market will open in 2019. Town Square has a relatively new owner that invested a significant amount in renovations to the interior circle and maintenance, and it recently hired a new broker renowned for turning large lifestyle centers around. Director of Planning & Economic Development Kozik stated the Main Street Plaza still has strong leasing, and the former Ultra Foods space is close to being under contract for a potential retail and fitness user.

In response to Council questions about downtown grant programs, Director of Planning & Economic Development Kozik stated this is a continuation of an existing program for properties that were previously part of TIF 1.

**1. Tax Increment Financing (TIF) District Funds**

Director of Finance Lehnhardt stated the TIF 2 budget is increasing \$3.8 million overall, with \$5.5 million budgeted for the downtown streetscape plan.

For the TIF 3 budget, Director of Finance Lehnhardt stated this includes \$1.3 million going toward a redevelopment agreement to reimburse a developer.

**xi. Engineering**

Director of Engineering Redman reviewed some of the department's accomplishments over the past year, including completing the final 8 stormwater studies of selected flood-prone areas. A traffic study of Gary Avenue from Harrison to Jewell was also completed.

The department's goals for the upcoming year include developing a comprehensive long-term flow reduction plan for the sanitary sewer system and completing the application for federal funding of the Gary Avenue improvement project.

Director of Finance Lehnhardt stated the budget shows an increase of 3.4%.

**xii. Building and Code Enforcement**

Director of Building & Code Enforcement Kreidl stated staff completed review and will make recommendations to adopt a collection of 7 codes and the NFPA electrical code. The department also successfully transitioned to paperless plumbing inspections, and customers can now track the different steps of their permits online and pay permits online.

The department's goals include updating online guidelines to reflect 2018 ICC code changes and expanding technology by having third-party inspectors use digital tablets for inspections.

In response to Council questions, Director of Building & Code Enforcement Kreidl stated the City takes into account additional costs incurred to customers when changing code, as the ICC puts out analysis of the costs and the impact of new code. He stated while industries do have some influence on codes, code officials vote for the changes that are ultimately adopted. The City will need to decide what level of safety they will require in deciding which codes to adopt.

Director of Finance Lehnhardt stated this portion of the budget is increasing approximately \$15,000.

To answer a Council question, Director of Building & Code Enforcement Kreidl stated approximately 80% of the department's budget is offset by fees collected.

In response to a Council question about whether the City's turnaround time for permits is improving, Director of Building & Code Enforcement Kreidl stated IT put together an analysis on the number of days on average it takes for different permits and the various stages. City Manager Dzugan stated the amount of time until the first plan review has significantly decreased.

**xiii. Building and Grounds**

Facilities Manager Schefske stated among the department's accomplishments were the replacement of the roofs at the Water Division building, Fire Station 38 and Fire Station 39. The department also completed the reopening of the downtown train station following fire damage to the building and equipment. The department's goals for the next year include renovation of the Finance Department area and window replacement at the Public Works building.

Director of Finance Lehnhardt stated the budget shows a decrease of \$14,000 due to the elimination of one position.

**1. Building Renewal Fund**

The Building Renewal Fund budget includes \$203,000 for Finance Department renovation.

In response to Council questions, Assistant City Manager Duguay stated the train station repairs were delayed due to coordination between multiple insurance companies and having to go out to bid again after the City's insurance company did not accept the initial bid submitted.

**II. Public Comments**

Jim Mathieson, 230 S Naperville Road, encouraged the Council to adopt a rate for SSA 8 closer to 0.30 because this would yield the amount that the Downtown Wheaton Association needs while benefitting property owners in the SSA with a reduction in tax rate.

The meeting was adjourned at 9:35 p.m.