



WHEATON CITY COUNCIL BUDGET WORKSHOP SESSION MINUTES

MAYOR PHILIP J. SUESS

COUNCILMAN MICHAEL BARBIER | COUNCILWOMAN ERICA BRAY-PARKER | COUNCILWOMAN SUZANNE FITCH
COUNCILWOMAN LYNN ROBBINS | COUNCILMAN JOHN RUTLEDGE | COUNCILMAN CHRISTOPHER ZARUBA

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

Saturday, November 16, 2019

1. Call to Order

The Wheaton City Council Budget Workshop Session was called to order at 8:04 p.m. by Mayor Suess. The following were:

Physically Present: Mayor Suess
Councilman Barbier
Councilwoman Bray-Parker
Councilwoman Fitch
Councilwoman Robbins
Councilman Rutledge
Councilman Zaruba

Absent: None

City Staff Present: Michael Dzugan, City Manager
John Duguay, Assistant City Manager
Robert Lehnhardt, Director of Finance
Department Heads

I. Review of Calendar Year 2020 Draft Budget

City Manager Dzugan announced the public hearing for the 2020 budget will be held on December 9 and the first reading for the tax levies will be on December 2, 2019.

A. Mayor and City Council

City Manager Dzugan reviewed the City Council's accomplishments in 2019. He stated 2020 goals include completion of the Roosevelt Road Corridor Comprehensive Plan amendment and approval of a 2020-2024 strategic plan and review and analysis of the new parking system, as well as downtown parking.

City Manager Dzugan noted \$8,000 has been added to the meetings and conferences line item for a boards and commissions brunch and \$10,00 has been added to contractual services for the consultant for the strategic plan.

B. Boards and Commissions

Finance Director Lehnhardt noted an increase of \$4,850 for additional funding for the Community Relations Commission and the Bicycle Advisory Commission.

C. Senior Citizen Programs

Finance Director Lehnhardt advised this budget has been increased by \$16,740. In response to Council questions, Assistant City Manager Duguay stated utilization of Ride DuPage has increased and since 50% of the rides provided are done by taxis rather than bus, rides are more expensive.

In response to Council questions, Assistant City Manager Duguay stated there has been some interest from additional individuals for housing assistance, and staff is in the process of confirming their eligibility for inclusion in the program.

D. City Manager's Office

City Manager Dzugan stated his accomplishments and goals are similar to those of the Mayor and City Council.

E. Legal Services

Finance Director Lehnhardt stated there is no increase for legal services from the City Attorney or the DUI prosecutor. He indicated the only variable in this fund is labor negotiations.

F. Finance

Finance Director Lehnhardt reviewed the department's accomplishments in 2019. He stated 2020 goals include an analysis of the Police and Fire pension plans' unfunded liabilities.

In response to Council questions, City Manager Dzugan stated the City would need to continue to administer the Fire and Police pension funds but the situation is more complicated due to passage of pension consolidation legislation by the state.

i. Debt Service Fund

Director of Finance Lehnhardt stated there are four bond issues outstanding. He indicated the debt service is down \$407,000. The gross debt is \$4.2MM and with abatements, that would decrease to \$3MM.

G. Human Resources

Human Resources Director Schulz reviewed the department's accomplishments in 2019. She stated 2020 goals include executing collective bargaining agreements with both MAP 699 and MAP 450, conducting a dependent audit to ensure those covered on health insurance plans are eligible participants and conducting training for more effective performance reviews.

i. Liability Insurance Fund

Finance Director Lehnhardt stated Human Resources oversees workers compensation and the Finance Department oversees property and other general liability. He stated the fund balance is \$1.3MM with a target of \$1MM.

In response to Council questions, Human Resources Director Schulz stated some larger claims have been around for several years and they are working to close them out.

Finance Director Lehnhardt stated the City is part of IPBC which has an increase of 4%. In response to Council questions, Finance Director Lehnhardt stated costs for the public works union plan increased about 5%.

H. Information Technology

Senior Systems Analyst Konkel reviewed the department's accomplishments in 2019. She stated 2020 goals include continuing the expanded use of data analytics and tracking in all departments, implementing processes to improve special events applications, approvals and billing, and electronic records identification.

With regard to records management, City Manager Dzugan stated the City needs to find a way to store and retrieve data ten years from now, including emails. He stated IT is currently looking into software that can manage digitized records and integrate with the software the City currently has.

In response to Council questions regarding IT support at the library, City Manager Dzugan stated the library has its own IT director and the City provides assistance as needed.

i. Technology Replacement Fund

Finance Director Lehnhardt stated the \$190,000 budget includes upgrades and replacements to current technology. In response to Council questions, IT Director Michaelis stated it would cost approximately \$785,000 to replace everything and feels technology costs are going down somewhat or remaining stable.

I. Communications

Public Information Officer Thrower reviewed the department's accomplishments in 2019. She stated 2020 goals include Council Chamber improvements in the Council chambers and finalization of a Communications Policy.

Council comments include a statement that an online and digital presence is essential to notifying residents of what the City is doing and an appreciation for the department's increased efforts in working with the City's boards and commissions.

J. Planning and Economic Development

Director Kozik reviewed the department's accomplishments in 2019. He stated 2020 goals include updating the Zoning Ordinance based on Comprehensive Plan recommendations for the Roosevelt Road Corridor, and identifying opportunities in the downtown and promoting incentive programs to current and prospective owners and tenants.

In response to Council questions, Director Kozik stated retail grants have been used for **façade and signage**, as well as restroom remodeling to meet ADA requirements. He stated reimbursement can be made for design services, but the program is mainly designed to reimburse businesses for physical improvements.

City Manager Dzugan stated both TIF 1 and TIF 2 contribute funds into this program. He stated when TIF 2 expires, the Council may wish to consider whether or not to continue the program with funds from the General Fund.

i. TIF Districts

Finance Director Lehnhardt stated TIF 2 has expended \$5.2MM toward the downtown streetscape plan. He stated this district will expire in 2022 and TIF 3 will expire in 2028.

K. Engineering

Senior Project Engineer Lagvankar reviewed the department's accomplishments in 2019. He stated 2020 goals include completion of design and repairs to the Wheaton Avenue pedestrian underpass and presentation of the Flood Prone Areas Studies to the City Council.

City Manager Dzugan advised that Senator Glowiak has made providing \$320,000 for the pedestrian underpass one of her top priorities. In response to Council questions, he said the City has not yet

received funding for the Adams Park improvements but anticipates receipt of the funds in the near future.

In response to Council questions regarding the Gary Avenue project, Senior Project Engineer Lagvankar stated a traffic study is in progress and staff is applying for a federal grant for the project. He stated the City currently has three projects that could qualify for federal funding.

L. Building and Code Enforcement

Chief Schultz reviewed the department's accomplishments in 2019. He stated 2020 goals include creation and implementation of a customer service survey and working with the IT Department for an on-line permit submittal process.

The Council asked the department to review the City's ordinances with regard to vacant property. Chief Schultz confirmed staff is working on a property maintenance policy which will include vacant property. The Council thanked Chief Schultz for taking on the leadership role in this department.

M. Building and Grounds

Assistant City Manager Duguay reviewed the department's accomplishments in 2019. He 2020 goals include sealcoating various parking lots and continuing efforts to improve energy efficiency in City facilities.

In response to Council questions, Assistant City Manager Duguay stated the downtown parking garage elevator is budgeted for replacement in 2020.

A break was called at 9:38 am; the budget workshop resumed at 9:50 am.

M. Public Works

i. General Fund

Streets Superintendent Plunkett reviewed accomplishments in 2019. He stated 2020 goals include a feasibility study of contracted services for snow and ice removal and replacement of 20,200 linear feet of line striping by grooving and inlaying thermal plastic.

In response to Council questions, Superintendent Plunkett stated the 4.8 miles of paving was done by City personnel. With regard to light fixture replacement, Superintendent Wallace stated the department received a grant from ComEd and staff is replacing one type of fixture at a time.

In response to Council questions, City Manager Dzugan stated staff would prepare a listing of grants the City receives each year.

a. Forestry Division

Superintendent Maloney stated the Adams Park renovations have made the park more user friendly and in compliance with ADA requirements. He said after five years of reforestation, 4,000 trees have been planted. In response to Council questions, Superintendent Maloney confirmed the City continues to offer a cost sharing program with residents for tree replacement.

ii. Water Division

Superintendent McMillen reviewed accomplishments in 2019. He stated 2020 goals include replacement of the standby generator at the President Street Pump Station and replacement of 3,000 feet of water main.

In response to Council questions, Superintendent McMillen advised the City does not have a program for private lead service replacement, but provides a filter and tests water for lead for a period of time after the City service has been replaced to ensure there has been no increase in lead levels in the resident's water.

In response to Council questions regarding the amount of water main that should be replaced each year, Superintendent McMillen replied the amount is variable depending on the age of the water main and the number of breaks experienced, which help determine the priorities for replacement.

iii. Sanitary Sewer Division

Superintendent Walsh reviewed accomplishments for 2019. He 2020 goals include televising 60,000 feet of sanitary sewers and cleaning 240,000 feet of sanitary sewers.

In response to Council questions, Superintendent Walsh confirmed 240,000 feet approximates 25% of the system. He advised staff lined just under 3,000 feet of pipe in 2019 and anticipates lining $\frac{3}{4}$ of a mile in 2020.

iv. Storm Sewer Division

Superintendent Walsh reviewed accomplishments for 2019. He stated 2020 goals include televising 64,000 feet of storm sewers and cleaning 10% of the system including 1,800 catch basins.

v. Fleet Maintenance Division

Superintendent Sam Webb reviewed accomplishments for 2019. He stated 2020 goals include establishing employee productivity rate/benchmark for the two most performed preventative maintenance operations on the five most populated vehicle classes, and purchasing 18 vehicles and upfitting equipment and services to meet the needs of the City.

In response to Council questions, Superintendent Webb advised the most performed general maintenance operations are general maintenance inspections and oil changes on pickup trucks and police vehicles. He explained the criteria used for vehicle replacement and confirmed environmentally friendly options are considered.

N. Other Budget Items

A. Fund Balance Reserves

City Manager Dzugan stated the City has \$5.2MM in excess reserves and stated staff is suggesting distributing 50% of the reserves to discretionary spending, 25% into the storm sewer fund and the remaining 25% into building renewal.

Councilman Barbier questioned if the money could be left in reserve until the flood prone area study is completed. City Manager Dzugan advised the Council could use these funds for whatever projects they desire. Councilwoman Fitch questioned if the funds could be distributed to the water fund to prevent rates from going up. City Manager Dzugan expressed concern over the low level of funds in the building renewal fund due to the age of the City's facilities. Finance Director Lehnhardt advised that rates for

water, storm and sewer should be calculated not only for operations, but also for capital improvement projects in those areas.

Mayor Suess feels if the City is below targeted reserves in the aforementioned funds, the excess assets should be allocated to bring the funds up to their targeted levels. The general consensus of the Council was to distribute the excess funds as suggested by staff.

B. Capital Improvement Plan

City Manager Dzugan referred to the list of capital improvement projects up through 2024 and asked the Council if there were any projects the Council would like to consider, change or remove.

Finance Director Lehnhardt reviewed the various funds that provide funding for capital improvement projects. He stated the City is projecting receiving \$2MM in motor fuel taxes distributed by the state on a per capita basis, which is a \$700,000 increase from the current year budget. In response to Council questions, he indicated staff is expecting to spend \$3.3MM on roads in 2020, with the money coming from various funds.

In response to Council comments, City Manager Dzugan agreed the City has a backlog of roads that need reconstruction as that is very expensive to do, but feels the City is on target with regard to resurfacing City roads based on pavement analysis.

In response to further questions about reallocating resurfacing money toward reconstruction, Senior Project Engineer Lagvankar feels balancing resurfacing and reconstruction is the preferable way to move forward. Council questioned if there were treatment options that would preserve the pavement on low volume streets to prolong the life of the roadway. Senior Project Engineer Lagvankar stated the City has done that in the past and gained some additional life for the roadway, but eventually pavement resurfacing or replacement would be required.

City Manager Dzugan proposed that some of the \$2.6MM allocated to discretionary spending be directed to roads. He stated design for reconstructed streets could be done in 2020 with the reconstruction work done in 2021.

Mayor Suess stated staff has provided an overview of the projects and feels the Council's time may be better spent looking longer term and deciding if excess reserves should be made available for capital improvement projects in the future. The Council generally agreed with that approach.

C. Property Tax Levies

City Manager Dzugan stated the budget does include revenue of \$308,000 in additional property tax dollars with \$200,000 of that allocated to the library's request for additional funding with the remaining dollars for City functions.

Mayor Suess feels the levy should be exactly what it was last year as the City has money in reserves.

Councilwoman Fitch stated is fine with the additional funding for the library only. She proposed an option to phase in increases to the tax rate in Special Service Area 8 for City services over time until the rate reaches the \$0.45 rate.

Councilwoman Fitch left the meeting at 11:27 a.m.

Mayor Suess stated the City has reserves above targets and feels the library should be funded from reserves without raising property taxes.

In response to Councilwoman Bray-Parker, City Manager Dzugan confirmed if property taxes are not raised by 1% or 1.5%, the library funding would need to come from elsewhere in the budget. He cautioned if revenue is not increased, funds for capital expenses will be affected in the long term.

Councilman Rutledge stated the City is looking at flooding issues, failing streets and pension issues. He feels the City needs to keep up with funding needs to prevent a huge increase in the future. He supports the 1.5% increase in the levy.

Mayor Suess feels the benchmark the City should have is if reserves exceed targets, there is flexibility for the property taxes. He reiterated he feels the levy should be the same as last year.

Councilwoman Bray-Parker agrees that City is dealing with stormwater issues and pension costs and supports the 1.5% increase to capture growth and deal with the major issues we are facing.

Councilman Barbier noted that the City can collect additional funds with taxes other than real estate taxes, but he stated the City needs to consider the tax burden on residents imposed by other taxing bodies. He supports raising the rate in Special Service Area 8 over time to pay for City services. He supports a flat rate.

Councilwoman Robbins is in favor of a flat rate and wants to set the tone that the City does not want to raise taxes this year.

Councilman Zaruba stated one of the biggest responsibilities the City has is to determine tax rates for residents and what the City is doing with that money. He stated we are above our targets for reserves and feels it is not warranted to raise the levy and supports a zero increase.

Councilwoman Bray-Parker cautioned that services may be affected if revenues do not increase. In response to Mayor Suess, City Manager Dzugan stated in the short term, services will not decrease.

Mayor Suess polled the Council as to whether additional funds should be provided to the Library and received the following comments:

Councilman Barbier - yes to software, no to added hours

Councilwoman Bray-Parker – yes to both software and hours

Councilwoman Robbins – fully fund the library, agrees with added hours

Councilman Rutledge – fully fund the library

Councilman Zaruba – fully fund the library

Mayor Suess polled the Council members on increasing the SSA #8 levy to \$300,000 or levy \$250,000: all members stated they wanted to levy \$250,000.

D. Wheaton Park District Request

City Manager Dzugan advised the Wheaton Park District has requested \$1MM from the City for Memorial Park renovations. After a discussion about the request, all Council members indicated they were not in favor of granting this funding request.

E. Miscellaneous

City Manager Dzugan reviewed the results of a contracted services analysis and his recommendation that engineering services for the design for concrete panel replacement and design for the new sidewalk program be done in house as the City has staff that could perform this work. The consensus of the Council supported that recommendation.

I. Public Comments

There were no public comments.

IV. City Council/Staff Comments

City Council members thanked staff for their work on the budget.

V. Adjournment

The meeting was adjourned at 12:12 p.m.