

**CITY OF WARRENVILLE
CITY COUNCIL
FY 2023 BUDGET WORKSHOP
Saturday, March 12, 2022, at 9:00 a.m.
City Hall, 28W701 Stafford Place, Warrenville, IL**

MINUTES

A. CALL TO ORDER

Mayor Brummel called the meeting to order at 9:00 a.m.

B. ROLL CALL

Present: Mayor David Brummel, and Aldermen: Stuart Aschauer, Clare Barry, Kathryn Davolos, Leah Goodman, Jeff Krischel, and John Lockett.

Absent: Aldermen Kruckenberg and Weidner

Also Present: City Administrator John Coakley, Assistant City Administrator Cristina White, Finance Director Kevin Dahlstrand, Public Works Director Phil Kuchler, Community and Economic Development Director Ron Mentzer, Police Chief Raymond Turano, City Clerk Julie Clark, Senior Accountant Leo Beltran, Deputy Police Chief Ken Dawson, Deputy Police Chief Jeff Jacobson, Public Works Superintendent Jamie Clark, Public Works Superintendent John Satter, Assistant Community Development Director Consuelo Arguilles, and Executive Assistant / Deputy City Clerk Dawn Grivetti.

Also Absent: City Treasurer Ann Behrens

C. FISCAL YEAR 2023 BUDGET REVIEW AND DISCUSSION

1. Introductory comments by Mayor Brummel

Mayor Brummel welcomed all those in attendance for coming to the FY 2023 Budget Workshop. He encouraged everyone to review the first 40 pages of the FY 2023 Budget, as they offer a delightful summary of the City's vision and values, as well as the Community's economic growth and financial outlook. He thanked staff for their hard work in preparing for this workshop; and following recognition at a recent DuPage Mayors and Managers meeting, Mayor Brummel also recognized Police Chief Turano for his efforts in the formation of the local MERIT organization.

City Administrator Coakley stated the City is in a better position financially than in the last two years. However, there are still challenges that will be explained in today's presentation by Finance Director (FD) Dahlstrand. CA Coakley added that FY 2019 is the benchmark year to compare FY 2023 to, as it was the last complete fiscal year prior to the COVID-19 pandemic.

2. Discussion of FY 2023 Budget major funds and decision packages

FD Dahlstrand began by providing an overview of the major funds in the proposed FY 2023 Budget.

a) General FundRevenues

FD Dahlstrand stated staff is projecting a surplus of over \$500,000, in the General Fund (GF) for the end of FY 2022, and a deficit of nearly \$2 million for the proposed FY 2023 Budget. This is largely a result of several one-time expenditures that were either planned or delayed from previous years due to the pandemic.

FD Dahlstrand described the projected FY 2023 GF revenues from State Shared Sales Tax, Home Rule Sales Tax, Food and Beverage Tax, State Income Tax, and Use Tax. He compared these revenues to the FY 2022 projected revenues and the FY 2019 actual revenues. He noted that there are financial bright spots for the City in the near future. Overall, FD Dahlstrand reported a decrease in GF revenue of less than 1% from FY 2022 projected.

Ald. Davolos asked if staff has taken into consideration the new population rates from the 2020 Census in the projections. FD Dahlstrand replied new population rates are included in the per capita revenue projections. CA Coakley added, a special census to count new residents since the 2020 Census is anticipated to provide even more per capita revenue. FD Dahlstrand added, internet sales tax and Home Rule sales taxes will also increase the City's revenue with respect to increasing population.

There was discussion regarding a State bill to increase municipal share of the Local Government Redistributive Fund (LGDF), which also would increase the City's revenue, but until it passes, no increase would be included in the City's projections.

FD Dahlstrand also noted that building permit revenue is projected to be down for FY 2023, due to the completion of large construction projects in the current year, and no new projects of substantial size are planned for the year.

Expenditures

FD Dahlstrand reported that FY 2023 includes the re-budgeting of items or projects that did not happen over the past two years, resulting in an increase of GF expenditures of 4.6% over the FY 2022 Budget.

CA Coakley stated, while most GF expenses are operational, and despite the deficit, the financial recovery is ongoing, and the City is currently experiencing a strong revenue growth. Additionally, the Tax Increment Finance (TIF) districts are successful and will start repaying the GF. CA Coakley noted that during the worst of the pandemic, the City barely touched the financial reserves, and the City is currently in a strong financial state.

FD Dahlstrand addressed the breakdown of the FY 2023 GF deficit. These are one-time expenses in the GF that are making it difficult to present a balanced budget this year, he said. These expenses add up to just under \$900,000, and contribute to the projected \$1.9 million deficit. He noted that staff is looking to use the Capital Maintenance and Replacement to fund to accommodate some of the one-time expenses.

Ald. Goodman added that some of the one-time project expenses will incur ongoing expenses, and the ongoing funding will not necessarily come from the GF. CA Coakley and FD Dahlstrand concurred.

Decision Packages

CA Coakley stated all decision packages included in the proposed budget are recommended and calculated into the budget figures. FD Dahlstrand added that City Council has the option to reduce or remove any of them, and approved decision packages will require additional City Council approval as well.

Administration Decision Packages

Assistant City Administrator (ACA) White described the decision packages proposed by the Administration Department, including a Community Survey, the creation and hiring of a Communications Coordinator, Citywide computer replacements, multi-factor authentication, and dais tablets for City Council members.

There was discussion regarding previous community surveys and the responsibilities of the Communications Coordinator. Mayor Brummel stated Warrenville has fallen behind other communities in this capacity, and sees this position as one that will focus on outreach and have a genuine presence in the community.

ACA White stated the desktop and laptop replacement plan is a proactive attempt to avoid staff down time. She noted, the replaced equipment is recycled, and added that regular maintenance costs associated with the replacements are included in IT managed services.

ACA White also stated the City's cyber liability insurance requires the City implement multi-factor authentication, therefore, this decision package is proposed to mitigate any risk associated with cyber-attacks and increased remote access by employees working remotely. She also described the City Council dais tablets package, adding that tablets would not change the current agenda process. She stated this would be an entry approach to introduce the Council members to electronic agenda packets, and would not require new applications or software.

Police Department Decision Packages

Police Chief (PC) Turano discussed the FLOCK license plate recognition cameras. He stated a majority of neighboring municipalities as well as the DuPage County Sheriff's Department are purchasing these cameras. He noted that the cameras cannot access any personal information; they only capture photographic images of license plates that are then sent to the Police Department for further investigation when necessary. PC Turano added that use of the cameras can aid in advertising the City of Warrenville as a safe community. He also noted that using similar technology as other neighboring communities allows alerts to be received and acted on across multiple jurisdictions instantly. Deputy Chief (DC) Jacobsen described

the network of users throughout the county. There was discussion regarding the storage and access of data collected, and signage throughout the community to use as a deterrent and mechanism to promote the City as a safe and protected community. There also was discussion regarding the placement of cameras, and more specifically, where the County will place their cameras allowing the City to focus on other strategic locations preventing a duplication of effort.

Community Development Decision Packages

Community and Economic Development Director Mentzer briefly discussed the Community Development Department decision packages including the preliminary engineering of the Old Town Redevelopment Site #2, the City zoning, and the Route 59 Multi-use Path, adding that the City received over \$700,000, in outside funding for this project. Mayor Brummel spoke about the quality of the developers and the developments in the City, and the people they attract.

Public Works Decision Package

Public Works Director Kuchler discussed the Public Works decision packages including the high speed garage doors and the addition of two maintenance employees that is the final part of the previously approved Public Works Department Reorganization Plan.

GF Personnel Expenditures and Fund Balance

FD Dahlstrand stated that 68% of the proposed GF expenditures are personnel costs and include the three new proposed positions. He noted that part of the funding for the Communications Coordinator will be a \$50,000, transfer to the GF from the Hotel Tax Fund. He discussed other one-time GF expenditures, and projected fund balances over the next few years. There was further discussion of the fund balance reserves (unassigned balance) and keeping above the Council-approved 25% reserve. FD Dahlstrand stated the ending fund balances for FY 2023 - 2025 are projected to stay above 47%.

b) Capital Maintenance and Replacement

FD Dahlstrand reported the projected total revenue for the Capital Maintenance and Replacement (CMR) Fund is approximately \$1,787,000, with total expenditures projected at \$2,369,000. He discussed the revenues affecting the fund and how they compare to pre-pandemic FY 2019. FD Dahlstrand noted that revenue from video gaming licenses will be included in this fund as well.

FD Dahlstrand stated revenue from the Local Motor Fuel Tax has increased substantially over the past year, which he attributed to the success of the Thornton's gas station. FD Dahlstrand added, staff will be preparing a proposal to increase the local motor fuel tax from \$0.04 per gallon to \$0.06 per gallon for consideration at the April 11, Public Works and Infrastructure Committee of the Whole meeting.

FD Dahlstrand highlighted key proposed expenses in the fund including the replacement of four Police Department vehicles, including one hybrid vehicle that was

included in the FY 2022 Budget, but was delayed. PWD Kuchler discussed the department's decision package request for high speed garage doors, which were previously requested as part of the FY 2021 Budget, but were delayed due to the pandemic.

FD Dahlstrand commented that the CMR Plan now has a cost escalator built in, which was not in place in previous years. He stated that revenues do not cover expenses in the fund at this point, but additional revenue that has not been projected, including video gaming and cannabis sales, will be added to the fund as it comes in. CA Coakley added that fund revenue will also increase as the population increases. There was continued discussion of the oversight of, and City policies in place for spending money in the fund.

c) Motor Fuel Tax Fund

FD Dahlstrand discussed the proposed revenues and expenses for the Motor Fuel Tax Fund, and noted that \$500,000 of fund balance will be used to supplement the road program in the Capital Replacement and Maintenance Plan, and the Williams Road Bridge maintenance project will be removed from the fund.

d) Hotel Tax Fund

FD Dahlstrand stated the Hotel Tax Fund has been recovering better than anticipated. He added, it is now at 79% of where it was in FY 2019, however, a full recovery is still questionable. He reviewed the proposed revenues and expenditures for FY 2023, noting the approved grant and festival expenditures. Mayor Brummel stated that the contribution to the DuPage Convention and Visitors Bureau helps the community by promoting the six hotels in Warrenville as well as the national and international events they bring to DuPage County.

FD Dahlstrand noted that the transfer to CMRP was higher than the Council had previously directed due to a miscalculation of \$50,000. The City Council had directed a \$350,000 transfer. There was discussion regarding the Council's approval of the planned transfer, and FD Dahlstrand reminded the group that fund balance transfers will not come back to the Council for additional approval once the budget is approved. A consensus of the Council agreed to keep the transfer at \$400,000.

There was further discussion regarding the amount transferred in support of the Communication Coordinator position, with several Aldermen recommending a transfer of 50% of the cost of the position instead of just \$50,000. A consensus of the Council agreed to change the transfer to 50% of the position expense.

e) Water and Sewer Fund

• Water and sewer rate recommendations (revised)

FD Dahlstrand stated the FY2023 proposed budget includes a 7% increase in both water and sewer rates. However, the Enterprise Maintenance and Replacement Plan (EMRP) workgroup is recommending 10% increases to both water and sewer rates. He noted that this is still less than previously planned increases to cover added

expenses coming from Naperville's sewer infrastructure upgrades. Public Works Director (PWD) Kuchler discussed the effectiveness of the I/I program, stating it is having a positive impact on reducing sewerage treatment. He added that Fermilab will also be taking care of I/I issues on their property, which represents approximately 20% of the City's infiltration and inflow issues.

It was noted that work on the River Oaks lift station will be completed by September 2022, with staff performing 90% of the work.

Ald. Goodman stated the American Rescue Plan funds are not listed on page 156 of the proposed FY 2023 Budget. FD Dahlstrand replied he would look into it.

Ald. Aschauer asked about flow monitoring, and if the City can tie sewage flow rates to rain events to determine flow meter accuracy. PWD Kuchler stated the City compares accuracy of numbers with the City of Naperville, and that flows do increase with rain events. He added that consultants take rates into consideration during their analysis.

f) TIF #3 Fund

FD Dahlstrand briefly discussed the projected revenues, expenses, and the projected payback on the interfund loan to the GF shown in the TIF #3 Fund.

CEDD Mentzer discussed the proposed decision packages in the fund including the preliminary engineering of the Old Town Redevelopment Site #2 (OTRS #2) and the zoning overlay district planning process. There was further discussion of the need for 3-D modeling of the OTRS#2 preferred redevelopment plan. CEDD Mentzer defended the modeling as a tool to facilitate public understanding of the redevelopment plan, and added that it will aid in facilitating the purchase of adjacent property. A consensus of the Council is in favor of funding the 3-D modeling of the site.

CEDD Mentzer described the decision package for a renewed zoning overlay district planning process and recognized that zoning adjustments are necessary to accommodate and attract desirable developments similar to the OTRS#2 redevelopment plan.

g) TIF #4 Fund

FD Dahlstrand presented the proposed revenues and expenditures in the TIF #4 Fund, including overlapping district impact payments and paybacks of interfund loans. He added that paybacks are ahead of schedule.

FD Dahlstrand concluded the presentation by pointing out adjustments and changes that have occurred to the proposed budget since it was first distributed.

3. Discussion of compensation changes

ACA White stated that there are additional compensation changes included in the proposed budget, and will be addressed with the Council in upcoming meetings. She referenced the following changes:

- 1) An increase in part-time and seasonal pay to \$15 per hour
- 2) An increase to employee merit pay including an accelerator program for employees identified to be farther along in their pay ranges given their years of experience
- 3) The non-union employee cost of living increase are higher than originally proposed
- 4) Two collective bargaining agreements are still in negotiations and may result in pay increases and retroactive pay.

4. Questions and answers, comments, conclusion

Mayor Brummel recognized former Mayor Vivian Lund, who was in attendance, and stated the successes seen in the community today are a result of the people who came before us. He also recognized the City’s community partners including CUSD #200 and loyal citizens who regularly attend public meetings. He acknowledged that a successful community needs a successful core of supporters, and thanked all who attended and participated in the Budget Workshop.

D. PUBLIC COMMENT

Vivian Lund thanked staff and the elected officials, and stated she is constantly impressed by the knowledge shown by everyone involved in the process.

E. ADJOURN

ALDERMAN GOODMAN MADE A MOTION, seconded by Alderman Davolos to adjourn.

MOTION CARRIED VIA VOICE VOTE

The budget workshop adjourned at 12:00 p.m.

Approved: _____

Dawn Grivetti, Executive Assistant/Deputy Clerk