



City of Naperville

400 S. Eagle Street
Naperville, IL 60540
<http://www.naperville.il.us/>

Meeting Minutes - Draft

City Council

Monday, September 29, 2025

6:00 PM

Council Chambers

Budget Workshop I

PUBLIC COMMENT:

A. CALL TO ORDER:

Mayor Wehrli called the meeting to order at 6:00 p.m.

Present: 9 - Mayor Scott Wehrli
Councilwoman Mary Gibson
Councilman Ian Holzhauer
Councilwoman Supna Jain
Councilman Patrick Kelly
Councilman Josh McBroom
Councilman Ashfaq Syed
Councilman Benjamin White
Councilman Nathan Wilson

Also Present

City Manager Doug Krieger; Deputy City Manager Pam Gallahue; City Attorney Mike DiSanto; Assistant to the City Manager Marcie Schatz; Police Chief Jason Arres; Director of Finance Raymond Munch; Director of TED Jennifer Loudon; Budget and Administrative Manager Christine Schwartzhoff; Director of Public Utilities - Electric Brian Groth; Director of Public Utilities - Water Darrell Blenniss; Director of Community Services Melanie Marcordes; Deputy Director of TED; Andy Hynes; Deputy Director of Public Works John Rutkowski; Deputy Director of Finance Traci Marrocco, Budget Analyst Nick Krueger; Budget Analyst Braeden Smith.

B. INTRODUCTION:

City Manager Doug Krieger opened the meeting with welcome comments and explained the purpose and importance of budget workshops. Krieger then moved onto the agenda for the night which was focused on the proposed Capital Improvement Program (CIP).

C. PUBLIC FORUM:***SPEAKER***

Marilyn Schweizer (Naperville) - spoke in support of Tier 1 and conditional Tier 2 undergrounding, Naperville train station interior renovation, and eliminating sidewalk cost share, and wanted to know North Central College's share of NCC Park cost.

D. PRESENTATION:**1. Annual Budget Workshop #1: 2026 - 2030 Capital Improvement Program**

During the first section of the presentation, Krieger discussed the City's budget development approach of "Money With a Mission" and "Every Dollar Has a Job". Every dollar should be allocated to projects or services that are achievable and will be spent. As a result, the 2026 Budget prioritizes existing projects and assets. Krieger went on to discuss the progress that had been made on projects in this year's CIP, such as work finally beginning on the North Aurora Road Underpass.

Council inquired about the exact start date for work on the North Aurora Road Underpass, as well as funding. TED Director Jennifer Loudon discussed how work starts immediately through the end of year and that the remaining construction for the final phase will take two and a half years. Finance Director Raymond Munch noted there was a \$45M bond issuance in May. Additionally, Munch made note that 2026 debt issuance would be discussed later in the presentation.

Munch began his portion of the presentation by providing a summary of the overall CIP, totaling \$190M and primarily located in the Water and Electric Utilities and Transportation investments. Munch proceeded to cover the Electric Utility's portion of the CIP, totaling \$29.67M. Volatility in the Utility's financial position, such as fluctuating power costs and declining power sales, restricted their level of capital investment for 2026. \$10M in debt is planned for 2026 to achieve the most critical work.

Munch then outlined major investments in the Electric Utility, such as the cable replacement program and the tollway substation upgrade. Because of the aforementioned financial constraints, certain projects needed to be deferred and have work shifted to future years, most notably the overhead to underground utility line conversion. For future consideration, staff broke the project into two tiers. Tier 1 would focus on major roadways, carrying a greater level of impact and lower estimated cost. Tier 2 would be in addition to Tier 1, focusing on residential backyards but have a diminishing level of impact and greater cost. Munch asked Council what level of support the undergrounding project should receive.

Council asked about how the benefits of each Tier compared to the level of investment required, as well as the timeline of the project. Electric Utility

Director Brian Groth responded by saying Tier 1 would be the best use of money due to the number of customers it impacted and was considered both the main project and high priority. Approximately one to two outage events occur per year affecting work that would be covered under Tier 1. Tier 2 impacts fewer customers and would require entering residents' backyards, which would be challenging.

In addition to Tier 1, there are several projects budgeted that would also help achieve 90% of underground work over the next 10 years. Munch discussed how projects like these are planned for five-year intervals due to their nature and the significant engineering and design required. From a budget perspective, dollars are approved year by year and projects are adjusted based on financial resources. Council proceeded to vote in support of Tier 1 work.

Munch continued his portion of the presentation by discussing the Water Utility's capital plan, which makes up almost half of the overall CIP at \$92.4M and has several multi-year projects underway. Many of these projects and programs were approved by prior Councils. Major priorities in the Utility include the revitalization of the Springbrook Treatment Plant and water main replacements. Work in these areas is planned out to 2030. Also of note are lead pipe replacements that the City is on track to complete by 2027. Munch ended the Water portion of the presentation by opening the floor to questions.

Council asked whether the City had the resources for lead pipe replacements and if grants had been received for phosphorous reduction. Water Utilities Director Darrell Blenniss responded to these questions. For lead pipe replacements, Blenniss stated that work would be bid out utilizing a contractor, access agreements had been secured for properties, and that the Utility was confident in the timeline. Regarding phosphorous reduction, Blenniss said small grants had been received but the City is not eligible for further loans.

Munch then began discussing the Transportation section of the CIP, with \$38.6M planned for 2026. Cost increases compared to prior years are a result of rising costs, aging infrastructure, and more projects moving from design to construction. There are a number of carry-forward projects, that being projects budgeted in prior years and pushed into future years, such as the North Aurora Road Underpass. Approximately \$13.5M of work is planned for that project in 2026. About 90% of funding for this project has been secured, with the City anticipating being responsible for \$6.7M.

Munch proceeded to outline the planned \$15M capital investment in the City's Riverwalk through 2030, covering maintenance, upgrades, and expansion. Expansion is the largest category, totaling \$9.6M, and includes projects such as NCC Park. The South Extension, also in this category, was reprogrammed to 2027 to prioritize resources. Munch then touched upon the three Commuter Parking projects planned for 2026, which are projected to exhaust the fund balance. More information will be included in the second workshop about the future of this fund and its ability to operate as a business enterprise fund.

Finally, Munch discussed the history of the Sidewalk Replacement's cost-share program and the resources required to administer it, before seeking feedback from Council on whether the cost-share program should be reinstated.

Council asked about the mechanics behind suspending the cost-share program. The City would pick up the total cost and staff is in process of changing the relevant ordinance(s). Council voted in favor of suspending the cost-share program and having the City pick up 100% of the cost.

Council proceeded to inquire about the budget and timeline surrounding various Transportation and Riverwalk projects. Krieger noted Edward Hospital's forthcoming pledge to the South Extension project, via Endeavor. Loudon confirmed groundbreaking in 2026, with full work in 2027. For the 248th Avenue upgrades, Munch said construction will cost \$15M, half funded externally, with work running from 2027-2028. On road resurfacing, Loudon explained the City aims to avoid the school year, though utility relocations may cause delays. Loudon also noted that the Grand Pavilion and Netzley projects stem from the 2031 plan, with a goal to fundraise 50% of costs. For NCC Park, Munch reported a \$3.2M total, and Krieger confirmed no cost-share with North Central College.

Deputy Finance Director Traci Marrocco began her portion of the presentation, discussing planned facility improvements for 2026. Most were long-term renovation plans, such as those at the Police Department or training facilities for the Fire Department, with one new project at the Public Works Service Center to maintain regulatory compliance. Marrocco then moved onto technology, which focused on improvements to the Municipal Center, and vehicle replacements. Finally, Marrocco covered major revenue sources that support the CIP, including the Home Rule Sales Tax, Motor Fuel Taxes (MFT), and bonds. The 2026 CIP assumes a planned debt issuance for 58 million dollars in new utility debt.

Krieger reviewed the workshop timeline to close the meeting and opened to questions.

Council asked about funding for capital improvements. First, Munch detailed how the split for Riverwalk funding hasn't been established yet. Next, Munch explained that funding sources outlined in presentation are the key funding sources for CIP projects. The City also uses fund balance reserves for capital projects since spending down these reserves does not impact the bond rating, unlike the General Fund. Finally, MFT revenues will diminish significantly, if not go away completely, at some point and a replacement will need to be found.

E. ADJOURNMENT:

Budget Workshop #1 adjourned at 7:58 p.m.

/s/ Braeden Smith
Braeden Smith, Budget Analyst