



City of Naperville

400 S. Eagle Street
Naperville, IL 60540

Meeting Minutes - Draft

City Council

Tuesday, September 24, 2024

6:00 PM

Council Chambers

Budget Workshop I

A. CALL TO ORDER:

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

- Present:** 8 - Mayor Scott Wehrli
Councilwoman Jennifer Bruzan Taylor
Councilman Ian Holzhauer
Councilman Patrick Kelly
Councilman Paul Leong
Councilwoman Allison Longenbaugh
Councilman Josh McBroom
Councilman Benjamin White
- Absent:** 1 - 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; Fire Chief Mark Puknaitis; Police Chief, Jason Arres; Director of Finance, Raymond Munch; ; Director of IT, Jacqueline Nguyen; Director of TED, Bill Novack; Director of Public Works, Dick Dublinski; Director of Public Utilities - Electric, Brian Groth; Director of Public Utilities - Water, Darrell Blenniss; Director of Community Services, Melanie Marcordes; Director of Human Resources, Blaine Wing, Director of Communications Linda LaClouche; Deputy Director of Finance, Brent Strumpf, Budget Analyst Sherrian Kelly; Budget Analyst Nick Krueger, Payroll Supervisor, Erin Herrera.

Daily Herald, Naperville Sun, NCTV-17

A motion was made by Councilman White, seconded by Councilman Kelly, to allow Councilman Wilson to participate via teleconference. The motion carried by a voice vote.

B. INTRODUCTION:

During the first section of the presentation, Krieger reviewed the evening's agenda, gave an overview of changes in capital assets, the need to invest in the

City's infrastructure, population growth, and that the increased need in capital investment is the primary driver of growth in the City's overall budget. He noted that traditionally the City spends about 60% of the capital budget in a given year due to the complexity of capital work and discussed some of the significant carry forward projects in 2025. He concluded by providing a high-level overview of the proposed 2025 capital budget.

C. PUBLIC FORUM:

Karen Peck (Naperville) spoke in support of DEI

D. PRESENTATION:

1. Annual Budget Workshop #1: 2025 - 2029 Capital Improvement Program

Munch began this portion of the presentation by discussing the proposed investments in the Electric Utility and the long-term plan for overhead to underground conversion. Munch outlined the work plan for the next five years and noted the total investment over a ten-year period is estimated to be around 55 million dollars. Next, other major investments in the Electric Utility including the tollway substation, and the cable replacement program were outlined.

Munch then outlined the results of the Electric Utility and noted the increases support a debt issuance of approximately 17.5 million dollars which helps the City spread out the burden of critical capital improvements to future ratepayers. Munch concluded by explaining that, even with the proposed three-year rate increase, Naperville will still have lower rates than ComEd.

Council inquired about the data used for the population projection and what it considered, the appropriateness of conducting a special census, and undergrounding overhead utility lines. Krieger responded by noting the data came from the Chicago Metropolitan Agency for Planned (CMAP), that staff would come back with additional information about what was included in the data, and that it would be appropriate to conduct a special census in the next few years. Electric Utility Director Brian Groth discussed the reliability of underground lines and confirmed that additional information would be provided following the workshop about the proposed project as well as what is seen in other communities.

Munch then outlined the need for continued investment in the Water Utility, the outcome of the rate study, and the department's main priorities and how they impacted the rate study. Munch concluded this section by explaining the two different rate study recommendation options of larger rate increases and less debtor a large debt issuance and lower rate increases.

Council asked several questions regarding the increased debt option and the effects of aging infrastructure. Staff noted additional information would be provided regarding the increased debt issuance option and Water Utilities Director Darrell Blenniss provided information about the effects of critical components of the system reaching end of life and gave some examples of how other communities manage replacement schedules.

Deputy City Manager Pam Gallahue presented 2025 investments and projects for transportation, facilities, technology, and new/replacement vehicles.

Council inquired about the benefits of updating public safety facilities and the plan for upgrading the security cameras.

Police Chief Jason Arres and Fire Chief Mark Puknaitis discussed the changing workforce and that initial recommendations regarding the security cameras may be available by the end of the calendar year.

Munch outlined the major revenue sources used to fund the capital program, highlighted how revenues are progressing in 2024 and the approaches used budget for revenues in 2025, explained where the City stands on issuing debt for capital improvements outside of the utility departments, and gave a high-level overview on debt reduction over the last several years and the outlook on potentially issuing debt in 2025.

Council discussed the conservative approach staff took for the 2025 revenues, if debt issuances are separate by fund, and the impact of capital on property taxes.

Munch responded that staff has traditionally taken a conservative approach and clarified that the estimated debt issuance of 15 million dollars is separate from the debt the utilities would issue.

Krieger stated that property taxes do not directly fund capital and reviewed the workshop timeline to close the meeting.

E. ADJOURNMENT:

Budget Workshop #1 adjourned at 7:48 p.m.