

# Sept. 15, 2020 Council QA

Friday, September 11, 2020 11:58 AM

## I. CONSENT AGENDA:

1. **20-1055** Approve the cash disbursements for the period of 08/01/2020 through 08/31/2020, for a total of \$32,471,175.92
2. **20-1033** Approve the regular City Council meeting minutes of September 1, 2020
3. **20-1053** Approve the City Council meeting schedule for October, November & December 2020
4. **20-875** Approve the award of Option Year Two to Contract 16-266, Fixed Asset Money Management Services, to PFM Asset Management, LLC and BMO Asset Management Corp. (formerly known as Taplin, Canida & Habacht, LLC) for an amount not to exceed \$150,000
5. **20-1030** Approve the award of Change Order 1, to Contract 16-266, Fixed Asset Money Management Services, to PFM Asset Management LLC and BMO Asset Management Corp. (formally known as Taplin, Canida & Habacht, LLC) for an amount not to exceed \$37,000 and a total award of \$134,000
6. **20-965** Approve the award of the Cooperative Procurement 20-238, SmartNet Maintenance Renewal to CDW-G, for an amount not to exceed \$313,358 and for a one-year term
7. **20-999** Approve the award of Cooperative Procurement 20-327, LED Light Fixture Conversion, to Graybar, Inc. and Wesco Distribution for an amount not to exceed \$510,091.50
8. **20-1009** Approve the award of Change Order 1 to Contract 19-085, Improvements to City Wells 28 and 31, to Strand Associates for an amount not to exceed \$59,761 and a total award of \$143,382

<b>Q:</b>	<b>Is there any warranty on the pump that only lasted 4 years used in well 31?</b>	<b>Hinterlong</b>
<b>A:</b>	Yes, the motor for well 31 was repaired under the original warranty and will be reinstalled in the well during the Well 31 construction project.	Blenniss

9. **20-1010** Approve the award of Sole Source Procurement 20-310, Schweitzer Engineering Equipment, to Schweitzer Engineering Labs for an amount not to exceed \$312,000 and for a 15-month term
10. **20-1011** Approve the award of cooperative procurement 20-326, Maintenance and Warranty Renewal of Hewlett Packard Hardware and Software to Hewlett Packard Enterprise for an amount not to exceed \$112,056 and for a one-year term

<b>Q:</b>	<b>Why are we approving \$112,056 and not \$84,171?</b>	<b>Hinterlong</b>
<b>A:</b>	The cost increase covers the present installed hardware inventory. Additional hardware was added as needed to facilitate the expansion of data storage to support the MDMS migration after the 2020 budgeting process was completed. The 2021 budget accurately reflects this need for the expense.	Podlesny

- 11. **20-1017** Approve the award of Bid 20-249, 2020 Upper Structure Manhole Lining, to Performance Pipelining, Inc. for an amount not to exceed \$274,467, plus a 5% contingency
- 12. **20-1040** Accept the public street and streetlight improvements at Atwater Phase 2, KLA School of Naperville and Wagner Farms Phase 1 and authorize the City Clerk to reduce the corresponding public improvement surety
- 13. **20-1047** Adopt the resolution approving an intergovernmental agreement with the Village of Lisle for the Green Trails Drive Improvement Project

**J. PUBLIC HEARINGS:**

- 1. **20-1022** Conduct the public hearing for the Community Development Block Grant (CDBG) Program Year 2019 Consolidated Annual Performance and Evaluation Report (CAPER) (Item 1 of 2)
- 2. **20-1023** Accept the Program Year 2019 Community Development Block Grant (CDBG) Consolidated Annual Performance and Evaluation Report (CAPER) (Item 2 of 2)
- 3. **20-1012B** Pass the ordinance granting approval of variances to Section 5-2C-3 and Section 6-2-26:4 for the property located at 204 N. Huffman Street - (PZC 20-1-057) (BRB #104)

**M. AWARD OF BIDS AND OTHER ITEMS OF EXPENDITURE:**

- 1. **20-934** Approve the award of Bid 20-271, Improvements to City Well 28, to Boller Construction, Inc. for an amount not to exceed \$1,739,800 plus a 3% contingency
- 2. **20-880** Approve the recommendation by GCG Financial to award the Medical Insurance renewal to Blue Cross Blue Shield of Illinois (BCBSIL) for an amount not to exceed \$2,256,464 in fixed costs, based on enrollment, for a one-year term (Item 1 of 3)
- 3. **20-881** Approve the recommendation by GCG Financial to award the Pharmaceutical Management Services Renewal to CVS-Caremark at no cost and for a one-year term (Item 2 of 3)
- 4. **20-882** Approve the recommendation by GCG Financial to award the Stop-Loss Reinsurance Policy Renewal to Symetra Insurance Company for an amount not to exceed \$882,417 and a one-year term (Item 3 of 3)

Q:	<b>Has the city recently looked at the cost differences between remaining self-insured and a more traditional health insurance route? How much do we save annually being self insured, and paying for administration costs and stop gap insurance vs. not being self insured? With rates on stop gap insurance climbing so significantly, and fewer vendors even wanting the business, does staff anticipate that the self insurance option will ever become more expensive than the alternative?</b>	Sullivan
A.	As part of our annual review with our broker, GCG, we consider the option of shifting our PPO plans to fully insured. GCG estimates (based on input from Blue Cross) that the premium cost would be approximately 5-7% higher and the stop loss coverage	Sheehan

	<p>(limited to Blue Cross) would have been much higher than what was negotiated with Symetra. Additionally, certain cost-saving programs (CVS-Caremark, CRX International) to lower pharmaceutical costs would not be available. It is difficult to predict future medical costs, however the City to date has experienced lower overall medical/pharmaceutical costs by maintaining the flexibility provided by being self-insured.</p>	
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**O. REPORTS AND RECOMMENDATIONS:**

- 1. **20-1046** Receive the September 2020 Financial Report

	<p>Attached is the presentation that will be provided on this agenda item at tomorrow evening's meeting.</p>	<p><b>Mayer</b></p>
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# September Financial Update

CITY OF NAPERVILLE – September 15, 2020



# Current Information

## **WILL COUNTY MITIGATIONS**

- Additional measures went into effect on Aug. 26
- Rollback on indoor dining & bar service
- As of Sept. 10, mitigations will continue as case positivity rate still exceeds threshold

## **IMEA ELECTRIC COSTS**

- Currently higher than budgeted
- Consumption down, fixed costs spread over lower number of kilowatt-hours
- No immediate action necessary; Council may be asked to address during '21 budget process

## **CARES ACT REIMBURSEMENT**

- Request to Will County submitted September 8
- Included public safety, other payroll costs

## State Sales Tax

- 6.4% below original projections
- Performing better than statewide year-over-year (-3.4% vs. -5.7%)

## Home Rule Sales Tax

- 13% below original projections
- Performing better than statewide year-over-year (-12.5% vs. -15.5%)

## State Income Tax

- 6% **above** original projections – delayed filing deadline

## Motor Fuel Tax

- 7% below original projections

## Local Use Tax

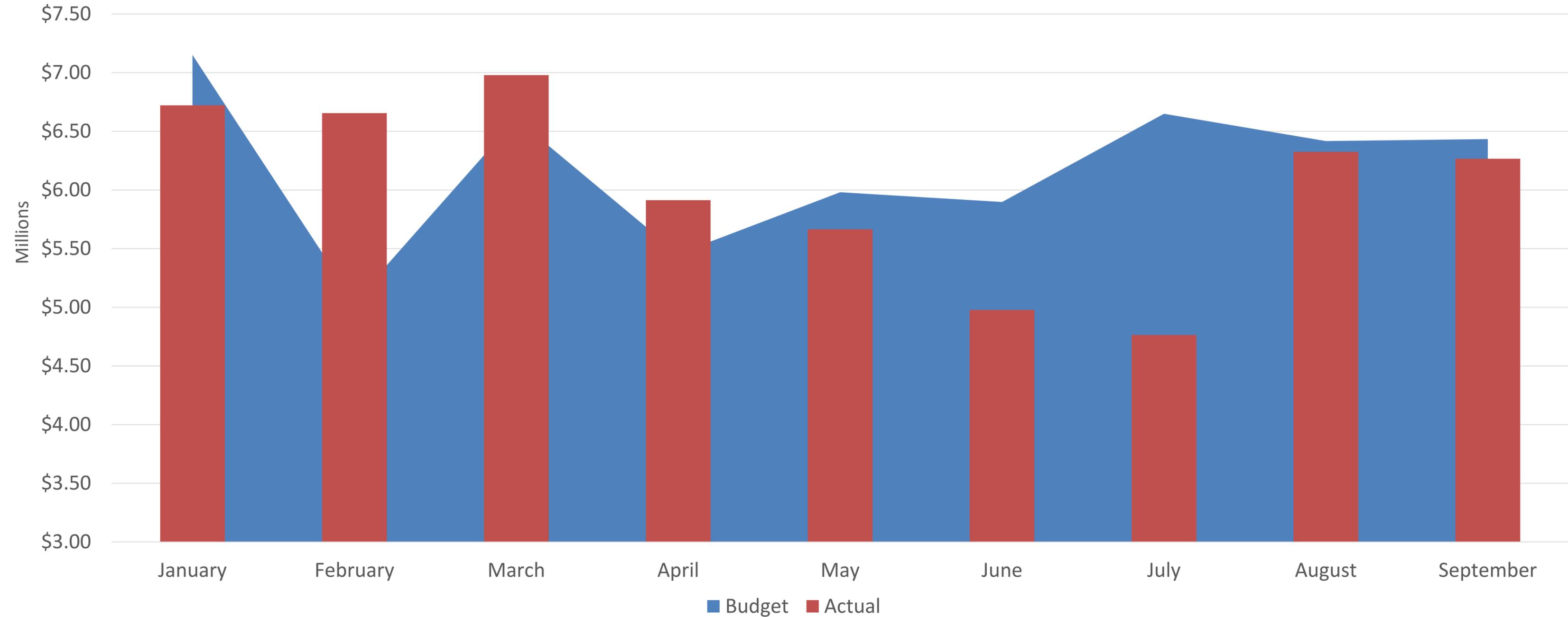
- 45% **above** original projections – increase in online sales



For the first time since pandemic-related impacts began being reported, Naperville outperformed statewide average declines

**State Revenues**

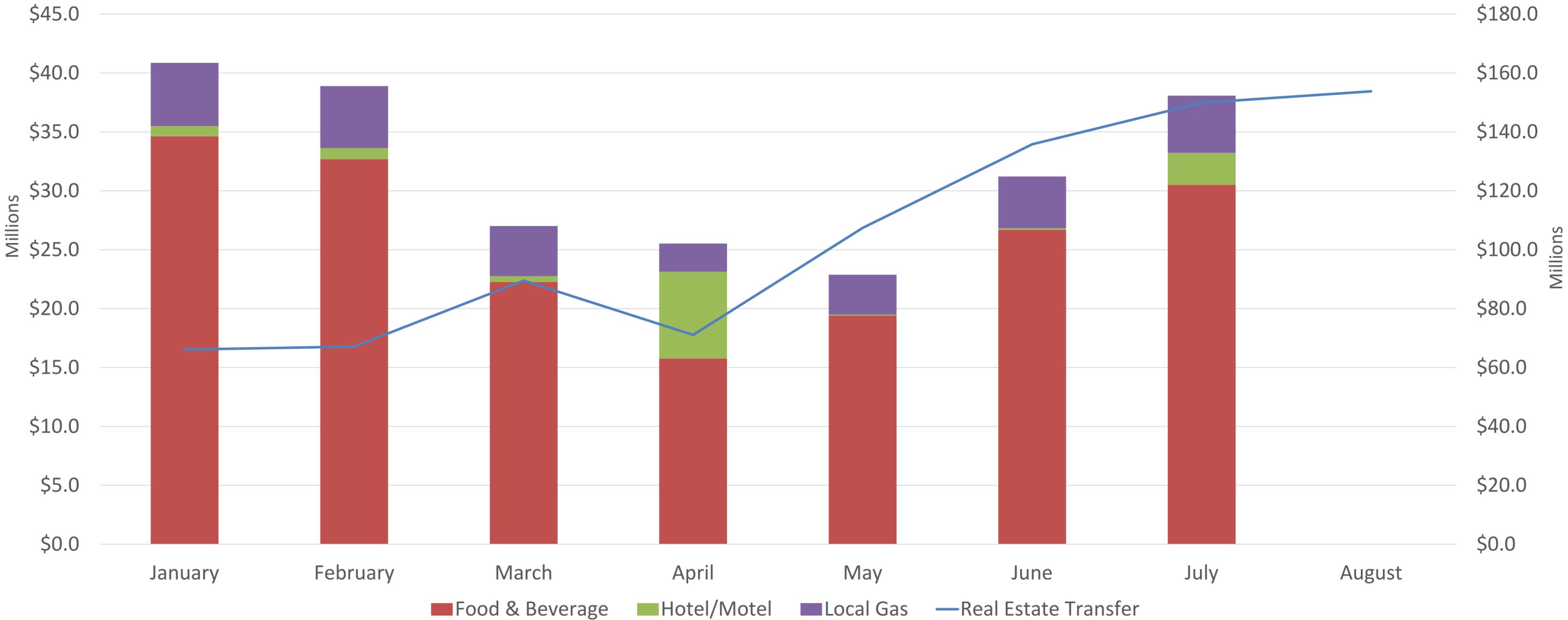
# YTD State Shared Revenues



- Sales tax revenues improved significantly
- Major state revenues 12% below YTD projections through September
- Will look at October figures to determine if upward trend is establishing

# State Revenues

# Taxable Sales by Reporting Period



- Food & beverage taxes continue recovery, up 12% from June
- Residential real estate outperforming, commercial real estate lagging
- Property tax aligns with previous years, 90% collection to date

**Local Revenues**

# Areas of Risk - Revenues

## Hotel/Motel



Business/leisure travel continues to be limited

## Food & Beverage



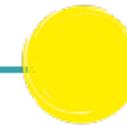
Sales improving, Will County mitigations may impact

## State Sales & Motor Fuel



Continue to monitor for trends and evolving consumer habits

## State Income



Unemployment declined to 11.3%

## Commuter Parking Fees



Continued less commuter rail traffic as people telework or avoid public transit



**High**

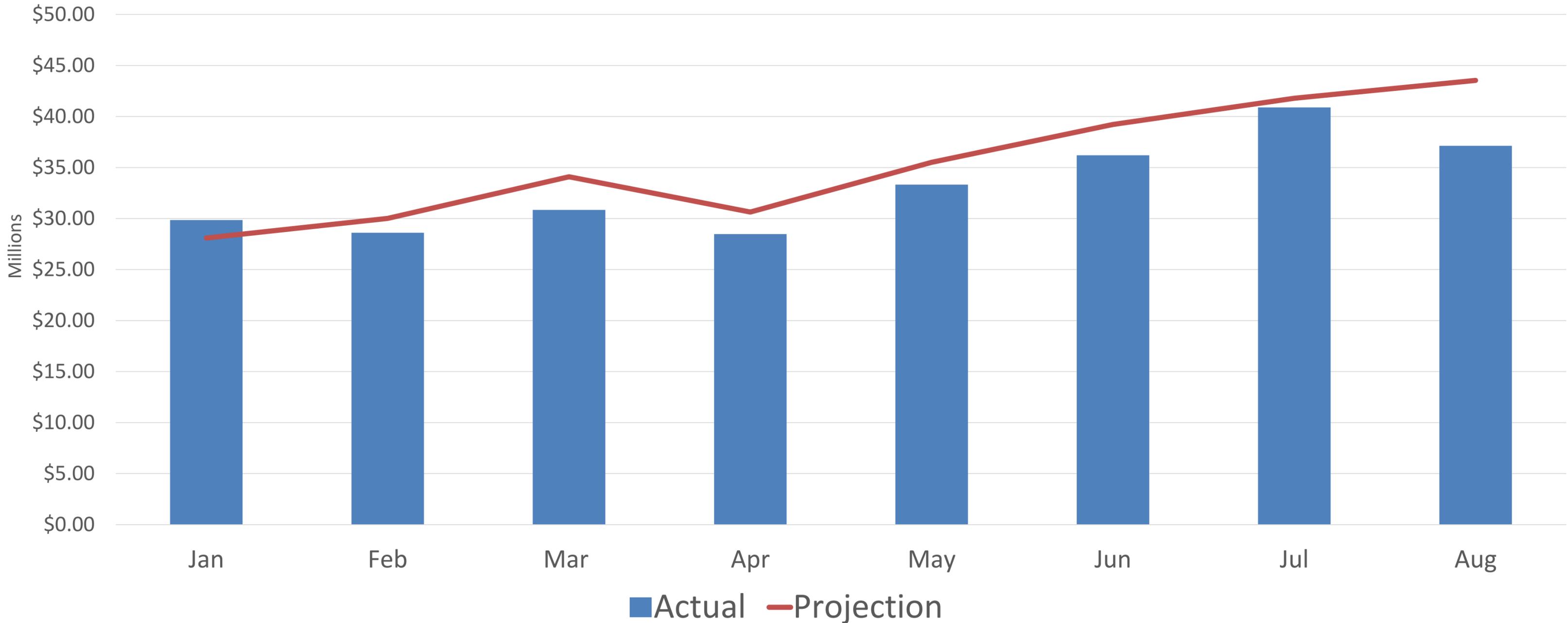


**Medium**



**Low**

# YTD Expenses



- \$17M below projections overall, relates to capital expense timing
- Below budget: purchased electric/water, insurance benefits/claims
- Notable reductions: operational services, parts, fuel, education/training

# Expenses



# 2021 Budget Preview

**Services**



**People**



**Programs**



**Local Economy**

# 2021 Budget Timeline

**Oct. 16**



Draft 2021  
Budget Issued

**Oct. 26**



Budget  
Workshop #1

**Nov. 9**



Budget  
Workshop #2

**Nov. 23**



Budget  
Workshop #3

**Dec. 1**



Budget  
Approval

**Dec. 15**



Tax Levy  
Approval

An aerial photograph of a city, likely Columbus, Ohio, showing a river, a large green park area, and various city buildings. The image is partially obscured by a teal overlay on the left side.

# Next Steps

**2021 BUDGET DEVELOPMENT**

**OCTOBER DEBT ISSUANCE**

- **ORDINANCE ON OCT. 6 AGENDA**

**QUESTIONS?**

