

# Nov. 26, 2018 – Budget Workshop Q & A

Friday, November 16, 2018 3:54 PM

## All Departments

<b>Q:</b>	<b>What efficiencies have each of the City departments seen over the past year? Please provide a listing.</b>	<b>Gustin</b>
A:	<p><b><u>City Clerk</u></b></p> <ul style="list-style-type: none"> <li>In 2018, transitioned Social Service and CDBG grants to the same online application system used for SECA. This shift eliminated all paper applications.</li> </ul> <p><b><u>City Manager's Office</u></b></p> <ul style="list-style-type: none"> <li>Expanded new electronic meeting management system to boards and commissions to provide a more transparent resource to residents and more efficient system for City Council and staff, and subsequently launched online board and commission application system.</li> <li>Maximized the website governance experience through automation of how department updates are submitted via the website Content Management System.</li> <li>Assumed communication responsibilities during large-scale snow events, freeing up Snow Command employees to focus more efficiently on coordinating snow removal efforts and improving the timing and consistency of messaging with the community.</li> </ul> <p><b><u>Electric Utility</u></b></p> <ul style="list-style-type: none"> <li>The Electric Utility consistently saves its customers \$3 million annually through Conservation Voltage Reduction (CVR), an innovative program that automatically determines optimum voltage settings based on real-time data provided by the utility's electric meters.</li> <li>At one-third of the cost of cable replacement, the Electric Utility uses cable injection that tests and fills the cracks that develop over time in the protective insulation of underground electrical cables. This injection process extends the life of the cable for a minimum of 20 years and will help prevent future cable failures and power outages. The program cost savings using cable injection versus replacement was \$2,534,400 for 24 miles of cable during the past year.</li> <li>Finance Department staff use the automatic and remote capabilities of the electric Automated Metering Infrastructure (AMI) system to perform disconnects/reconnects of electric service and to perform final reads for customers closing their electric account. Last year, staff performed 7,713 disconnects/reconnects and 12,297 final reads remotely rather than sending a person in the field to perform this process. The total savings using the remote capability for the year was \$250,000.</li> <li>Electric Efficiency Grants support businesses that install energy-efficient lighting and controls, including energy-saving LED street lights that are installed throughout the city. The program is sponsored and funded in partnership with the Illinois Municipal Electric Agency (IMEA) and helps save 3.3 million kilowatt hours annually at a cost savings of \$150,000.</li> <li>The Electric Utility is offering a \$50 rebate for residential utility customers when they buy and install a smart thermostat. The program began on May 1, 2018, and allows customers to manage their air conditioning or heat settings to reduce electric usage and realize savings. Funding for the program is provided by the IMEA and the utility anticipates using \$25,000 this year. To date, 291 customers have been approved for the \$50 rebate at a cost of \$14,550.</li> <li>The Electric Utility has installed Distribution Automation (DA) equipment to minimize the number of customers affected by outages. In 2017, the SAIDI (the amount of time that customers can expect to be without power annually) would have been 35.23 minutes without DA equipment versus the actual SAIDI of 22.24 minutes. This represents a difference of 12.99 minutes, or a customer savings of \$819,263 in 2017, when using the Department of Energy Interruption Cost Estimate Calculator to estimate interruption costs and/or benefits associated with reliability improvements. The customer savings with DA equipment installed as determined by using the calculator has averaged \$922,743 over the last three years</li> </ul>	

**Finance**

- Budget data entry for individual departments is much improved within Tyler Munis. This allows more options for data submittal, including justifications and the ability to tie to City ends policies.
- The City shifted away from a paper-based submittal process for check requests to an electronic submittal process. Since August 2018, the City has processed 963 requests this way, saving time and providing quicker payment to our vendors.
- This procurement card approval process was a paper process that was tracked manually under the old ERP. This process is now entirely paperless.

**Fire Department**

- The Fire Department is seeing continued savings as a result of the ambulance reduction program. The estimated 10-year savings is \$1.7 million.
- The Fire Department implemented a Power Shift model that reallocated four shift personnel to a 40-hour work week schedule. This change created efficiencies in service levels to our residents during peak weekday hours when call volume, training, inspections, and public education are at their highest levels. This was accomplished without increasing FTEs.
- Efficiencies also continue with the rescue vehicle program by staffing a single person on a rescue vehicle for non-emergency type calls that normally would require a larger vehicle with three to four personnel assigned to it.
- Our dropping the borders program with the Warrenville Fire Protection District finds efficiencies by sending the closest vehicle to an emergency call for service regardless of jurisdiction.
- Collaborated with the Naperville Fire Protection District to purchase a fire engine and install a hydrant in a challenging unincorporated response zone.
- Completed installation of new technology for replacement of the fire station alerting system to improve call handling and response times.
- Joined forces with the Police Department to merge dive teams, resulting in greater efficiencies that will significantly increase our value to the community as we continue to improve and operate as the area's elite water rescue team with unsurpassed capabilities.

**Human Resources**

- Implemented cost reduction strategies, including four-tier premium eligibility; plan design changes in deductibles, co-payments and out-of-pocket expenses; creating an insurance advisory committee; switching dental carriers; contracting with pharmacy benefit manager CVS Caremark to monitor our prescription drug spend; a City match program for the HDHP/HSA plan; and review of seven benefit contracts through the RFP process to negotiate better services and pricing.

**Information Technology**

- *Daily & Weekly Backups are Cloud-based* - Prior to 2018 daily, weekly and monthly backups were all performed using tape backups. These tapes were then manually transported to the EOC as an off-site storage location. Now these backups are copied to the Microsoft Azure Cloud daily and replicated there for enhanced redundancy. This eliminates the need for tape purchases and maintenance on the tape backup hardware.
- *Increased utilization of Azure Virtual Machines* - IT increased the number of Azure-based virtual machines (VMs) or "servers" from 10 to 23. This decreases the pressure placed on servers based in the City datacenter and reduces capex.
- *Redundant Azure Connections* - To provide "always on" connectivity to the Azure cloud, IT configured both outbound Internet connections to work in an active/passive or "failover" state. If the City loses the AT&T connection to Azure, this configuration will switch to NIUNet automatically.
- *Converted inbound and outbound calls to VOIP SIP Trunks* - This replaced the time-and-distance charges for long distance calls with a predictable monthly fee that is significantly lower.
- *Hybrid GIS Solutions* - By moving GIS mapping applications, GIS mapping services and GIS data for highly-utilized maps to the Cloud, IT has been able provide residents with more efficient maps and a better overall experience. Previously, all GIS services ran on servers within the City datacenters which reached capacity during heavy use times. With GIS services in the Cloud, capacity becomes elastic.
- *Open Data Portal* - As outlined in the September 24 Open Data Workshop, there are dozens of datasets accessed daily by residents that are providing information previously only available via a FOIA request. Additionally, there are

story pages that are built on open datasets and describe in detail City programs like Environmental Sustainability, Bulk Curbside Leaf Collection, Economic Development, Public Safety and Financial Stability.

- *Mobility & Wireless* - In early 2018, IT staff completed installation of wireless access points in all City buildings. This allows City staff to be "always on" the network even when attending meetings at other City locations.
- *AV & Conferencing* - With two Skype-for-Business-enabled conference rooms available in 2018, City staff are able to hold more effective meetings with internal staff and external partners.
- *SharePoint Online* - In 2018, City Staff completed the migration from end-of-life on-premises SharePoint and network file shares to SharePoint Online. The resulting environment is much more easily navigated by City Staff and provides centralized locations for items like employee benefits, policy manuals and procedures, project updates and employee news.

### **Legal**

- Successfully worked with DuPage County Circuit Court to increase the county's transparency and accuracy. The effort followed a review of the City's traffic and municipal code violations and how fines on City cases were assessed and costs were transferred.
- Assisted with legal research and drafting of an ordinance updating the City's municipal code concerning telecommunications and an ordinance creating an administrative hearing process for claims pursuant to the Public Safety Employee Benefits Act (PSEBA).

### **Police Department**

- Merging of the Aurora and North Aurora ETSB (Emergency Telephone System Board) with Naperville's ETSB. The ETSB coordinates the implementation, upgrade and maintenance of the emergency telephone system. The board manages the Emergency Telephone System Fund which includes deposits from the E911 surcharge and disbursements for projects associated with the emergency telephone system.
- Collaborating with Fire for Public Safety records centralization.
- Hiring temporary civilian employees to complete background investigations for both sworn and civilian applicants of the Police Department. The employee pool is made up of retired police officers who have by past actions shown to have the aptitude to conduct thorough investigations with a passion for this department. The hours spent on each background investigation varies depending on the candidate but averages around 40 hours per background. Previously sworn police officers would conduct backgrounds for new hires, but now those officers can be assigned to respond to police services.
- The "Drug Terminator" was an item purchased during 2018 as an efficiency for the Property Unit to be able to destroy seized narcotics and cannabis on site at the Police Department. The previous practice was to send personnel to an offsite location to have the seized narcotics and cannabis destroyed. This location was usually two or more hours away and would take at least one sergeant and a forensics technician at least a half day to accomplish this task. By having the "Drug Terminator" in place, as well as participation in the DEA prescription drug take back program, has assisted us in keeping this process in house.
- The Naperville Police Department participates in the "Gunbuster" program, a free service offered. This company contacts us when they are in the area, normally on a 4-to-6-week basis. They will come to the Police Department and take any firearms that are ready for destruction (court ordered or owner surrender) and will transfer custody to them. They return the firearms to their business, where the destruction of the firearms are witnessed and filmed, with a video copy of the destruction then sent back to the department as evidence. Like the Drug Terminator, this program saves time and manpower from being sent to limited offsite locations to destroy firearms. In 2018, 40 guns were destroyed.
- NTAs-Patrol officers can now electronically generate local ordinance tickets instead of hand writing them. This reduces the call time required for this citation, but also helps on the back end with records data entry and transmittal to the county.
- Enhanced the ongoing Connect for Life initiative with grant funding and completed seven interventions for members in our community.

### **Public Works**

- Initiated Tree Cost Share Program - \$132,000 in revenue per year.
- Custodial Restructuring – more than \$100,000 in savings.

- LED Lighting – The City streetlight upgrade has saved \$150,000 in electricity and \$250,000 in maintenance costs per year, and city building/infrastructure (offices, building exteriors, parking lots and decks) are also receiving an LED lighting conversion.
- Reduced average amount of salt used per storm event by 66% since 2012, thus reducing costs.
- Reduced cartage by \$10,000 - \$20,000 per year for leaf disposal via contractor picking up leaves for composting.
- Mowing/Herbicide reduced \$50,000 by changing cycles and making adjustments based on weather conditions when possible.
- EAB moving to 3-year cycle instead of every 2 years, saving approximately \$50,000 per cycle.
- Fastenal Vending Machine – dispense product to custodial contractor for 15% savings, or about \$4,000 per year.
- Electronics Recycling – Facilitate through drop-off, which saves several thousands of dollars annually.
- Restoration Program – saved the Water Department 1 FTE (\$80,000)
- Certificate Programs for Fleet and Building Maintenance Techs – In addition to immediate response, there is a savings over relying on vendors for repairs and new installations.
- New paving machine – Ergonomics and more efficient by handling smaller patches.
- Grapple truck – safer and more effective for forestry needs. (Data to follow on labor and contractor savings for cutting down trees.)
- PBO is performing evaluations and creating long-term maintenance programs to flatten out expenses and reduce repair costs for elevators, roof maintenance, garage floors, HVAC units, etc.
- Adopt-a-Drain Program – Storm drain inlets are getting cleaned quicker pre- and post-storms. As of November 26, there are 231 registered users and 352 adopted drains. (Many residents are adopting multiple drains.)
- Implementing dashboards for all departments using Fleet Services – this reduces the number of vehicles down at one time.

#### **Transportation, Engineering, and Development (TED) Business Group**

- During 2018 TED worked with the Water/Wastewater Utilities to have one of their utility technicians who would be out on certain construction sites (often teardown sites) conduct a limited number of water and sewer inspections so that fewer City employees had to visit the construction site at the same time. The DPU Utility Technician performs the inspection, puts the results in the computer and saves an unnecessary trip to the site by a TED inspector.
- TED also worked with the Police Department in 2018 to use light duty police employees to perform data entry for TED. It is estimated that approximately 350 hours of data entry was performed by these employees, allowing older data to be entered into TED's system.

#### **Water/Wastewater Utilities**

- Reconfigured Springbrook plant drainage to discharge upstream of the bar screen to remove debris that would damage equipment. Plant personnel can cycle use of three bar screens during low flow, resulting in reduced wear and tear and longer lifespan of equipment.
- Digester mixer installation reduced chemical usage and aerator blower energy usage. Estimated ROI of 1.5-2 years with an annual chemical cost savings of \$70,000.
- Valve selection process refined to minimize maintenance expense, enhance reliability, and increase lifespan.
- Installation of Variable Frequency Drive on water supply booster pumps for less wear and tear on pumps, which also allows for energy conservation during low demand periods.
- Installation of ozone odor control system in wastewater facility at Water Service Center to enhance performance and energy efficiency.
- Installation of soft start on well pumps to reduce instantaneous electrical demand resulting in energy savings and reduced wear and tear on pump motors.
- LED lighting retrofits at various facilities to reduce energy usage. Facilities include Springbrook biosolids building; Springbrook exterior high mast lighting; Civil, Environmental, Engineering & Construction (CEEC) building interior lighting; and WSC interior lighting.
- Fully calibrated, up-to-date water model eliminates the need for field hydrant tests.

**Personnel**

<b>Q:</b>	<b>What is the breakout of the union versus non-union wage increases from 2018 to 2019?</b>	<b>Hinterlong</b>
<b>A:</b>	The overall wage increase for the City from 2018 to 2019 is \$942K. Of that increase, 20% is associated with non-union personnel and the other 80% is attributable to union personnel. Non-union personnel saw an overall wage increase of 0.75% from 2018 and union personnel saw an overall wage increase of 1.44% from 2018. This increase is due to union contracts, non-union salary adjustments, and turnover savings.	<b>Hallgren</b>

<b>Q:</b>	<b>What are the salary and benefit breakouts for the five requested positions in the budget?</b>	<b>Gustin</b>																																																																														
<b>A:</b>	Below is the breakdown of the position requests and reductions as part of the 2019 budget recommendation. The net increase in positions as part of the recommendation for the City is 5 FTEs.	<b>Hallgren</b>																																																																														
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<b>Q:</b>	<b>Are there other potential staffing options for the finance account representative and customer care specialists such as part-time?</b>	<b>White</b>
<b>A:</b>	Our current staffing includes 3 full-time and one part-time customer service staff to take phone calls and resolve resident billing issues daily. We also have 5 full-time and	<b>Mayer</b>

2 part-time billing staff on a rotating phone schedule daily. These two groups provide coverage for the daily phone calls; billing for the Electric Utility, water utilities, and refuse and recycling; general billing for City services; complete SOAs; initiate disconnections for the Electric Utility; and handle collections for all city receivables. When we experience high call volumes and long wait times, all staff are moved to phones. Based on call volume and coverage needs, we can modify the staffing request to include two part-time customer service staff and one full-time biller. Please note, part-time positions have previously been slightly more difficult to hire into.

I have included the following from the November 13 Q&A to provide additional background on the recommended staffing options.

*November 13 Q&A*

I considered bringing in temporary staffing before making the request for additional headcount. While there are several items to be considered, there are a few that drove my decision to request additional staff. They are training time, duration of need, and succession planning.

- While we look to hire people with previous call center experience, training takes approximately 2 months for new call center staff.
- As for the duration of need, as you know utility billing is the next area that is due for software upgrade. Based on past experience, we know that this will require 3-4 staff members to be pulled off-line for 2-3 days every other week for approximately 16 months. While Finance has been able to accommodate this workload for the first two phases, accounting and payroll, it hasn't produced the best quality product in the end and has required additional fixes after go-live. While those two areas have been able to work outside regular work hours to catch-up on normal work; the billing and customer service group do not have that same opportunity. Billing and disconnection service calls will need to be addressed during normal work hours, which is the same time that the work on the software upgrade needs to occur.
- There are several staff within the Finance department that are a few years from retirement and thus I am confident that we will have the opportunity to realign staff through attrition once we have completed the software upgrade. While I am confident we will be able to reduce the call volume for certain things, it is likely there will always be some level of need for billing and other finance related questions. On the billing side, the technology should improve the process, but will likely also continue to require some staff input related to QA/QC and analysis in the future.

<p><b>Q:</b></p>	<p><b>Provide a breakdown of turnover. Where is the City having a hard time hiring for positions? What does our exit interview data tell us about the impact of Tier 2 benefits on turnover?</b></p>	<p><b>Krummen</b></p>
<p><b>A:</b></p>	<p><b>Where is the City having a hard time hiring for positions?</b> With regard to recruitment challenges, the most difficult positions to hire for are technical jobs, such as those in IT and in engineering (TED, Electric, and Water). Due to the nature of the work and the positions, the City generally is looking for candidates with specialized skills and/or relevant experience. Those requirements limit the pool of candidates. Additionally, with those specialized skills, experienced candidates often expect higher wages; the City has had to adjust starting salaries to accommodate those recruiting efforts. Even with those upward salary adjustments, the City has struggled with matching market rates, especially in positions that are competitive with private industry. For example, the Electric Utility competes with ComEd for a variety of positions, including system controllers, linemen and substation employees. ComEd often times offers higher wages and comparable benefits to attract candidates.</p> <p><b>What does our exit interview data tell us about the impact of Tier 2 benefits on turnover?</b> As of March 2018, HR implemented an anonymous online exit questionnaire to better gather quantifiable exit data. The survey is voluntary and offered to those employees whose separations are voluntary. Not all employees choose to complete the survey.</p> <p>Of the 68 employees who have separated from the City since March 2018 (34 separations and 34 retirements), 15 exit questionnaires have been completed.</p>	<p><b>Sheehan</b></p>

**March – November 2018 Group**

**Primary**

Retirement	9
Career Advancement Opportunities	3
Type of Work	1
Organizational Culture	1
Supervision/Management	1

In 2016, an analysis was done of 358 exit interviews conducted between January 2003 and August 2015. The study analyzed each exit interview based on a variety of criteria levels, including resignation drivers. Reasons cited for resignation varied, but the most common driver was related to extrinsic factors, including money, benefits and compensation. A deeper review found career goals and personal preferences being cited as the top two primary reasons for leaving, but extrinsic factors made up the bulk of overall references.

A specific study was done of the 85 exit interviews conducted after the implementation of the PTO-11 Plan (July 2011-August 2015 Study Group). Of the 85 employees interviewed, 24 interviews were with employees hired under the PTO-11 plan (PTO-11 Employee Subgroup). 47 of the 85 interviewees (55%) cited extrinsic factors as a key criteria for leaving. The PTO-11 Employee Subgroup placed even more significant value on extrinsic factors, with 17 interviewees (71%) listing money, benefits or compensation as a reason for leaving. The tables below provide reasons for exits among this Study Group and the PTO-11 Employee Subgroup.

**July 2011 – August 2015 Study Group**

	<b>Primary</b>	<b>Secondary</b>	<b>Other</b>	<b>Total</b>
Extrinsic Factors	18	18	11	55%
Career Goals	26	9	4	46%
Personal Preference	20	13	5	45%
Job Fit	12	11	2	29%
Work Environment	7	8	6	25%
Dismiss/Temporary	1	1	0	2%


**PTO-11 Employee Subgroup**

	<b>Primary</b>	<b>Secondary</b>	<b>Other</b>	<b>Total</b>
Extrinsic Factors	5	8	4	71%
Personal Preference	10	4	1	63%
Job Fit	3	3	1	29%
Work Environment	2	2	2	25%
Career Goals	3	1	1	21%
Dismiss/Temporary	1	0	0	4%

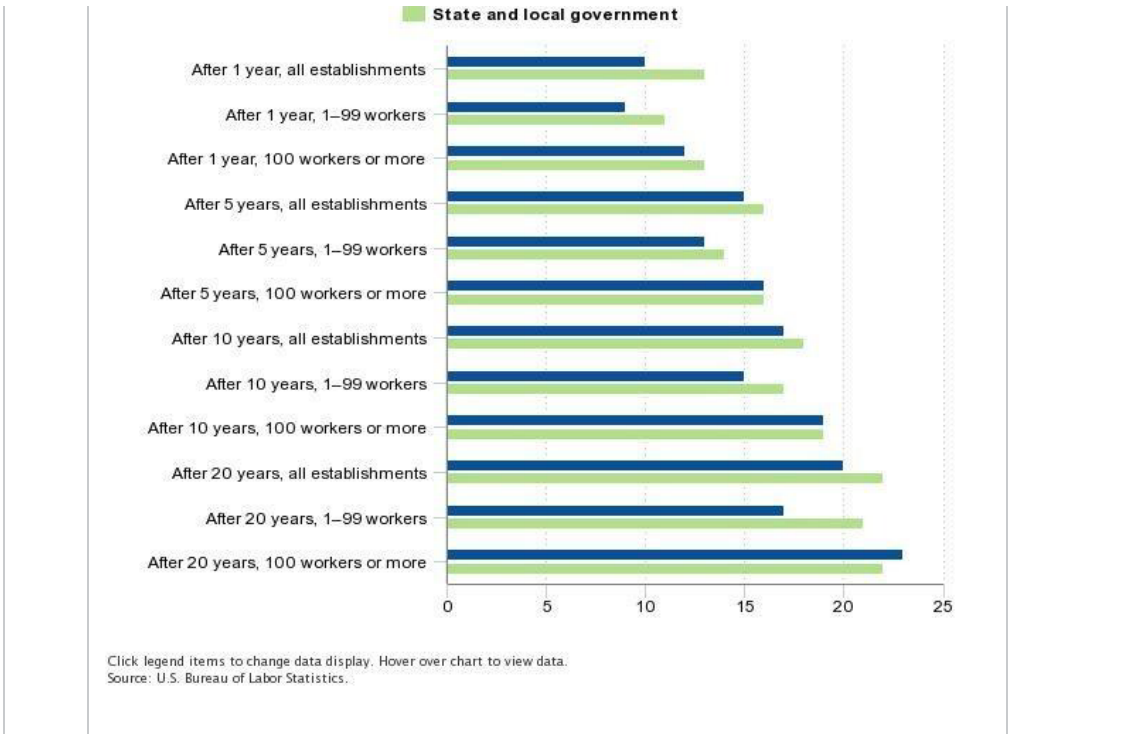
<b>Q:</b>	<b>What is our current mix of Tier 1 and Tier 2 employees? When does that tip?</b>	<b>Chirico</b>
	<b>What is the estimated savings for an employee in both IMRF and public safety pension being in Tier 2 versus Tier 1?</b>	

A:	Currently we have 27% of our public safety personnel and 32% of our IMRF employees in Tier 2 benefits. As employees retire or transition out of our organization, that number will grow, which will help with future costs. Staff expects that the mix of Tier 1 and Tier 2 will tip in the next 5 to 10 years. Current estimates anticipate a 15% savings for Tier 2 public safety employees and 1-2% savings for Tier 2 IMRF employees.	<b>Krieger/ Mayer</b>
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<b>Q:</b>	<b>What are the City's current benefits related to family leave? What options are available for the City to pursue especially for our Tier 2 employee group.</b>	<b>Brodhead</b>
A:	<p>Outside of the federally mandated unpaid work protection provided under the Family and Medical Leave Act (FMLA), the City does not have a specific paid family leave benefit. Employees taking a family leave could use benefits available under one of three time off programs: Traditional, Time Off Plan (TOP), or Paid Time Off (PTO)-11. The Traditional plan applies to employees hired before June 9, 2001, that did not elect the TOP plan at the time of its implementation. The TOP plan applies to employees hired after June 9, 2001, and before July 1, 2011. The PTO-11 plan applies to employees hired after July 1, 2011. For union employees, time off is governed by their collective bargaining agreement.</p> <p>The Traditional plan is made up of vacation/PTO, sick, holidays, floating holidays, and for exempt employees, exempt benefit days. An average non-union employee on the Traditional plan will have at least 17 years of service. The average exempt, non-union employee on the Traditional plan could have a total of 400 hours available per year.</p> <p>TOP is made up of vacation/PTO, sick, holidays, floating holidays, and for exempt employees, exempt benefit days. The average non-union, exempt TOP employee with 11 to 15 years of service could have a total of 304 hours available per year.</p> <p>The PTO-11 plan is made up of vacation/PTO and holidays. An average PTO-11 non-union employee with 5 years of service (exempt or non-exempt) could have a total of 224 hours available per year.</p> <p>City management can share options with the City Council on possible changes to the time off programs and the financial impacts of those options.</p>	<b>Sheehan</b>

<b>Q:</b>	<p><b>Related to family leave, how does the City compare to other communities and the private sector?</b></p> <p><b>How do our overall benefits compare to other communities and organizations?</b></p>	<b>Anderson</b>
A:	<p>In May 2016, the City surveyed comparable Illinois communities, comparable national communities, and both school districts and counties serving Naperville. Of those entities only Elgin and Wheaton had implemented a tiered program limited to their sick days (12 days to 6 days for Elgin and 12 days to 4 days for Wheaton).</p> <p>Using averages from each group, the inside Illinois municipalities offer 35 days, outside Illinois municipalities offer 38 days and the school districts and counties offer 44 days. The City offers the following (using a 5-year employee): Traditional (41 days), TOP (47 days) and PTO-11 (28 days).</p> <p>Below is data from the Bureau of Labor Statistics on average number of paid vacation days for private industry and state and local government at various years of service. (This does not include holidays, which usually adds 9 to 11 days, personal days, or sick days). According to the U.S. Bureau of Labor Statistics, all full-time private sector employees have an average eight days of paid sick leave available to them after one year of service, 8.7 days after three years, 9.5 after five years, 10.3 after 10 years, 10.5 after 15 years, 10.8 after 20 years and 10.9 after 25 years.</p> <p><b>Average number of paid vacation days by length of service and establishment size, March 2017</b></p> <p style="text-align: center;"></p>	<b>Sheehan</b>





**Technology**

<b>Q:</b>	<b>What are the contract terms for FIS for the online bill pay system? How does that interconnect with future plans for the ERP and customer self-service?</b>	<b>Boyd-Obarski</b>
<b>A:</b>	The contract with FIS for online bill pay expires June 30, 2019. Contract extensions were approved in October of 2017. At that time, it was anticipated that the ERP and customer self-service portal would be coming online in late 2019. Staff is still evaluating options for these services due to the adjusted timeline of utility billing and the customer service portal.	<b>Mayer</b>

<b>Q</b>	<b>What is the overall technology schedule for projects such as the ERP, service requests, and AMI/AMR? When can we expect to see different modules such as utility billing come online?</b>	<b>Boyd-Obarski</b>
<b>A:</b>	<p>The City is working on three significant technology implementations that will dramatically improve our users experience and options in doing business with the City. The implementation of each system requires identifying system requirements, process mapping, change management, building the system, acceptance testing, training and communications/marketing prior to going live. The following are the projected "Go Live" dates for the ERP modules, Energov and Cityworks projects:</p> <p><u>ERP</u>                      Financials – Live on 1/1/18                      HR/Payroll – Projected 2<sup>nd</sup> Quarter 2019                      Energov (On-line permit application, inspection scheduling, licenses and registration) – Projected 2<sup>nd</sup> Quarter 2020 *                      Utility Billing – Projected 1<sup>st</sup> Quarter 2021**</p> <p>* Projected Energov implementation date is a conservative estimate to account for Tyler software features not available today but critical to the customer experience (i.e. one customer login instead of 3-4 separate logins)</p>	<b>Schatz</b>

<p><b>**Utility Billing module implementation is delayed due to Water AMR/AMI implementation. The Utility Billing module cannot go live prior to the implementation of an automated meter reading system without incurring substantial integration costs (est. \$450,000).</b></p> <p><u>Cityworks</u></p> <p>Storeroom/Inventory – 2<sup>nd</sup> Quarter 2019</p> <p>Work Orders (all City departments on a single work order system) – 1<sup>st</sup> Quarter 2020</p> <p>Service requests and 311 – Next phase after work orders, specific project requirement scope needs to be created.</p>	
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<b>Q:</b>	<b>What are the projected savings for the new ERP? When are we expected to see efficiencies?</b>	<b>White</b>
<b>A:</b>	<p>As with any large software project, internal business processes need to be mapped out and converted to the new system. These foundational layers, although time consuming, are necessary to ensure future success. With the implementation of the Financial modules of Tyler Munis in January 2018, City staff has seen strong improvement in the following processes:</p> <ul style="list-style-type: none"> <li>• <b>Budget Entry</b> <ul style="list-style-type: none"> <li>○ Budget data entry for individual departments is much improved within Tyler Munis. This allows more options for data submittal, including justifications and the ability to tie data to City ends policies.</li> </ul> </li> <li>• <b>Accounts Payable</b> <ul style="list-style-type: none"> <li>○ The City shifted away from a paper-based submittal process for check requests to an electronic submittal process. Since August 2018, the City has processed 963 requests this way, saving time and providing quicker payment to our vendors.</li> </ul> </li> <li>• <b>Procurement Card processing</b> <ul style="list-style-type: none"> <li>○ This “P-Card” approval process was a paper process that was tracked manually under the old ERP. This process is now entirely paperless.</li> </ul> </li> <li>• <b>Reporting</b> <ul style="list-style-type: none"> <li>○ The need for one-off or custom reporting is greatly reduced. Staff has better accessibility to information through Munis directly, thereby decreasing decision-making time.</li> <li>○ Tyler Munis provides a more open architecture which allows for automated extraction of data for use in other systems and reporting, as is done in OpenCheckbook as part of the Open Data Portal.</li> </ul> </li> </ul> <p>By the end of 2019, customer facing portals, online plan submission and other online capabilities will be available via the City’s website through a single, unified login for a customer.</p>	<b>Anderson</b>

**Revenues**

<b>Q:</b>	<b>What type of information do we see related to online sales? What is the City projected to receive in additional revenues?</b>	<b>Gustin</b>
<b>A:</b>	<p>Estimates of the missing tax revenue have varied, with the Government Accountability Office (GAO) conservatively figuring the proceeds at \$8 billion to \$13 billion annually. For the State of Illinois, the projected total collection is \$207 million. Of this total, 80% will go to the State and the remaining 20% will go to the State &amp; Local Reform Fund. Based on information provided by the Illinois Municipal League (IML), Naperville could stand to gain as much as \$350,000 per year in apportioned Illinois sales tax revenues; however, the timing and certainty of such revenues is unknown at this time.</p>	<b>Hallgren</b>

As a part of Illinois' State Fiscal Year 2019 budget implementation bill, the Illinois General Assembly passed the Illinois Marketplace Fairness Act (IMFA) in anticipation of a favorable South Dakota v. Wayfair decision. Starting on October 1, 2018, the state can now require remote sellers who meet certain sales requirements to remit use tax to the Illinois Department of Revenue on goods purchased out of state for use or consumption in Illinois.

FY2019 Projections	Disbursement	Percent
Projected Total Collection	\$207,000,000	100%
State of Illinois	\$165,600,000	80%
State & Local Reform Fund	\$41,400,000	20%
City of Chicago	\$8,280,000	4%
Regional Transportation Auth.	\$4,140,000	2%
Metro-East Mass Transit	\$2,484,000	1.2%
Build Illinois Fund	\$3,150,000	1.52%
Remaining to be Distributed	\$23,346,000	11.28%

<b>Q:</b>	<b>What is the projected EAV growth throughout the City?</b>	<b>Gustin</b>
A:	<p>The City has received information from both Will County and Lisle Township regarding projected EAV growth. Will County is projecting a 3.14% EAV growth, with approximately 44% for new development. Lisle Township is projecting a 4.4% growth in EAV with 21% for new development. Naperville Township is projecting a 5.27% growth in EAV with 40% for new development.</p> <p>These numbers are consistent with last year's growth figures, therefore staff is estimating around a 4% overall EAV growth factor.</p>	<b>Hallgren</b>

<b>Q:</b>	<b>How much are we losing to online sales on an annual basis?</b>	<b>Hinterlong</b>
A:	<p>The U.S. Census Bureau reports that e-commerce sales in the third quarter of 2018 accounted for 9.1% of total sales. Therefore, applied to the City's \$3.38 billion of estimated sales, this would equate to an estimated reduction of \$3.3 million in sales tax to the City.</p> <p>This was an increase of 14.3% (±4.4%) from the third quarter of 2017 while total retail sales increased 4.9 percent (±1.4%) in the same period.</p>	<b>Hallgren</b>

<b>Q:</b>	<b>What have been the trends related to real estate transfer tax, with the City's new development, such as Atwater, shouldn't the City be seeing an increase in the amount of transaction activity.</b>	<b>Hinterlong</b>
A:	<p>There has been an increase in residential transactions in the real estate market over the last several years since our low in 2011. New developments combined with existing housing stock sales are both contributing factors to the overall market. Below is a history of residential transactions since 2005. Staff is projecting 3,100 residential transactions for 2019. The cause of the projected decrease in revenues for real estate transfer tax is due to the decline of major</p>	<b>Hallgren</b>

commercial sales, which often carry high transfer taxes. Due to the variability of the commercial market, staff is taking a conservative approach to budget for commercial sales.

Year	Transactions
2005	4,094
2006	3,396
2007	2,757
2008	1,768
2009	1,634
2010	1,637
2011	1,583
2012	2,155
2013	2,536
2014	2,522
2015	2,723
2016	3,001
2017	3,132
2018 (through September)	2,399
2019 (Budget)	3,100

<b>Q:</b>	<b>What have been the City's efforts in attempting to collect sales tax from large online retailers such as Amazon?</b>	<b>Chirico</b>
<b>A:</b>	Per Council's direction a letter has been drafted regarding the City's request that online retailers, including Amazon, collect Naperville's 0.75% Home Rule Sales Tax on Naperville-based purchases and remit the tax to the State of Illinois for distribution to Naperville. The letter is presently in the review process.	<b>DiSanto</b>

### Fee Studies

<b>Q:</b>	<p><b>a. When is the last time that the City did a full fee study review related to development?</b></p> <p><b>b. How do we compare to other communities for development related fees?</b></p> <p><b>c. Do all the revenues from commuter parking need to be restricted to the commuter parking fund? Can funds be used in the General Fund if they are generated from City owned lots?</b></p> <p><b>d. What other fees can be looked at such as administrative tow fee in Police?</b></p>	<b>Hinterlong</b>
<b>A:</b>	<p>a. Building permit fees were last updated in 1998; entitlement fees were last updated in 2002. Staff is currently preparing a report for the December 4 City Council agenda with additional background information and a recommended interim adjustment to our fees that can be implemented prior to staff completing a more in-depth review and restructuring of the fees.</p> <p>b. It is very difficult to compare entitlement fees from community to community based on the varying units of measurement that are used to determine the</p>	<b>Laff/ Louden/ Marshall</b>

applicable fee (e.g., per acre, per page, per square foot, cost of improvement, per type of request, etc.). For building permit fees, staff recently reviewed sample residential fees from Wheaton, Glen Ellyn, Westmont, Lisle, Hinsdale and Downers Grove and found the following:

<b>Permit Type</b>	<b>Naperville's Fee as % of Average Fee</b>
New Single-Family	76%
New Detached Garage	84%
New Deck	90%
Residential Addition	40%
Residential Remodel	31%

- c. The DuPage Children's Museum Lot and 190 E. 5<sup>th</sup> Avenue (Boecker) Lot are the only City-owned parcels that are not subject to state and/or federal grant agreements. Parking fees collected at these locations could be diverted to the General Fund once the money used from the Commuter Parking Fund to purchase these properties has been recouped.
- d. Increasing the administrative tow fee from \$300 to \$500 would be more comparable to our surrounding communities. A survey completed of the surrounding communities showed that nearly 60% of the responding communities have similar ordinances that impose a \$500 towing fee. Under the proposed ordinance, the owner of the unlawful vehicle that is towed would be liable to the City for an administrative fee of \$500. This is estimated to generate an incremental \$100,000 annually.

<b>Q:</b>	<p><b>When is the last that commuter parking fees including the application fees were updated?</b></p> <p><b>What are the restrictions on using these fees in the commuter parking fund.</b></p> <p><b>What is the financial impact of increasing the application fees by 4x; increasing the permit fees by 2x; and savings from administering fees being paid annually versus quarterly?</b></p>	<b>Coyne</b>												
<b>A:</b>	<p>The current \$25 permit application fee was instituted in 2005. The current quarterly commuter parking permit fees were established in 2008 and are an increase from the rates established in 1995. The 2008 rates were based on a study of projected expenses for all commuter functions, including operation and maintenance of parking facilities; capital projects; commuter-related transit services; and personnel expenses for staff dedicated to commuter-related functions in TED, Finance, Public Works and Police. The goal was to ensure that the fund would fully support all necessary expenses.</p> <p>The DuPage Children's Museum Lot and 190 E. 5<sup>th</sup> Avenue (Boecker) Lot are the only City-owned parcels that are not subject to state and/or federal grant agreements. Parking fees collected at these locations could be diverted to the General Fund once the money used from the Commuter Parking Fund to purchase these properties has been recouped.</p> <p>Increasing the application fee by 4 times, from \$25 to \$100, and doubling the quarterly permit fees to the rates below would result in \$1.333 million of additional revenue.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th><b>Permit</b></th> <th><b>Current Fee</b></th> <th><b>Current Fee x2</b></th> </tr> </thead> <tbody> <tr> <td>Kroehler (Resident)</td> <td>\$110</td> <td>\$220</td> </tr> <tr> <td>Kroehler (Non-Resident)</td> <td>\$135</td> <td>\$270</td> </tr> <tr> <td>Burlington/Parkview</td> <td>\$120</td> <td>\$240</td> </tr> </tbody> </table>	<b>Permit</b>	<b>Current Fee</b>	<b>Current Fee x2</b>	Kroehler (Resident)	\$110	\$220	Kroehler (Non-Resident)	\$135	\$270	Burlington/Parkview	\$120	\$240	<b>Louden</b>
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Burlington/Parkview	\$120	\$240												

Route 59 (Resident)	\$120	\$240
Route 59 (Non-Resident)	\$145	\$290

An analysis of potential cost savings that might be realized by modifying the permit program could be completed as part of the 2019 rate study.

## Library

<b>Q:</b>	<b>Please provide a breakdown of circulation figures based upon type such as books/e-books/movies/etc.)</b>	<b>Brodhead, Judy</b>																												
<b>A:</b>	<table border="1"> <thead> <tr> <th></th> <th><b>Digital</b></th> <th><b>Physical</b></th> <th><b>Total</b></th> </tr> </thead> <tbody> <tr> <td><b>Books</b></td> <td>208,229</td> <td>2,159,296</td> <td>2,367,882</td> </tr> <tr> <td><b>Movies (DVD/Blu-ray)</b></td> <td>6,806</td> <td>1,074,120</td> <td>1,080,556</td> </tr> <tr> <td><b>Audios (Audiobooks and Music)</b></td> <td>230,340</td> <td>255,863</td> <td>486,216</td> </tr> <tr> <td><b>Magazines/Periodicals</b></td> <td>30,800</td> <td>42,304</td> <td>73,104</td> </tr> <tr> <td><b>Other Formats</b></td> <td>0</td> <td>24,463</td> <td>24,463</td> </tr> <tr> <td><b>Totals</b></td> <td><b>476,175</b></td> <td><b>3,556,046</b></td> <td><b>4,032,221</b></td> </tr> </tbody> </table> <p>These are the numbers we report to the State Library. "Other Formats" includes book &amp; CD kits, iPads, and hotspots. The iPads are internal use only, but users have to check them out. These numbers also include renewals.</p>		<b>Digital</b>	<b>Physical</b>	<b>Total</b>	<b>Books</b>	208,229	2,159,296	2,367,882	<b>Movies (DVD/Blu-ray)</b>	6,806	1,074,120	1,080,556	<b>Audios (Audiobooks and Music)</b>	230,340	255,863	486,216	<b>Magazines/Periodicals</b>	30,800	42,304	73,104	<b>Other Formats</b>	0	24,463	24,463	<b>Totals</b>	<b>476,175</b>	<b>3,556,046</b>	<b>4,032,221</b>	<b>Rothenfluh</b>
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<b>Q:</b>	<b>Can you provide a breakdown of registration information by residents versus non-residents? Regarding the survey information for the summer reading program; how many surveys went out versus how many were completed and returned?</b>	<b>Gustin, Patty</b>
<b>A:</b>	<p>In 2017, 261, or 9.5%, of the 2,742 programs required registration. All programs that require registration require a library card, and, in turn, residency in either incorporated or unincorporated Naperville. (Unincorporated Naperville residents must pay for their library card.)</p> <p>There were 166 surveys handed out during 2 weeks in July. All the short, four-question surveys were completed.</p>	<b>Rothenfluh</b>

<b>Q:</b>	<b>How many room rentals does the library have and what is the revenue generated through those rentals.</b>	<b>Hinterlong, Paul</b>
<b>A:</b>	In 2017 there were 581 outside rentals that brought in \$40,150.	<b>Rothenfluh</b>

## Settlement

<b>Q:</b>	<b>What would be the impact of levying or borrowing the \$1.275 million for the Innovation Gateway project? What would the annual impact be for property taxes, debt per household, annual debt service payments, and 25% debt reduction goal.</b>	<b>Gustin, Patty</b>
<b>A:</b>	Borrowing the \$1.275 million for the Innovations Gateway Project would increase	<b>Hallgren</b>

<p>the City's overall debt position by \$1.82 million, including principle and interest payments. On average this would be an incremental \$91,000 in annual debt service payments, or \$1.50 on the average property tax bill. Additionally, this would bring down the City's debt reduction goal by 1.3% and add around \$9 per capita of outstanding debt.</p>	
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<b>Q:</b>	<b>What funding options are available for the Innovation Gateway project? Can SECA funds be utilized?</b>	<b>Coyne, Kevin</b>
A:	<p>This project would be eligible for SECA Grant funding. An application may be submitted in 2019 for the 2020 funding year.</p> <p>Other funding options include the partial usage of cash balances in the Naper Settlement Fund, similar to the Naperville Library using cash balances to fund renovations at their facilities.</p>	<b>Gallahue/ Mayer</b>