

# July 21 2020 Council QA

Wednesday, July 15, 2020 3:07 PM

## D. AWARDS AND RECOGNITIONS:

1. **20-708** Recognize first responders, healthcare and essential workers in the City of Naperville for their work in the COVID-19 crisis

## G. CONSENT AGENDA:

1. **20-755** Approve the cash disbursements for the period of 06/01/2020 through 06/30/2020, for a total of \$23,380,139.26
2. **20-728** Approve the regular City Council meeting minutes of June 16, 2020
3. **20-757** Approve the City Council Adult Use Marijuana Zoning Discussion workshop minutes of June 22, 2020

<p><b>Q:</b></p>	<ul style="list-style-type: none"> <li>• <b>Changes: paragraph 2 under D.1 Council discuss results of the non-binding referendum, voter turn out example DuPage county 24% voter turn-out versus 57% in last presidential primary with a 53% yes and 47% no to recreational cannabis, Will and DuPage county differences, daycare and school-restricted areas, industrial zone locations, liquor code, and medical and recreational code requirements.</b></li> <li>• <b>Please explain item 5 under the consensus? Provide revised maps to PZC and council.... Provide me a clear image of the PZC map with overlay with street names, subdivision name map by district (maps produced in prior Districting referendum designed by staff) and demographic map of the City.</b></li> <li>• <b>Add the vote from workshop. Aye: Chirico, White, Brodhead, Krummen, Kelly and Sullivan Nay: Gustin, Coyne and Hinterlong</b></li> </ul>	<p><b>Gustin</b></p>
<p><b>A:</b></p>	<p>Staff has reviewed the meeting audio regarding the requested changes.</p> <ol style="list-style-type: none"> <li>1. Specific vote percentages as listed above were not discussed at the workshop. Instead, general references to the referendum outcome were mentioned in staff's presentation and by Councilwoman Brodhead (at the 46:00 mark).</li> <li>2. Individual requests for maps can be made to staff, however, at 2:20 Krieger clarified that revised maps would be presented to PZC as part of their agenda packet and would be given to Council as FYI only.</li> <li>3. Council cannot take final action in a workshop in the form of a vote and direction is given to staff as consensus only.</li> </ol>	<p><b>Gallahue</b></p>

4. **20-814** Approve the City Council meeting schedule for August, September & October 2020

Q:	<b>As meetings begin to open up to complete in-person business, DuPage County's last meeting hosted 100 or so residents in their library and training rooms with social distancing and masks, when will staff begin allowing residents an open meeting in-person? Zoom via comments from residents impedes their rights to participate in government. What is the timeline and completion date on the equipment upgrade in council chambers? Council voted to have it completed during the Stay at Home order which has been modified and relaxed by the Governor.</b>	Gustin
A:	Work is underway on the audio-visual upgrade in Council Chambers. The contractor has begun decommissioning/removing existing equipment and ordering new equipment, and an exact timeframe for completion will be determined after all new equipment is received. Some of the new equipment supports hybrid in-person/online meetings (web conferencing pieces similar to the system installed at the County) and is in high demand across the country and backordered due to the pandemic. This interdepartmental project also involves designing a new technology network to support secure use of the items as well as re-wiring part of Council Chambers to accommodate the new equipment. After being approved in May, the project was slated to take eight weeks during the months of July and August, but that did not factor in supply chain issues. Work will continue throughout August at a minimum.	LaCloche

5. **20-533** Approve the award of Bid 20-076, Northwest Waterworks Booster Pump VFD Installation and South Operations Center VFD Replacement, to Dahme Mechanical Industries for an amount not to exceed \$225,000 plus a 5% contingency
6. **20-618** Approve the award of Bid 20-204, North Pump Station Sewer Interceptor Phase 3, to Insituform Technologies USA, LLC for an amount not to exceed \$726,759, plus a 3% contingency

Q:	<b>As this a project is near or on Ogden Avenue a state road will the city have a opportunity to request reimbursement of any costs?</b>	Gustin
A:	This project will not involve Ogden Ave or IDOT Right-of-Way. No cost reimbursements from outside agencies are available for this project.	Blenniss

7. **20-658** Approve the award of Bid 20-213, Cross Connection Control Testing Records Administration, to Aqua Backflow, Inc for an amount not to exceed \$453,350 and for a three-year term

Q:	<b>To clarify, the City has negotiated the contract on behalf of</b>	Sullivan
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	<b>residents, but it will be the affected residents and not the City who will bear these costs via service fees from the provider?</b>	
A:	Yes that is correct. The fees are paid from customers directly to the provider.	Blenniss
<b>Q:</b>	<b>Is this a pass-through expense to the customer or did the City absorb this cost in the past?</b>	<b>Gustin</b>
A:	The fees are paid directly from customers to the provider, therefore no funds pass-through the City. Prior to 2012, the City absorbed the costs for program administration. No fee was charged to customers for this service; however customers still had to hire a certified plumber to inspect the device. Now that the program is outsourced, customers pay a fee directly to the vendor for this service.	Blenniss

- 8. **20-714** Approve the award of Change Order #1 to Contract 19-273 Traffic Signal and Street Light Maintenance, to Meade Inc. for an amount not to exceed \$39,935.49 and a total award of \$786,884.09
- 9. **20-716** Approve the award of Option Year One to Contract 19-134, Palo Alto Firewall Upgrade, to Continental Resources, Inc. for an amount not to exceed \$108,265

<b>Q:</b>	<b>Will staff consult with city IT Department to ensure no duplicative products and cross-referencing for the future operations?</b>	<b>Gustin</b>
A:	Yes, the Electric Utility has an established practice with IT on all technology purchases for current and future operations.	Podlesny/Nguyen

- 10. **20-731** Approve the award of Option Year One to Contract 17-119, Spot Purchases of Single Phase and Three Phase Transformers, to CG Power Systems USA, Inc., Graybar Electric Company, Power Line Supply, RESCO, Universal Utility Supply Co. and WESCO for an amount not to exceed \$640,104.
- 11. **20-732** Approve the award of Cooperative Procurement 20-253, Computing Equipment Refresh, to Insight Public Sector for an amount not to exceed \$139,168.00

<b>Q:</b>	<b>What is City Managers sole approval authority amount? Why would this not fall under that authority?</b>	<b>Gustin</b>
A:	The City Manager's approval authority is up to \$100,000. Above \$100,000 goes to Council for approval.	Nguyen

- 12. **20-741** Approve the award of Sole Source Procurement 20-257, Cityworks Integration Implementation, to Schneider Electric for an amount not to

exceed \$169,623

13. **20-758** Approve the award of Cooperative Procurement 20-265, Janitorial Supplies, to W.W. Grainger Inc. for an amount not to exceed \$145,000 and for a one-year term
14. **20-760** Accept the record of Emergency Procurement 20-269, Gartner Road Storm Sewer Replacement, to Baish Excavating for an amount of \$125,876, plus a 5% contingency
15. **20-782** Approve the award of Bid 20-240, Smart Grid Network Upgrade, to Continental Resources, Inc. for an amount not to exceed \$210,016
16. **20-318** Receive the staff report for the acquisition of land for right of way for the North Aurora Road improvements from the property at 600 Industrial Drive (Item 1 of 3)
17. **20-347** Adopt the resolution affirming the applicability of section 6-2-19 (existing buildings and structures) to the property located at 600 Industrial Drive following acquisition of additional right-of-way for North Aurora Road (Item 2 of 3)
18. **20-348** Pass the resolution authorizing execution of a purchase and sale agreement for a portion of real property located at 600 Industrial Drive, Naperville (Item 3 of 3)
19. **20-736** Pass the ordinance amending the structure and fee amounts included in Articles E, F, and H of Chapter 9 (Municipal Finances) of the Naperville Municipal Code.
20. **20-713B** Pass the ordinance approving a variance to reduce the amount of required off-street parking for the subject property located at 1899 High Grove Lane (Phoenix Closures) - PZC 20-1-031

<b>Q:</b>	<b>Staff and PZC have approved a request for the petitioner to only have 41% of the parking mandated by code. What is unique about this site or the petitioner's request that a variance this large is supported by staff at this time? How often has staff supported parking variances this large in the last 5 years?</b>	<b>Sullivan</b>
<b>A:</b>	<p>Parking variances are considered on a case-by-case basis. Considerations for support of a parking variance include business operations, number of employees at peak parking demand, average number of customers visiting the site, and current/project peak occupancy counts.</p> <p>For the current parking request, the petitioner has submitted data which supports the provided number of parking spaces will be</p>	<b>Mattingly</b>

sufficient for their parking needs both now and following the proposed building expansion. In addition, the building has one tenant, Phoenix Closures, which has occupied the site since 1965 with no issue noted or complaints received regarding parking spaces. However, as a safeguard, staff included conditions in the ordinance which require the petitioner to provide solutions if the number of parking spaces becomes an issue in the future. For these reasons, staff is supportive of the request.

Staff can pull data on prior parking variance approvals, but this data likely will not be ready prior to the July 21<sup>st</sup> Council meeting.

- 21. **20-752** Adopt the resolution authorizing a workers’ compensation settlement contract between the City of Naperville and Roger Otto

**H. PUBLIC HEARINGS:**

- 1. **20-783** Conduct the Public Hearing for the amendment to the City of Naperville’s Community Development Block Grant (CDBG) Citizen Participation Plan as directed by the U.S. Department of Housing and Urban Development in response to the COVID-19 pandemic

<b>Q:</b>	<b>Under potential uses for CARES funding staff noted “meeting and urgent need.” Does that apply to community not-for profit organizations? Please give examples of relief services to individuals?</b>	<b>Gustin</b>
A:	Yes, the programs outlined will be administered by nonprofit grantees with experience in the type of program to be funded. Some examples of assistance provided to individuals would be temporary (up to three months) assistance with rent or mortgage payments and/or utilities, assistance to homeless people and victims of domestic violence to stay in hotels/motels for up to three months while receiving services and counseling, meals delivered to elderly and disabled people or pre-packaged meals for pickup, employment assistance and counseling, mental health counseling, etc.	Broder

- 2. **20-791** Approve the amendment to the City of Naperville’s Community Development Block Grant Citizen Participation Plan as directed by the U.S. Department of Housing and Urban Development in response to the COVID-19 pandemic
- 3. **20-800** Conduct the public hearing for the Substantial Amendment to the City of Naperville’s Community Development Block Grant (CDBG) Program Year 2019 Annual Action Plan allocating \$315,985 in CDBG-CV CARES Act funding and reprogramming \$81,000 in Program Year 2019 CDBG funding to alleviate the effects of the COVID-19 public health crisis
- 4. **20-796** Approve the Substantial Amendment to the City of Naperville’s

Community Development Block Grant (CDBG) Program Year 2019 Annual Action Plan allocating \$315,985 in CDBG-CV CARES Act funding and reprogramming \$81,000 in Program Year 2019 CDBG funding to alleviate the effects of the COVID-19 public health crisis

<b>Q:</b>	<b>Under the Action Plan, economic development (2), would staff recommend some of these funds go towards the Council's directive to design and find funds for businesses damaged due to riots?</b>	<b>Gustin</b>
<b>A:</b>	Unfortunately, costs of building repairs due to vandalism from the riots cannot be funded through CDBG because a direct link to COVID-19 cannot be made. Examples of items that would be eligible are costs of Personal Protective Equipment (PPE's) for employees, costs of training employees on sanitation procedures, costs of back rent and utilities incurred while businesses were closed due to the shutdown orders, etc., provided that the business either did not have other assistance to pay for these items or that the assistance available was insufficient to meet the need.	Broder

5. **20-806** Conduct the public hearing for the City of Naperville's revised 2020-24 Consolidated Plan and Program Year 2020 Annual Action Plan allocating a total of \$567,835 of Community Development Block Grant (CDBG) funds
  
6. **20-804** Approve the City of Naperville's revised 2020-24 Consolidated Plan and Program Year 2020 Annual Action Plan allocating a total of \$567,835 of Community Development Block Grant (CDBG) funds

<b>Q:</b>	<b>Has this been reviewed for input and review by the Housing Board? Can staff allow the Housing Board to review for public transparency and board input as this is a five year plan.</b>	<b>Gustin</b>
<b>A:</b>	The Consolidated Plan was available for public comment for 30 days from February 17, 2020 to March 17, 2020, after the City Council originally approved it. The Housing Advisory Commission (HAC) met during that time and was informed of the general conclusions of the document. Most of the housing-related information and recommendations in the plan are based on the Housing Needs Assessment that the HAC has been reviewing since last fall. The consultant, S.B. Friedman, provided a brief summary of how the housing market might be impacted by COVID-19, and that summary was the basis for the updated version of the Consolidated Plan that is now before the Council.	Broder

7. **20-603B** Receive the staff report for M House Creek Estates located at 831 S. Julian Street - PZC 20-1-026 (Item 1 of 7)

<b>Q:</b>	<b>Please explain how the back lot is not considered a flag lot?</b>	<b>Hinterlong</b>
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A:	The proposed back lot is not considered to be a flag lot given that the width of the lot at the property line meets the minimum lot width requirement per the proposed zoning district. The minimum lot width requirement for the R1A zoning district is 70', and the proposed lot width is approximately 70'.	Mattingly
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8. **20-810** Conduct the public hearing to consider the Annexation Agreement for M House Creek Estates located at 831 S. Julian Street, PZC 20-1-026 (Item 2 of 7)
9. **20-807** Pass the ordinance authorizing the execution of the Annexation Agreement for M House Creek Estates located at 831 S. Julian Street, PZC 20-1-026 (requires six positive votes) (Item 3 of 7)
10. **20-808** Pass the ordinance annexing the subject property located at 831 S. Julian Street (M House Creek Estates), PZC 20-1-026 (Item 4 of 7)
11. **20-605B** Pass the ordinance rezoning the subject property at 831 S. Julian Street (M House Creek Estates) to R1A upon annexation, PZC 20-1-026 (Item 5 of 7)
12. **20-809** Pass the ordinance approving the preliminary/final plat of subdivision for the subject property located at 831 S. Julian Street (M House Creek Estates), PZC 20-1-026 (Item 6 of 7)
13. **20-604B** Pass the ordinance approving a variance to section 6-2-26:4 in order to construct a single-family home which exceeds the maximum height on the southern lot of subdivided property located at 831 S. Julian Street (M House Creek Estates), PZC 20-1-026 (Item 7 of 7)

## J. ORDINANCES AND RESOLUTIONS:

1. **20-801** Adopt a resolution approving the waiver of certain liquor license and tobacco license renewal fees for 2020-2021.

Q:	<b>Did we get a list of those license holders that received the government grants before making this decision? In fairness, some got in the millions of dollars and should they get discounted if others didn't receive anything? Were partial fees considered?</b>	Hinterlong
A:	No. The Liquor Commission did not request nor receive a list of liquor license holders that received government grants. Council could add a requirement that businesses submit a declaration under the penalty of perjury that they did not receive a government grant in order to obtain a fee waiver.	Lutzke

A partial fee waiver was mentioned at the Liquor Commission meeting, but the discussion centered around a complete waiver of certain liquor license fees.
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## K. AWARD OF BIDS AND OTHER ITEMS OF EXPENDITURE:

- 20-219** Approve the award of Bid 20-212, Improvements to City Well 31, to AMS Mechanical Systems for an amount not to exceed \$1,323,200 plus a 3% Contingency

<b>Q:</b>	<b>Which is correct? In the background portion of the agenda, it states that 2 of the 8 wells have been completed. In the project narrative, it states that 4 of 8 have been completed. Which is it?</b>	<b>Hinterlong</b>
<b>A:</b>	Two wells have been completely rehabbed. The 2020 Budget planned to have two additional wells rehabbed (28 & 31).	<b>Blenniss</b>

- 20-484** Approve the award of Change Order #2 to Contract 14-098, Harris Radio System Maintenance Agreement, to L3Harris Corporation for an amount not to exceed \$2,117,943.69 and a total award of \$5,484,140.22 and for an additional four-year term

## M. REPORTS AND RECOMMENDATIONS:

- 20-766** Direct staff to prepare an ordinance that establishes a Human Rights Commission through expanding the Housing Advisory Commission

<b>Q:</b>	<b>Will staff require all and any appointees be Naperville residents? As the city has had one formal complaint in 18 months, what increase of formal complaints does staff expect to justify a new employee expense, i.e. use of vacant employee pool dollars? HAC has worked with many types of mediation/hearing in the past, is staff recommending removal of that portion of their mission to avoid potential duplication?</b>	<b>Gustin</b>
<b>A:</b>	Staff would recommend that commission members be Naperville residents. We are unsure of the change in both formal and informal complaints that may occur with the development of the Human Rights Commission. These changes will clarify the overall complaint process which may also have an impact. The proposed position will not only manage the complaint process but will also support the diversity and inclusion efforts of the HRC, engage in community outreach with the HRC, city departments and community partners, and support internal organizational diversity and inclusion work with Human Resources. Considering these responsibilities, staff believes the new employee expense is justified. The HRC (expanded HAC), is proposed to remain a part of the complaint process but be involved at a later stage.	<b>Schatz</b>



2. **20-780** Receive the staff report and approve the recommendations regarding creating a Public Art program administered by the City of Naperville

<b>Q:</b>	<b>As SECA funds are received from our local businesses food and beverage tax, does staff recommend spending funds on this project over food and beverage tax reductions for Naperville local businesses? What is the staff's position on naming public building which can be considered an art form? Will Naper Settlement and other art organizations have a vote and seat at the table?</b>	<b>Gustin</b>
<b>A:</b>	<p>Reducing food/beverage taxes is a policy decision and staff would defer to the City Council on that issue.</p> <p>The goal is for an independent consultant is to advise on best practices and to engage a diverse representation of the community (individuals and organizations) in the discussion of creating a public art program where the strategic plan, application, review, and funding allocations will be administered by the City. Upon Council approval, staff will partner with the SECA Commission to develop an RFP and begin soliciting Task Force membership to assist with managing the initiative.</p>	Gallahue

3. **20-818** Provide direction regarding youth commission/council/task force.
4. **20-778** Receive the July 2020 Financial Report and provide direction on financial philosophies for the remainder of 2020 and 2021.

	Attached is the presentation that will be provided on this agenda item at tomorrow evening's meeting.	Mayer
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# July Financial Update

CITY OF NAPERVILLE – JULY 21, 2020



# Current Information

## **RESTORE ILLINOIS: PHASE 4**

- Allows gatherings up to 50 people
- All business allowed to open
- Indoor dining allowed with precautions

## **NEW PUBLIC HEALTH REGIONS**

- Suburban regions separate from Chicago & Cook County
- Allows for targeted mitigation strategies

## **CARES ACT FUNDING**

- DuPage Co. Board approved \$5.01M allocation of funds to Naperville
- Will Co. developing allocation process

## State Sales Tax

- 38% below projections
- Lower than statewide year-over-year decline at -24%

## Home Rule Sales Tax

- 42% below projections
- Lower than statewide year-over-year decline at -34%

## State Income Tax


- 22% below projections

## Motor Fuel Tax

- 5% below projections

## Local Use Tax

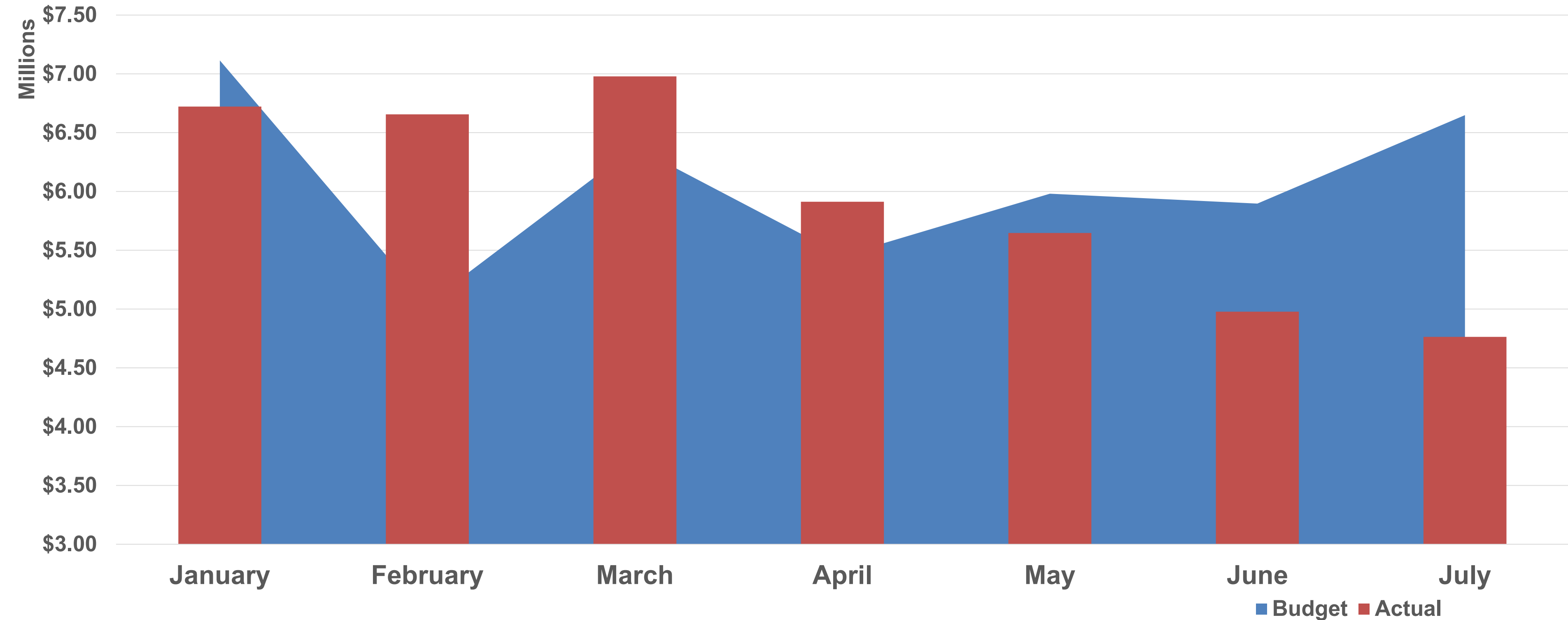
- 40% above projections – due to internet sales



July sales tax receipts reflect April sales – the most restricted month under the stay-at-home order

# July State Revenues

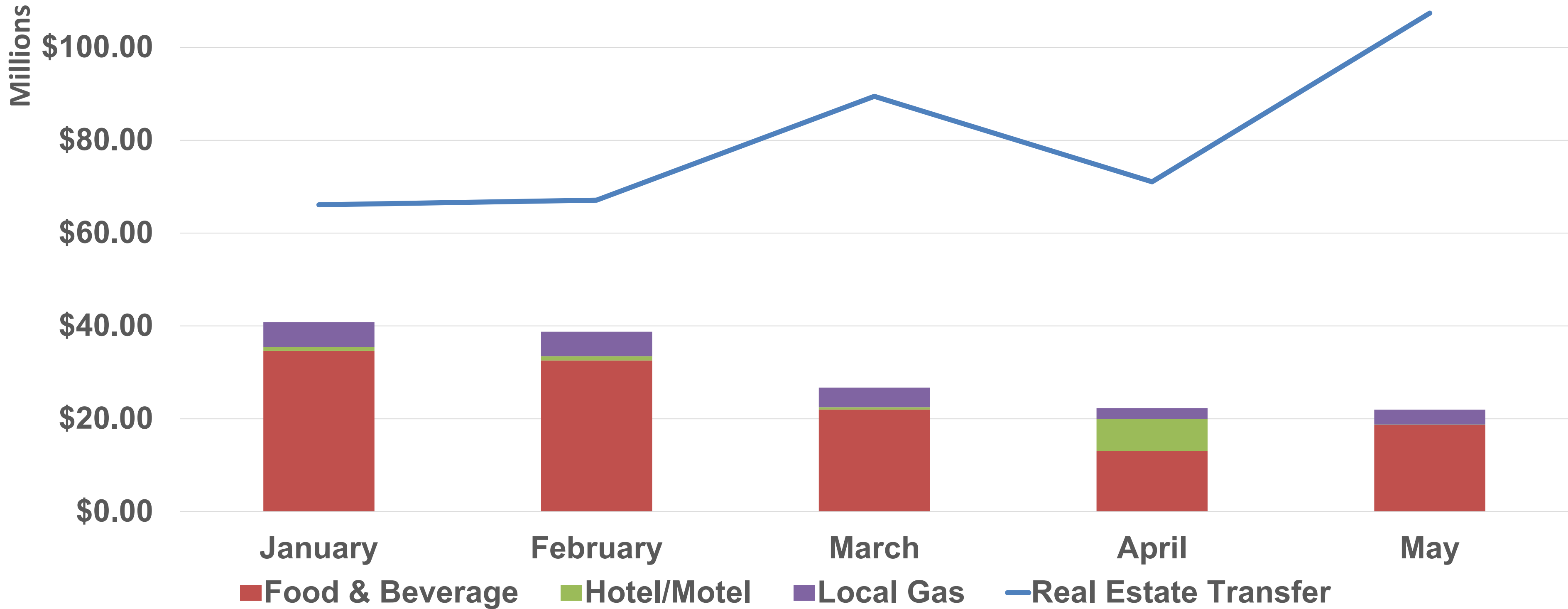
# YTD State Shared Revenues



- July revenue decline reflects first full month of COVID restrictions
- Only 2% below YTD projections due to strong first quarter
- Looking to August revenues to confirm July was the bottom

**State  
Revenues**

# Taxable Sales by Reporting Period



- Food & beverage and local gas taxes rebounded from April lows
- Growth in real estate market continued in June with a 26% increase
- Property taxes remain unaffected with more than 50% collected YTD

**Local  
Revenues**

# GENERAL FUND REVENUE PROJECTION

## INITIAL PROJECTION: \$18 MILLION DECLINE

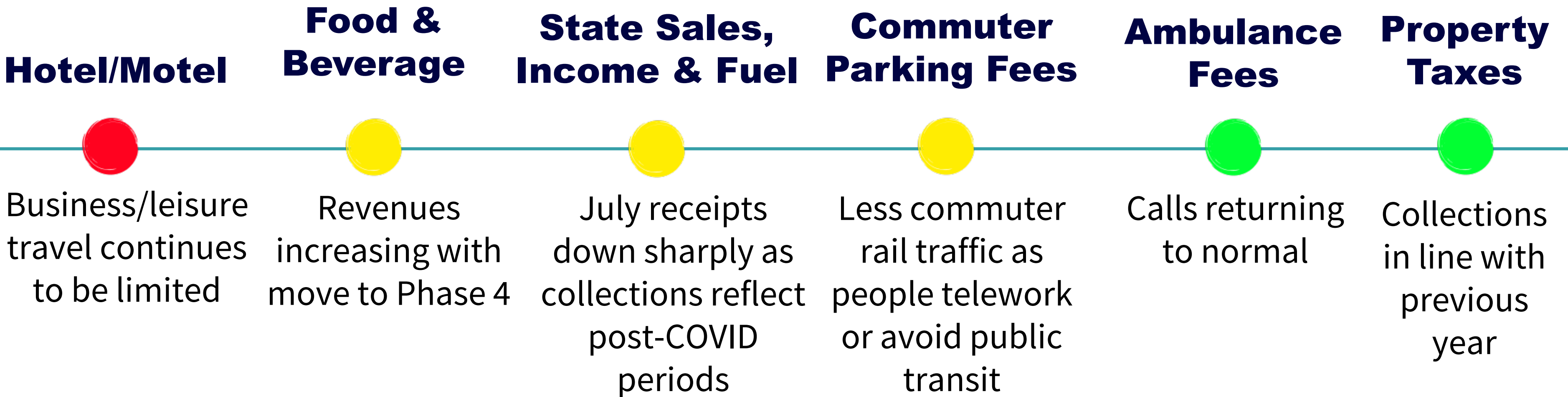
- No known information or historical basis for comparison
- Difficult to project revenue losses in early days of pandemic



## REVISED PROJECTION: \$12 MILLION DECLINE

- Several months of known revenue
- Assumes conservative outlook for recovery
- Assumes July is the “bottom” for revenues

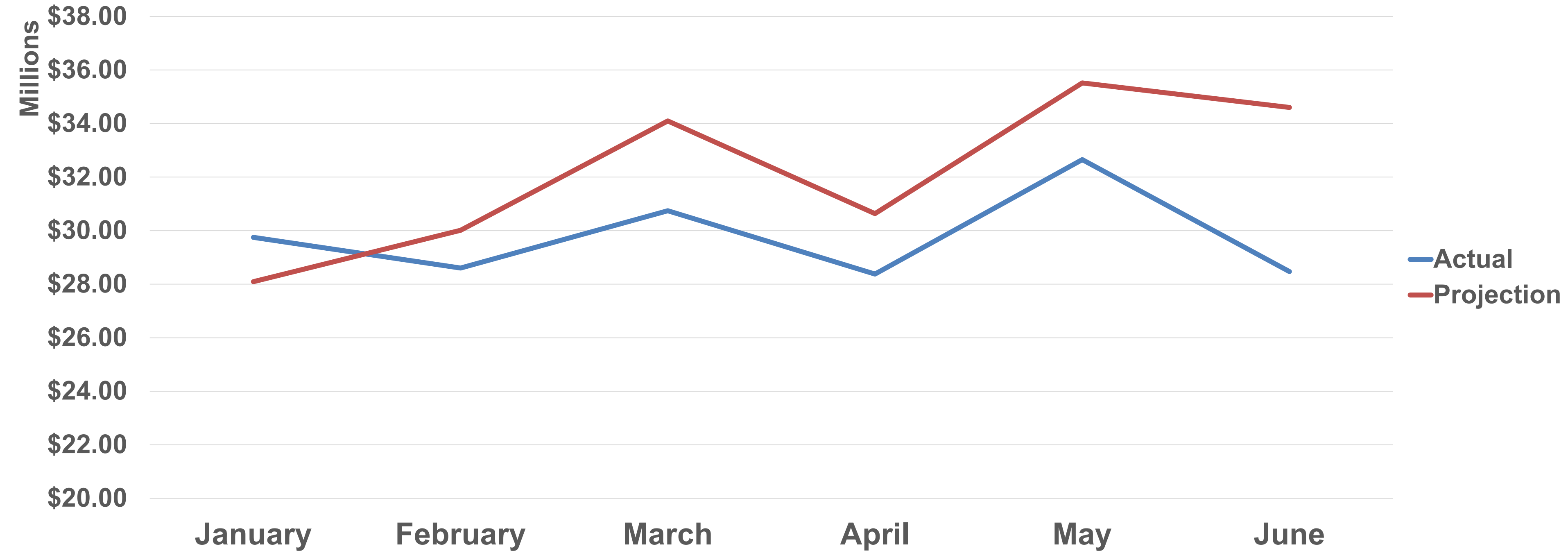
# Areas of Risk - Revenues



 **High**  **Medium**  **Low**



## YTD Expenses (All City Funds)



- Continue to trend below budget projections through June
- Spending below projections in capital projects, overtime, medical/dental claims, equipment parts and fuel

# Expenses

# Financial Philosophies



## EASING REVENUE RESTRICTIONS

- Certain revenues currently restricted – HRST and F&B
- Option to temporarily modify
- Reallocate funds for different purposes
  - Reallocate to core services
  - Expand, create new relief programs

## REEVALUATING FINANCIAL PRINCIPLES

- Use cash reserves as a temporary measure
  - Maintain current service levels
- Leverage borrowing power
  - Fund capital projects to preserve cash on hand

# Community Assistance

## **SMALL BUSINESS ASSISTANCE**

- Local supplement to federal/state assistance programs
- Program into 2021 budget – target long-term need
- Food & Beverage or other local taxes



## **UTILITY CUSTOMER ASSISTANCE**

- 3,995 delinquent accounts totaling \$2.1M as of July
- Provide relief through additional utility assistance funds
- Seek to leverage community partners with existing processes

# Action Items

1. Recommend temporary suspension of the City's financial principles to allow for the use of cash reserves and additional debt issuance in 2020 and 2021.
2. Recommend temporary removal of revenue restrictions around HRST and F&B tax for the 2021 budget.
3. Consider implementing local small business and utility assistance relief programs as part of the 2021 budget.

# Next Steps

## FINANCIAL PHILOSOPHIES

- Return with action items consistent with Council direction
- Incorporate direction into 2021 budget development

**QUESTIONS?**

