



City of Naperville

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

Meeting Minutes - Final

City Council

Monday, November 10, 2025

6:00 PM

Council Chambers

Budget Workshop III

TO WATCH OR LISTEN TO THE CITY COUNCIL MEETING LIVE: • Watch on WCNC GOVERNMENT ACCESS TELEVISION (Ch. 6-Astound, Ch. 10 - Comcast, Ch. 99 – AT&T U-verse) • Watch online at <https://naperville.legistar.com>

TO PROVIDE PUBLIC COMMENT:

The public may choose to provide public comment in any of the following ways:

1. Address the City Council live during the City Council meeting in-person in City Council Chambers. Individuals wishing to address the City Council during the meeting must sign up online at www.naperville.il.us/speakersignup by 5:30 p.m. on November 10.
2. Individuals can also have their name added to the speaker list by calling the Community Services Department at (630) 305-5300 by 5:30 p.m. on November 10.
3. Submit a written comment to the City in advance of the City Council meeting by 3 p.m. on November 10. Written comments will be compiled and posted with the electronic meeting agenda on the City's website prior to the start of the meeting. The cumulative number of comments will be announced during the City Council meeting.
4. Submit a one-word statement of "SUPPORT" or "OPPOSITION" regarding a specific agenda item by 3 p.m. on November 10. The names of participants who submitted position statements will be compiled and posted with the electronic meeting agenda on the City's website prior to the start of the meeting. The cumulative number of position statements will be announced during the City Council meeting.

There will be no on-site speaker sign up permitted.

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; Police Chief Jason Arres; Director of Finance Raymond Munch; Director of TED Jennifer Loudon; Director of Public Utilities - Electric Brian Groth; Director of Community Services Melanie Marcordes; Director of Human Resources Helga Oles; Deputy Director of Finance Traci Marrocco, Budget Analyst Nick Krueger; Budget Analyst Braeden Smith; Director of Communications Linda LaCloche

B. INTRODUCTION:

City Manager Doug Krieger began the presentation by outlining the agenda for the final workshop - a high-level overview of the 2026 operating and capital budget - and providing a brief recap of the past two workshops.

C. PUBLIC FORUM:

Marilyn Schweizer (Naperville) - pleased only Tier 1 of undergrounding is being funded and that the sidewalk cost share is being eliminated. Believed SECA funding allocations should be re-examined. Recommended the City prioritize the 5th Avenue area for a special study and coordinate with NDP on I-88. Voiced concern about Riverwalk costs and disappointment that the City website redesign will not address the help center.

D. PRESENTATIONS:

1. Annual Budget Workshop #3: 2026 Annual Operating Budget & Capital Improvement Program Overview

The City entered the 2026 budget season anticipating significant challenges, including the grocery tax issue, rising personnel and health care costs, and unexpected revenue and insurance cost changes. Through strategic reductions and right-sizing efforts, the City achieved a balanced General Fund budget. Furthermore, the 2026 capital program totals \$190 million and continues the City's focus on essential utility investments, with 63% of the program dedicated to the Water and Electric utilities and the remainder supporting various transportation, technology, facility, and infrastructure projects.

Council asked whether the Tollway Substation project would address any hypothetical future use of energy in its area. Electric Utility Director Brian Groth stated the project would increase the reliability of the tollway substation with existing infrastructure and did not address hypothetical developments.

Krieger handed the presentation over to Deputy Finance Director Traci Marrocco, who proceeded to cover the maintenance and operating funds. Revenues for the Electric Utility Fund are projected at just under \$178 million, driven by a 5% increase in electric charges from approved 2024 rate adjustments and a 26% rise in other revenues linked to a federal DOE grant that is currently under appeal. On the expense side, total expenditures are expected at \$177 million, up 6.3% from the prior year, largely due to higher purchased electricity costs and personnel expenses and partially offset by reduced debt service payments and slightly lower capital spending.

Revenues in the Water and Wastewater Fund total \$151.2 million, up 22.7%, driven by rate increases from the 2024 study, modest growth in service demand, and a planned \$45 million bond issuance to support major Springbrook improvements. Expenses total \$162.2 million, up 9.8%, primarily due to rising personnel and maintenance costs and a significant \$20 million increase in capital spending for Springbrook upgrades, wastewater infrastructure, and lead service line replacements.

Council asked whether staff could elaborate on purchased electricity costs being 10% higher. Brian Groth stated that there was increased demand but nothing necessarily to attribute to that demand, outside of a hotter summer.

Marrocco then covered the Capital and Debt Service Funds, which are responsible for the City's investment in assets such as streets, municipal facilities, major technology, and vehicle replacements. Capital Projects Fund revenues are projected at \$42.1 million, down 19.5% primarily due to the absence of new bond issuances, while expenses total \$55.1 million, a 9.6% decrease driven by the cyclical nature of capital work and the completion of major work for 2025 projects. Major initiatives such as the North Aurora Road underpass and ongoing design work for citywide improvements will continue to require significant investment in 2026. Revenues for the Motor Fuel Tax and Road & Bridge Funds are expected to total \$10.8 million in 2026; declining MFT, PPRT, and local gas tax revenues are largely offset by inflation-based growth in Transportation Renewal Funds. Expenditures between the funds total \$9.7 million, primarily supporting the City's annual Street Maintenance Program, with a planned adjustment to shift \$1 million in MFT funding to accommodate the use of Rebuild Illinois Funds for the North Aurora Road Underpass in the final budget.

Council asked about how EV registration affected the City's MFT revenues. Doug Krieger indicated the City is working with the State to address the declining revenues as a result of increased EV adoption. Council asked how capital revenues under the Capital Projects Fund increased only 12.9% if HRST, a part of capital revenues, increased 21%. The increase in capital

revenues is an aggregate of the increases and decreases of various revenues in the fund.

Finance Director Ray Munch began his segment of the presentation by covering the Food and Beverage Fund, a portion of the City's Special Funds. Revenues in the Food & Beverage Fund are projected to rise by about \$100,000 or 1.4%, driven mainly by a conservative growth forecast in the citywide food and beverage tax, with expenses increasing in turn. The fund continues to support SECA, public safety pensions, and social services grants, as well transfers to Naper Settlement and the debt service fund.

Munch proceeded to cover the City's property tax. The City's proposed 2025 property tax levy is \$59.7 million, a 1.5% increase that continues shifting support from debt service toward core city services and pension obligations. Despite rising property valuations (that the City does not control), the estimated 2025 tax rate of 0.5506 is the lowest since 1968, helping limit impacts on homeowners. Staff presented sample tax bills from both DuPage and Will Counties, highlighting variations in each county's bill structure and how the portion attributable to the City remains consistent.

Munch handed the presentation back over to Doug Krieger, who continued the discussion surrounding the SECA cap that was started at the previous budget workshop. Krieger outlined two approaches to adjusting the SECA cap: either applying a revised inflation-based cap of \$2.5 million or maintaining the Municipal Code limit while adding \$200,000 for NCTV17. Both options would ensure increased NCTV17 support and SECA grant funding at or above 2025 levels. Council voted in favor of the revised cap 6-3. Krieger opened the floor to further discussion regarding other workshop items.

By consensus Council was in favor of the Police Department's Drones as First Responders program. Council proceeded to discuss the special area study proposed by the TED Department. First, Council wanted to know if the \$150K was being budgeted for a consultant. TED Director Jen Loudon stated the amount was a placeholder and not budgeted for a specific use at this point. Second, Council asked about the staff time currently spent on the two projects and whether the department could use NDP's study on I-88. Loudon stated staff has spent minimal time on I-88 thus far and staff time would need to be reallocated towards that project if chosen as staff would be required to lead planning. Staff has spent more time on 5th Avenue in the past year due to coordination with the Urban Land Institute on the 5th Avenue Study. Regarding NDP's I-88 study, the City's study would be more in-depth and go beyond land use.

Council proceeded to discuss the Police Department's Mobile Crisis Intervention Team (MCIT). The MCIT is a unit dedicated to responding to the mental health-related crisis calls the police receives. The unit was left out of the 2026 budget as funding for 2025 had not been secured in time, and departments were instructed to limit new personnel requests for 2026 due to budgetary restraints. Council voted 8-1 to have staff analyze the request and

prepare a review for the Council meeting on November 18. Council inquired about discontinuing the \$10,000-per-year electric lawn equipment grant; Council voted 7-2 in favor of keeping the grant as is. Council inquired about the status of the City's tree-trimming program and whether contracting out the work would be more effective. Staff stated that the City is behind schedule but already utilizes a mix of in-house and contracted work. Budget & Administrative Manager Christine Schwartzhoff of Public Works stated the City operates on a cycle and requests outside of the cycle are delayed so the City can maintain its schedule.

Doug Krieger wrapped the presentation up with an overview of the whole budget and asked Council if it supported the 2026 Budget as proposed. Council supported the Budget. Krieger provided a brief overview of the remaining Budget timeline.

E. ADJOURNMENT:

Budget Workshop #3 adjourned at 7:36 p.m.

/s/ Braeden Smith
Braeden Smith, Budget Analyst