

City of Naperville

*400 S. Eagle Street
Naperville, IL 60540*



Meeting Minutes - Draft

Monday, November 18, 2019

7:00 PM

Budget Workshop #2

Council Chambers

City Council

A. CALL TO ORDER:

The Mayor called the workshop to order at 7:00 p.m.

B. INTRODUCTION:

None

C. PUBLIC FORUM:

Resident Jim Hill reviewed the Electric Utility rate study information. He requested the current status of the study. He reviewed several slides regarding services and requested historical information.

The Mayor, then, turned the meeting over to Doug Krieger, City Manager to present the 2020 Budget.

D. PRESENTATION:

2020 Budget Workshop #2

Krieger welcomed the Council to the second 2020 Budget Workshop. He briefly reminded Council that in the first workshop the budget was reviewed with respect to two of the City's Ends Policies: Economic Development; and High Performing Government. During Workshop #2, the other two policies (Public Safety and Financial Stability) would be reviewed. However, the first presentations would be from the Library and Naper Settlement.

Krieger, then, introduced David Della Terza, Executive Director of the Naperville Library system.

Terza reviewed the Library's growing attendance. He explained some of the activities and outreach programs offered by the Library.

Councilwoman Sullivan asked for clarification on the funding of capital projects. Finance Director Rachel Mayer explained that some of the cost will be funded through the Library's Capital Project fund. The remainder would be included in the Bond fund.

Terza concluded his presentation and the Mayor thanked him for the information.

The Naper Settlement President and CEO, Rena Tamayo-Calabrese then approached Council to review the activities and accomplishments of the Naper Settlement. She noted that while the highly attended Christkindl Market would not return to the Settlement in 2020, plans for other events are expected to generate offsetting revenues.

Tamayo-Calabrese noted that the Settlement provides a balanced budget. She, also, noted that should the expenses exceed the budget, the Naperville Heritage Society has supported the Settlement.

Upon completion of the Naper Settlement presentation, the Mayor invited Krieger to continue the budget presentation. Krieger introduced Deputy City Manager Marcie Schatz who reviewed the budget from a Public Safety perspective.

Schatz reviewed the activity of the Police and Fire Departments, summarizing the number of calls received, the response times and the types of calls. She, also, noted key initiatives implemented that has resulted in increased efficiencies.

She outlined the vehicle requests and the request by the Police Department for additional personnel. The additional personnel would be designed as a four-person team. Their intended duties were described, as well as, the goals for creating the team.

Schatz, then, noted the capital projects budgeted for 2020.

Following the review of expenditures, she reviewed the key revenue sources related to Public Safety initiatives. These sources included Ambulance Billing Fees. As Schatz explained this revenue source, she also explained the expected additional revenue. The Ground Emergency Medical Transport payments for Medicaid patients is being revised by the State of Illinois to increase reimbursements. The City would then share the increased revenue with the State's Department of Health & Family Services.

A question was raised on the percentage of transports that are Medicare or Medicaid and how much is privately funded. Staff offered to provide that breakdown as part of the Q & A that would be distributed subsequent to the meeting.

Upon completion of the review of the budget with respect to the Public Safety Ends Policy, Krieger then began the review of the Financial Stability Ends Policy. He reviewed the way that city services are funded through a diverse fee structure. Noting that funds are derived from a variety of sources: service charges; market driven taxes; intergovernmental taxes and other.

At this point the Mayor called a five minute break commencing at 9:03pm. The Council reconvened at 9:10pm. Rachel Mayer began a detailed look at the major revenue sources.

The review, then, moved on to the proposal of the Solid Waste Fund. The goal of the fund is the alignment the receipt of revenues with the related expenses.

The view of the Utilities included a recap of consumption and costs. As well as a comparison of how the City's rates compare to similar communities.

Upon completion of the review of revenues related to the Financial Stability Ends Policy, Mayer explored the related expenditures. Personnel costs were reviewed noting that all recommendations were developed by surveying comparable communities. Next the cost of benefits was reviewed and the reason for increases was noted.

Mayer continued the budget review by outlining the requests for additional personnel. As previously noted, the Police Department included four additional staff in the 2020 budget. The Water Utility requested one additional FTE (full-time equivalent employee). Information Technology requested four new positions. A discussion ensued regarding the merits of hiring contract personnel rather than filling the IT positions with full time staff. Jacqueline Nguyen, IT Director provided information on the cost differential between contract personnel and hired staff. In addition, she outlined the learning curve entailed with these positions and the risk of losing continuity when contracting with an outside firm who can change personnel after training is completed. Council instructed that additional information be included in the subsequent Q & A.

As a summary, Mayer reminded Council that the preparation of the 2020 budget started by reviewing past actions. Staff, then, reset priorities and projects based on the results of those past actions. Next, Staff researched and developed opportunities for the Community. The result is a budget than plans for future needs.

The next presentation slide summarized the City's three financial principals and the results:

- **Pass a structurally balances operating budget** – 2020 Proposed Budget has achieved this principle;
- **Continuous improvement in delivery of necessary and cost-effective services** – 2020 Proposed Budget is on Target with this principle;
- **Increase reserves to 25% and reduce debt by 25%** - the 2020 Proposed Budget is on target with this principle.

The final segment of the presentation reviewed property taxes. A graph was displayed noting the City of Naperville's property tax rate compared to similar communities. Naperville has the lowest rate. In addition, the cost of living in Naperville was estimated and presented. This information was, also, graphed with comparable communities noting that Naperville has the lowest cost. Council discussed and requested that similar historical data be included in the subsequent Q & A.

The presentation was closed with a reminder that the budget is on the agenda for approval at the December 3, 2019 Council Meeting. At the following meeting, on December 17, 2019, the tax levy is scheduled for approval.

E. ADJOURNMENT:

There being no further discussion, the meeting was adjourned at 10:23 p.m.