



City of Naperville

400 S. Eagle Street
Naperville, IL 60540

Meeting Minutes

City Council

Wednesday, November 9, 2022

6:30 PM

Council Chambers

Budget Workshop II

A. CALL TO ORDER:

Chirico called the meeting to order at 6:30 p.m.

- Present:** 6 - Mayor Steve Chirico
Councilman Paul Hinterlong
Councilman Ian Holzhauser
Councilman Patrick Kelly
Councilwoman Theresa Sullivan
Councilman Benjamin White
- Absent:** 3 - Councilwoman Jennifer Bruzan Taylor
Councilwoman Patty Gustin
Councilman Paul Leong

Also Present

City Manager, Doug Krieger; Deputy City Manager, Marcie Schatz; City Attorney, Mike DiSanto; Director of Community Services/City Clerk, Pam Gallahue; Fire Chief, Mark Puknaitis; Police Chief, Jason Arres; Director of Finance, Rachel Mayer; Director of Human Resources, James Sheehan; Director of IT, Jacqueline Nguyen; Director of TED, Bill Novack; Deputy Director of TED, Jennifer Louden; Deputy Director of TED, Allison Laff; Director of Public Utilities - Electric, Brian Groth; Director of Public Utilities - Water, Darrell Blenniss, Jr.; Director of Public Works, Dick Dublinski, Director of Communications, Linda LaCloche; Budget Manager, Ray Munch; Naperville Library Executive Director, Dave Della Terza; President/CEO Naper Settlement, Rena Tamayo-Calabrese

Daily Herald, Naperville Sun, NCTV-17

B. INTRODUCTION:

C. PUBLIC FORUM:

Mary Lou Wehrli requested more oversight on dollars going toward the Naperville Heritage Society, requested that at least 50% of the food and beverage tax go toward SECA, applauded maintenance of City infrastructure and encouraged development of a new agreement with Naper Settlement.

George Howard encouraged the City to proceed with the road construction project extending Book Rd from Hassert Blvd to 119th St.

Barb Benson, co-chair of NEST, noted NEST's approval of sustainability initiatives in budget but encouraged City to focus on sustainability in all areas of the budget and not just on items specific to sustainability plan initiatives.

D. PRESENTATION:

1. [2023 Annual Operating Budget and Capital Improvement Program Workshop #2](#)

Krieger began by providing an overview of the budget discussions to date.

Mayer reviewed projected utility revenue, including customer charges and potential grant funding.

Chirico questioned if the 80% Federal/20% city cost is typical for grant-funded projects and Councilwoman Sullivan asked if the 80/20 was for the 5-year period and should the allocation be reduced to 70/30. Mayer responded that no determination has been made due to a lack of agreed-upon funding, and further discussion will be made with Council on acceptance of the grant.

Councilman Kelly questioned how staff will manage logistics of water main replacements in areas that do not have a lot of open spaces. Blenness noted space issues can be a challenge but staff will use the parkway and facilities as needed. Councilwoman Sullivan asked if whether any lead will be left once the project is done. Blenness explained that the state allows up to 15 years but the goal is to be done within the next 3-5 years. Councilman White asked about the water replacement vehicles to get information on what will happen with old vehicles. Mayer noted that it depends on the vehicle, some go to auction, some are traded in, some are kept for replacements given supply issues. White then suggested possibly providing old vehicles to neighboring communities. Mayor Chirico noted that the maintenance value of the utilities is higher than he recalled in previous years, he asked if it was worth updating the rate study now. Mayer noted the current rate study did take these projects into place and we do not want to take too much from the current generation if most of the benefits are for later generations and suggested not making any rate adjustments at this point.

Mayer outlined the new position in the Water Utility and the programs and the budgeted amount/funding source. Councilman Holzhauer asked how the customer programs are being marketed. LaCloche noted they are being posted through the newsletter, social media, and other City communication outlets.

Krieger outlined revenue sources to provide quality of life services. Mayor Chirico asked what amount of hotel & motel tax goes towards development incentives. Krieger noted approximately \$1.3M out of the \$3.6M will go toward incentives. Holzhauer asked if the \$5.5M in real estate transfer tax was too high for the 2023 budget. Mayer noted it is lower than the last two years.

Krieger introduced several sustainability initiatives. Councilman Hinterlong asked if any money was left for lawn equipment rebates. Krieger confirmed the allotment for the pilot was expended in less than a week but more funding is being requested for 2023. Mayor Chirico asked about the additional maintenance cost for the native vegetation. Dublinski and Krieger explained the first year is a pilot year and that staff is replacing turf to offset some cost, but the real cost difference will not be fully determined until the pilot is complete. Councilman Kelly asked about alternative fuel vehicles, confirmed the \$924K was the total cost for just the vehicles, and requested more information regarding cost difference. Dublinski noted departments are working together to get everything we need in place for expanded EV use. Holzhauer suggested looking at lifetime cost difference in electric vs gas vehicles.

Krieger outlined beautification efforts. There was Council consensus that more than \$100K should be allocated and urged for staff to incorporate public input and develop a more structured plan for this initiative.

Krieger discussed Riverwalk improvements, specifically the Fredenhagen Park Fountain. Councilwoman Sullivan identified this as an area where staff should look to save money. Chirico agreed and asked staff to come back with more recommendations.

Councilman Hinterlong asked if any funds raised by the state from electric vehicle purchases were shared by the state. Krieger said it does not so the motor fuel and local gas taxes could see decreases year over year, staff is monitoring this. The Mayor asked about EV taxes on electric utilities bills to replace missing funds from the motor fuel tax. Krieger noted there is no real solution identified yet.

Schatz discussed transportation projects and touched on the personnel request from TED to help manage these projects. Hinterlong asked about lead time with dump trucks and other large vehicles. Dublinski noted lead times are between 12-24 months depending on the vehicle types.

David Della Terza, Executive Director of Naperville Public Library, noted merit increases are planned at 4% for 2023. Councilman White inquired about staffing levels. Della Terza explained that there are difficulties in some positions, but the library is doing their best to stay competitive in the market. The Mayor also asked about the increase in cost of labor the library is experiencing. Della Terza noted it is around 3.6%, he noted it could have been higher but given recent retirements they were able to manage this some. Della Terza is going to get back to the Mayor regarding the difference in budget with a 3% merit increase compared to a 4% increase.

The workshop recessed from 8:30 p.m. - 8:36 p.m.

Rena Tamayo-Calabrese, President and CEO - Naper Settlement, outlined the 2023 budget proposal. Mayor Chirico asked about gate admissions and how revenues can increase if the new buildings won't be done until the fall. Tamayo-Calabrese explained that one is ready and one is delayed. Councilman Hinterlong asked if the 15% decrease in school experiences was due to

physical field trips not happening. Tamayo-Calabrese noted that is due to field trips not happening, and while the Settlement offers virtual options, they do not drive as much revenue.

Tamayo-Calabrese stated a 4% merit increase proposed for 2023.

Sullivan asked what the strategy was in place for large events.

Tamayo-Calabrese noted that staff is still determining what the large events will look like moving forward and that will be a part of the long-term plan. Sullivan asked if the capital campaign would be all external and Tamayo-Calabrese noted it would be. Tamayo-Calabrese then talked about the master plan and how it will be ready by 2024 once construction is done. Mayor Chirico raised concerns about event driven fees being transferred from Naper Settlement to Naperville Heritage Society (NHS). Tamayo-Calabrese noted that all the money generated goes towards the museum, NHS money and City money does not cross over. If The Mayor asked to see more transparency with NHS expenditures, that questions regarding Naper Settlement should be included in the 2023 citizen survey, and that City staff be included in the Settlement's master plan discussions.

Mayor Chirico asked if staff had any recommendations for how to spend APRA Funds. Krieger explained there are recommendations and there is not a plan to bring any during the budget cycle. The funds do not need to be committed until 2024 and the City has until 2026 to spend. Mayer noted staff is discussing the financial principles with the Financial Advisory Board.

Krieger noted there were recommendations where Council did not have consensus and that there would be communication regarding these items prior to Workshop #3.

E. CLOSED SESSION:

A motion was made by Councilman Hinterlong, seconded by Councilman White, to recess to Closed Session to discuss 120/2(c)(3) Filling a Vacant Public Office; 120/2(c)(11) Pending Litigation; 120/2(c)(21) Approval of Minutes and to adjourn the workshop at the conclusion of Closed Session. The motion carried by the following vote:

Aye: 6 - Chirico, Hinterlong, Holzhauser, Kelly, Sullivan, and White

Absent: 3 - Bruzan Taylor, Gustin, and Leong

F. ADJOURNMENT:

Council adjourned the 2023 Annual Operating Budget and Capital Improvement Program Workshop #2 and Closed Session of November 9, 2022 at 10:44 p.m.

/S/ Sherrian Kelly
Budget Analyst

/S/ Nick Krueger
Budget Analyst