

February 20, 2018 Council Q&A

Thursday, February 15, 2018 10:09 AM

I. CONSENT AGENDA:

1. **18-148** Approve the 01/05/2018 thru 01/26/2018 Cash Disbursement for \$25,569,730.04

Q:	Please provide a graph by Department, income and expense. Please explain 12/31/17 pension board payments? Invoice 0018720 Please explain expenses on page 72.	Gustin, Patty
A:	The attached shows expenses by department and the revenues by category for 2017. Invoice 0018720 are payments to the pension boards resulting from a true-up of property taxes due to them based on the approved levy.	Mayer, Rachel

2. **18-143** Approve the Regular City Council Meeting Minutes of February 6, 2018.
3. **18-047** Approve the Award of Cooperative Procurement 18-014, Municipal Center Roof Replacement to Garland for an amount not to exceed \$285,954, plus a 5% contingency.

Q:	Will the report include cost estimates; current life expectancy; partial versus full replacement. Does the City have building insurance?	Gustin, Patty
A:	This agenda item is for the replacement of Phase I of the Municipal Center roof. The cost estimate for Phase I of CIP MB-176 is \$300,000. The Municipal Center roof is 27 years old and original to the 1991 construction of the building. It's life expectancy is 20-25 years. Being an inverted roof membrane system assembly, only a full replacement can address the deterioration. The report referenced in the background section provides information on the general condition of the roofs included in the evaluation. It does not provide details on life expectancy or cost to restore and/or replace. The City is self-insured, however we also purchase excess liability coverage to help limit exposure. The City's excess liability insurance provider conducted a full valuation study in 2017 to ensure all buildings were listed at appropriate coverage values. Also, Garland will provide the City with insurance.	Dublinski, Dick

4. **18-049** Waive the applicable provisions of the Naperville Procurement Code and award Procurement 18-060, 2018 Comprehensive Electric Utility Cost-of-Service Rate Study to Utility Financial Solutions, LLC for an amount not to exceed 52,000.

Q:	Can we make sure that what they come up with is proof read by the appropriate people so that we don't have a water rate study mishap happen again?	Hinterlong, Paul
A:	The Electric Utility has assigned the appropriate staff to review the rate report and confirm its accuracy.	Olga Geynisman

5. **18-113** Approve the Award of Option Year One to Contract 17-044, Brush Collection Program to Steve Piper and Sons for Collection Program to Steve Piper and Sons for an amount not to

exceed \$81,080 and to Trees "R" Us, Inc. for an amount not to exceed \$94,250, for a total award of \$175,330.

6. **18-123** Approve the award of Cooperative Procurement 18-061, Water Utilities 2018 Case 580 Super N WT Loader Backhoe to McCann for an amount not to exceed \$120,500.
7. **18-125** Approve the Award of Option Year One to Contract 17-045, Landscaping Restoration, to Alaniz Landscape Group for an amount not to exceed \$273,500, plus a 5% contingency.
8. **18-114** Approve the Award of Change Order #1 to Contract 17-158, Rehabilitation of Well 20, to Municipal Well and Pump for an additional 152 days.

Q:	About the specialized equipment- is this specific to this well, or will future wells also need this type of equipment? Is this water drinkable in an emergency? Has the aquifer regenerated since we went to Lake Michigan water?	Brodhead, Judy
A:	<p>To ensure reliability and reduce energy consumption, the 40-year-old motor starters and control equipment is scheduled for replacement. The existing equipment is beyond its economic service life and its age make it unreliable warranting replacement. Staff will adjust and extend future project completion times to reflect the needed lead time to manufacture and deliver equipment.</p> <p>The water drawn from the well has radium concentrations above the Maximum Contamination Level (MCL). Before any well water is introduced into the public water supply, water quality standards and regulations require the issuance of a Public Notice informing the public that consumption of the water has a potential health risk. However, in addition to providing the community with drinking water, the Public Water Supply also provides water to maintain public health and safety, such as, sanitation (i.e. flushing toilets, daily hygiene), fire protection, industrial/manufacturing needs and building maintenance (HVAC systems), etc.</p> <p>Naperville shares the aquifer with other communities. As the Northeastern Chicago Metropolitan Area has developed and grown, communities on ground water (well) supplies have withdrawn more water from the aquifer than it can replenish. As withdrawals have consistently exceeded recharge capacities, the water level of the aquifer has continued to drop.</p> <p>Years ago, Utility and City leaders identified the limitations of the aquifer to meet the growing needs of the area, prompting them to secure a reliable, long term source of water. The results of their efforts was the formation of the DuPage Water Commission and securing a Lake Michigan allocation as the City of Naperville's primary source of water. (Holzapfel)</p>	Holzapfel, Jim

9. **18-149** Approve the City Council meeting schedule for February, March, April & May 2018
10. **18-079** Pass the ordinance to establish Temporary Traffic Controls and issue Special Event Permits and Amplifier Permits for the St. Paddy's Day 5K and the St. Patrick's Day Parade on Saturday, March 10, 2018.
11. **18-142** Pass the ordinance establishing temporary traffic control plans and issue a special event permit, including an amplifier permit, for the 2018 Naperville Women's Half Marathon and 5K Run on Sunday, April 22, 2018.

12. **18-098** Adopt a resolution approving the intergovernmental agreement between the City of Naperville and the County of DuPage for the central signal system expansion 1 and 2 installation and future maintenance responsibilities at various locations.

Q:	Great job agencies working together!	Gustin, Patty
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13. **18-139** Adopt Resolutions authorizing the City Manager to execute the intergovernmental agreements between the City of Naperville and Will and DuPage Counties for the operation of the regional Household Hazardous Waste Facility.

14. **18-141** Receive report and direct staff to solicit bids for the for the residential solid waste, recycling and yard waste services contract.

L. ORDINANCES AND RESOLUTIONS:

1. **18-146** *Pass the Ordinance Approving an Amendment of the City of Naperville Annual Budget for Calendar Year 2018 in the amount of \$220,520.*

Q:	Is this a financial wash with Aurora grant funds or is there financial risk to the City?	Gustin, Patty
A:	<p>The Complex Coordinated Terrorism Grant is for the Aurora/Naperville region to prepare for multiple active shooter attacks.</p> <p>Aurora is drawing down funds from DHS as they are spent. Aurora will pay 100% of contractors, training, equipment/supplies, class registration etc.</p> <p>Naperville will pay overtime/backfill and supply to Aurora supporting paperwork for reimbursement of grant eligible funds.</p> <p>The grant does not pay for food/per diem. If/when travel is done and per diem is incurred the per diem will be the only cost for Naperville that will not be reimbursed.</p>	Nelson, Dan

2. **18-150** Receive the report on the CY2018 Budget, review options for the Property Tax Levy reduction, and provide direction on the storm sewer lining program. (Item 1 of 2)

3. **18-102B** Pass the Ordinance amending the Home Rule Sales Tax and Downtown Food and Beverage Tax by amending Section 11 of Chapter 1, Title 3 and Section 9 of Chapter 1, Title 3 of the Naperville Municipal Code. (Item 2 of 2)

Q:	What other taxes or fees do the comparable communities charge? Example: food & beverage, permitting fees, hotel/motel, etc.	Gustin, Patty
A:	Please see the attached slides for comparable communities' rates.	Mayer, Rachel

Q:	<p>A. Net overall spending is going up under the budget by over \$11,000,000. But this figure (I believe) is the all in figure that includes the utility funds. What is the year over year spending change as to operational spending? How much of this change is due to raising pension and healthcare costs?</p> <p>B. Do we have to resolve what we are doing with the Food and Beverage Tax at the meeting on 2/20? I'm inclined to either see</p>	Coyne, Kevin
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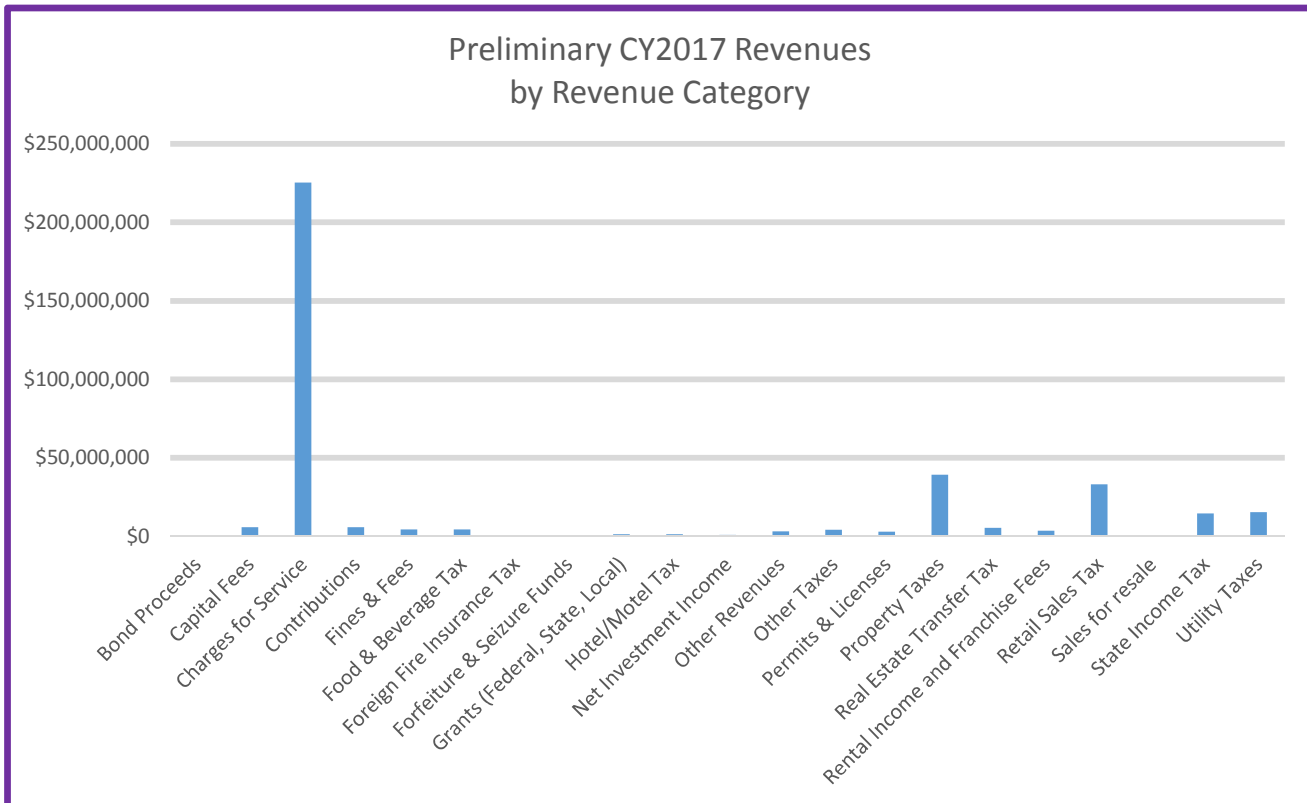
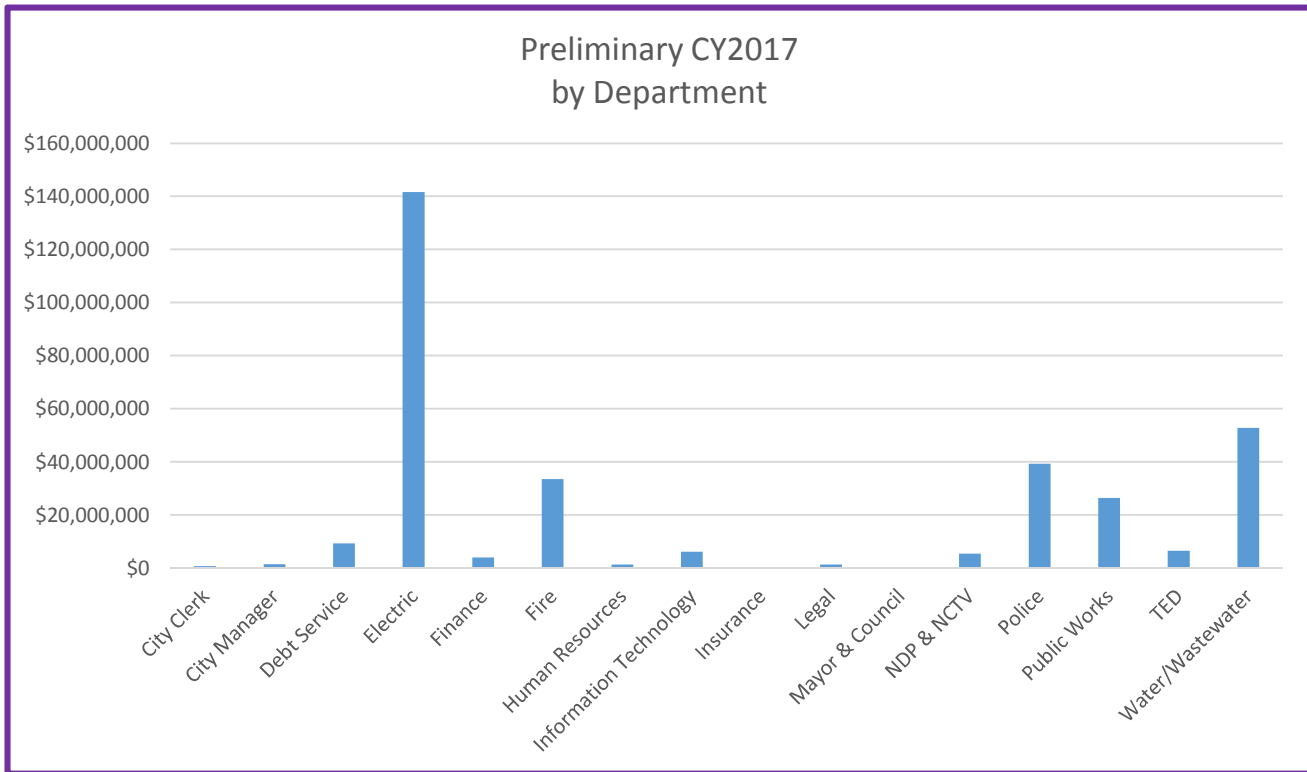
	<p>the FBT reduced (effective '19) or the .25 in question restricted to Ogden improvements. Before considering the latter, I'd like to hear more feedback from the community as to how impressed they were with the ideas presented at the Ogden open house. I've heard mixed reviews.</p> <p>C. Is it correct to say that the projected real estate tax rate resulting from the proposed levy would be the lowest tax rate ever recorded?</p>	
A:	<p>A. The 2018 budget was approved at \$443.6 million, an overall decrease of 0.3% from the \$444.9 million 2017 budget, as amended. The City's three major funds, which equate to 78% of the overall budget, saw limited change from 2017 to 2018.</p> <ul style="list-style-type: none"> • The General Fund <u>decreased</u> 0.7% with a total budget of \$121.1 million; • The Electric Utility Fund increased 2.5% with a total budget of \$161.3 million; and • The Water Utility Fund <u>decreased</u> 0.3% with a total budget of \$62.1 million. <p>The Self-Insurance Fund, which accounts for the City's insurance costs including healthcare increased 9.7% with a total budget of \$22.5 million. Pension contributions increased in 2018 by \$2.25 million.</p> <p>B. There is no deadline associated with any proposed changes to the Food and Beverage Tax.</p> <p>C. We can confirm that the proposed tax rate is the lowest at least since 1996.</p>	Mayer, Rachel

O. REPORTS AND RECOMMENDATIONS:

1. **18-153** Approve Ryan Companies continuing with 5th Avenue community engagement efforts, including establishment of Working Groups, development and distribution of a land use and height survey, and market and technical research to determine feasible and beneficial redevelopment options for City Council consideration, in accordance with the update provided at the February 20, 2018 City Council Workshop.

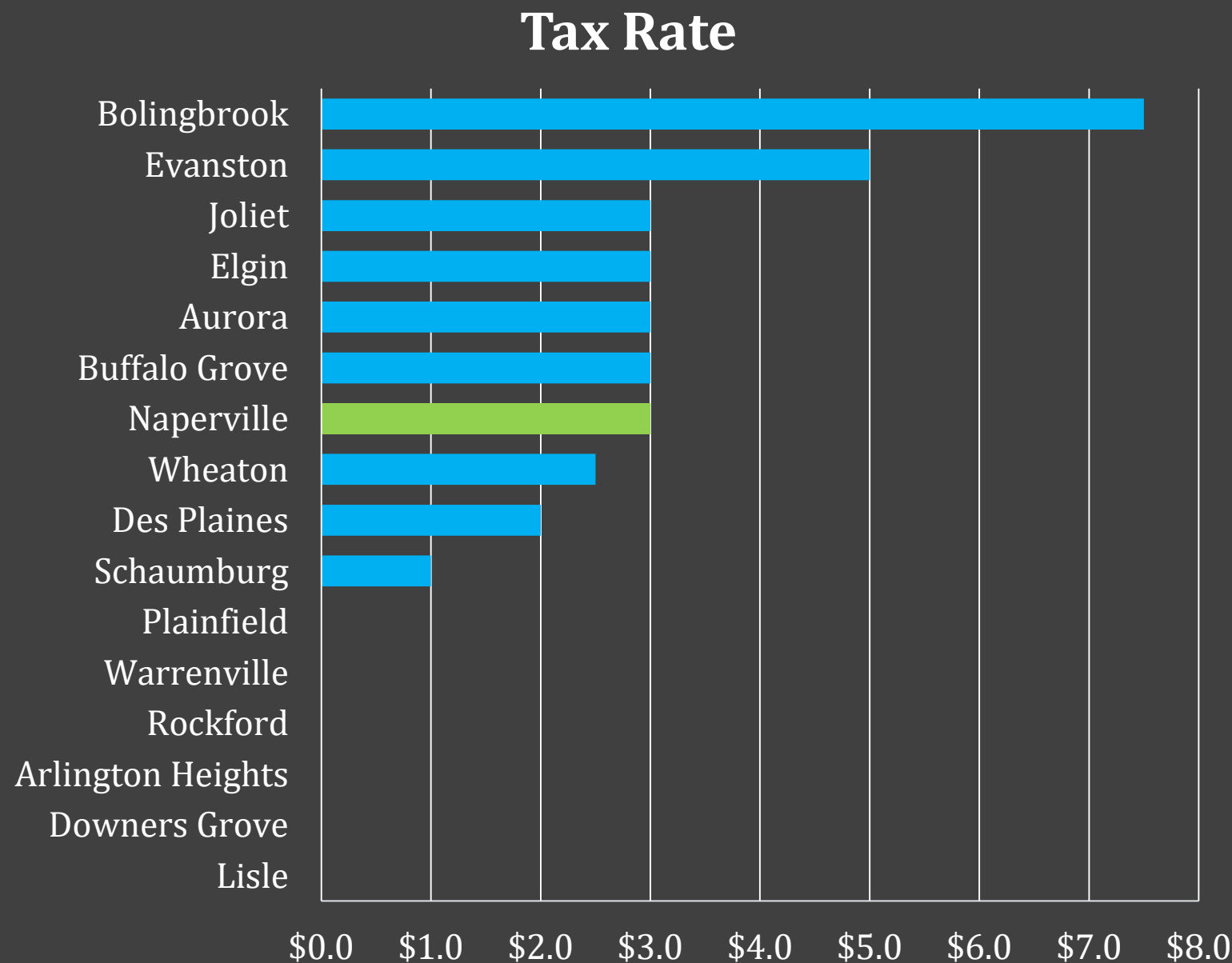
February 20, 2018
Consent Agenda Item #1 18-148

2/9/2018



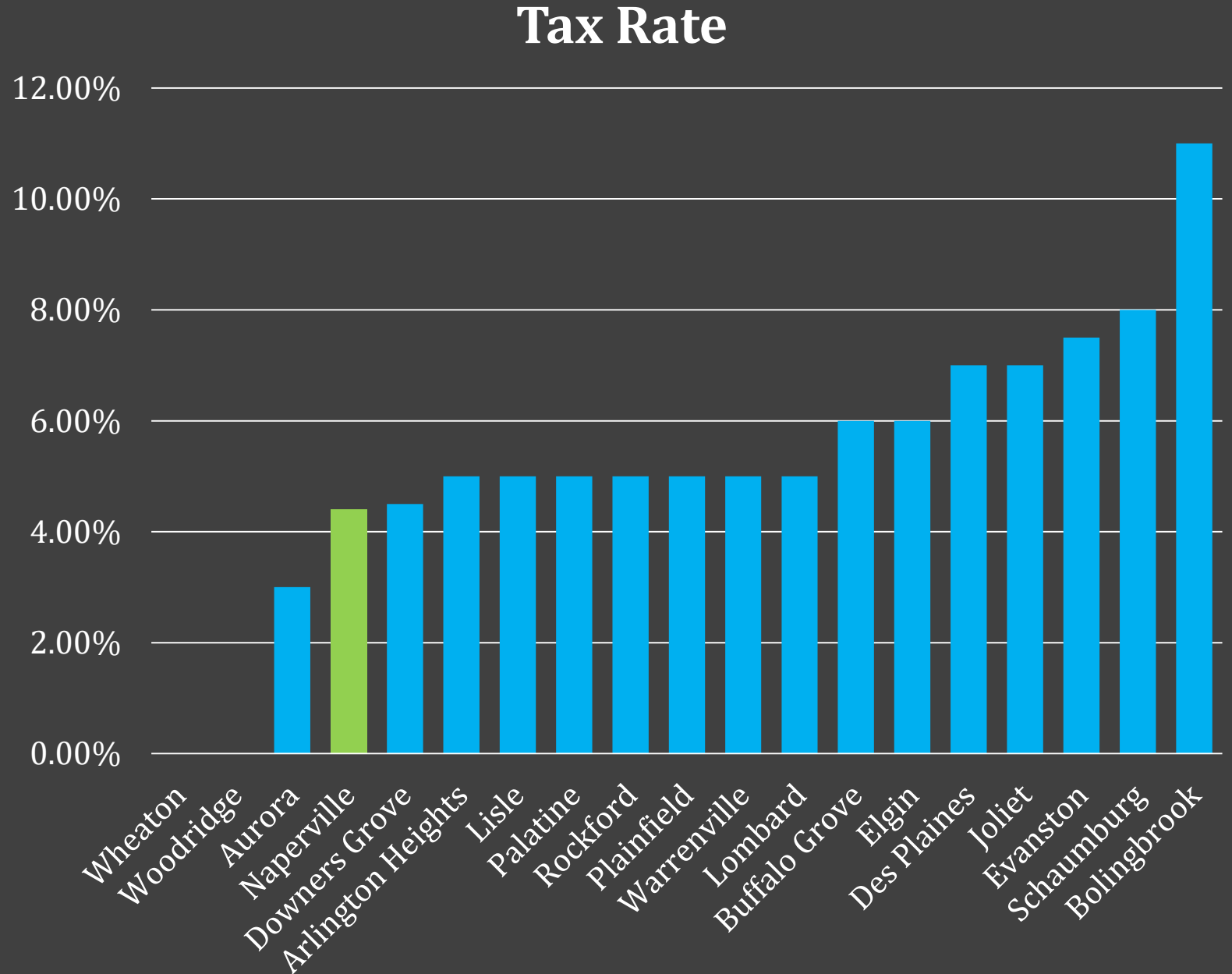
Real Estate Transfer Tax Comparison

- Naperville rate: \$1.50 per \$500 of sale (\$3.00 per \$1,000)
- Referendum required to increase the rate
- \$0.50 per \$1,000 of sale generates \$683,000 in revenue



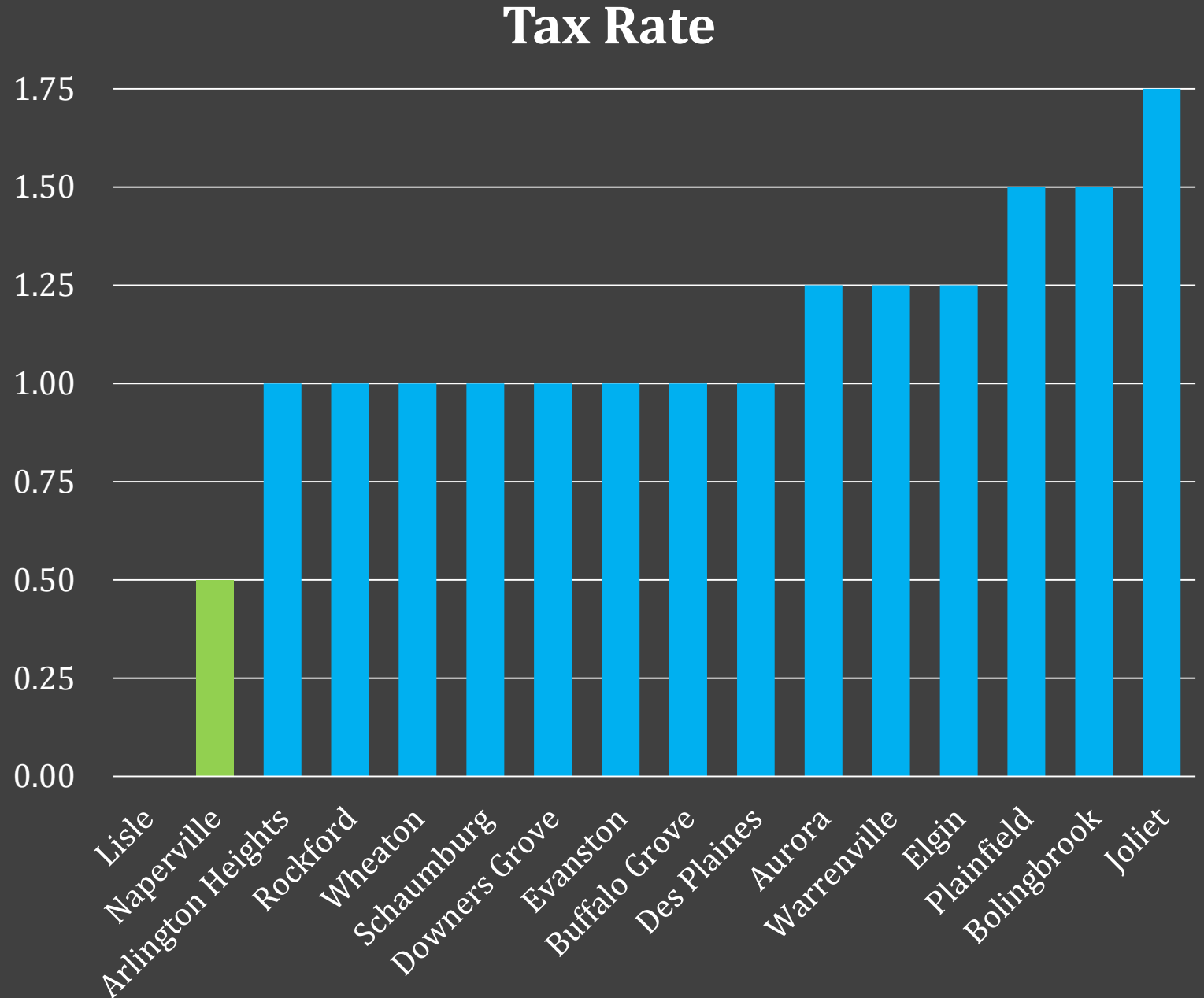
Hotel & Motel Tax Comparison

- Naperville rate: 4.4%
- Average annual yield: \$1.9M (2014-2016)
- CY2017 collection: \$2.29M
- CY2018 proposed: \$2.45M
- Average of surrounding communities: 5.5%
- 0.50% rate increase generates \$278K in revenue



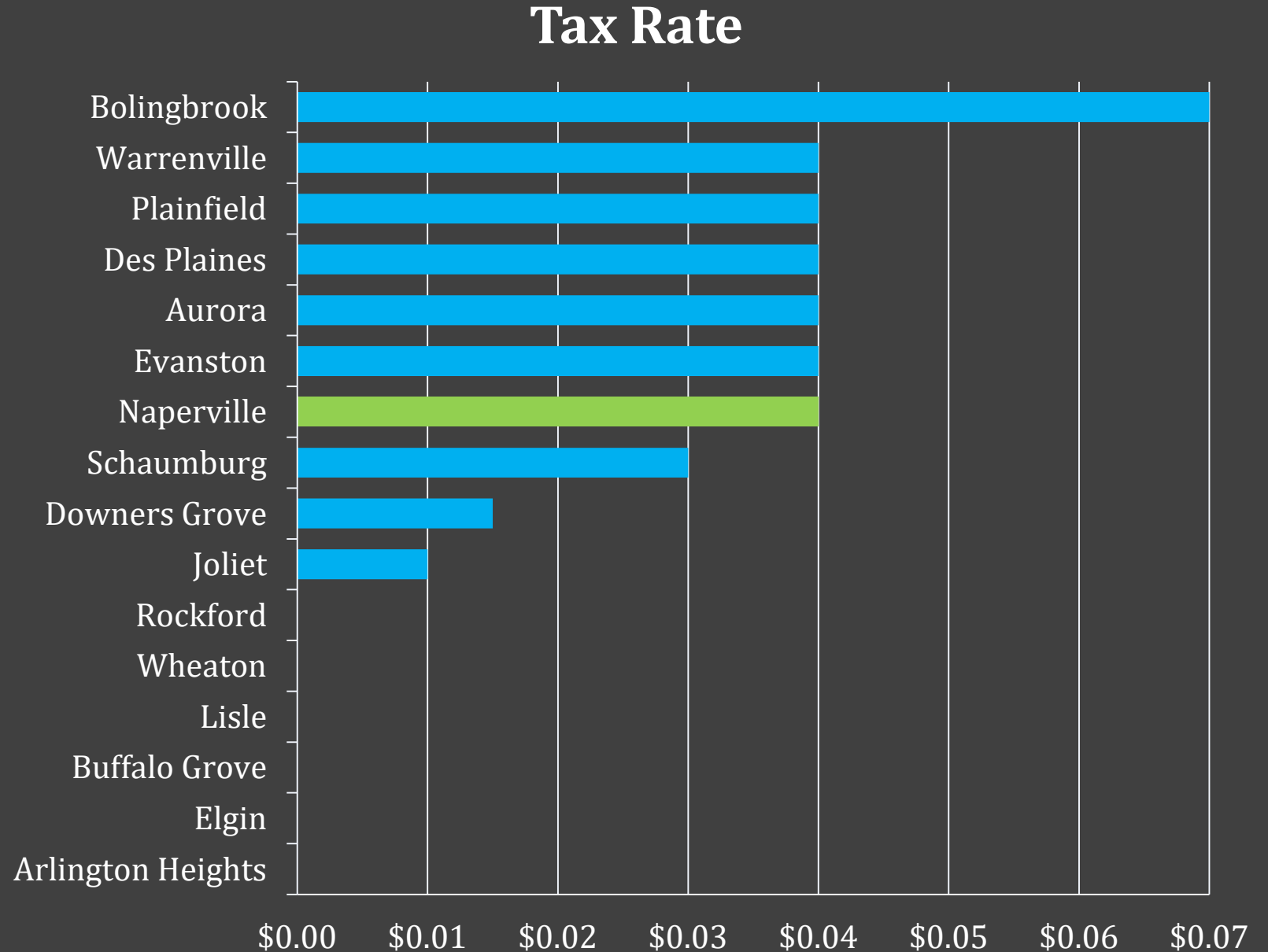
Home Rule Sales Tax Comparison

- Naperville rate: 0.50%
- Each incremental $\frac{1}{4}\%$ earns \$4.55M
 - \$1.1M if approved July 2018



Local Gas Tax Comparison

- Naperville rate: \$0.04 per gallon
- Avg. of surrounding communities: \$0.023 per gallon
- \$0.01 cent increase generates \$673K in revenue



Food & Beverage Tax Comparison

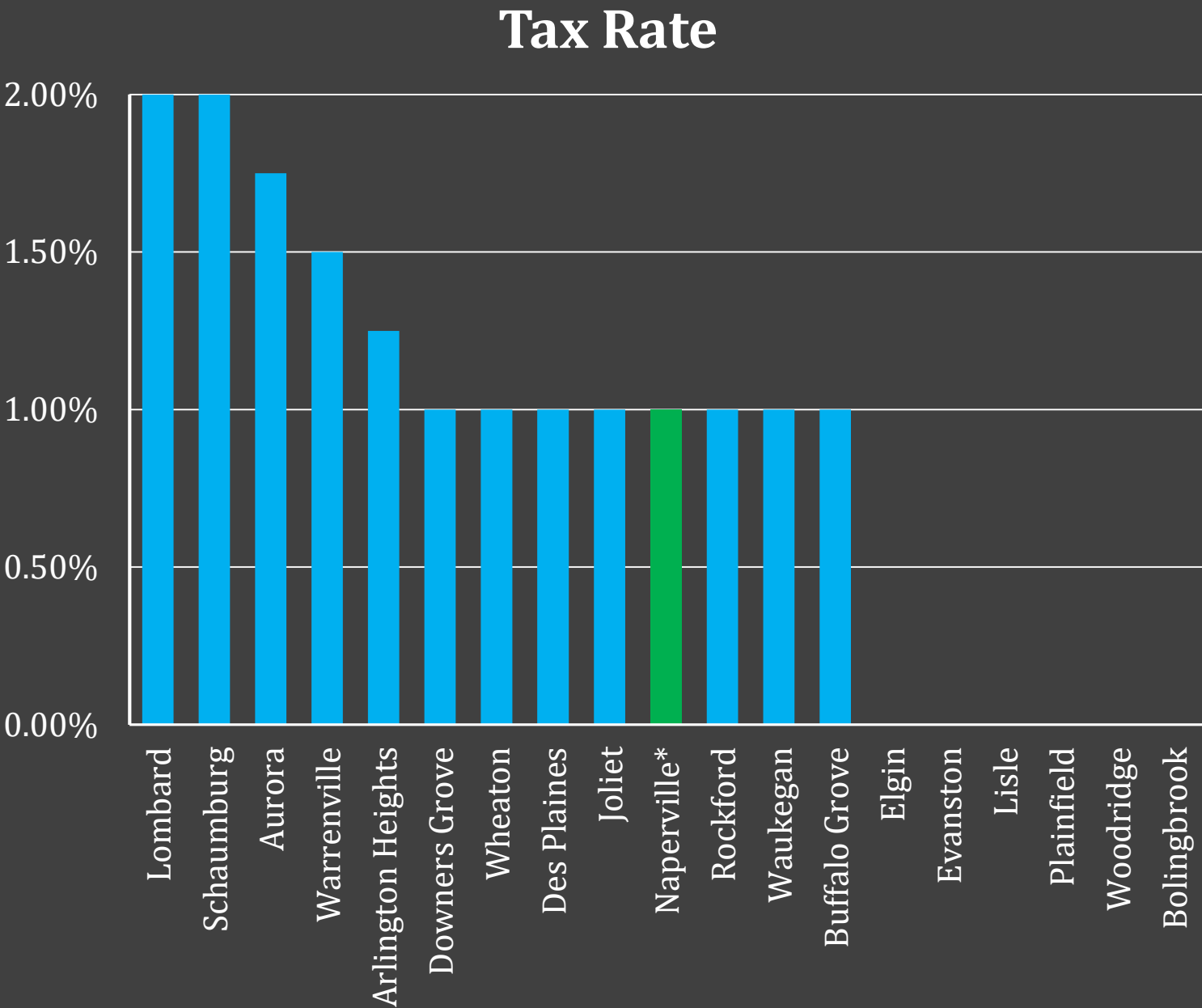
Naperville rate: 1.00%
(excludes downtown rate)

CY2017 budget: \$3.89M

CY2018 proposed: \$4.19M

Surrounding average: 1.30%

0.50% rate increase generates
\$1.95M in revenue



Property Tax Comparison

2016 Rate = 0.7004

- Rate includes general fund, pensions, debt service, Settlement, and Library
- Rates include Fire Districts for comparison
- Total EAV = \$6.67B
- Extension = \$46.8M

2017 Projected = 0.7235

- Projected EAV = \$6.93B
 - 4% EAV growth
- Levy projection = \$50.2M

