



**SPECIAL CITY COUNCIL MEETING OF AUGUST 11, 2015
UNOFFICIAL PRIOR TO CITY COUNCIL APPROVAL
APPROVED BY THE CITY COUNCIL ON
September 3, 2015 AS WRITTEN.**

CALL TO ORDER:

7:00 P.M.

- A** Mayor Steve Chirico
Councilwoman Becky Anderson
Councilwoman Judy Brodhead
Councilman Kevin M. Coyne
Councilman Kevin Gallaher
Councilwoman Patricia A. Gustin
Councilman Paul Hinterlong
Councilman John J. Krummen
Councilwoman Rebecca Boyd-Obarski

Absent

Also Present

City Manager, Doug Krieger
Asst. City Manager, Marcie Schatz
Legal Director, Jill Pelka-Wilger
City Prosecutor, Kavita Athanikar
Asst. to City Manager, Amy Emery-Graunke
City Clerk, Pam LaFeber
Community Relations Specialist, Kate Schultz
Police Chief, Robert Marshall
Deputy Fire Chief, Richard Sander
Fire Chief, Mark Puknaitis
Director of Human Resources, James Sheehan
Director of Finance, Rachel Mayer
Director of Transportation and Engineering, Bill Novack
Transportation Team Leader, Jennifer Louden
Planning Services Team Leader, Allison Laff
Director of Public Works, Dick Dublinski
Deputy Director Electric Service Center, Olga Geynisman
Director of Public Utilities-Water, Jim Holzapfel

Press

Chicago Sun Times, Daily Herald, Naperville Sun

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B PLEDGE TO THE FLAG:

PLEDGE GIVEN

C PUBLIC FORUM:

C1 Naperville Development Partnership (NDP)

H. Tom O'Hale (Naperville), discussed the FOIA requirements of the NDP.

Jeffries discussed the amount of money received from the City for economic development, marketing materials that are provided to bring business to Naperville, and that the NDP provides the City with its annual audit.

Chirico stated that this is the ideal private/public partnership model.

C2 Invite India Day Parade and Celebration

Nimish Bhatt (Naperville) announced and invited the Mayor and Council to the India Day event.

C3 Puppy Mills

James Haselhorst (Naperville) discussed recent comments about mayoral appointments.

C4 Officer Joe Matchett

Krieger announced the funeral service and accompanying road closures for retired Officer Joe Matchett's funeral.

C5 Naper Notify

Marshall explained the Naper Notify System use during the recent robbery in Naperville, stated residents were not notified due to operator error, and that more training is necessary.

D INTRODUCTION:

E CONSENT AGENDA:

E1 Ordinance No. 15-127, Increasing Membership to Financial Advisory Board

Brodhead moved to waive the first reading and pass Ordinance No. 15-127, amending Section 2 (Membership), Chapter 8 (Financial Advisory Board) of Title 2 (Boards and Commissions), increasing the membership of the Financial Advisory Board from five to seven. Second, Krummen

ORDINANCE NO. 15-127,
INCREASING
MEMBERSHIP TO
FINANCIAL ADVISORY
BOARD

ROLL CALL:

Ayes: Chirico, Anderson, Brodhead, Coyne, Gallaher, Gustin, Hinterlong, Krummen, Obarski

Nays: None

Motion declared carried.

F REPORTS AND RECOMMENDATIONS:

F1 Mayoral Appointments to Boards and Commissions

Gail Diedrichsen (Naperville), spoke in favor of mayoral appointments.

James Haselhorst (Naperville), spoke in favor of mayoral appointments.

Anna Payton (Naperville), spoke against mayoral appointment to the Financial Advisory Board.

MAYORAL
APPOINTMENTS TO
BOARDS AND
COMMISSIONS

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- F3e City Assets
- F3f List of Budget Cuts to Fix \$6.8 M Structural Deficit
- F3g Impact of Bond Rating Change from AAA to AA

CITY ASSETS

LIST OF BUDGET CUTS TO
FIX \$6.8 M STRUCTURAL
DEFICIT

IMPACT OF BOND RATING
CHANGE FROM AAA TO
AA

Nicki Anderson (Naperville), urged Council to consider a lower sales tax increase.

Dick Furstenau (Naperville), spoke against the proposed sales tax increase.

Kris Hartner, spoke against the proposed sales tax increase.

Mayer explained that the City's current financial strategy is no longer sustainable, that the City leveraged cash balances to maintain the services provided to the community, the reserves can no longer offset operational and capital expenses, and the City faces the following challenges: a structural deficit in its operating funds, no excess cash balances available, increasing debt levels, continued uncertainty in Springfield, and the required financial rebuilding of the electric utility.

Mayer discussed the three proposed Financial Principles that will support a long-term sustainable financial strategy. She stated that the Financial Advisory Board (FAB) reaffirmed all principles, and asked that "cultivating a strong business climate" and "focus on economic development" be added as a principle. In addition, FAB affirmed the pass-through garbage tax and a 1% sales tax with a four-year sunset.

Schatz discussed past service reductions and process improvements that have been implemented over the years. She highlighted discussions that were recently held with community members regarding service levels and discussed present and future initiatives that will improve processes and customer services.

Mayer discussed major drivers of personnel costs such as pension payments, regular and temporary pay, and explained the four criteria used to evaluate revenue options. She also explained comparable communities' debt per capita, property tax rate, pension funding percentage, and stated that Naperville is the only home rule community that does not have a tax in place and does not charge residents for refuse/recycling services.

Council discussed whether the property tax bill or utility bill would be the appropriate place for the refuse/recycling fees and ramifications of not sustaining Naperville's AAA bond rating.

Mayer said that staff is committed to finding \$1.8M budget cuts and explained the future trend in debt increase.

Schatz discussed property assets that could be sold and the possible timeline for selling assets.

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Mayer explained that a home rule sales tax must be implemented in quarter percents, where the revenue will be applied, and the impact of different revenue options.

Council discussed that the principles should guide staff and not be codified, the length of time that the budget has not been structurally balanced, and that the principles should be evaluated every year.

Chirico asked that Principle 1, the City will pass a structurally balanced operating budget annually, be adopted.

ROLL CALL:

Ayes: Coyne, Gallaher, Gustin, Hinterlong, Krummen, Obarski,
Chirico, Anderson, Brodhead.

Nays: None
Motion declared carried.

Chirico asked that Principle 2, the City commits to continuous improvement in the delivery of necessary and cost-effective services, be adopted.

ROLL CALL:

Ayes: Gallaher, Gustin, Hinterlong, Krummen, Obarski, Chirico,
Anderson, Brodhead, Coyne

Nays: None
Motion declared carried.

Council discussed debt payoff schedule with the different revenue options and that reducing debt by 25% in the next four years is aggressive.

Krieger stated that the City's debt and pension liabilities are watch areas for the ratings agencies and that either a .75% or 1% tax would be seen as a firm commitment to the agencies that the City is addressing its debt issues.

Council discussed maintaining a AAA bond rating, funding the Central Parking Facility, the need to rebuild reserves, that the City has used many tools in the past to keep from implementing a tax, setting a time goal, possibly adding a sunset clause to the principle, and adding a principle addressing reserves.

Krieger explained that staff consistently evaluates service levels, operating efficiencies, and fees.

BREAK: 9:51 p.m.

Mayor Chirico called the meeting back to order at 10:00 p.m.

Krieger discussed the length of time the City has had a AAA bond rating, explained that 25% reserves is appropriate and is comparable with other AAA rated organizations.

Mayer explained that a home rule sales tax will not impact the cost of medication, vehicles, and groceries.

Chirico asked that Principle 3, the City will actively seek to increase its reserves to 25% and reduce its debt by 25% in the next eight years, be adopted.



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ROLL CALL:

Ayes: Krummen, Obarski, Chirico, Anderson, Brodhead, Gallaher
Nays: Gustin, Hinterlong, Coyne
Motion declared carried.

Council discussed the appropriateness of putting the recycling/refuse fee on the property tax bill for deduction, that being on the utility bill may be more transparent, those paying more in property taxes would pay more for recycling/refuse service, only valuable if the resident itemizes, being on the utility bill reflects the true cost of the service, and the impact to businesses and those living in multi-family residences.

Chirico asked for the approval in concept of charging a \$12.35 per household refuse fee, placed on the utility bill, to solve \$5.0 million of the \$6.8 million structural deficit with further discussion at the August 18th City Council meeting.

ROLL CALL:

Ayes: Krummen, Obarski, Chirico, Anderson, Brodhead, Coyne, Gustin
Nays: Hinterlong, Gallaher
Motion declared carried.

Chirico asked for the approval of staff finding a solution for the remaining \$1.8 million in the structural deficit.

ROLL CALL:

Ayes: Krummen, Obarski, Chirico, Anderson, Brodhead, Coyne, Gallaher, Gustin, Hinterlong
Nays: None
Motion declared carried.

Chirico asked for the approval in concept of the implementation of a home rule sales tax with the specific increment to be further discussed at the August 18th City Council meeting.

ROLL CALL:

Ayes: Obarski, Chirico, Anderson, Brodhead, Gallaher, Hinterlong, Krummen
Nays: Coyne, Gustin
Motion declared carried.

G

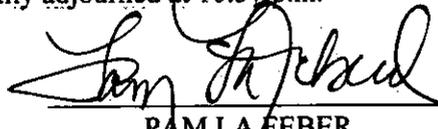
ADJOURNMENT:

ADJOURNMENT

Gallaher moved to adjourn the Regular City Council meeting of July 21, 2015 at 10:37 p.m. Second, Krummen.

VOICE VOTE: Motion declared carried.

The Special City Council Meeting of August 11, 2015 officially adjourned at 10:37 p.m.


PAM LA FEBER
CITY CLERK

PL:bk

