

**CITY OF WARRENVILLE
CITY COUNCIL
FY 2022 BUDGET WORKSHOP
Saturday, March 13, 2021, at 9:00 a.m.**

In accordance with Governor Pritzker's Disaster Proclamation, Section 7(e) of the Illinois Open Meetings Act, 5 ILCS 120/7(e), and a determination by the Mayor of the City of Warrenville, **this meeting was held virtually.**

MINUTES

A. CALL TO ORDER

Mayor Brummel called the meeting to order at 9:00 a.m.

B. ROLL CALL

Present: Mayor David Brummel, Alds.: Jay Anderson, Stu Aschauer, Clare Barry, Kathy Davolos, Leah Goodman, Jeff Krischel, and Robert Wilson

Absent: Ald. Bill Weidner

Also Present: City Administrator John Coakley, Assistant City Administrator Cristina White, Finance Director Kevin Dahlstrand, Community and Economic Development Director Ron Mentzer, Public Works Director Phil Kuchler, Police Chief Ray Turano, Senior Accountant Leo Beltran, Management Analyst Kristin Youngmeyer, Treasurer Larry Brenner, City Clerk Emily Larson, and Executive Assistant / Deputy City Clerk Dawn Grivetti

Also Absent: None

C. FISCAL YEAR 2022 BUDGET REVIEW AND DISCUSSION

1. Introductory comments by Mayor Brummel

Mayor Brummel welcomed everyone to the FY 2022 Budget Workshop and thanked staff for all their hard work and due diligence in presenting a fiscal year budget representative of an assumed fiscal recovery following the financial challenges of the coronavirus pandemic. He invited members of Council to review the Introduction and Overview section of the FY 2022 Budget as an indicator of the established process of governance in the City of Warrenville and stated it is a good reminder of who we are and what we do.

Mayor Brummel noted the American Rescue Plan (ARP) Act, a COVID-19 economic stimulus bill, has been approved by congress and signed into law. He added, the City of Warrenville is expecting to receive \$1.6 million over the next year from the ARP for recovery efforts.

City Administrator (CA) Coakley stated, over the many years he has been working in local government, this has been the most challenging year to prepare a budget. He thanked staff and Mayor Brummel for attending the workshop in person and the remaining elected officials for participating remotely. He stated, with a budget nearing \$24 million, it is

important to have this discussion so it is clear staff and the Council are on the right track to cautiously spend taxpayer money.

2. Discussion of FY 2022 Budget Major Funds
General Fund

CA Coakley began the presentation by reviewing planned revenues and expenditures for the General Fund (GF). He stated the FY 2021 projected deficit is at \$1,008,428, and would have been worse without federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. New federal funding from the American Rescue Plan (ARP) Act will help the City get back to normal. The FY 2022 deficit is projected to be \$2,202,394 without ARP funds.

CA Coakley stated total GF revenues for FY 2022 are projected to be \$12,285,565, an increase of 7.77% over FY 2021. He added, revenue projections in the Budget are conservative, and the City typically exceeds these projections. He stated that GF expenses are nearly two-thirds personnel expenditures. He noted, the City's three collective bargaining agreements with union employees remain unsettled from last year, and he expects negotiations to be conservative to reflect a slow recovery. Non-union employees had minimal to no pay increases in FY 2021, and any compensation increased from the contracts once settled may necessitate a budget amendment to increase the FY 2022 GF expenses. He suggested some pay increases for the union and non-union employees are likely for FY 2022, or the City will fall behind in the employee market, and therefore be less able to attract and retain qualified employees.

There was a discussion of the GF decision packages recommended for funding across several departments, with special focus on network server replacements, Illinois Prairie Path Trailhead engineering and construction, and Public Works reorganization. CA Coakley stated the Communications Coordinator decision package is not recommended at this time due to the pandemic-related negative impacts on revenues.

There was further discussion of the trends and forecasts for the GF balance and reserves. It was noted the proposed FY 2022 Budget does not include ARP federal grant funds. Finance Director (FD) Dahlstrand noted the FY 2022 Budget includes a \$150,000 increase in the Police Pension funding liability and the use of Park Developer donation money for the Illinois Prairie Path project, however, it does not include a \$200,000 transfer from the Hotel Tax Fund to the GF as in years past.

There was continued discussion regarding past trends to pay down or hold the GF reserves to 25%, and how the current economic downturn caused by the coronavirus pandemic will affect future financial planning. CA Coakley stated more attention will be needed to maintain or achieve the 25% reserve balance. Ald. Goodman noted the FY 2021 reserve balance did not reflect CARES Act funding, nor does the FY 2022 reserve include additional federal funding, which would make the percentages better. FD Dahlstrand indicated that the CARES Act funding is included in the fund reserve balance, but without that funding, the expenditure coverage percentages would have been much lower.

Capital Maintenance and Replacement Fund

CA Coakley continued the presentation by reviewing planned revenues and expenditures, fund balances, and decision packages for the Capital Maintenance and Replacement (CMR) Fund. He stated the Capital Maintenance and Replacement Planning (CMRP) Task Force has reviewed revenues and expenses and is working collaboratively with staff on long-range financial planning to ensure sustainable revenues for this fund. Noted expenses for FY 2022 include: police vehicle replacements, the Public Works Department street sweeper lease, Warrenville Historical Museum capital improvements (Albright Studio), the Cerny Park lift station pump replacement, and certain road improvements. CA Coakley stated, the City is going ahead with major projects, which in some cases, involve grant funds and other outside funding opportunities that would be lost if the City does not follow through to meet the deadlines a timely manner. He noted, projecting CMR Fund balances has been difficult as a large percentage of funds come from amusement tax revenue, which has been down significantly due to the pandemic. In summary, he stated, if infrastructure is not maintained, it will cost the City more in repair and reconstruction cost in the future.

Motor Fuel Tax Fund

CA Coakley presented revenue highlights for the Motor Fuel Tax (MFT) Fund, stating revenue is based on population and will increase when the Census 2020 results are released. The City also receives Rebuild Illinois Grant funding in this fund. CA Coakley stated, the City should conduct a Special Census in the near future, which will account for additional residents and increase per capita revenue as well.

The Mack Road Bridge and Path decision package and projected fund balances were also discussed.

Hotel Tax Fund

CA Coakley presented revenue and expense projections for the Hotel Tax Fund, and stated his concern for the significant reduction in current and projected revenue for this fund due to the pandemic. He added, many approved projects, as well as community events, have been impacted by this reduced revenue and have been scaled back as a result. CA Coakley stated all six of the current hotels plan to continue to operate in Warrenville, aiding the recovery of the fund in future years to a more typical level of revenues and fund balances.

CA Coakley noted the annual transfer of funds to the CMR Fund is included in the FY 2022 Budget, however, the annual transfer to the GF, which was not made in FY 2021, is not included in the FY 2022 Budget.

Community events that rely on City funding and support were discussed. CA Coakley stated City support and funding commitments are necessary in order for groups to plan events such as Summer Daze and the 4th of July. Normal amounts of funding have been included in the proposed FY 2022 Budget for these events, however, a consensus was requested to maintain this level of funding so event planning could continue. Mayor Brummel reported Warrenville Friends of the 4th anticipates having only a fireworks display this year, with no parade or entertainment He added, the State must be in Phase 5 of COVID-19 mitigation for such large groups to be permitted. There has been no recent

discussion regarding the 2021 Summer Daze event. Mayor Brummel stated the assumption is that the committee is planning a traditional event with signed contracts rolled over from 2020. Staff's recommendation is to keep event funding as presented in the budget in hopes the State will be in Phase 5 and events can go on. A consensus of the Council was to maintain the funding for the July 4th and Summer Daze events as presented.

Hotel Tax Fund balances and reserves were discussed. CA Coakley stated, based on revenue projections, the Fund is on track to retain a sufficient fund balance to cover one year of grants in accordance with the Council policy. FD Dahlstrand added the revised projections presented are better than the projected amounts shown in the proposed FY 2022 Budget.

There was addition discussion regarding non-spendable versus committed funds, and the longevity of the TIF #4 repayment to the Fund.

Water and Sewer Fund

CA Coakley presented revenue and expense projections for the Water and Sewer Fund. He stated total revenues and expenditures for the coming year include a proposed 10% water rate increase and 20% sewer rate increase to maintain system improvements. He added, the rate increases will result in an average increase of approximately \$170 per year for family of four. Mayor Brummel reminded the Council that this is an enterprise fund, and money collected is used entirely on maintenance and operation of the system. He added that rates are significantly lower than neighboring communities. CA Coakley stated current rates are lower than they should be to keep up with general maintenance of the system.

There was discussion regarding the difference in the rate increases and how each system requires a different level of maintenance. Water and Sewer incentive tap on projections were discussed, as was the possible use of ARP funds for water and sewer system improvements.

Decision packages for a Public Works Utility Crew Leader and Utility Maintenance Superintendent were discussed, as well as projected fund balances due to rate increases and non-spendable amounts payable from TIF Funds for development tap-on fees. Community and Economic Development Director (CEDD) Mentzer reported the Lexington Trace residential development is on track, and TIF #4 repayment of loans from the General Fund is projected to be on schedule in coming years.

TIF #3 Fund

CA Coakley presented incremental revenue projections for the Tax Increment Financing District (TIF) #3 Fund, describing the success of projects in the Old Town Civic Center that add to the increased revenues. The Old Town Redevelopment Site #2 (Citgo Property) remediation decision packages were discussed. CEDD Mentzer stated these projects rely on TIF #3 funding as well as outside funding from the State revolving loan fund. Funding was not recommended for the decision package regarding Public Property Improvements in Commercial Areas due to limited TIF #3 funds.

The projected TIF #3 deficit was discussed. CA Coakley noted the GF payback schedule is being developed and will be presented to Council in the coming months.

TIF #4 Fund

CA Coakley presented incremental revenue projections for the TIF #4 Fund. He stated great things are happening in this district, and exponential increases in revenues are expected to continue. He spoke about the success of residential and commercial developments in the area including Everton, Lexington Trace, Culvers, and Thorntons.

Capital improvements to the water system in the district were discussed. CA Coakley indicated TIF #4 will pay for improvements that will then be turned over to the Water and Sewer Enterprise Fund. The projected TIF #4 deficit was also discussed along with the work underway to develop the repayment plan for the GF loans.

3. Capital Projects Overview

CA Coakley briefly discussed capital projects from all funds included in the FY 22 Budget.

4. Questions and answers, comments, conclusion

Clerk Larson stated this is her twentieth and final Budget Workshop. She praised staff for doing an amazing job with budget workshops over the years and thanked staff and the Council for all their support.

Mayor Brummel thanked Clerk Larson for all her years of public service. He added that, although finances are tight right now, the City is in a good position to transition into a more prosperous time, with internal and external resources to rely on. He thanked staff and the elected officials for their time and ability to come together and make great decisions for the community.

D. PUBLIC COMMENT

There were no comments from the public

E. ADJOURN

ALDERMAN ANDERSON MOVED, seconded by Ald. Davolos to adjourn.

MOTION ADOPTED VIA VOICE VOTE.

The budget workshop adjourned at 11:47 a.m.

Approved: April 5, 2021


Dawn R. Grivetti, Deputy City Clerk