

MINUTES OF THE SPECIAL MEETING OF THE MAYOR AND BOARD OF TRUSTEES OF THE VILLAGE OF WILLOWBROOK HELD ON MONDAY, AUGUST 22, 2022, AT 5:30 P.M. AT THE WILLOWBROOK POLICE DEPARTMENT TRAINING ROOM, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS .

DUE TO THE COVID 19 PANDEMIC, THE VILLAGE WILL BE UTILIZING A ZOOM CONFERENCE CALL FOR THIS MEETING.

1. CALL TO ORDER

The meeting was called to order at 5:30 p.m. by Mayor Frank Trilla.

2. ROLL CALL

Those physically present at roll call were Mayor Frank A. Trilla, Village Clerk Deborah Hahn, Trustees Mark Astrella, Sue Berglund, Umberto Davi, Michael Mistele, and Gayle Neal, Village Administrator Brian Pabst, Assistant Village Administrator Sean Halloran, Assistant to the Village Administrator Alex Arteaga, Director of Community Development Michael Krol, Chief Financial Officer Michael Rock, Director of Parks and Recreation Dustin Kleefisch, Deputy Clerk Christine Mardegan, Chief Robert Schaller, Deputy Chief Lauren Kaspar, Deputy Chief Benjamin Kadolph, Municipal Services Foreman AJ Passero and Public Services Coordinator Virginia Stoltz.

Present via conference call, due to the COVID-19 pandemic, was Trustee Gregory Ruffolo.

Absent: none

A QUORUM WAS DECLARED

3. PLEDGE OF ALLEGIANCE

Mayor Trilla asked Deputy Kadolph to lead everyone in saying the pledge of allegiance.

4. VISITOR'S BUSINESS

None present and no written comments were received.

5. PRESENTATION - BUDGET REDUCTIONS

Assistant Administrator Halloran provided the information on budget cuts being considered based on the U.S. economic recession which began July 20, 2022 and the impact of inflation beginning in May 2022.

As part of the approach, the administration has discussed ways to get ahead of the negative impact of these factors rather than waiting until the next fiscal year's budget discussion.

Currently six of the Village's top ten revenue generators are in decline: sales tax, business district sales tax, places of eating tax, building permits, fines and red-light cameras. Staff still believe we are in a strong financial condition, but rather than get behind, staff would like to present some recommendations on budget cuts to the Board in the amount of approximately \$345,000.

Assistant Administrator Halloran reviewed the operating revenues year-to-date and provided the year-over-year percentage increase/reduction, indicating the biggest declines in building permits and fines:

	July 2021 YTD Actual	July 2022 YTD Actual	% Change
<b>Sales Taxes</b>	\$1,153,957	\$1,142,208	-1%
<b>Home Rule Sales Taxes</b>	\$595,142	\$657,845	11%
<b>Business District Sales Tax</b>	\$147,276	\$142,179	-3%
<b>Hotel Tax</b>	\$63,548	\$78,185	23%
<b>Utility Tax</b>	\$118,323	\$140,130	18%
<b>Local Gas Tax</b>	\$38,250	\$38,757	1%
<b>Motor Fuel Tax</b>	\$84,703	\$87,162	3%
<b>Places of Eating Tax</b>	\$167,630	\$157,414	-6%
<b>Income Tax</b>	\$386,012	\$612,012	59%
<b>Building Permits</b>	\$86,880	\$38,516	-56%
<b>Fines</b>	\$76,990	\$26,524	-66%
<b>Red Light Camera</b>	\$229,475	\$219,225	-4%

Assistant Administrator Halloran then outlined areas for recommended budget cuts:

Department	Description	22-23 Budget	Proposed Budget	Savings
VAO	Training	\$10,075	\$5,075	\$5,000
VAO	Wellness	\$15,000	\$5,000	\$10,000
Community Development	Building, Plan Review & Inspection Services	\$175,000	\$115,000	\$60,000
Community Development	Municipal Planning Service	\$125,000	\$0	\$125,000
Community Development	Special Projects	\$100,000	\$60,000	\$40,000
Parks and Recreation	Active Adults - Theater	\$20,400	\$0	\$20,400
Parks and Recreation	One Day Tour Basic	\$28,320	\$13,320	\$15,000
Parks and Recreation	One Day Tour Extended	\$17,400	\$13,050	\$4,350
Parks and Recreation	Landscape Maintenance Services	\$144,000	\$129,000	\$15,000
Public Works	Other Professional Service - Banners	\$50,000	\$0	\$50,000
<b>TOTAL</b>		<b>\$685,195</b>	<b>\$340,445</b>	<b>\$344,750</b>

These are the proposed cuts for the time being. If more cuts are needed, staff will come back to the Board with their suggestions for discussion. Again, the Village is in good condition, but it doesn't mean it couldn't be better.

Mayor Trilla acknowledged that it is better to hear about these cuts in the early stages, rather than once it is too late. He appreciates the forward-thinking administration in bringing this to the Board's attention.

The Board also thanked staff and administration for the head's up thinking and for putting the numbers together. They also cautioned that the situation would need to be closely monitored going forward.

#### 6. DISCUSSION - PROPOSED 2022-2023 HEALTH INSURANCE RATES

Assistant Administrator Halloran indicated that the health insurance changes and rates have been an ongoing discussion with the Board since early 2021. He reminded the Board that effective July 1, 2022, the Village health insurance was changed from the Intergovernmental Personnel Benefit Coop (IPBC) program to the Government Insurance Network (GIN).

Per the Board's directive to offer employees options in coverage, the new program includes both HMO and PPO plans. In reviewing costs, staff determined the cost-effective measure would be to continue to offer the HMO program only through the end of 2022, as changing to a PPO midyear, if desired, would require the employee and dependents to re-meet the deductibles for the balance of the year. The new program, with options for one HMO and two PPO plans, will be rolled out to all employees January 1, 2023.

He outlined the current cost sharing of the insurance costs between the Village and employees, clarifying that the effective cost to the Village is actually higher since the employee share, regardless of whether they are insuring spouse and children as well, is covered one hundred percent:

	Employee	Employer	Effective Cost
Single	0%	100%	100%
Employee + Spouse	20%	80%	90%
Employee + Children	20%	80%	90%
Family	20%	80%	86%

The recommendation going forward is to offer, effective January 1, 2023, an 88/12 split for all employee groups selecting the HMO option and an 85/15 split for employee groups selecting the PPO options. These cost sharing options are in keeping with what is being offered to employees of the surrounding communities:

**HMO**

	<b>Employee</b>	<b>Employer</b>
Single	12%	88%
Employee + Spouse	12%	88%
Employee + Children	12%	88%
Family	12%	88%

**PPO**

	<b>Employee</b>	<b>Employer</b>
Single	15%	85%
Employee + Spouse	15%	85%
Employee + Children	15%	85%
Family	15%	85%

Assistant Administrator Halloran broke down the costs per paycheck for the different options in the new plan effective January 1, 2023 compared to the current HMO program as outlined in the tables below. The goal was to offer all employees greater options, not penalize any one group of employees, and remain competitive within the workplace compared to other municipalities.

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CURRENT HMO			2023 HMO			Difference
	Employee	Employer	Employee	Employer	Cost per paycheck	
Single	0%	100%	\$0			\$44.22
Employee + Spouse	20%	80%	\$66			\$27.45
Employee + Children	20%	80%	\$54			\$21.14
Family	20%	80%	\$140			-\$15.39

CURRENT HMO			2023 PPO – 750			Difference
	Employee	Employer	Employee	Employer	Cost per paycheck	
Single	0%	100%	\$0			\$54.00
Employee + Spouse	20%	80%	\$66			\$46.80
Employee + Children	20%	80%	\$54			\$37.85
Family	20%	80%	\$140			\$11.49

2023 PPO – 300			Difference
	Employee	Employer	Cost per paycheck
Single	15%	85%	\$61.50
Employee + Spouse	15%	85%	\$127.50
Employee + Children	15%	85%	\$109.50
Family	15%	85%	\$174.75

Trustee Berglund wanted to ensure that the employees were aware of all these factors. Assistant Administrator Halloran assured her that they were and that recently the first on-site presentation was made available by the insurer to the employees. GIN has been proactive in informing the staff of the changes. They met with the police union in April on zoom and in person.

Several Trustees shared their personal observations on the benefits of PPO versus HMO plans. The general consensus of the Board was that the program appears beneficial, costs reasonable and the main goal of offering employees options was met.

#### 7. DISCUSSION – WATER RATE STUDY

Based on the Board direction to create a more hybrid approach to the water rates after the presentation of the study by Christopher Burke at the end of June, staff has come up with an alternate plan after considerable study and research.

Assistant Administrator Halloran reviewed the current water rate model:

#### RESIDENTIAL CUSTOMERS

	Billing Rate		Billing Frequency
	<u>Fixed Monthly Fee</u>	<u>Volume Charge per 1,000 gallons</u>	
Residential – <i>Single Family Home</i>	\$15.00	\$10.00	Monthly
Residential – <i>Multi-Family</i>	\$15.00	\$10.00	Monthly

#### COMMERCIAL CUSTOMERS

	Billing Rate		Billing Frequency
	<u>MINIMUM BILLS (UNDER 32,000 GALLONS)</u>	<u>Volume Charge per 1,000 gallons over 32,000 gallons</u>	
Commercial – $\frac{5}{8}$ and $\frac{3}{4}$	\$144.87	\$11.00	Monthly
Commercial – 1	\$174.58	\$11.25	Monthly
Commercial – $1\frac{1}{2}$	\$269.71	\$11.50	Monthly
Commercial – 2	\$332.16	\$11.75	Monthly
Commercial – 3	\$408.98	\$12.00	Monthly
Commercial – 4	\$644.34	\$12.25	Monthly

One of staff's recommendations is to simplify the billing process by billing all water customers monthly effective January 1, 2023. Based on the current system, billing occurs monthly, quarterly or at infrequent intervals. Another recommendation is to move toward actual usages rather than those based on pipe flow size, i.e., potential usage versus actual usage.

One of the purposes of the water rate increase is to pay for ongoing maintenance and save to offset some of the costs of future capital improvement projects. Both current needs and future needs are taken into consideration in planning. It is however impractical to build up the Water Fund solely to fund future projects; other financing methods for future needs can be considered.

The Board also asked for the status of the IEPA (Illinois Environmental Protection Agency) loan.

- \$959,403.80 was disbursed in 2016 at a rate of 1.86%
- The term of the loan is 20 years, until 2036, and is paid on a semi-annual basis
- As of August 2022, a balance of \$887,088.89 remains

In answer to a question, Assistant Administrator Halloran indicated the interest rate of the IEPA loan was for the life of the loan. Trustee Mistele added that the loan covered the repainting of the water towers.

Assistant Administrator Halloran covered the proposed water billing rates:

**RESIDENTIAL:**

EXISTING		
	Billing Rate	Billing Frequency
Residential – <i>Single Family Home</i>	1) \$9.67/1,000 up to 36,000 Gal 2) \$11.14/1,000 over 36,000 Gal 3) Min. Bill is \$78.56 up to 9,000 Gal quarterly	Quarterly
Residential – <i>Multi-Family</i>	1) \$9.67/1,000 up to 36,000 Gal 2) \$11.14/1,000 over 36,000 Gal	Mixed
PROPOSED		
	Billing Rate	Billing Frequency
	<u>Fixed Monthly Fee</u>	
Residential – <i>Single Family Home</i>	\$15.00	\$10.00
Residential – <i>Multi-Family</i>	\$15.00	\$10.00

**COMMERCIAL:**

EXISTING			
	Billing Rate	Billing Frequency	
	<u>MINIMUM BILLS (UNDER 12,000 GALLONS)</u>	<u>Volume Charge per 1000 gallons over 12,000 Gallons</u>	
Commercial – $\frac{5}{8}$ and $\frac{3}{4}$	\$124.87	1) \$9.67 under 2) \$11.14 over	Monthly
Commercial – 1	\$154.58	1) \$9.67 under 2) \$11.14 over	Monthly
Commercial – 1½	\$249.71	1) \$9.67 under 2) \$11.14 over	Monthly
Commercial – 2	\$312.16	1) \$9.67 under 2) \$11.14 over	Monthly
Commercial – 3	\$388.98	1) \$9.67 under 2) \$11.14 over	Monthly
Commercial – 4	\$624.34	1) \$9.67 under 2) \$11.14 over	Monthly
PROPOSED			
	Billing Rate	Billing Frequency	
	<u>MINIMUM BILLS (UNDER 32,000 GALLONS)</u>	<u>Volume Charge per 1,000 gallons over 32,000 gallons</u>	
Commercial – $\frac{5}{8}$ and $\frac{3}{4}$	\$144.87	\$11.00	Monthly
Commercial – 1	\$174.58	\$11.25	Monthly
Commercial – 1½	\$269.71	\$11.50	Monthly
Commercial – 2	\$332.16	\$11.75	Monthly
Commercial – 3	\$408.98	\$12.00	Monthly
Commercial – 4	\$644.34	\$12.25	Monthly

The benefit of the proposed methods is that the customer who use the most water will pay the most, and those who use less will pay less. Those who currently pay the monthly minimum, low volume users, will most likely pay less as the rate will be based on actual usage.

Trustee Mistele asked how the proposed rates compare to the rates offered in the study by Christopher Burke. Assistant Administrator Halloran indicated that in the study, Christopher Burke simply took the existing model and offered various alternatives based on increasing those existing rates. The model proposed here revamps the current model to streamline and simplify it. The goal of both models is to attain target revenue; the Christopher Burke model reaches it in year 2, this model in year 4 or 5.

Trustee Neal expressed her appreciation at the effort that went in to revamping the water rates and eliminate the use of the minimum rates. She was pleased with the effort to simplify and clarify the water rates.

Assistant Administrator Halloran indicated that staff feels the updated model is targeted, nuanced and appropriate; that those who use the most water will pay the most. This is based on water usage seen for 2020/2021 and is valid if water usage stays the same for 2022/2023. Even with the raise in rates, Willowbrook still has the lowest rates of our closest neighboring communities.

A request was made for materials from the Water Rate Study presentation including larger sizes of the maps in the PowerPoint.

To provide information to the public, staff will be disseminating the information through all of the Village's social media platforms and possibly a newsletter in the fall. The goal will be to provide additional information on the website including FAQs and a breakdown of the costs and where the money goes.

## 8. ADJOURNMENT

MOTION: Made by Trustee Berglund and seconded by Trustee Neal to adjourn the Regular Meeting at the hour of 6:10 p.m.

ROLL CALL VOTE: AYES: Trustees Astrella, Berglund, Davi, Mistele, Neal and Ruffolo. NAYS: None. ABSENT: None.

MOTION DECLARED CARRIED

PRESENTED, READ, and APPROVED.

, 2022.

Frank A. Trilla, Mayor

Minutes transcribed by Deputy Clerk Christine Mardegan.