



WHEATON CITY COUNCIL PLANNING SESSION MINUTES

MAYOR PHILIP J. SUESS

COUNCILMAN MICHAEL BARBIER | COUNCILWOMAN ERICA BRAY-PARKER | COUNCILWOMAN SUZANNE FITCH
COUNCILWOMAN LYNN ROBBINS | COUNCILMAN JOHN RUTLEDGE | COUNCILMAN CHRISTOPHER ZARUBA

WHEATON CITY HALL, COUNCIL CHAMBERS, 303 W WESLEY STREET, WHEATON, ILLINOIS 60187

Monday, January 25, 2021

1. Call to Order

The Wheaton City Council Planning Session was called to order at 7:00 p.m. by Mayor Suess. The following were:

Physically Present:

Mayor Suess
Councilwoman Bray-Parker
Councilwoman Fitch
Councilwoman Robbins
Councilman Rutledge
Councilman Zaruba

Absent:

Councilman Barbier

City Staff Physically Present:

Michael Dzugan, City Manager
John Duguay, Assistant City Manager
Susan Bishel, Public Information Officer
Robert Lehnhardt, Director of Finance

City Staff Present by Video Conference:

Daniel Peck, Public Relations Coordinator
Joseph Tebrugge, Director of Engineering

2. Approval of January 11, 2020 Minutes

The Council approved the January 11, 2021 City Council Planning Session minutes.

3. Public Comment

There were no public comments.

4. Analysis of Future Funding of Police and Fire Pension Liabilities

City Manager Dzugan stated that City staff and consultants are seeking Council feedback on options to develop a funding strategy that achieves predictable annual payments while reducing long-term costs and achieving statutory required funding in the City's Police and Firefighters' Pension Plans by 2041.

City Manager Dzugan stated the City's current funding plan provides combined pension contributions of approximately \$5.7 million per year. He stated that the contributions include the cost of accrual of annual earned benefits and the actuarial established rate of return of 6.75%.

Mayor Suess requested City staff further review refinancing options that include issuing pension obligation bonds to provide the City with additional savings to cover the principal and the actuarial established rate of return of 6.75% and provide excess funds that could be acquired by the City annually.

Mayor Suess requested the City's actuary provide a breakdown of costs associated with the City's current \$5.7 million annual combined contribution; a funding analysis comparing the unfunded liability contribution costs with the current actuarial established rate of return of 6.75% and a pension obligation bond costs with a bond interest rate of 3% over a 20-year period; and provide an exhibit of the City's annual contributions after both pension plans have been 100% funded.

Jason Franken of Foster & Foster stated that an actuarial established rate of return of 6.75% compared to 3% interest on a pension obligation bond could provide approximately \$33 million in total savings through 2041. He stated that the City's payments over the past 8 years did not cover the cost of the unfunded liability and created a negative amortization that made the amount owed toward the end of the funding plan increase over time. He stated that the City's current backloaded funding approach is based on what is provided in the Illinois Pension Code, and the City can change its approach so larger contributions would not be required toward the end of the funding plan.

The Council requested that future funding analyses display a potential economic market downturn and its effect on the City's annual costs and contributions.

In response to questions from Council, City Manager Dzugan stated that the funding option that would provide an additional \$1.2 million contribution each year over a five-year period could be reviewed and changed annually. He stated that the option to issue pension obligation bonds would be an additional funding option for the Council to review.

In response to questions from Council, Mr. Franken stated that a board would oversee and manage the investments allocated to the funds once the City's the Police and Firefighters' Pension Plans' are consolidated.

The Council directed City staff and the financial consultants to further explore the options discussed and to come back to the Council with additional comparable analyses.

5. Community Response - Draft Strategic Plan

City Manager Dzugan provided an overview of the City's Strategic Plan Community Response Survey. He stated that the City had over 100 respondents to the survey who provided comments on the draft Strategic Plan's strategic priorities.

City Manager Dzugan stated the staff is requesting the Council provide their final feedback on the draft Strategic Plan based on the comments from the community. He stated that once the draft strategic plan has been finalized, City staff and the City's consultant, Management Partners, will create an action plan specific to each strategic priority for the Council's review.

In response to Council questions, City Manager Dzugan stated that staff would review the City's progress toward the Strategic Plan action items bi-annually or annually, and items could be adjusted if needed.

The Council requested changes to Strategic Priority 1: Financial Stability that include rewording one of the Desired Outcomes to separate operating expenditures and infrastructure investments; revising the term in Goal B-4 from "investigate" to "pursue"; revising the term in Goal A from "conduct" to "maintain"; and adding a Key Performance Indicator for maintaining City's reserve balances and revenue growth.

The Council requested changes to Strategic Priority 2: Enhanced Infrastructure that include adding Key Performance Indicators regarding infrastructure spending and decreasing the number of lead service lines.

In response to questions from Council, City Manager Dzugan stated that the Strategic Plan's Action Plan will contain more specific details and metrics to coincide with the Strategic Priorities.

The Council requested changes to Strategic Priority 3: Responsive and Efficient Services that include adding a Key Performance Indicator that describes measuring the cost and efficiency of providing services; and consolidating Goal B-2 and Goal B-3 as one point.

The Council requested a change to Strategic Priority 4: Community Safety that includes adding the term "residents" to coincide with schools, the Park District, and other city/county service providers, and civic organizations in Goal A-2. The Council also discussed adding an item under Goal B pertaining to establishing strategies that support the wide range of residents' needs. The Council also wanted to incorporate making more safety data available to the public.

The Council requested changes to Strategic Priority 5: Environmental Sustainability that include adding a Key Performance Indicator that prioritizes reducing energy expenses and increasing efficiency, and removing the term "solar" from Goal C-1.

Mayor Suess thanked the community for participating in the City's Strategic Plan Community Response Survey.

6. City Council/City Staff Comments

Councilman Rutledge commended Mayor Suess on his State of the City Address and thanked City staff for their work on the presentation. He brought to attention the passing of Helen Keim, long-time resident of Wheaton, and expressed his sympathy to her spouse and their family.

Mayor Suess thanked City staff for the work put into the State of the City Address and thanked the Wheaton Chamber of Commerce for hosting the event. He informed residents that the presentation is available on the City's website.

7. Adjournment

The meeting was adjourned at 8:27 p.m.

Respectfully submitted,

Daniel J. Peck