



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, October 12, 2020

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
Councilman Barbier
Councilwoman Fitch
Councilwoman Robbins
Councilman Rutledge
Councilman Zaruba

Present By Video Conference:

Councilwoman Bray-Parker

City Staff Physically Present:

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

2. Approval of September 28, 2020 Minutes

The Council approved the September 28, 2020 City Council Planning Session minutes.

3. Public Comment

There were no public comments.

4. 2020 General Purpose and Debt Property Tax Levy – Estimate

Director of Finance Lehnhardt presented an overview of the 2020 estimates for the City's four property tax levies that consist of the 2020 General Purpose and Debt Property Tax Levy, the 2020 Special Service Area #2 Central Business District Parking Enforcement Property Tax Levy, the 2020 Special Service Area #3 Streams Subdivision Maintenance Property Tax Levy, and the 2020 Special Service Area #8 Downtown Promotional and Municipal Services Property Tax Levy.

Director of Finance Lehnhardt stated that the City is required by the Truth in Taxation Act Illinois State Statute to estimate the amount of taxes to be levied at least 20 days prior to the adoption of the tax levy. If the proposed levy increase is greater than 5%, the City is required to publish a notice and conduct a public hearing prior to the adoption of the levy. He stated that the City is required to file with the County Clerk by the last Tuesday in December, but any adopted levy can be abated by March 2021.

Director of Finance Lehnhardt provided an overview of a typical resident's 2019 property tax bill and stated the City's portion of property tax revenue is 12.7%.

Director of Finance Lehnhardt provided an overview of the City's 2020 equalized assessed value (EAV) and stated that the City's EAV was approximately \$2.2 billion with residential properties representing 83.4% of that value and commercial (10.1%), industrial (.4%), and railroad (.1%) properties making up the remainder. He stated that the Milton Township Assessor does not include tax-exempt properties in their valuation and 17% of the parcels within the City are considered tax-exempt parcels based on the City's GIS data.

In response to questions from Council, Director of Finance Lehnhardt stated there was no data to provide a comparison of municipal service demands for tax-exempt properties compared to non-exempt properties. He stated that other municipalities may not have similar data to draw an accurate comparison between one municipality and another.

Director of Finance Lehnhardt provided an overview of the adopted levy compared to the extended levy. The extended levy includes a 1% increase to the adopted levy that DuPage County issues to account for uncollectable taxes, assessment appeals, and refunds.

Director of Finance Lehnhardt presented the proposed 2020 General Purpose and Debt Levy. The proposed adopted General Purpose extended levy is \$13,632,783, which is a 0.2% (\$28,713) increase from the 2019 adopted and extended levies. The proposed adopted 2019 Debt Service extended levy is \$3,002,359, which is a 0.1% (\$28,713) decrease from the 2020 adopted and extended levies. City staff is recommending a flat General Purpose and Debt Levy with no levy increase from 2019 to 2020.

Director of Finance Lehnhardt provided an overview of the financial impact of the proposed levy. He stated that the financial impact depends on the EAV change of individual assessed property values. Using an assumption of a 2.1% increase in EAV, the proposed levy would provide a slight decrease from 2019 to 2020.

Director of Finance Lehnhardt presented the proposed 2020 Special Service Area #2 Central Business District Parking Enforcement Property Tax Levy. The proposed adopted extended levy is \$39,798, which is a decrease of approximately \$100 from the 2019 adopted and extended levies.

Director of Finance Lehnhardt presented the proposed 2020 Special Service Area #3 Streams Subdivision Maintenance Property Tax Levy. The proposed adopted extended levy is \$12,121 which is a decrease of \$38 from the 2019 adopted and extended levies.

In response to questions from Council, City Manager Dzugan stated that funds from Special Service Area #3 may possibly be utilized for dredging of the lake within the Streams subdivision but the cost of dredging is much higher than funds received from the levy. Assistant City Manager Duguay stated that the dredging of the lake is approximately \$850,000 and done every 4-5 years, with the next dredging scheduled for 2022 as part of the Capital Improvement Plan. Director of Engineering Tebrugge stated that the land in which the lake is on is owned by a private individual and is not taxed. City Manager Dzugan stated if Special Service Area #3 funds are allowed to be used for the dredging, the Council may consider raising the levy to at least partially cover dredging costs. City Manager Dzugan stated the Council could raise the tax rate of Special Service Area #2 and Special Service Area #3 levies to the maximum amount and conduct a Truth in Taxation public hearing. If the Council decides an increase is not needed, the increase could be abated up until March 2021.

Director of Finance Lehnhardt provided an overview of the proposed 2020 Special Service Area #8 Downtown Promotional and Municipal Services Property Tax Levy. He stated that City staff has prepared

four levy options, with one option maintaining a flat tax rate from 2019 and the other three being based on proposed operational budgets ranging from \$260,000 to \$275,000 for the Downtown Wheaton Association 2021 budget. He explained that the chosen levy option will change the tax rate amount of TIF District #2 and the tax rate will be determined by the levy amount divided by the equalized assessed value (EAV).

Director of Finance Lehnhardt presented the 2020 Special Service Area #8 Downtown Promotional and Municipal Services Property Tax Levy – Option 1. He stated that Option 1 would be a flat levy that would generate \$242,969, which includes the Special Service Area #8 extended levy of \$140,414 and \$102,554 of incremental tax revenue generated from TIF District #2. Option 1 would not require a Truth in Taxation public hearing.

Director of Finance Lehnhardt presented Option 2, which would generate \$271,012, including the Special Service Area #8 extended levy of \$156,620 and \$114,391 of incremental tax revenue generated from TIF District #2. This option would accommodate the DWA's proposed budget of \$270,000, which includes tents for Hale Street only in the downtown area. Option 2 would require a Truth in Taxation public hearing since the 2020 proposed levy compared to the 2019 extended levy increases 10.4% (\$14,572).

Director of Finance Lehnhardt presented Option 3, which would generate \$260,508, which includes the Special Service Area #8 extended levy of \$150,550 and \$109,957 of incremental tax revenue generated from TIF District #2. This option would accommodate the DWA's proposed budget of \$260,000, which does not include tents for the downtown area. Option 3 would require a Truth in Taxation public hearing since the 2020 proposed levy compared to the 2019 extended levy increases 6.1% (\$8,572).

For Option 4, Director of Finance Lehnhardt stated that it would generate \$275,372, which includes the Special Service Area #8 extended levy of \$159,140 and \$116,231 of incremental tax revenue generated from TIF District #2. This option would accommodate the DWA's proposed budget of \$275,000, which includes tents for Hale Street and other businesses in the downtown area. Option 4 would require a Truth in Taxation public hearing since the 2020 proposed levy compared to the 2019 extended levy increases 12.2% (\$17,072).

Executive Director of the Downtown Wheaton Association Elle Withall presented the DWA strategic work plan framework of the organization and an action plan for the remainder of 2020.

Downtown Wheaton Association Treasurer Ron Diener presented a financial update for 2020 and an anticipated budget for the organization. He stated that the organization from January through September had revenues of \$445,896 and expenses of \$368,919 with a net income of \$76,977. Mr. Diener stated that the organization is anticipating a revenue of \$233,906 and expenses of \$258,906 through the remainder of the year and provided details of the preliminary 2021 budget.

In response to a question from the Council, Mr. Diener stated that difference between "with COVID" and "without COVID" revenues was the "with COVID" revenue includes reimbursements from the City for COVID-19 related expenses.

In response to a question from the Council, City Manager Dzugan suggested that an analysis be completed prior to making the Hale Street tents permanent during summer seasons. He stated that traffic patterns have changed due to the COVID-19 pandemic and when regular traffic patterns return, the Hale Street closure could become an issue.

The Council requested the City Manager adjust the tax rates to the maximum and conduct a Truth in Taxation public hearing for the 2020 Special Service Area #2 Central Business District Parking Enforcement Property Tax Levy, the 2020 Special Service Area #3 Streams Subdivision Maintenance Property Tax Levy, and the 2020 Special Service Area #8 Downtown Promotional and Municipal Services Property Tax Levy.

5. City Council/City Staff Comments

There were no City Council/City Staff comments.

6. Adjournment

The meeting was adjourned at 8:02 p.m.

Respectfully submitted,

Daniel J. Peck