



FALL/NOVEMBER 2022

WELCOME TO ISSUE NO. 2 OF

*Advancing Oak Brook*SM

My thanks to all Oak Brook residents for the strong reception and positive feedback to our first issue of the *Advancing Oak Brook* newsletter distributed in early August.

This newsletter fills a void that other Village related communications are not serving. It presents valuable information on relevant issues facing the Village in direct and easy to understand terms. It's my goal that this format gives you a better sense for the challenges confronting our great Village, and how I and other like-minded trustees are working for the benefit of our residents and taxpayers.

When I ran for Oak Brook Village Trustee, I pledged to be “Faithful to Oak Brook and Focused on the Future”. Having delivered on my promises, I’m proud to have declared my candidacy to be elected your next Village President in the April 4, 2023 election. As your Village President, I will continue to advance Oak Brook and preserve our unique quality of life.

I welcome your continued feedback on these newsletters, and Oak Brook in general. It's an honor for me to join with so many residents in *Advancing Oak Brook*!

Sincerely,



A handwritten signature in green ink that reads "Larry Herman".

LAURENCE “LARRY” HERMAN
ADVANCING OAK BROOK EXECUTIVE DIRECTOR
AND VILLAGE TRUSTEE

A graphic consisting of a jagged, starburst-like shape with a white outline and a solid orange fill. Inside the shape, the text "Home Safety Tips Inside" is written in a white, bold, sans-serif font, arranged in three lines.

Home
Safety Tips
Inside

Larry@HermanForOakBrook.com
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Advancing Oak Brook is a political action committee. A copy of our report filed with the State Board of Elections is (or will be) available on the Board's official website (www.elections.il.gov) or for purchase from the State Board of Elections, Springfield, Illinois.

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Staying Committed to Low Sales Taxes to Attract Businesses, Shoppers, & Diners

The Village Trustees you elected in 2021 campaigned on a platform of living within our means and resisting any increases in taxes. This has been the steadfast policy of **three-term Village President Gopal Lalimalani, MD, MBA**, who has decided not to seek a record fourth term.

Oak Brook has seen a recent rise in sales tax revenues and collections as more retailers and restaurants choose to locate in Oak Brook over other municipalities. A major reason for these business relocations is Oak Brook’s low sales tax rate and lack of municipal property tax.

Your new Village Trustees committed to keeping our taxes low and our businesses strong! **Trustee Larry Herman has focused Village attention on pursuing uncollected local sales taxes from non-compliant businesses, while keeping the tax rate low for all businesses.**

Where Would You Rather Shop or Dine?

	Oak Brook	Chicago	Lombard	Schaumburg	Naperville
Merchandise Tax Rate:	7.50%	10.25%	9.00%	10.00%	7.75%
\$10,000 Furniture Tax	\$750	\$1,025	\$900	\$1,000	\$775
\$20,000 Jewelry Tax	\$1,500	\$2,050	\$1,800	\$2,000	\$1,550
Food/Beverage Tax Rate:	7.50%	11.75%	11.00%	12.00%	9.50%
\$500 Restaurant Meal Tax	\$37.50	\$58.75	\$55.00	\$60.00	\$47.50
\$50,000 Hotel Wedding Tax	\$3,750	\$5,875	\$5,500	\$6,000	\$4,750

Oak Brook Joins Corporate Titans in Adopting Zero-Based Budgeting

Pursuing long overdue accountability and cost-savings, **Trustee Larry Herman** helped drive the Village's first-time adoption of a "Zero-Based Budgeting" process for 2023 which will save the Village millions of dollars over the coming years.

Coincidentally, **The Wall Street Journal** featured a story on September 6, 2022 titled "**Zero-Based Budgeting Gains Clout as a Way for Companies to Find Savings.**" As it reported:

"Many finance chiefs scouting for efficiencies are relying on zero-based budgeting, a tool that gained attention during the pandemic to identify potential savings as they prepare for a possible economic downturn. Zero-Based budgeting requires finance executives to question and justify each line item in every new budget period. More traditional budgeting techniques, in contrast, involve adjusting the previous year's spending, taking into account economic forecasts and other factors."

The article noted that among the companies using zero-based budgeting are General Motors, Honeywell International, Hershey and Hewlett Packard. Oak Brook is in good company!

Admittedly, the new process was initially challenging for our Village department heads who had not been used to providing so much detail. But the money saving process proved productive and identified and corrected past problems such as:

1. Some expense items were budgeted in multiple accounts resulting in over-budgeting for the same item.
2. Expense items with no descriptions that was possible budget "padding".
3. Lack of accountability and justification for capital expenditures.
4. Lack of transparency.

"At the end of the day, stronger accountability will result in lower costs of operations as well"

Village Manager Greg Summers, as quoted in a September 8, 2022 Chicago Tribune article about the Village's new Zero Based Budgeting process.

Village board members **Larry Herman, Mike Manzo, and Jim Nagle** are all local business owners who have been moving the Village to think and act more like a business when it comes to financial matters. They will be diligent in their continued efforts to demand financial accountability.

Welcome Additions to the Village's Management Team

Our highly qualified new Village Manager, Greg Summers, has wasted no time building his team of like-minded, hard-working, and broadly experienced department heads that are driving progress for the Village.

Greg came to Oak Brook after being the Assistant Village Manager of Orland Park for three years, Development Services Director in Barrington for 11 years, and Village Planner in Buffalo Grove for 4 years (as well as experience in private industry). These are all communities that share similar challenges and opportunities to Oak Brook. Greg has quickly earned a reputation in Oak Brook as a highly effective Village Manager. The fast pace of Village improvements under Greg's leadership have been impressive. The Village's dramatic financial turnaround is due in large part to Greg's initiatives.



Greg Summers
Village Manager

Please join us in welcoming these professionals to their new roles at the Village:



Brian Strockis, Police Chief

Our new police Chief, Brian Strockis, has served our Village for the past 22 years. Brian has implemented many new initiatives that are already driving results, including the adoption of more crimefighting technology such as license plate readers to protect our residential neighborhoods and businesses. More proactive policing is resulting in a significant increase in apprehensions and arrests.



Kevin Fleege, Interim Fire Chief

Kevin Fleege is a 22-year veteran of the Oak Brook Fire Department who has served in numerous roles, most recently as Battalion Chief. A fourth generation fire chief, Kevin has a remarkable resume of professional credentials and achievements, but none more important than the respect and admiration of his team of dedicated Oak Brook firefighter/paramedics. He has been instrumental in bringing numerous advancements to the department, and no doubt will continue to do so as we pursue continued excellence in the protection of our residents and businesses.



Jessica Spencer, Assistant Village Manager

Jessica Spencer was selected from a pool of over 100 applicants. Previously, she was the Administrative Services Manager in Itasca, directly managing the Finance, Human Resources, Information Technology departments, among other roles. That experience is already proving invaluable to our Village and has provided additional layers of bench strength to our management team.



Marilyn Fumero, CPA, Finance Director

In February, 2022, Marilyn Fumero, CPA, joined the Village as our new Finance Director. Marilyn previously worked with our new Village Manager Greg Summers at Orland Park. She is already driving innovation and efficiency in our Finance Department, including automating several previously manual processes. Marilyn has also been an integral to the implementation of our new “Zero Based Budgeting” budgeting process that has dramatically improved accountability and reduced spending.



Rick Valent, Public Works Director

Rick joined our Public Works department in 2016 and was named Director in 2022. Rick is the architect of a departmental restructuring that more efficiently utilizes our existing department work force while reducing expenses. Rick is also working toward the integration of advanced technology to enhance responsiveness of his department to the needs of our community.



Rebecca Von Drasek, Development Services Director

Our veteran Village Planner, Rebecca Von Drasek, stepped up to the Development Services Director position in March, 2022. She brings broad experience and familiarity with the Village to his important role. Rebecca is helping to drive many enhancements to our zoning code.

The depth and breadth of managerial skills and experience added by these new Department leaders puts the Village on a very positive path. We know they will contribute to the Village’s continued success and stability for many years.

What is the Hotel Tax?

Illinois law allows a non-home rule municipality such as Oak Brook to impose a tax of up to 5% on overnight hotel stays in addition to other state and county hotel taxes. Consistent with Oak Brook's tax philosophy on keeping taxes low to encourage business, **Oak Brook only imposes a 3% Hotel Tax.** By state law, most of this amount is dedicated to promoting tourism and conventions or otherwise attracting non-resident overnight visitors to Oak Brook.

Oak Brook ... The Low Tax Hotel Destination!

Municipality	City Hotel Tax Rate	Total Hotel Tax Rate (including State and County)
Oak Brook	3.0%	9.0%
Lombard (Westin Hotel)	5.0%	11.0%
Westmont (Oak Brook Hills Hotel)	5.0%	11.0%
Oakbrook Terrace (Hilton Suites Hotel)	6.0%	12.0%
Naperville	5.5%	11.5%
Schaumburg	8.0%	15.0%
Chicago	10.2%	17.4%

Why is a low hotel tax important? Because for frequent travelers and businesses with large travel budgets, reducing costs is always a priority. *A \$500 Oak Brook hotel stay will cost \$42 less in hotel room taxes than a Chicago hotel visit.* We use the hotel tax funds on promotional programs to attract conventions, association meetings, weddings, vacationers, business travelers, and other visitors to the Village's hotels and restaurants. This drives more business for our stores and restaurants which in turn generates more sales tax for the Village.

Not only is our hotel tax lower, but meals in Oak Brook will have much lower sales taxes, and none of our Oak Brook hotels charge for parking. Oak Brook hotels have seen a post-Covid boost in business, no doubt due in part to our low tax and low crime environment.

You can be assured that the new Village Board and management team will be focused on greater accountability of all Village expenditures, including the prudent use of our hotel tax revenues to raise the profile of the Village as a business, tourist, and family destination.

Footnote: As home rule communities, Naperville, Oakbrook Terrace, Schaumburg, and Chicago are not subject to the 5.0% non-home rule hotel tax cap. Illinois imposes a 6% state hotel tax and Cook County has a 1% hotel tax.

Bath and Tennis Club's Remarkable Financial Turnaround

During the last Village Trustee election, candidate **Larry Herman** exposed the chronic financial losses at the Oak Brook Bath and Tennis Club and Sports Core, which were exacerbated by poorly negotiated management contracts. Once elected, Larry spearheaded efforts to reorganize the Bath and Tennis operations, including:



1. A new pool management contract with a leading local management company, with dramatically more favorable terms than the prior arrangement with the Park District
2. A new dedicated Bath and Tennis Club website
3. A new online registration and check-in system to better manage membership
4. Published ads and articles promoting the OBBT which led to near capacity 2022 membership
5. Conducted a thorough membership survey at the end of the season, gathering feedback to improve the member experience for 2023
6. Retained a professional company to manage our soccer fields that resulted in:
 - A large profit to support the Sports Core
 - Higher hotel stays and economic activity for our local businesses with more tournaments and events being hosted at our fields

A \$380,000 Turnaround!

	2020*	2021*	2022	2023 Forecasted
Membership and Program Revenue to Village	\$0	\$0	\$457,000	\$530,000
Less Management Company Cost	\$0	\$0	(\$171,000)	(\$180,000)
Net Soccer Rental to Village	\$0	\$0	\$94,000	\$100,000
Net New Revenue to Village	\$0	\$0	\$380,000	\$450,000

*Footnote: Under the 2020 and 2021 Park District management agreement, the Park District retained all membership and soccer rental revenue.

For a very detailed review of the Sports Core's history and financials, including recent improvements in other Sports Core operations, please read the whitepaper "A Deep Dive Into the Sports Core", available at www.HermanForOakBrook.com, or scan the QR code.



Keeping Your Home Safe

There have been recent home burglaries in Oak Brook, predominately in our non-gated neighborhoods. Our veteran police officers tell us that this typically happens in the fall, late on a weekday afternoon as it starts to get dark earlier. The perpetrators are usually professional criminal crews working in a group of about three, and the pattern we see is as follows:

1. They will case a neighborhood to identify a target house.
2. They may approach the front door, ring the bell, and to determine if anyone is home and if the house alarm is activated.
3. If no one is home and the alarm is not activated, they go to the back yard and break in usually through a rear glass door.
4. They go to the master bedroom to look for valuables.
5. They leave the house within minutes after breaking in, often before police can respond to the scene even if notified by an alarm or otherwise.

The other home burglary type we sometimes experience is the “Ruse Burglary”, where someone comes to your house posing as a utility or city worker. They may try to convince you to take them to your back yard or basement to investigate what they say is problem with your house, while their accomplices then enter your house to steal valuables while you’re distracted. Be vigilant and don’t fall for this! Advise your family members and domestic workers to also be aware.

How to Protect Your Home

- Install and always activate your burglar alarm when not home, even if gone for a short period.
- Install doorbell cameras and other cameras around your house, preferably ones that record activity for later playback. Any system is better than none but wired (versus Wi-fi) systems may be more reliable and provide more functionality. On the other hand, Wi-fi systems such as the Ring system are inexpensive and easy to install and can still be very effective.
- Coordinate camera positioning with your neighbors’ camera systems so there are multiple angles covering all your houses.
- Report ANY suspicious activity on your street by calling 911. The police do want you to call even if you’re not sure. Always better safe than sorry.

The ultimate goal is DETERRENCE. These criminals are looking for easy targets. They do their homework. If they can see your house is protected they’re going elsewhere. Let’s all work to make it known to the bad guys not to mess with Oak Brook!

LPR Cameras Add More Tools to Fight Crime and Protect Residents

Over the last couple of years, the Village has installed License Plate Reading (“LPR”) camera systems on some of our arterial roads. These systems read the license plate of every car passing by and determine if the car or license plate has been reported stolen or otherwise wanted. If a wanted car is identified by the LPR, the police officers on patrol are immediately notified with an image of the offending car so they can investigate. The LPRs currently in use have proven to be highly effective.

For 2022, **Trustee Larry Herman** proposed a substantial increase in the Village budget for installation of new LPR cameras and other crime fighting technology to \$200,000 from the \$60,000 requested by our former police chief. Larry’s recommended increase was implemented by your new Village Board and has become the initial source of funds to launch an innovative new program to split the cost with those subdivisions interested in having LPRs installed at their subdivision entrances. For the 2023 budget, another \$215,872 has been proposed for this sophisticated technology.

So far, 8 of the 18 non-gated homeowner associations have opted to participate in the Village’s LPR program.

Why LPR’s can be so beneficial for your subdivision:

While the LPR immediately flags a known wanted vehicle, it records every vehicle/ license plate entering the neighborhood. If a burglary occurs using a vehicle that isn’t reported as wanted, our police can still investigate and review all the cars that entered the neighborhood during the time frame of the burglary. Through process of elimination, they can then zero in on the handful of vehicles that aren’t registered in the neighborhood for further investigation. This works much better with subdivision LPRs than those on the Village’s main roads because of the much higher volume of non-resident cars on the main roads. These burglaries are usually the work of professional repeat offenders and catching them even after a burglary will prevent the next one from occurring.

Should We Add More Police Patrols?

Some have suggested that the Village should add more patrol officers. Our police chief advises that this is not likely to make a difference because our police can’t be everywhere all the time, especially in a village as spread out as ours. But cameras are always working, 24 hours a day. They don’t sleep or have a salary, benefits, or a pension. They cost a fraction of the amount of an additional police officer and will be functional for several years. **Our path to better security in Oak Brook is through vigilance, deterrence, and the enhanced use of technology.**

Wish to discuss further? Contact Trustee Larry Herman at larry@HermanForOakBrook.com.



LPR Cameras Being Installed at Trinity Lakes Subdivision

The Challenges of Village Pension Funds

The funding of our public pension liabilities is strictly regulated by the State of Illinois. The Village is required to add to the pension funds for our employees based on formulas. Unfortunately, when the stock and bond markets decline, as they've done this year, our pension obligations don't change. Oak Brook then has to contribute even more Village funds to our pension plans over time to make up fund shortages.

Oak Brook maintains separate pension funds for our fire and police departments. We also participate in state-wide pooled pension fund (IMRF) for our other employees.

A \$13,846,868 Drop in Village Public Safety Pension Funds

Pension Fund	Fund Balance: 1/1/2022	Current Fund Balance*	Drop in Fund Balance 2022 Year-to-Date
Firefighters	\$37,817,311	\$30,884,945	\$6,932,366
Police	\$49,838,078	\$42,923,576	\$6,914,502
Total:	\$87,655,389	\$73,808,521	\$13,846,868

*Fire fund balance as of 8/31/22; Police balance as of 7/31/22

According to our actuarial report, our fire and police pension funds were already underfunded by \$35,608,124 as of January 1, 2022. This is the amount of extra money we would need to contribute to meet all our expected future retiree benefit payments. This year's additional \$13,846,868 drop in our current fund balances simply exacerbates our financial pain. As financial markets hopefully recover, the unfunded portion of the pension funds goes down.

As troublesome as this may seem, we are actually in better shape than many other Illinois communities. We have already been making substantial contributions each year to chip away at that deficit. While the Village's financial results have been strong this year, the Village Board will be faced with the decision of making added contributions to the pension funds to help offset the market losses. Poor market performance affects us all, but when it comes to our public pension funds, we Oak Brook residents are ultimately accountable for making it up.

We are grateful to **Trustee Ed Tiesenga** who has sponsored a Citizens Pension Academy to inform our residents how our public safety employee pension system works. It is available for viewing at www.OakBrookTV.org.

Rt 83 and 22nd Street Red Light Camera Update

In our last issue of Advancing Oak Brook, we informed you that due to the efforts of the Oak Brook Village Board, led by **Trustee Mike Manzo**, the corruption plagued red light cameras at the intersection of Rt. 83 and 22nd Street had been turned off. These cameras had been installed by the City of Oakbrook Terrace on our Village border over the objections from the Village of Oak Brook.

Despite Oakbrook Terrace's former mayor pleading guilty to taking bribes from the red light camera company's representatives, Oakbrook Terrace had the audacity to file a recent lawsuit to turn the cameras back on!



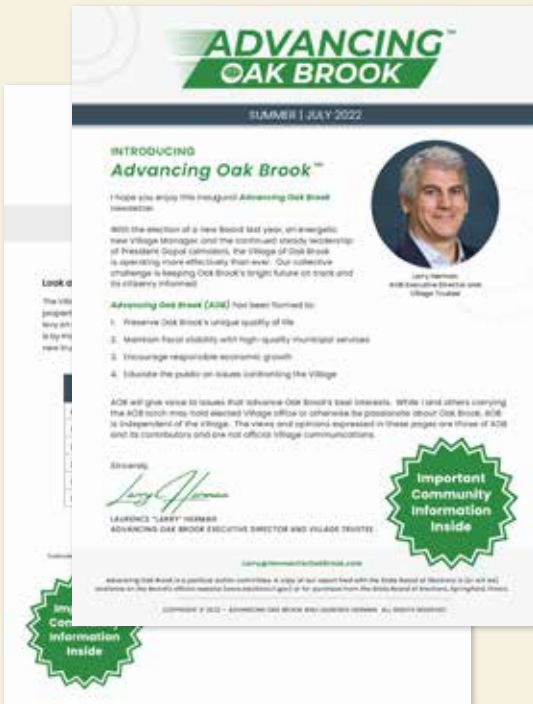
Shockingly, on August 22, 2022, a DuPage County judge ruled that the cameras could be reactivated while the lawsuit proceeded. As of the date this newsletter went to print, the cameras were again taking millions of dollars out of the pockets of motorists and funneling them to Oakbrook Terrace and the red light camera company, despite the nasty trail of deception and corruption.

To further demonstrate the pervasive criminal element involved in these cameras, on September 20, 2022, a long time Illinois state senator was indicted for taking bribes to introduce legislation that would allow the cameras to remain active even if there was no public safety justification. That is the case at Rt. 83 and 22nd Street where accidents more than doubled since the cameras were originally activated.

Your Village Board has redoubled its efforts to remove the cameras once and for all. On September 27, 2022, the Village held a press conference which provided a history of the matter, calling out all the repeated corruption. You can view that press conference at www.OakBrookTV.org.

*Our thanks to **Trustee Mike Manzo** for his leadership and unrelenting efforts to remove the corruption plagued red light cameras.*

Didn't Get the Summer Issue of Advancing Oak Brook Newsletter?



Back issues are available on the "AOB Newsletter" page at www.HermanForOakBrook.com



SCAN ME

Scan QR Code for Summer Issue

Elections Matter!

On April 4, 2023, you'll have the opportunity to vote for our next **Village President, Village Clerk, and for three of the six Village Trustee positions.** The enormous progress our Village has made since electing the current Board demonstrates just how important it is to vote and elect the most qualified candidates.

You'll be hearing a lot in the coming months from the various candidates including **Larry Herman, who is running for Village President.** As you consider which candidates to support, we encourage you to consider which ones are going to work hardest and provide effective leadership to:

1. Preserve Oak Brook's unique quality of life and ensure public safety
2. Ensure financial stability and fiscal discipline while delivering high quality municipal services
3. Drive responsible economic growth and prudent development
4. Ensure open lines of communications between residents and Village government

