

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING
OSWEGO VILLAGE PRESIDENT AND BOARD OF TRUSTEES
OSWEGO VILLAGE HALL
100 PARKERS MILL, OSWEGO, ILLINOIS
September 1, 2020**

CALL TO ORDER

President Troy Parlier called the meeting to order at 6:02 p.m.

ROLL CALL

Board Members Physically Present: President Troy Parlier and Trustees James Marter II, Terry Olson, Pam Parr, Judy Sollinger and Brian Thomas.

Board Members Absent: Trustee Luis Perez

Staff Physically Present: Dan Di Santo, Village Administrator; Christina Burns, Asst. Village Administrator/HR Director; Tina Touchette, Village Clerk; Jeff Burgner, Police Chief; Mark Horton, Finance Director; and Rod Zenner, Community Development Director; Jennifer Hughes, Public Works Director; Susan Quasney, Project Engineer; Jenette Sturges, Community Engagement Coordinator- Marketing; Billie Robinson, Asst. Finance Director; and Ryan Morton, Village Attorney.

PUBLIC FORUM

Public Forum was opened at 6:02 p.m.

Gerald Sternberg addressed the Board regarding having a sign at the Village Hall door that says to wear masks; people here are not wearing masks; quit being hypocrites; how do you expect citizens to follow if we aren't.

David Edelman addressed the Board regarding the Village's revenue; business travel; fundraising efforts for the entertainment venue; legal agreement did not look out for the best interest of the public; held twelve meetings regarding the entertainment venue; funds for the venue should be going to pay back for the purchase of the Alexander Lumber property; how grants are being awarded; Wolf Road is falling apart; economy is unknown; why discussing this non-essential venue project; where are the priorities; \$150,000 already spent; cancel the project; Village purchased a band stage, so use it; ask the donator of the property for five years instead of three; allow time to get money.

There was no one else who requested to speak; the Public Forum was closed at 6:10 p.m.

OLD BUSINESS

There was no old business.

NEW BUSINESS

G.1 Fiscal Year 2021 Financial Revenue Update

Director Horton addressed the Board regarding FY21 revenues and expenses.

February 2020

- Sales tax revenue up \$112,000 or 3%
- Local home rule sale tax up \$48,900 or 1.5%
- Income tax up \$319,242 or 12%
- Building permit fees up \$254,000

COVID-19 Outbreak- Village Response

- April 7, 2020
 - Froze all non-essential spending through 4/30/20; saving \$243,000
 - Eliminated \$53,000 in non-essential spending for FY21
 - FY20 surplus projected to be \$1.9 million
- FY21 adjustments
 - FEMA , CARES ACT, Grant reimbursements
 - Identified non-essential expenditures of \$870,000
 - Capital items to be individually approved
- Closely monitored all revenues and adjusted expenditures, if needed
- Updated Village Board regularly

FY20 on April 30th

- General Fund revenue
 - Sales tax receipts for March & April less by \$100,113
 - Local sales tax for March & April less by \$168,267
 - Income tax revenue \$54,385 > for March & April & \$373,627 greater than prior year
 - Use tax \$246,000 greater than prior year
 - Utility tax \$80,000 lower than prior year
 - Telecom tax \$81,000 less than prior year
 - Total tax revenue > budget by \$572,300
 - Licenses & permits > budget by \$519,645
 - Charges for services > budget by \$345,142
 - Financing sources > budget by \$1,058,645
 - Total FY 20 revenues of \$21,644,092
 - Total FY 20 expenditures of \$18,627,438
 - General Fund excess of \$3,016,650

FY21

- IML May 4, 2020 revenue forecasts
 - 9% to 17% reductions in State revenue
 - PPRT tax < by 30%
 - LGDF tax < by 15%
 - MFT tax < 15%
 - TRF tax estimated @ \$14.50/capita
 - Use tax = to FY 20
- General Fund 1st Quarter report
 - \$402,000 excess
 - Revenues less by \$860,000
 - Expenditures less by \$1.1 million
- Water & Sewer Fund
 - Late charges not billed for 1st quarter estimated at \$25,836
 - Revenues were \$111,500 greater than last year with total expenses \$212,900 less than last year
 - Charges for services revenues (usage charges) were \$121,800 greater than last year and account for the revenue increase
 - Expenses were in line with budget with Personnel costs, Supplies, Contractual services, and Debt payments all lower than last year
- Forecast
 - Sales tax < \$740,300
 - Local sales tax < \$396,000
 - Income tax < \$650,000
 - Potential \$2.5 million loss
 - MFT tax < \$222,750

- TRF tax < \$125,000
- Grant rev> \$748,251
- Local sales tax < \$474,300
- Local MFT tax < \$112,500
- Water & Sewer charges for services < \$457,200; transfers in < \$465,000

Covering Shortfalls

- General Fund excess from FY20= \$3,000,000
- FY21 budgeted expenditures deferred= \$841,733
- Grants allocated from State= \$1,300,000
- CARES reimbursement from State= \$1,300,000
- FEMA reimbursement from COVID expenses- TBD
- Reduce FY 21 budgeted expenditures further- TBD
- Use Fund reserves- TBD

Potential Bumps in the Road

- Pandemic gets even worse than today
- Regions revert back to Phase 3
- Unemployment increases
- Consumer spending decreases
- Forecast is for economy to remain, as is, through 2021

Board and staff discussion focused on staying with the budget and adjusting along the way; will be receiving \$1.3 million in legislative grants; reimbursements from FEMA; staff has found ways to save; non-essential items and capital projects; continue to invest in the community; grants and loans to businesses; upcoming large projects; many new businesses coming in; didn't lose any money this fiscal year (4/30/20); in March, \$7.9 million loss was being predicted; General Fund potential of \$3 million loss; could go up or down in next six months; projections will get refined; percentage and numbers are worst case scenarios; seeing no reduction in income tax; sales tax has dropped, but have other funds that have compensated for the drop; \$5.3 million loss is for all funds at worst case scenario; Police Pension Fund lost \$2-3 million in market value, but is now up \$3.2 million; funding at 69% now, but may need to increase the contributions to the Police Pension Fund; did fully fund the Police Pension Fund, just not out of property taxes; used General Fund; planning for the worst and hoping for the best; June, July and August are not as bad; a lot of unknowns; other communities are losing money; not seeing patterns here; fund balance at \$14 million; have reserves to convert; continue to look at expenses on a weekly basis; not spending more than bringing in; being conservative. There was no further discussion.

G.2 Provide Direction on the Entertainment Venue Construction Schedule and Budget.

Administrator Di Santo addressed the Board regarding direction, construction schedule and budget for the entertainment venue. During the Village Board discussion on June 9, 2020, staff indicated that the timing of the project construction would be revisited with the Board once the Governor announced the recipients of the Fast-Track grant. The recipients were announced on August 19, 2020 and the Village of Oswego was not awarded the grant for the entertainment venue project. The Fast-Track grant requires that construction quickly begin on any awarded project within 90-days. The project architect and engineer have been working toward an October 2020 groundbreaking and a May 2021 grand opening. Since the Village did not receive the grant, we are no longer under the same construction time constraints. Should the Board desire to move forward with this project, staff recommends delaying the bid opening to the late fall/early winter to take advantage of the most favorable bidding environment and to split the project budget over two fiscal years. This would mean a project groundbreaking this winter and a grand opening in late summer 2021 after the turf has been established. The adjusted schedule allows staff more time to put together a donation strategy and to find donors of time, material, and dollars for the project. The additional time would allow staff to issue a call for donations RFP prior to the official project bidding to identify any potential donors and ensure that their work/material meets the project specifications and quality standards.

Project Budget:

During the January 14, 2020 COTW presentation, staff identified the following funding sources:

- Sale of Old Police Station (\$800,000)
- State Capital Bill Funds (\$265,000)
- Grants
- Fundraising/Sponsorships

The Village Board passed the FY21 budget including \$750,000 in the Capital Improvement Plan for the project. While revenues have taken a hit from the pandemic, it has not been to the extent that many experts feared. Ending FY20 with a multi-million surplus, holding the line on discretionary spending, grant opportunities, and creative expenditure reductions keep the Village in the position to fund this and other planned capital projects should the Board desire. As discussed in January 2020, there are opportunities to fund this project with other sources outside of Village funds. This past year we received multiple grants as part of the state capital bill totaling \$1,370,000. Some grants were earmarked for specific purposes (Wolfs Crossing, Treasure and Rt. 30, etc.), while others were for more general purposes. The Village Board can consider allocating \$238,000 of “general infrastructure improvements” grants received to the entertainment venue project. Staff is also working on a planned donation strategy that will seek outside dollars to complete the project. Any donated time, materials, or dollars will help lower the Village’s portion of the \$750,000. By moving the completion of the project construction into late summer 2021, the funding is split over two fiscal years, FY21 and FY22, which further reduces the impact on this year’s budget.

Board Direction

Staff requested direction from the Village Board on the following items:

1. Consideration to bid the entertainment venue project in late fall/early winter for a winter groundbreaking and a late summer 2021 grand opening. Consensus was to move forward with bidding.
2. Consideration to utilize \$238,000 of state “general infrastructure improvement” grants towards the project. Consensus was to utilize the grant for the project.
3. Consideration to issue a “call for donations” RFP to help fund the project prior to bidding. Consensus was move forward with a donation RFP.

Board and staff discussion focused on purpose of the venue; who is going to run the venue; operating expenses; it is a community venue for small and large events; events will require a rental agreement; no direction to have staff running the venue; staff is cutting grass and maintaining the site for now; minimal cost; cost of bathrooms; budget set at \$750,000 to build the amphitheater, park ground and access; if it comes under the \$750,000, then the bathrooms are a priority; bathrooms and other amenities are not part of the budget; porta-potties will be the responsibility of the event organizer; if someone wants to donate or fundraise, then bathrooms would be a priority; roof line was able to be expanded and stay within the budget; growing community; Rep. Wheeler secured a \$100,000 grant for the project; Rep. Batinick secured a \$138,000 grant for the project; budget split over two fiscal years and will depend on when the State gets the money; naming rights for bathrooms; can include in the RFP; flower beds. There was no further discussion.

CLOSED SESSION

A motion was made by Trustee Marter and seconded by Trustee Olson to enter into Closed Session for the purposes of discussing the following:

- Pending and Probable Litigation [5 ILCS 120/2(c)(11)]
- Appointment, Employment, Compensation, Discipline, Performance, or Dismissal of Personnel [5 ILCS 120/2(c)(1)]
- Collective Bargaining, Collective Negotiating Matters, Deliberations Concerning Salary Schedules [5 ILCS 120/2(c)(2)]
- Sale, Lease, and/or Acquisition of Property [5 ILCS 120/2(c)(5) & (6)]

Aye: James Marter II

Terry Olson

Pam Parr
Brian Thomas

Judy Sollinger

Nay: None

Absent: Luis Perez

The motion was declared carried by a roll call vote with five (5) aye votes and zero (0) nay votes.

The Board adjourned to Closed Session at 6:46 p.m.

The Board returned to open session at 6:57 p.m., all remaining members still present.

ADJOURNMENT

The meeting adjourned at 6:57 p.m.

Tina Touchette
Village Clerk