

**MINUTES OF A SPECIAL COMMITTEE OF THE WHOLE MEETING
OSWEGO VILLAGE PRESIDENT AND BOARD OF TRUSTEES
OSWEGO VILLAGE HALL
100 PARKERS MILL, OSWEGO, ILLINOIS
March 2, 2019**

CALL TO ORDER

President Gail E. Johnson called the meeting to order at 9:05 a.m.

ROLL CALL

Physically Present: President Gail Johnson and Trustees Ryan Kauffman, Karin McCarthy-Lange (attended at 9:11 a.m.), Pam Parr, Luis Perez and Joe West.

Absent: Judy Sollinger

Staff Present: Dan Di Santo, Village Administrator; Christina Burns, AVA/HR Director; Tina Touchette, Village Clerk; Jeff Burgner, Police Chief; Jennifer Hughes, Public Works Director; Mark Horton, Finance Director; Rod Zenner, Community Development Director; Corinna Cole, Economic Development Director; Joe Renzetti, IT/GIS Manager; Billie Robinson, Asst. Finance Director; and Harry Bell, Administrative Intern.

CONSIDERATION OF AND POSSIBLE ACTIONS ON-ANY REQUESTS FOR ELECTRONIC PARTICIPATION IN MEETING

There was no one who participated electronically.

PUBLIC FORUM

Public Forum was opened at 9:06 a.m. There was no one who requested to speak; the Public Forum was closed at 9:06 a.m.

OLD BUSINESS

There was no Old Business.

NEW BUSINESS

F.1. Review and Discuss the Capital Improvement Plan Years 2020-2039 and Fiscal Year 2020 Draft Village Budget

Director Horton addressed the Board regarding the Capital Improvement Plan (CIP) and FY20 draft budget. The CIP is a short short-range plan, usually four to ten years, which identifies capital projects and equipment purchases, provides a planning schedule and funding options for the plan. A capital improvement/project is a substantial, nonrecurring expenditure for a physical improvement with a useful life greater than one year. Repairs and maintenance expenditures are generally not considered as capital improvements unless the repair extends the useful life or productive capacity of the asset. Capital improvements/projects, included in the CIP, have a cost equal to or greater than \$25,000. Vehicle replacements are included in the CIP for long term planning purposes.

Categories

- Facilities- includes three Village buildings and grounds related items; buildings have long useful lives requiring costly repairs to maintain the buildings in good condition; newly constructed facilities, major renovations or expansion of existing facilities are also capital items
- Other- community wide nature such as signage, costly nonregistered/titled equipment, IT items, and items not specific to one of the other categories of the CIP
- Vehicles/equipment- titled or registered mobile equipment including vehicles, tractors, trucks, trailers, generators, etc.; replacement is based on the estimated useful life of the vehicle/equipment, overall usage and condition of the item
- Water & Sewer improvements-water and sewer utilities are comprised of infrastructure related to the Village's water main and sanitary sewer collection systems; include water mains, fire hydrants, valves, services, wells, pressure adjusting stations, water towers, pumping stations, water treatment systems, sanitary sewer mains, laterals, manholes, lift stations, force mains and other components

- Public Improvements (TIF)- all public improvements associated with the Tax Increment Financing district, including, but not limited to Water & Sewer improvements and roadway improvements
- Roadway improvements- include all structures and appurtenances associated with the Village's roadway system including streets, sidewalks, paths, street lights, roadway drainage and storm water systems, pavement markings, signs, curb and gutter, bridges, culverts, traffic control signals and parkway landscaping

CIP Funding

Funding is one of the biggest concerns for all municipalities in developing a CIP. The list of capital improvements are generally never fully funded due to the expansive costs associated with the projects. The Village currently has the following available revenue sources to fund capital improvements:

- General Obligation Bonds
- General operating revenues
- Grants/donations
- Debt issuance & other borrowings
- Developer contributions
- Motor Fuel tax revenue
- Water & Sewer operating revenues
- Roadway capital improvement fees
- Expiring Sales tax sharing agreements

A single revenue source, or a combination of revenue sources may be allocated for the completion of a specific project. The Village actively solicits financial assistance or engages in partnerships with other units of government to secure grant or other cost-sharing participation for completion of capital projects. The Village may decide to earmark specific revenue sources for capital improvements by implementing any of these options:

- Gasoline tax
- Property tax increase
- Local sales tax increase
- Tax increment financing (TIF)
- General Obligation Bonds
- Special service area tax
- Sales taxes
- Utility tax increases
- Water & sewer utility surcharges
- Storm water fees

CIP

- \$79 million in projects
- \$33 million in next five years

Category	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
FACILITIES	-	45,000	65,000	-	77,000
OTHER	245,000	-	400,000	325,000	-
VEHICLES/EQUIPMENT	497,970	546,881	520,538	490,481	580,105
W&S IMPROVEMENTS	2,948,600	2,928,000	3,165,000	1,395,000	2,250,000
PUBLIC IMPROVEMENTS (TIF)	5,112,000	594,000	-	-	-

ROADWAY IMPROVEMENTS ANNUAL ROAD PROGRAM	435,100	612,500	1,594,800	546,200	196,500
	800,000	800,000	2,000,000	2,000,000	2,000,000
TOTAL	10,038,670	5,526,381	7,745,338	4,756,681	5,103,605

Additional Projects

The Village identified four projects that are not included in the CIP. They are all multi-year, multi-million-dollar projects that do not have any specified/dedicated revenues. All would require a lot of grant money and bonding. The projects and costs associated with these projects are as follows:

- Wolf’s Crossing Road Reconstruction- project includes the widening and reconstruction of Wolf’s Crossing Road; cost is estimated to be \$57 million; time span of 20 years
- Wolf’s Crossing Water Main- project will be done in conjunction with the reconstruction of Wolf’s Crossing Road; estimated to have a cost of \$5.8 million; time span of 5 years
- New Water Source-project is to put into place an alternative water source for the Village; currently two options for consideration:
 - Build a new water plant and using the Fox River as the water source; estimated cost of \$60 million
 - Join the DuPage Water Commission and use Lake Michigan water; estimated at \$41 million
- Bringing METRA Station to the Oswego Area

Five Year Capital Improvement Projects	FY 20	FY 21	FY 22	FY 23	FY 24	Total Next 5 Yrs
☐ CAPITAL IMPROVEMENT FUND						
☐ Equipment						
Computer Replacements (every 4 years)			200,000			200,000
Imaging Scanner for Police Department	80,000					80,000
Network Switches (every 5 years)				200,000		200,000
Planimetric Capture				125,000		125,000
Server Refresh (every 4 years)			200,000			200,000
Squad CAR MDT Upgrade				110,000		110,000
Virtual Server Appliance for Police Department	100,000					100,000
ERP System	65,000					65,000
Equipment Total	245,000		400,000	435,000		1,080,000
☐ Facilities						
Public Works Facility - Fenced Area Expansion					77,000	77,000
Public Works Facility Parking Lot Repairs			65,000			65,000
Village Hall- Parking Lot Seal Coat		45,000				45,000
Facilities Total		45,000	65,000		77,000	187,000
☐ Road Improvements						
Annual Road Program - CIP			1,400,000	1,400,000	1,400,000	4,200,000
Ford	19,000	112,500				131,500
Bridge-Minkler Rd (Str 047-3056) - Replacement		194,000	60,800	463,700		718,500
Downtown Railroad Safety Improvements	20,000	6,000	1,174,000			1,200,000
Streetlights - LED Conversion					196,500	196,500
Streetlights - LED Conversion - Park & Ride/ Village Hall/Public Works Facility				47,500		47,500
Traffic Signal at Galena/S. Concord	102,500					102,500
Traffic Signal at Washington/Harrison	30,000		300,000			330,000
Traffic Signal at Washinton and Main	30,000	300,000				330,000
Village's Share of IDOT Improvements - US 30 at Intersection with Treasure Road	21,000					21,000
Waubensee Creek Repairs			15,000	35,000		50,000
Wolf's Crossing- Section 1 - Phase 2 & 3	212,600					212,600
Bike Paths - Seal Coat			45,000			45,000
Road Improvements Total	435,100	612,500	2,994,800	1,946,200	1,596,500	7,585,100
CAPITAL IMPROVEMENT FUND Total	680,100	657,500	3,459,800	2,381,200	1,673,500	8,852,100

Five Year Capital Improvement Projects	FY 20	FY 21	FY 22	FY 23	FY 24	Total Next 5 Yrs
☐ MOTOR FUEL TAX FUND						
☐ Road Improvements						
Annual Road Program - MFT	800,000	800,000	600,000	600,000	600,000	3,400,000
Road Improvements Total	800,000	800,000	600,000	600,000	600,000	3,400,000
MOTOR FUEL TAX FUND Total	800,000	800,000	600,000	600,000	600,000	3,400,000
☐ VEHICLE FUND						
☐ Facilities						
Fuel Tanks - Public Works	70,000					70,000
Facilities Total	70,000					70,000
☐ Vehicles/Equipment						
2019 - Flatbed Truck - Replace PW122	85,000					85,000
2019 - Medium Dump Truck w/ Plow - Replaces PW	160,000					160,000
Replacement Vehicles - B&Z	27,970	28,809	29,555			86,334
Replacement Vehicles - Police	60,000	114,072	209,983	220,481	229,105	833,641
Replacement Vehicles - Public Works		404,000	261,000	160,000	351,000	1,176,000
Smart Trailer			20,000			20,000
Vehicle Lift, 20,000 LB - Replacement	20,000					20,000
Vehicle Lift, 75,000 LB - Replacement	45,000					45,000
PW Vehicle GPS	30,000					30,000
Vehicles/Equipment Total	427,970	546,881	520,538	380,481	580,105	2,455,975
VEHICLE FUND Total	497,970	546,881	520,538	380,481	580,105	2,525,975

Five Year Capital Improvement Projects	FY 20	FY 21	FY 22	FY 23	FY 24	Total Next 5 Yrs
WATER & SEWER CAPITAL FUND						
Infrastructure						
Fox River Water Treatment Facility - Preliminary Engineering & Land Acquisition	405,600					405,600
Lead Service Line Replacement	50,000	50,000	100,000	100,000	100,000	400,000
LS	110,000					110,000
Sanitary Lift Station - Generators	120,000	105,000				225,000
Sanitary Sewer Lining & Televising	160,000	180,000	200,000	200,000	200,000	940,000
Water Main, New - Brock/Sedgwick Ct	220,000					220,000
Water Main, New - Minkler Road Watermain				375,000	1,950,000	2,325,000
Water Meter & Reader Replacement	1,533,000	1,593,000	1,665,000			4,791,000
Water Tower - Fox Chase			750,000			750,000
Water Tower - Hunt Club		1,000,000				1,000,000
Water Tower - Village Center				675,000		675,000
Water Towers - Cleaning (every 5 years)				45,000		45,000
Wells 3 & 4 - Generators			450,000			450,000
Wells 6 & 8 - Electrical Upgrades	350,000					350,000
Infrastructure Total	2,948,600	2,928,000	3,165,000	1,395,000	2,250,000	12,686,600
WATER & SEWER CAPITAL FUND Total	2,948,600	2,928,000	3,165,000	1,395,000	2,250,000	12,686,600
TAX INCREMENT FINANCING FUND						
WATER & SEWER CAPITAL FUND						
Block 11 Public Improvements - W&S	200,000					200,000
Blocks 4 & 5 Public Improvements - W&S	1,638,000					1,638,000
WATER & SEWER CAPITAL FUND Total	1,838,000					1,838,000
GARBAGE FUND						
Block 11 Public Improvements - Garbage	11,000					11,000
GARBAGE FUND Total	11,000					11,000
CAPITAL IMPROVEMENT FUND						
Block 11 Public Improvements - CIP	889,000					889,000
Blocks 4 & 5 Public Improvements - CIP	2,374,000	594,000				2,968,000
CAPITAL IMPROVEMENT FUND Total	3,263,000	594,000				3,857,000
TAX INCREMENT FINANCING FUND Total	5,112,000	594,000				5,706,000
Total	10,038,670	5,526,381	7,745,338	4,756,681	5,103,605	33,170,675

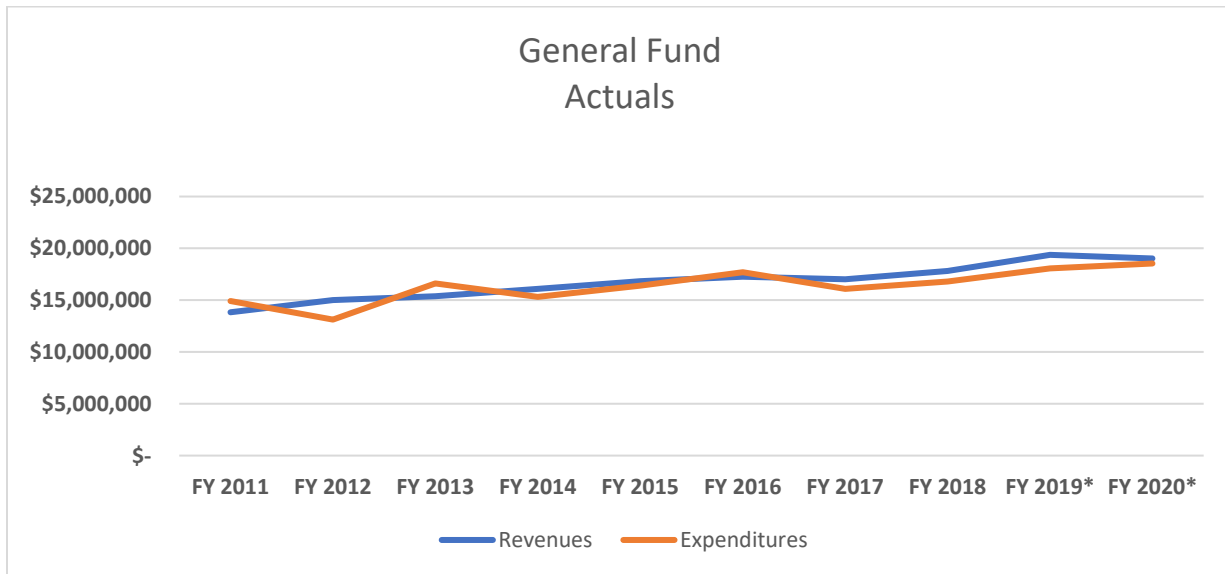
Director Horton briefly discussed the individual projects within the Draft Capital Improvement Plan.

Board and staff discussion focused on looking at each project every year; Board to decide if the Village needs or wants the projects that are included in the draft CIP; funds slated in the road program for FY20 and FY21 are to make up for what the Village is not doing this year; road funds are included in the water and sewer capital fund for Block 4, 5 and 11; Public Works expansion would be into the green space next to the current building; computer replacements are scheduled every four years; scanner for the Police Department is used for accident reconstruction; current equipment is outdated; planimetric & aerial imager capture will tie into the GIS system; squad car MDT was refreshed this year, but needs to be replaced; 4-5 years to refresh; mobile and more rugged computers; CAD software will link to the computer to receive more data when accessing; timelines for the enterprise software; purchase of a 2019 F-550 is an all in one vehicle that replaces a 2005 vehicle; FY21 and FY22 B&Z vehicle purchases will be pushed a couple years; currently have two smart trailers; a new smart trailer will be purchased to replace one of the current trailers; portable lifts for vehicles will be mobile and help with repairs and maintenance; Public Works vehicle GPS allows for the tracking of vehicles; preliminary engineering for the Fox River Water Plant was added to the CIP as a placeholder; lead service line replacement is well below what was estimated; found 4 out of 1,200 homes where lines needed to be replaced; sanitary cleaning televising inspection lining is a shared service with Fox Metro; water meter and reader replacement program will be for a few more years; it started last September; residents saying nice things about the contractors; when complete, will have funds for other projects; replacements would have not been able to be done if the Village didn't raise the water rates; may have to switch the water tower rehabilitation around based on recent findings; issue with Fox Chase water tower; repairs needed sooner; public improvements for Blocks 4 & 5 are currently out to bid; none of the area has sanitary sewer; Fox Metro is requiring the sanitary line to be put in from the creek to Washington Street; need a fire hydrant so a water line needs to be extended; re-designing the entrance to Hudson Park to align with Jackson Street; this will all add to the costs of the project; replacing and raising up Minkler bridge; realigning the road; Montgomery just awarded the bid for the traffic signal at Galena Road and South Concord Drive; project starting in a month or

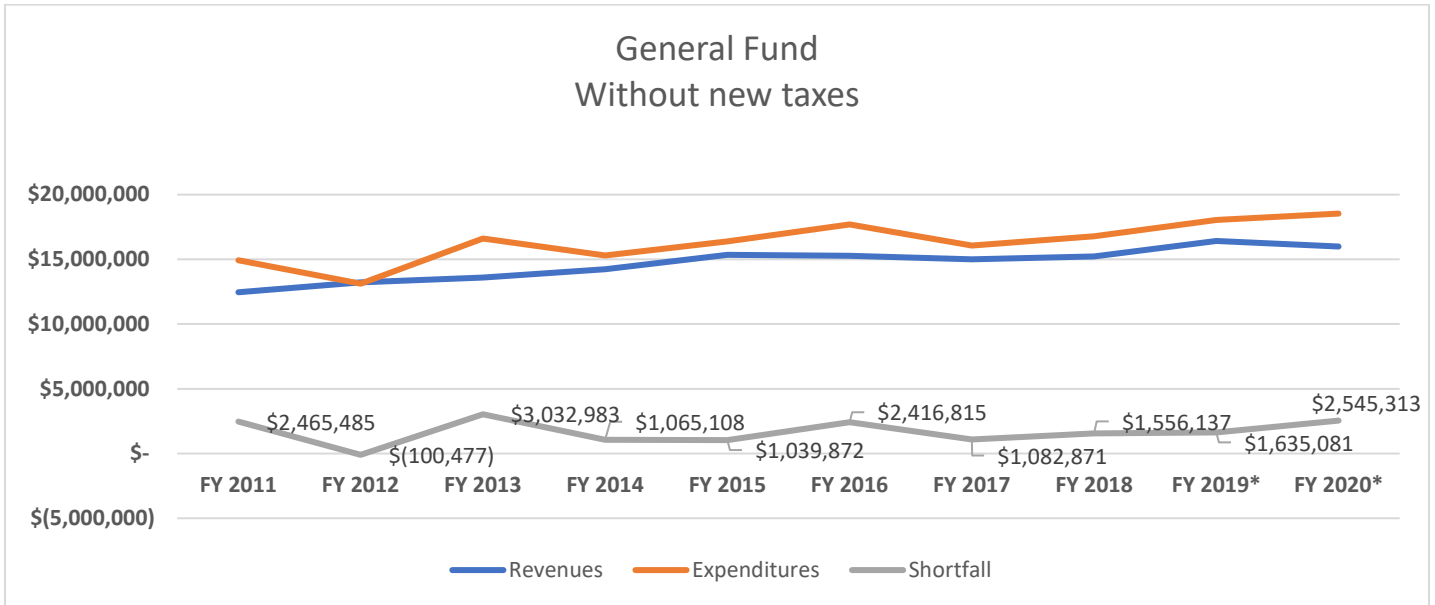
two; IDOT has requested a preliminary engineering study be conducted for a traffic signal at Washington and Harrison; project will be designed in conjunction with the traffic signal at Washington and Main; there might be funding available from IDOT. There was no further discussion.

Fiscal Year 2020 Draft Village Budget

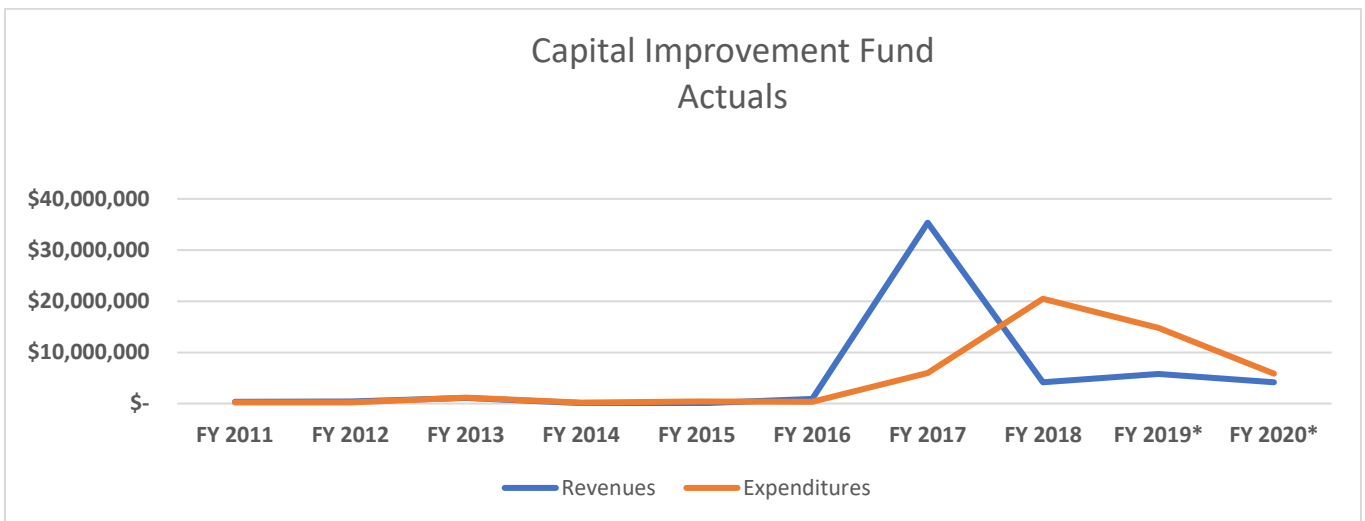
- General Fund Actuals
 - Adopted Annual balanced budgets while controlling spending
 - Implemented revenue sources that don't burden only Oswego residents
 - ✓ Reviewed all 78 Statutory revenue sources
 - ✓ Decided on a local sales tax and Food & beverage tax
 - Both to support increasing costs of operations



- General Fund Without New Taxes
 - No new revenue sources
 - Would have annual budget deficits
 - Cutting personnel & services; mostly in Public Works and the Police Department
 - Minimal capital improvements completed

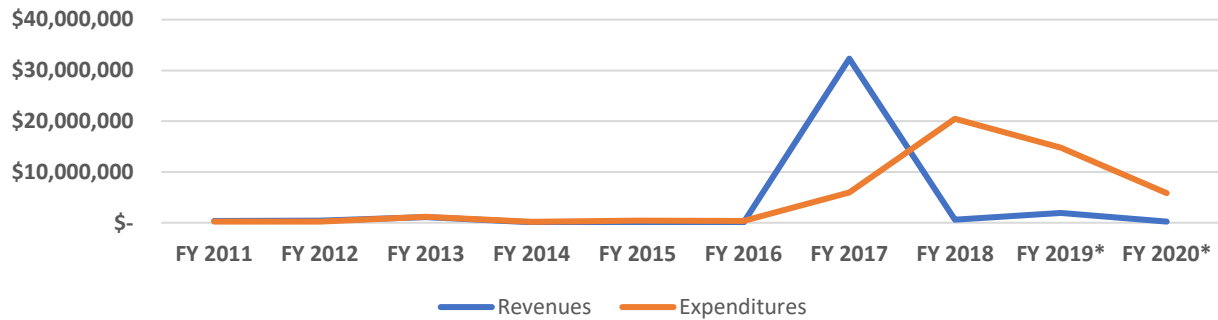


- Capital Improvement Fund Actuals
 - No revenues
 - More maintenance type items in 2011 through 2015



- Capital Improvement Fund Without New Taxes
 - Would need to come up with \$5 million more

Capital Improvement Fund Without New Taxes



What's in the Budget

- Funding to provide for:
 - Normal operations/personnel cost increases
 - \$11.2 million in capital improvements
 - ✓ \$6.3 million funded from sales taxes
 - ✓ \$4.8 funded from water & sewer revenues
 - \$4.3 million for debt service
 - TIF District development
 - ✓ Block 4 & 5- \$4 million
 - ✓ Block 11 - \$1.1 million
 - Water/sewer operations - \$8 million
 - Garbage Collection Services-\$2.5 million
 - ✓ 3rd party contract
 - Vehicle replacements- \$0.5 million
 - Statutory pension contributions - \$1.8 million
 - ✓ \$1.4 million to Police Pension
 - ✓ \$400,000 to IMRF

EXPENDITURES	FY 2018 ACTUAL	FY 2019 BUDGET	FY 2019 PROJECTED	FY 2020 BUDGET	FY 2020 Budget vs FY 2019 Budget	
					\$	%
Salaries & Wages	9,816,421	10,459,605	10,725,936	11,008,008	548,403	5%
Employee Benefits	4,205,384	4,511,171	4,462,904	4,571,115	59,944	1%
Total Personnel Services	14,021,805	14,970,776	15,188,840	15,579,123	608,348	4%
Professional & Technical Services						
Contractual Services	3,680,176	3,875,792	3,949,631	3,974,772	98,980	3%
Other Services	2,328,185	2,768,425	2,968,274	2,939,766	171,341	6%
Supplies	950,469	1,061,643	1,205,878	1,131,954	70,310	7%
Other Financing Uses	1,034,546	1,008,453	1,080,125	1,061,269	52,816	5%
Debt Service	3,054,619	5,952,007	4,525,550	11,472,877	5,520,870	93%
Capital Outlay	3,323,156	4,350,056	4,656,857	4,330,982	(19,074)	0%
TOTAL EXPENSES	48,612,866	52,226,609	49,116,996	50,529,414	(1,697,195)	-3%

Other Financing Sources/Uses			
Summary			
<i>Fund</i>	<i>Financing Source</i>		<i>Financing Use</i>
General			
Transfer to Debt Service			\$ 1,152,707
MFT			
Transfer to Debt Service			\$ 262,500
TIF			
Transfer from Capital Improvement	\$ 3,263,000		
Transfer from Water & Sewer Capital	\$ 1,838,000		
Transfer from Garbage Collection	\$ 11,000		
Capital Improvement			
Transfer to TIF			\$ 3,263,000
Transfer to Debt Service			\$ 1,412,200
Transfer to Vehicle			\$ 497,970
Debt Service			
Transfer from General	\$ 1,152,707		
Transfer from MFT	\$ 262,500		
Transfer from Capital Improvement	\$ 1,412,200		
Water & Sewer			
Transfer to Water & Sewer Capital			\$ 3,000,000
Water & Sewer Capital			
Transfer from Water & Sewer	\$ 3,000,000		
Transfer to TIF			\$ 1,838,000
Garbage Collection			
Transfer to TIF			\$ 11,000
Vehicle			
Transfer from Capital Improvement	\$ 497,970		
Police Pension			
General			
Miscellaneous revenue	\$ 15,000		
Special events expense			\$ 35,500
Vehicle			
Asset sales	\$ 40,000		
Police Pension			
General Fund contribution	\$ 1,341		
	\$ 56,341		\$ 35,500

Expenditures by Fund

EXPENDITURES - ALL FUNDS						
FUND	FY 2018 ACTUAL	FY 2019 BUDGET	FY 2019 PROJECTED	FY 2020 BUDGET	FY 2020 Budget vs FY 2019 Budget	
					\$	%
General	16,782,087	17,859,282	18,056,326	18,538,108	678,826	4%
Motor Fuel Tax	1,089,128	402,500	367,500	1,062,500	660,000	164%
Tax Increment Financing	175,268	1,510,107	123,410	5,177,500	3,667,393	243%
Capital Improvement	20,471,602	16,879,992	14,769,150	5,853,270	(11,026,722)	-65%
Debt Service	2,922,195	2,824,550	2,824,507	2,826,407	1,857	0%
Water and Sewer	3,797,038	6,277,169	6,979,367	8,029,861	1,752,692	28%
Water and Sewer Capital	115,561	2,672,115	2,050,000	4,816,600	2,144,485	80%
Garbage Collection	2,408,455	2,481,070	2,466,900	2,533,885	52,815	2%
Vehicle	31,318	330,500	429,841	497,970	167,470	51%
Police Pension	820,214	989,323	1,049,995	1,193,312	203,989	21%
TOTAL EXPENDITURES	48,612,866	52,226,609	49,116,996	50,529,414	(1,697,195)	-3%

- General Fund expenditures increased 4% over FY19 budget due to increases in personnel and employee benefits and increases across all operating costs
- MFT Fund expenditures increased from planned roadway improvements
- TIF Fund expenditures increased because of the public infrastructure projects
- Capital Improvement Fund expenditures decreased because of the completion of the new Police Headquarters
- Debt Service Fund expenditures are slightly greater than FY19
- Water & Sewer Fund expenses increased due to the increase in the transfer to the Water & Sewer Capital Fund
- Water & Sewer Capital Fund expenses increased due to the meter replacement program costs
- Garbage Collection Fund expenses increased due to the annual rate increase
- Vehicle Fund expenses increased because of replacement costs planned in FY20
- Police Pension Fund expenses increased due to greater benefit payments in FY20

FY20 Expenditures

- Total expenditures - \$50.5 million
- Operating expenditures - \$24.7 million
 - Increase of \$1.1 million

FY20 Operating Budgets

- Operating expenditures - \$24.7 million
 - Personnel costs-\$15.6 million
 - Professional & Technical Services - \$4 million
 - ✓ \$2.5 million in garbage collection service
 - ✓ \$1.1 million in General Fund departments
 - ✓ Corporate, Community Relations, IT, Police – range from \$153,000 to \$370,000
 - Contractual Services - \$2.9 million
 - ✓ General Fund; \$1.8 million- \$0.5 million in IT and \$1.1 million in Public Works
 - ✓ Water & Sewer Fund – \$1.1 million
 - Other Services- \$1.1 million
 - ✓ \$1.0 million across General Fund departments
 - Supplies - \$1 million – General & Water/Sewer Fund

Revenues by Fund

REVENUES - ALL FUNDS						
FUND	FY 2018 ACTUAL	FY 2019 BUDGET	FY 2019 PROJECTED	FY 2020 BUDGET	FY 2020 Budget vs FY 2019 Budget	
					\$	%
General	17,824,997	17,907,814	19,371,245	19,017,795	1,109,981	6%
Motor Fuel Tax	956,168	855,758	864,758	856,000	242	0%
Tax Increment Financing	23,397	1,485,107	36,183	5,147,500	3,662,393	247%
Capital Improvement	4,177,227	3,953,000	5,808,911	4,148,000	195,000	5%
Debt Service	2,923,217	2,825,200	2,825,400	2,827,507	2,307	0%
Water and Sewer	6,045,442	6,389,120	6,789,436	7,496,700	1,107,580	17%
Water and Sewer Capital	252,089	1,430,000	2,380,400	3,130,000	1,700,000	119%
Garbage Collection	2,434,765	2,473,400	2,473,580	2,535,380	61,980	3%
Vehicle	122,453	370,500	371,000	537,970	167,470	45%
Police Pension	3,764,492	2,265,000	3,283,827	2,250,199	(14,801)	-1%
TOTAL REVENUES	38,524,247	39,954,899	44,204,740	47,947,051	7,992,152	20%

- General Fund revenues increased 6% compared to FY19 because of estimated increased in tax revenues
- MFT revenues are the same as last year

- TIF Fund revenues increased from greater tax increment and \$4.9 million in transfers from other funds
- Capital Improvement Fund revenue is 5% greater due to local MFT taxes, permits and interest
- Debt Service Fund revenues estimated to remain the same as last year
- Water & Sewer Fund revenues are up due to the rate increase effective 5/1/19
- Water & Sewer Capital Fund revenue increased due to the budgeted transfer from the Water & Sewer Fund
- Garbage Collection Fund revenue is up 4% from the rate increase effective 5/1/19
- Vehicle Fund revenue increased because of transfers from other funds
- Police Pension revenue increased slightly from anticipated investment income

REVENUES BY SOURCE - ALL FUNDS						
REVENUES	FY 2018 ACTUAL	FY 2019 BUDGET	FY 2019 PROJECTED	FY 2020 BUDGET	FY 2020 Budget vs FY 2019 Budget	
					\$	%
Taxes	21,965,727	22,454,247	23,102,779	23,437,454	983,207	4%
Licenses & Permits	749,672	532,000	2,637,750	896,950	364,950	69%
Intergovernmental	110,845	40,000	215,911	35,000	(5,000)	-13%
Charges for Services	9,148,239	9,487,000	11,000,186	10,722,000	1,235,000	13%
Fines and Forfeitures	213,116	197,000	198,000	204,000	7,000	4%
Investments & Contributions	2,929,806	1,179,742	2,456,260	1,157,929	(21,813)	-2%
Other Financing Sources	3,406,843	6,064,910	4,593,854	11,493,718	5,428,808	90%
TOTAL REVENUE	38,524,247	39,954,899	44,204,740	47,947,051	7,992,152	20%

- Total revenues of \$48 million
 - Less Other Financing Sources - \$11.5 million
 - Total Operating revenues of \$36.5 million
- Total tax revenue - \$23 million
 - 64% of total revenue
 - General Fund - \$17.2 million; 78% of total tax revenues
 - Capital Improvement Fund - \$3.9 million
 - Motor Fuel Tax Fund - \$0.9 million
- Total tax revenue up 4% or \$1 million compared to FY 19 Budget
 - Sales and HR Sales taxes – up \$472,000
 - Local Food & Beverage tax - \$125,000
 - Income tax – up \$95,000
 - Local MFT tax - \$90,000
- Total Charges for Services - \$10.7 million
 - 29% of total revenue
 - Water & Sewer Fund - \$7.4 million; 69% of total
 - Garbage Collection Fund - \$2.5 million; 23% of total
- Total Charges for Services revenue up 13% compared to FY 19 Budget
 - Water usage revenue up \$1.1 million
 - ✓ Rate increases May 2018

Next Steps

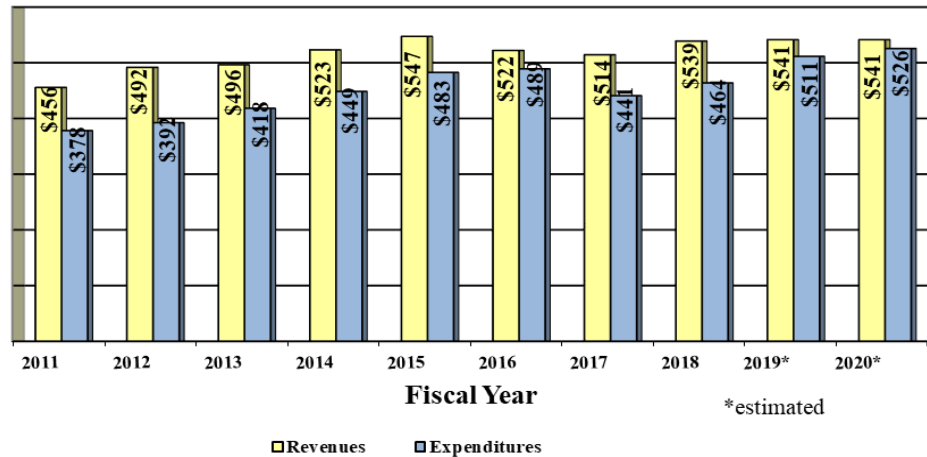
March 19th- more budget discussion, if necessary

April 9th- public hearing

April 23rd- adopt FY20 Budget and CIP

Director Horton asked the Board if there were any questions regarding the budgets of the individual departments. There were no questions.

Comparison of General Fund Revenue & Expenditures per Resident



- Extra put into reserves
 - Policy is 30%; Village is at 40% or higher
 - \$15 in extra revenue per resident

Budget Concerns/Future Planning

- State Legislature- State budget is July 1st
 - Property tax freeze
 - Income tax distribution changes
 - MFT distributions
 - Cable franchise fees
 - New Governor
- Revenue growth
 - Does it last
 - Whether an increase in population will assist
- Expenditure growth
 - Personnel – staffing; wages; benefits
 - Operations – longer term view

Board and staff discussion focused on funds for road repairs; Public Works staff decides what roads are to be done on an annual basis; which downtown roads being completed this year; downtown drainage issues; replacing and installing storm/sanitary sewers; not all of the funds being used for the downtown roads; issuing of electronic citations to be implemented in the future; OpenGov shows information through year 2017; the new program will pull the latest information automatically; new program will be implemented within the next 6 weeks to 6 months; will be more user friendly; transparency is a priority; staff will schedule a demo of the new program at a future Board meeting; Park District is working with a charitable organization to install permanent porta-potties at Hudson Park; no construction would be taking place north of Waubensee Creek; Adams Street closed from the bridge to Van Buren; Jackson Street closed at the railroad tracks; no parking on Harrison Street by Hudson Park; more information on the exact dates of road closures to follow.

The Village Board adjourned for a break at 10:04 a.m. Village Board returned from break at 10:18 a.m.

ROLL CALL

Physically Present: President Gail Johnson and Trustees Ryan Kauffman, Karin McCarthy-Lange, Pam Parr, Luis Perez and Joe West.

Absent: Judy Sollinger

Staffing Analysis/Personnel Needed

Asst. Administrator Burns addressed the Board. At the February 19, 2019 Committee of the Whole, the Board considered a staffing report to address the Village's personnel needs as Oswego continues to grow. Five positions were identified as "high priority" needs. The draft budget can afford hiring the first three positions, leaving no remaining surplus. Staff is investigating the US Department of Justice COPS Hiring Program for the patrol officer positions, which can fund up to 75% of salary and benefits of new officers for 3 years. Unsure when this will be available.

Position Title	Department	Salary + Benefits	FTE Needed	Total Score
Civil Engineer/Project Manager	PW	\$116,000	1.00	25
Village Hall Administrative Assistant	Various	\$80,800	1.00	23
Public Works Technician	PW	\$74,805	2.00	22
Patrol Officer	Police	\$118,863	2.00	22
Planner	CD	\$104,000	1.00	21

FTE- full-time equivalent

- These are positions that are most urgently needed
- Growth has caused the need to hire
- Patrol Officer
 - Estimated salary includes the starting rate, insurance and pension
 - Need 49 officers on the street
- Public Works Technician
 - 9 less technicians currently
- Planner
 - Village has less planners than other communities

Salaries & Wages

- The Village approved collective bargaining agreements with:
 - MAP (Patrol Officers)
 - Local 150 (Public Works)
 - Employment agreement with Sergeants
- Aligns benefits, especially insurance cost share, across employee groups
- Conducted a compensation study for non-union employees benchmarking pay and benefits
- Pay scale will reflect moderate changes

Compensation- Non-Union

- Recommend reclassifying some positions based on market changes
- Increasing width of salary ranges to closer align to market
- Increase bottom of the range by CPI (1.9%)
- Proposed Merit-based wage budget of 3%
 - Based on national average wage increase (SHRM, World at Work, Willis Towers Watson, etc.)
- Maintain 1% Bonus pool

Insurance and Benefits

- Implement 20% PPO/5% HMO cost share effective July 1, 2019 for all employees
 - Internal equity and external comparability; in line with other communities
- Recommend increase Village-provided life insurance to \$50,000; currently offer \$20,000
 - Total cost impact estimated at \$7,850; increase of \$4,300 over current year
- Preliminary health insurance renewals:

- Market and claims driven
- Projected PPO increase of 5% to 8%
- Projected HMO increase of 5% to 7%
- Projected dental increase of 7.7%
- Final numbers in spring
- Suggesting a sub-pool for next year

General Liability, Property, Workers Comp

Village insurance rates yearly comparison:

	2015	2016	2017	2018	2019	18-19 Change
IPRF (Workers Comp)	\$169,281	\$159,575	\$173,757	\$167,785	\$158,709	-5.41%
IMIC (Liability)	\$356,195	\$378,138	\$372,484	\$352,223	\$400,626	13.74%
IMIC (Cyber)	-	\$7,325	\$7,214	\$4,599	\$5,332	15.94%
Total (85%)	\$525,476	\$545,038	\$553,455	\$524,607	\$565,567	7.81%
Total (100%)				\$547,017	\$595,140	

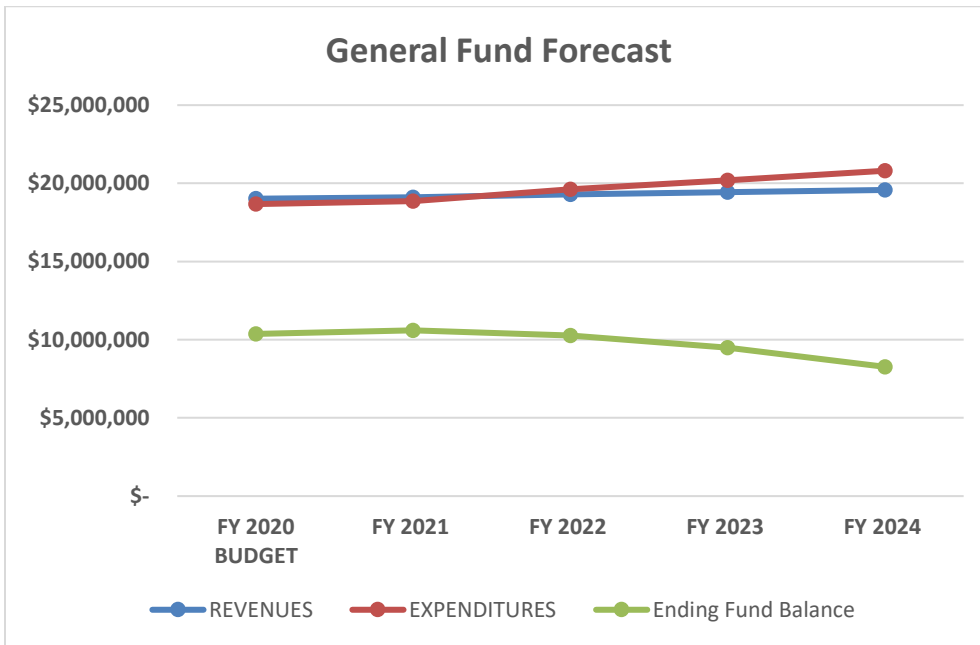
Property/Auto/Liability Claims History by Type					
	Total	Workers Comp	Liability	Property	Auto
2015	\$ 248,945.35	\$ 150,662.46	\$ 27,618.40	\$ 29,238.53	\$41,425.96
2016	\$ 140,539.39	\$ 35,525.00	\$ -	\$ 69,688.93	\$35,325.46
2017	\$ 60,034.68	\$ 12,737.00	\$ -	\$ 30,582.51	\$16,715.17
2018	\$ 58,915.64	\$ 36,724.55		\$ 17,624.95	\$ 4,566.14

- FY20 budget includes liability insurance consultant to review options
- Village has been in the liability pool since 2014
- Pool did have some claims
- Village will get a dividend this year
 - Approximately \$26,000
 - First year a dividend is being issued

What Does the Future Look Like

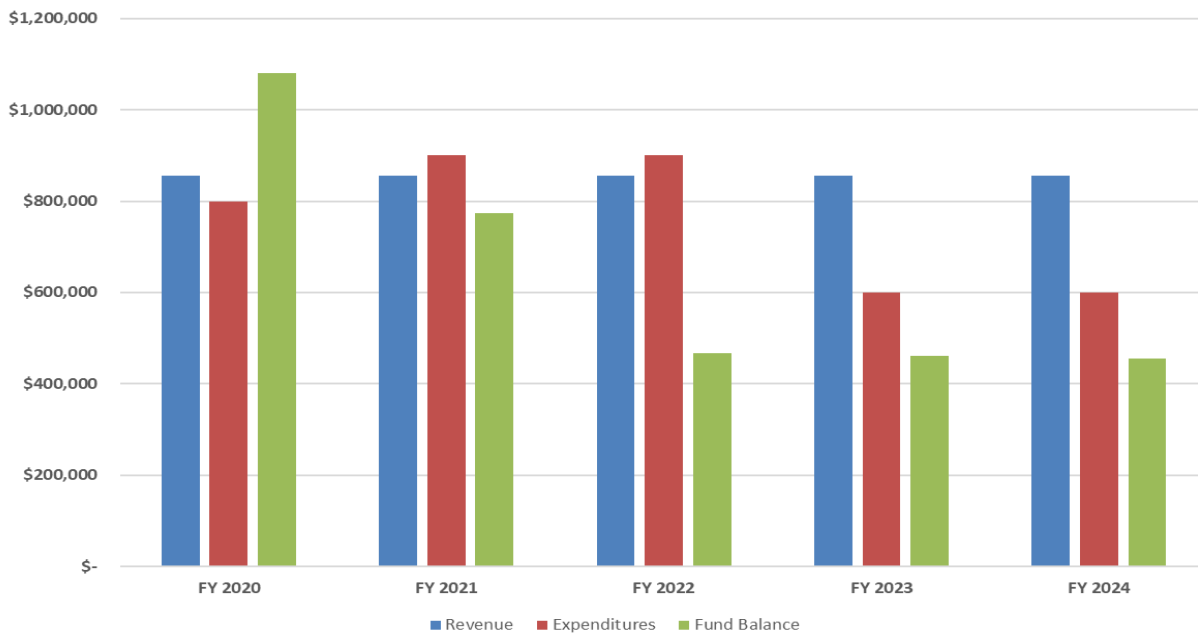
- Five-year forecast
- Assumptions
 - Business as usual; operating costs staying the same
 - Personnel costs as per pay scales and contracts
 - Employee benefits insurance costs increased 5%
 - General insurance increased 4% per year
 - All other expenditures- 1% increase or unchanged
 - Revenues -1% increases on average
 - No additional staff increases

General Fund Forecast:

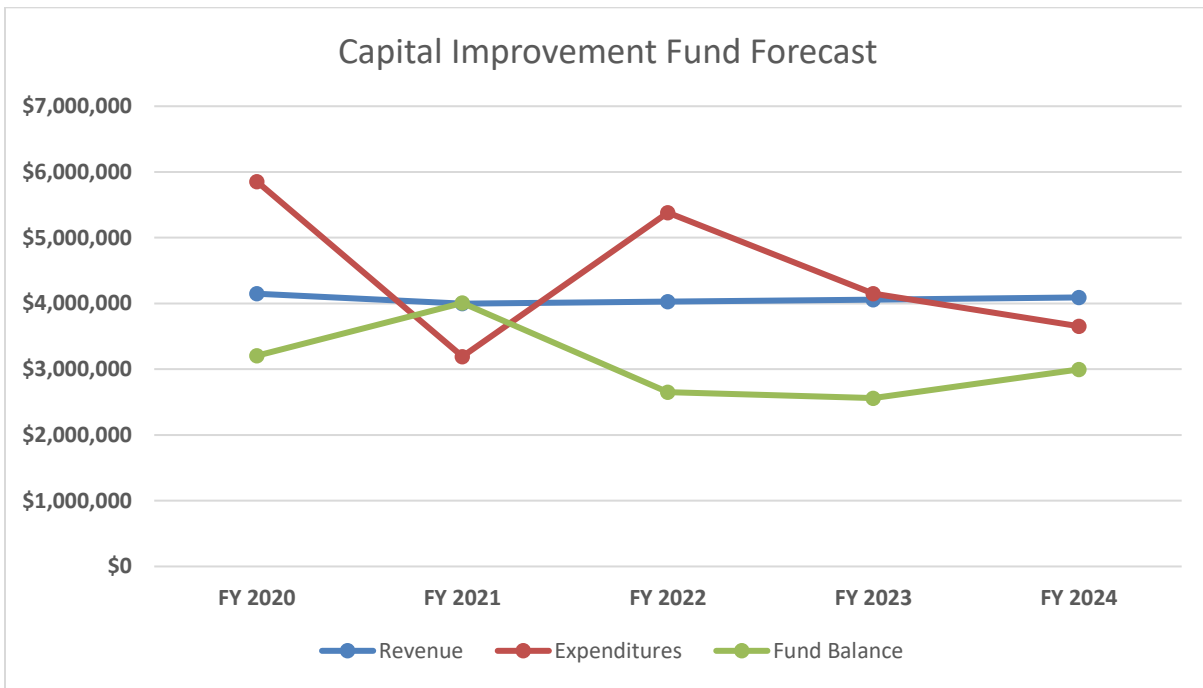


- Expenditures start to exceed revenues in 2022
- Reserves are strong
- Gap could close with more population

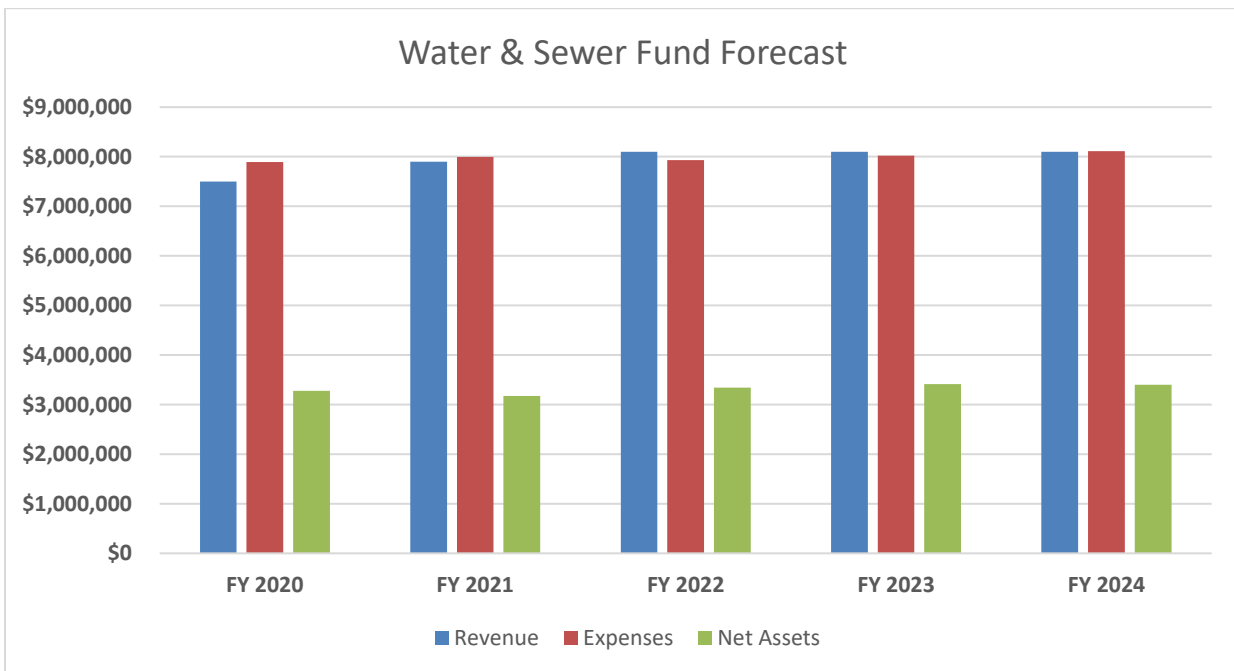
MFT Fund Forecast



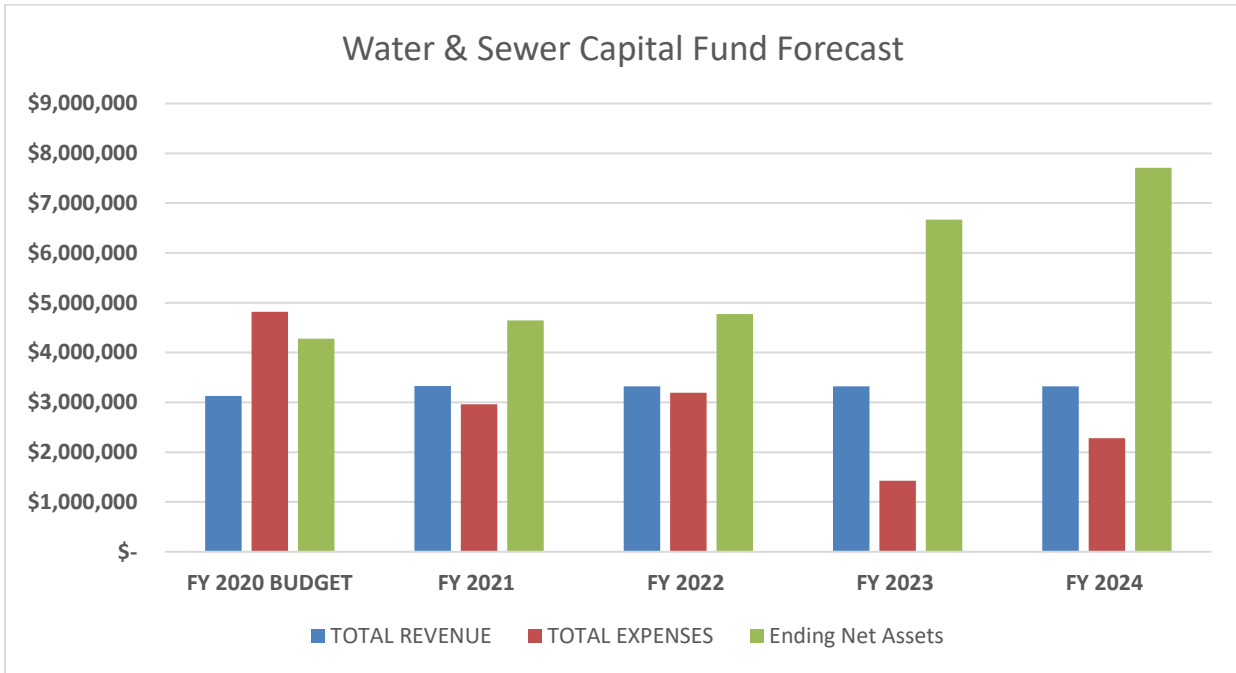
- Bumping up expenditures in FY21 and FY22
- Reserve balance just over \$500,000



- Revenue not assuming huge impact fees
- Expenditures fluctuate with CIP
- \$3.1 million in Home Rule Sales Tax



- Revenue increasing slightly and then stagnates
- 5/1/19 is the last big water increase; ten cent increases if deciding to implement
- Net asset balance just over \$3 million



- Revenue just over \$3 million from transfer from the Water & Sewer Fund
- Expenditures start to decrease in FY20
- Accumulate funds to afford expenditures
- Rates doing what they are supposed to do

Additional Board and staff discussion focused on increases in personnel and general liability insurance; no huge budget increases in each department; decreased overall budgets by \$170,000-\$180,000; still short staffed; smart growth with staff; can't afford to hire all positions; using surplus funds is a risk; homeland security funding; CMAP program for planners; hiring the top three positions for this year's budget; needing someone to assist in the IT Department; three year contract with the consortium; needing to give an eight month notice to the consortium; not willing to let a vendor slide if not meeting expectations; Public Works positions would be bargaining positions; Public Works needs help; Project Manager position; \$300,000 in surplus will be on-going as long as growth continues and expenditures can be controlled; whether the Civil Engineer position will save on outsourcing; engineering plan reviews will remain; 29%-31% is personnel expenses; will need a lot more positions filled 30 years out. Village Board to let staff know, ahead of the public hearing, of any questions or issues regarding the hiring of the three positions.

This is the fourth year of holding the budget workshop. There was no further discussion.

CLOSED SESSION

There was no Closed Session held.

ADJOURNMENT

The Special Committee of the Whole meeting adjourned at 11:25 a.m.

Tina Touchette
Village Clerk