

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING
OSWEGO VILLAGE PRESIDENT AND BOARD OF TRUSTEES
OSWEGO VILLAGE HALL
100 PARKERS MILL, OSWEGO, ILLINOIS
October 15, 2019**

CALL TO ORDER

President Troy Parlier called the meeting to order at 6:00 p.m.

ROLL CALL

Physically Present: President Troy Parlier and Trustees James Marter, Terry Olson, Luis Perez; Judy Sollinger and Brian Thomas.

Absent: Trustee Pam Parr

Staff Present: Dan Di Santo, Village Administrator; Christina Burns, AVA/HR Director; Vel Derdzinski, Deputy Clerk; Mark Horton, Finance Director; Jeff Burgner, Police Chief; Jennifer Hughes, Public Works Director; Rod Zenner, Community Development Director; Julie Hoffman, Community Engagement Coordinator Special Events; Joe Renzetti, IT/GIS Manager; Billie Robinson, Asst. Finance Director; Susan Quasney, Project Engineer; Karl Ottosen, Village Attorney; and Ryan Morton, Village Attorney.

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 6:00 p.m.

There was no one who requested to speak; the Public Forum was closed at 6:00 p.m.

OLD BUSINESS

There was no Old Business.

NEW BUSINESS

F.1. Sikich LLP Fiscal Year 2019 Financial Audit Presentation

Finance Director Horton addressed the Board regarding the presentation of the Comprehensive Annual Financial Report (CAFR) for fiscal year ending April 30, 2019. The final audit report was presented by Brian LeFevre from the auditing firm of Sikich, LLP. For the 16th consecutive year, the Village has received the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Award. The Village also received the Popular Annual Financial Report. Mr. LeFevre stated that he would not be going over the Statistical Section. Mr. LeFevre provided an "unmodified opinion" and briefly addressed the following:

- Introductory Section
- Independent Auditor's Report
 - Change in Accounting Principle-GASB Statement No. 75
- Other Reporting Required by Government Auditing Standards
 - New requirements
 - Separate compliance
- Opinion Pages 122-123
- Management's Discussion and Analysis
 - These are the "whys" of the statement
 - Required document by GASB
- Statement of Revenues, Expenditures and Changes in the Fund Balances; Governmental Funds
- Statement of Net Position

- Statement of Activities
- Balance Sheet; Governmental Funds
- Statement of Revenues, Expenditures and Changes in the Fund Balances; Governmental Funds
- Statement of Revenues, Expenses and Changes in Net Position; Proprietary Funds
- Statement of Changes in Fiduciary Net Position; Pension Trust Fund
- Schedule of Employer Contributions; IMRF (last four fiscal years)
- Schedule of Employer Contributions; Police Pension Fund (last ten fiscal years)
- Schedule of Changes in the Employer's Net Pension Liability and Related Ratios; IMRF (last four calendar years)
- Schedule of Changes in the Employer's Net Pension Liability and Related Ratios; Police Pension Fund (last four fiscal years)
- Schedule of Investment Returns; Police Pension Fund (last four fiscal years)

Mr. LeFevre stated that in conclusion, the audit went smoothly. Staff was very professional, provided all information needed, and very easy to work with.

Board, staff and Sikich discussion focused on pension; are we putting enough into pension; Village is contributing the recommended amount, several employees will be coming up for retirement, will we then be short; that money has already been built in as anticipated for retirements; spouse benefit; police contribution is more than required; long term liability; fully funded by 2040; police pension investment rate 6.5%; make up for loss of stock market tumble in 2018; IMRF takes investment returns for past 5 years and smooths it out or contributions would be all over; market value; IMRF is a highly funded plan. There was no further discussion.

F.2. Discuss the Calendar Year 2019 Village Tax Levy with the Village Board

Finance Director Horton presented options to the Board concerning the 2019 tax levy. The tax levy must be filed with the County Clerk's office by the last Thursday in December. Each year, staff discusses increasing, decreasing or maintaining the property tax levy rate with the Village Board prior to preparing the ordinances for Village Board approval. Staff provided three options for consideration in preparation of the 2019 Village of Oswego property tax levy based on an estimated 5% estimated assessed value (EAV) increase provided by the Kendall County Supervisor of Assessments. These are estimates. The estimated 2019 tax levy is estimated at \$1,498,392.

- Levy the dollars necessary to support 100% of the Village Contribution to the Police Pension Fund; levy amount of \$1,542,957.
- Maintain the property levy at the same tax rate as the 2018 tax levy; \$0.1540 per \$100 of equalized assessed valuation; levy amount of \$1,498,392.
- Lower the 2018 tax rate by 1%; levy amount of \$1,483,450.

2019 Tax Levy Options Description	Levy Amount	Increase in \$ of levy	% increase in levy	Tax rate	% increase/ decrease in tax rate	Estimated tax increase for property with assessed value of \$250,000
Calendar 2018 tax levy	\$1,423,956			0.154		
Funding for Police pension only	\$1,542,957	\$119,001	8%	0.15856	3%	\$10.45
Tax rate equal to tax rate last year	\$1,498,392	\$74,436	5%	0.15398	0%	\$6.71
Decrease tax rate 1%	\$1,483,450	\$59,494	4%	0.1524	-1%	\$5.45

Estimated EAV increase of 5.23%

The first scenario would levy \$1,542,957 to be collected and remitted to the Police Pension Fund to satisfy the actuarially determined minimum annual Village contribution to the Police Pension Fund. The annual contribution is increasing by \$147,171 due to several factors. Assumption changes from updates to the Mortality tables,

retirement rates, disability rates and termination rates increased the annual contribution by \$96,342. Reducing the remaining years of amortizing the actuarial unfunded liability for the pension fund from 22 years to 20 years to align with best practices increased the Village contribution by \$50,829.

Scenario two would be to levy the dollars which would maintain the tax rate at the same level as the 2018 tax rate of \$0.1540 per \$100 of assessed value. This will generate approximately \$74,436 in additional property tax revenue because of the increase in the EAV and new growth in the tax base.

The third scenario would levy an amount which would decrease the 2018 tax rate by 1%. This would result in the Village receiving \$59,494 in additional property tax revenue because of the increase in the EAV and reduce the tax rate to approximately \$0.1524.

The resulting impact to the annual property tax burden on residents under each of the scenarios can be seen in the above table. For properties assessed at \$250,000, the Village portion of the bill would increase in the range of \$5.45 to \$10.45. For comparison, a \$250,000 home last year paid approximately \$8,500 in property taxes, with about \$128 going to the Village of Oswego. Six individual levy abatements for outstanding bond issues will be on the agenda at the Village Board meeting on November 5th. These levies are automatically extended by the county clerk unless abated (not levied) by the Village Board. The total amount abated for calendar 2019 is \$3,895,975. Director Horton stated that the Village has always been fortunate to be able to use sales tax and some motor fuel tax dollars to pay debt service issues.

Two special service area levies will also be on the November 5th Village Board agenda for adoption. These two levies are for the Fox Chase Estates area for maintenance of the detention pond and landscape berm along Mill Road. The levies generate approximately \$550 to offset some of the cost of the maintenance.

The 2019 tax levy is estimated at \$1,498,392.

Board and staff discussion focused on Option 2-Maintain the property levy at the same tax rate as the 2018 tax levy; \$0.1540 per \$100 of equalized assessed valuation; levy amount of \$1,498,392; Option 3- Lower the 2018 tax rate by 1%; levy amount of \$1,483,450. Village Board direction was to prepare the tax levy ordinances for consideration at the Village Board meeting on November 5, 2019. There was no further discussion.

CLOSED SESSION

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

Sale, Lease, and/or Acquisition of Property [5 ILCS 120/2(c)(5) & (6)]

Aye: James Marter II
Judy Sollinger
Luis Perez

Terry Olson
Brian Thomas

Absent: Pam Parr

Nay: None

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 6:52 p.m.

The Board returned to open session at 7:28 p.m.; all remaining members still present.

ADJOURNMENT

The meeting adjourned at 7:28 p.m.



Vel Derdzinski
Deputy Clerk