

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING
OSWEGO VILLAGE PRESIDENT AND BOARD OF TRUSTEES
OSWEGO VILLAGE HALL
100 PARKERS MILL, OSWEGO, ILLINOIS
November 5, 2019**

CALL TO ORDER

President Troy Parlier called the meeting to order at 6:01 p.m.

ROLL CALL

Physically Present: President Troy Parlier and Trustees James Marter, Pam Parr, Judy Sollinger and Brian Thomas.

Absent: Trustees Terry Olson and Luis Perez

Staff Present: Dan Di Santo, Village Administrator; Christina Burns, AVA/HR Director; Tina Touchette, Village Clerk; Mark Horton, Finance Director; Brad Delphey, Deputy Chief; Jennifer Hughes, Public Works Director; Rod Zenner, Community Development Director; Jenette Sturges, Community Engagement Coordinator, Marketing; Joe Renzetti, IT/GIS Manager; Carri Parker, Purchasing Manager; Susan Quasney, Project Engineer; 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 6:02 p.m.

Frank Johnson addressed the Board regarding marijuana sales. Provided a brief background; he is opposed to the sales; negative affects on the community; it is a gateway drug; opioid epidemic; setting an example for children and future.

There was no one else who requested to speak; the Public Forum was closed at 6:05 p.m.

OLD BUSINESS

There was no Old Business.

NEW BUSINESS

F.1. Financial Forecast for Fiscal Years 2021 - 2025 Presentation and Discussion

Finance Director Horton addressed the Board regarding the five-year forecast.

Assumptions

- Business as usual
 - no service reductions
 - no new personnel
 - maintain balanced budgets
- Growing community and tax base
 - new business
 - new residential
 - increasing population
- Major capital projects on the horizon
 - Alternative water source
 - Metra
 - Wolfs Crossing

- Very costly; will not have revenue to support
- Revenues
 - one new revenue source
 - estimated with minimal growth (1%-2%)
- Expenditures
 - personnel costs per existing contracts through the next 5 years
 - 1% annual increase in operating costs

Current Financial Reserves

- Increased the reserves to off-set unexpected expenditures
- TIF
 - Developments need to be completed before the fund balance will change
- Great shape overall

Village of Oswego

Reserves

FUND	Reserve Balance 4/30/2019	Fiscal Year 2020 Expenditures	Reserve as a % of Expenditures	Months of Coverage
Operating				
General	11,261,314	18,883,559	60%	7.16
Water & sewer	2,106,664	6,837,867	31%	3.70
Garbage collection	546,223	2,533,885	22%	2.59
Other funds				
Debt service	69,469	2,826,407	2%	0.29
Tax increment financing	(2,253,830)	5,177,500	-44%	-5.22
Capital				
Motor fuel tax	1,437,024	1,062,500	135%	16.23
Capital improvement	5,747,784	5,853,270	98%	11.78
Water & sewer capital	6,342,891	4,933,400	129%	15.43
Vehicle	141,754	497,970	28%	3.42
Pension				
Police pension	31,949,415	1,193,312	2677%	321.28

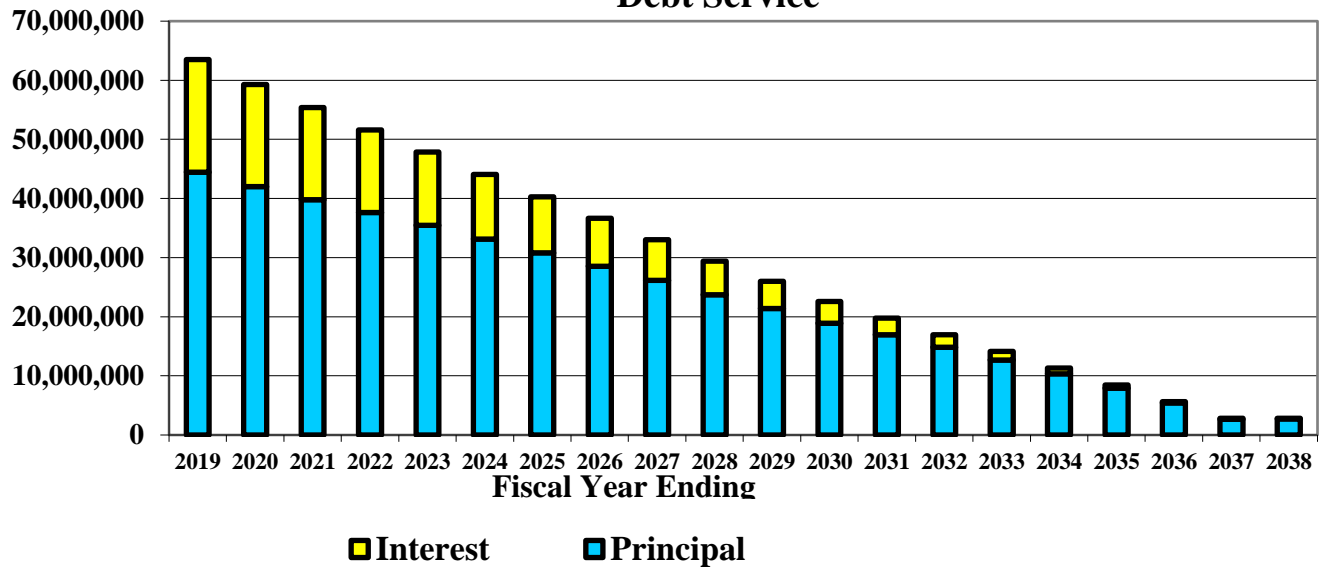
Non-Major Funds

Village Debt

- Principal
 - \$8.2 million supported from W/S
 - \$36.2 million supported from General
 - \$16 million more on the way for TIF fund
- All paid by sales tax money
- Reserve at Hudson Crossing

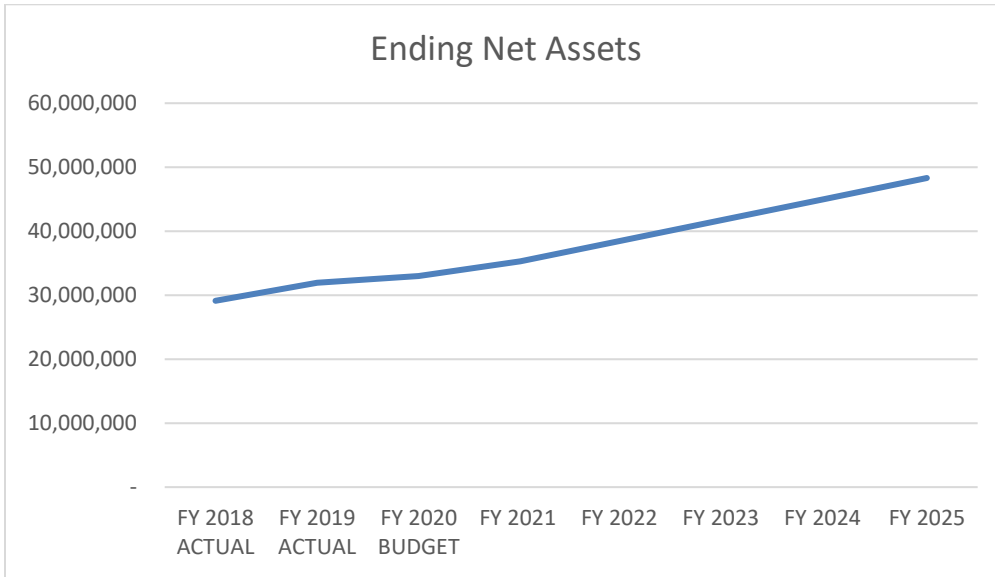
- Repaid through Shodeen and the increment
- ✓ If not enough then an SSA will be established

Total Future Outstanding Fiscal Year Debt Service

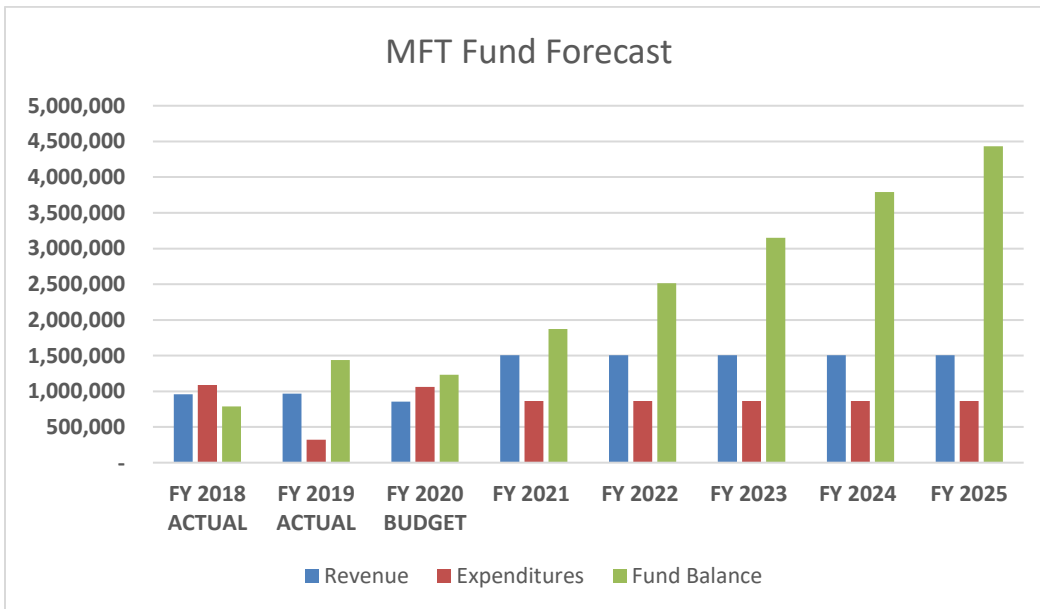


Fiscal Year	Principal	Interest	Total
2020	2,480,000	1,763,075	4,243,075
2021	2,205,000	1,690,975	3,895,975
2022	2,135,000	1,624,725	3,759,725
2023	2,210,000	1,560,525	3,770,525
2024	2,285,000	1,490,350	3,775,350
2025	2,370,000	1,419,850	3,789,850
2026	2,270,000	1,344,400	3,614,400
2027	2,350,000	1,271,300	3,621,300
2028	2,455,000	1,171,150	3,626,150
2029	2,335,000	1,066,500	3,401,500
2030	2,455,000	955,050	3,410,050
2031	1,990,000	837,900	2,827,900
2032	2,085,000	738,400	2,823,400
2033	2,190,000	634,150	2,824,150
2034	2,300,000	524,650	2,824,650
2035	2,415,000	409,650	2,824,650
2036	2,535,000	288,900	2,823,900
2037	2,665,000	162,150	2,827,150
2038	2,740,000	82,200	2,822,200
	\$44,470,000	\$19,035,900	\$63,505,900

- Police Pension Fund
 - \$48.3 million in reserve

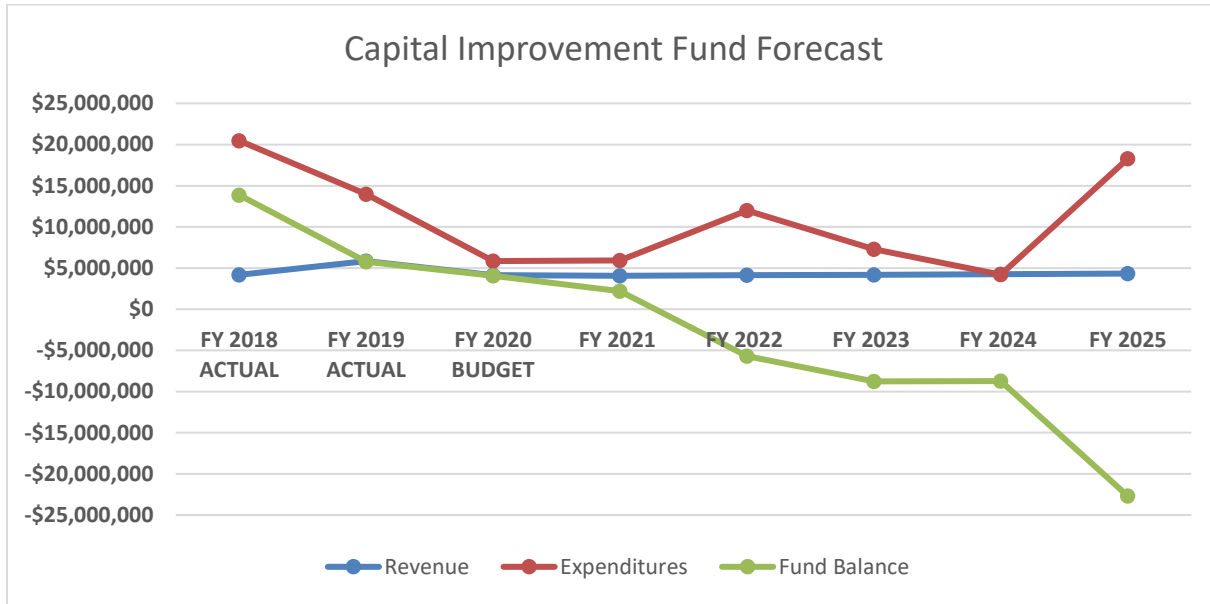


- Vehicle Fund
 - average \$548,000 annual expenses next five years. Funded with local sales tax
- Garbage Collection Fund
 - revenues match expenses
 - pass through fund
- MFT Fund
 - new state tax (TRF), debt service till FY 28, restricted uses
 - TRF (transportation fund) is a new revenue source
 - ✓ Approximately \$600,000 annually, but will fluctuate
 - Restricted fund
 - Will grow over the next 5 years
 - Funds not slated yet

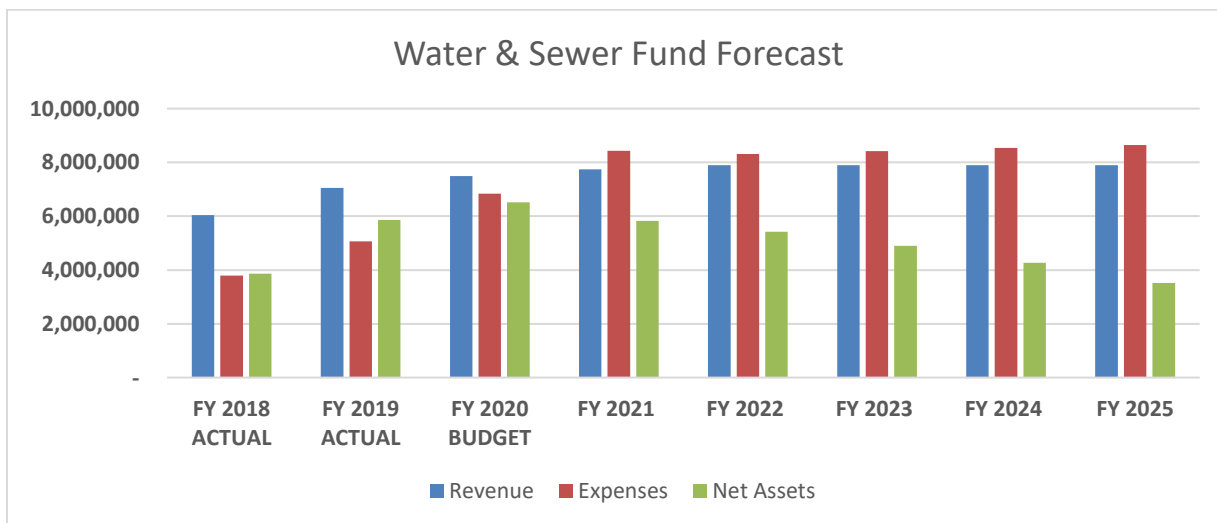


Major Funds

- TIF Fund
 - supported from existing sales tax revenues/water revenue
 - developments under construction
 - initial increment from development assumed for FY 23, FY 24
- Capital Improvement Fund
 - annual revenue of \$4.1 million (HRST)
 - \$48 million in identified expenditures next five years
 - \$5.7 million shortfall in FY 22 from Wolf Crossing expenditures
 - ✓ Director Hughes to provide an update on the Wolf Crossing project at a future Board meeting

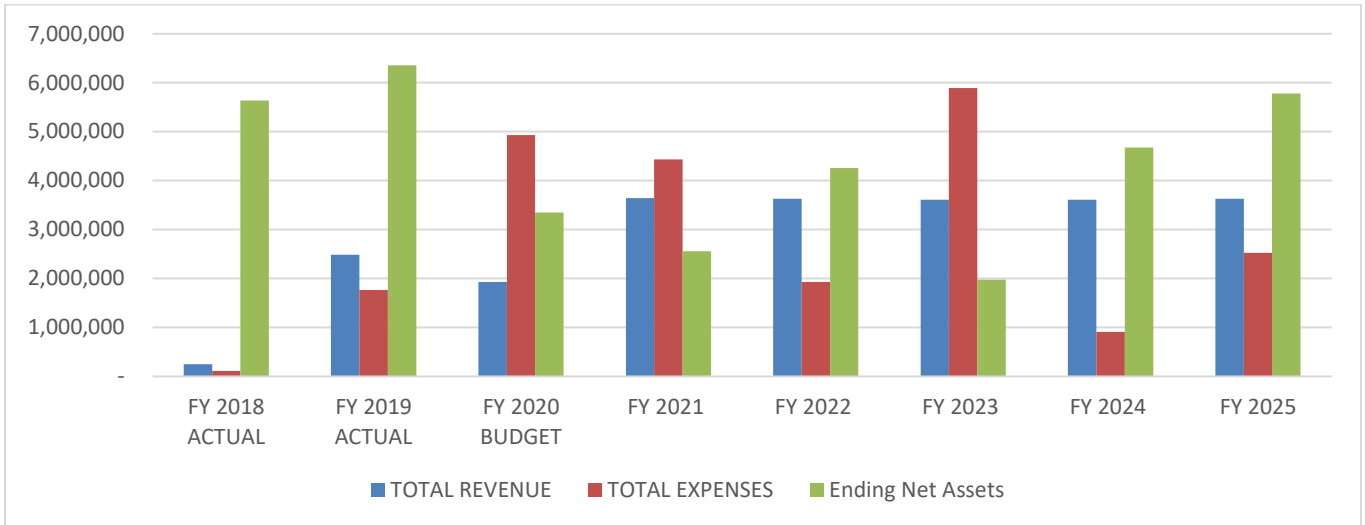


- Water & Sewer Fund
 - average \$7.8 million in revenue next five years
 - average \$8.5 million next five years
 - \$3.5 million allocated to capital improvements
 - FY 25 reserve down to \$3.5 million



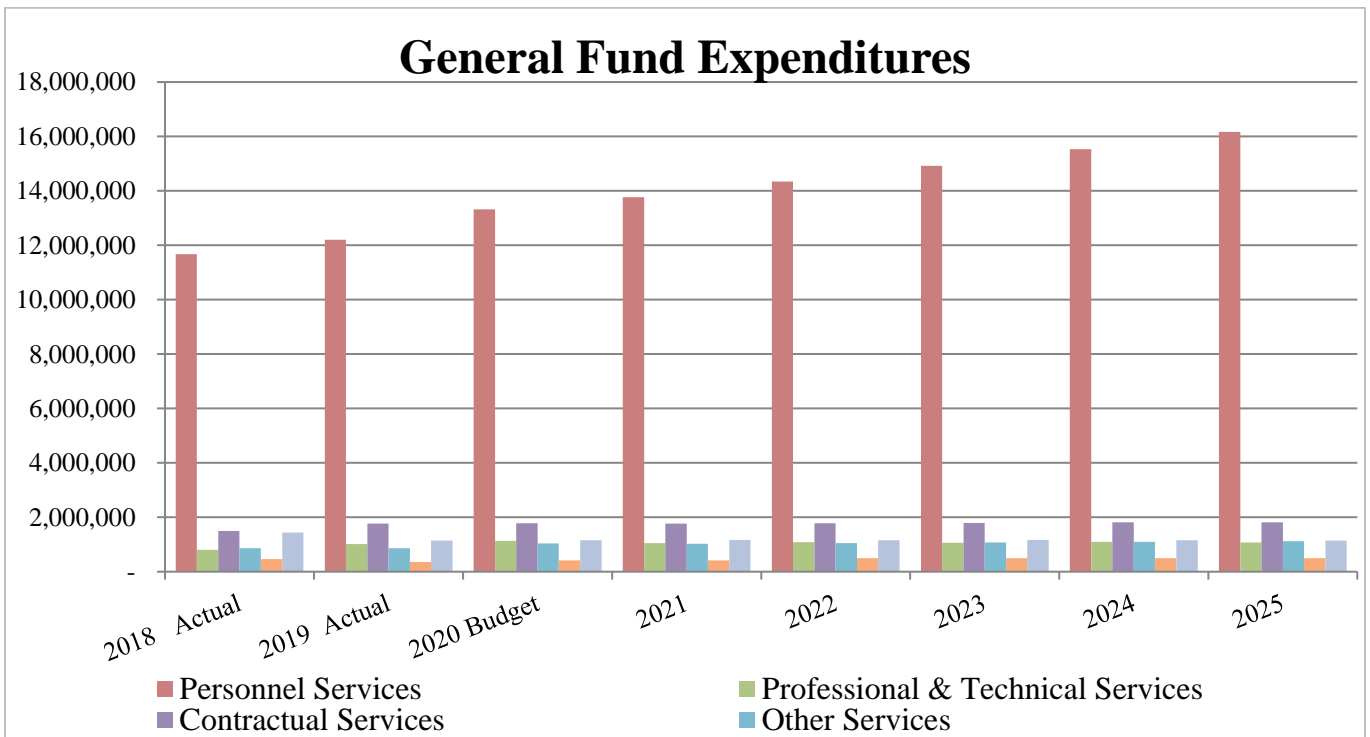
- Water & Sewer Capital Fund
 - annual revenue of \$3.6 million - \$3.5 million from Water Fund
 - \$15.7 million slated for improvements

➤ \$3.9 million average reserve due to rate increases implemented for large projects coming up

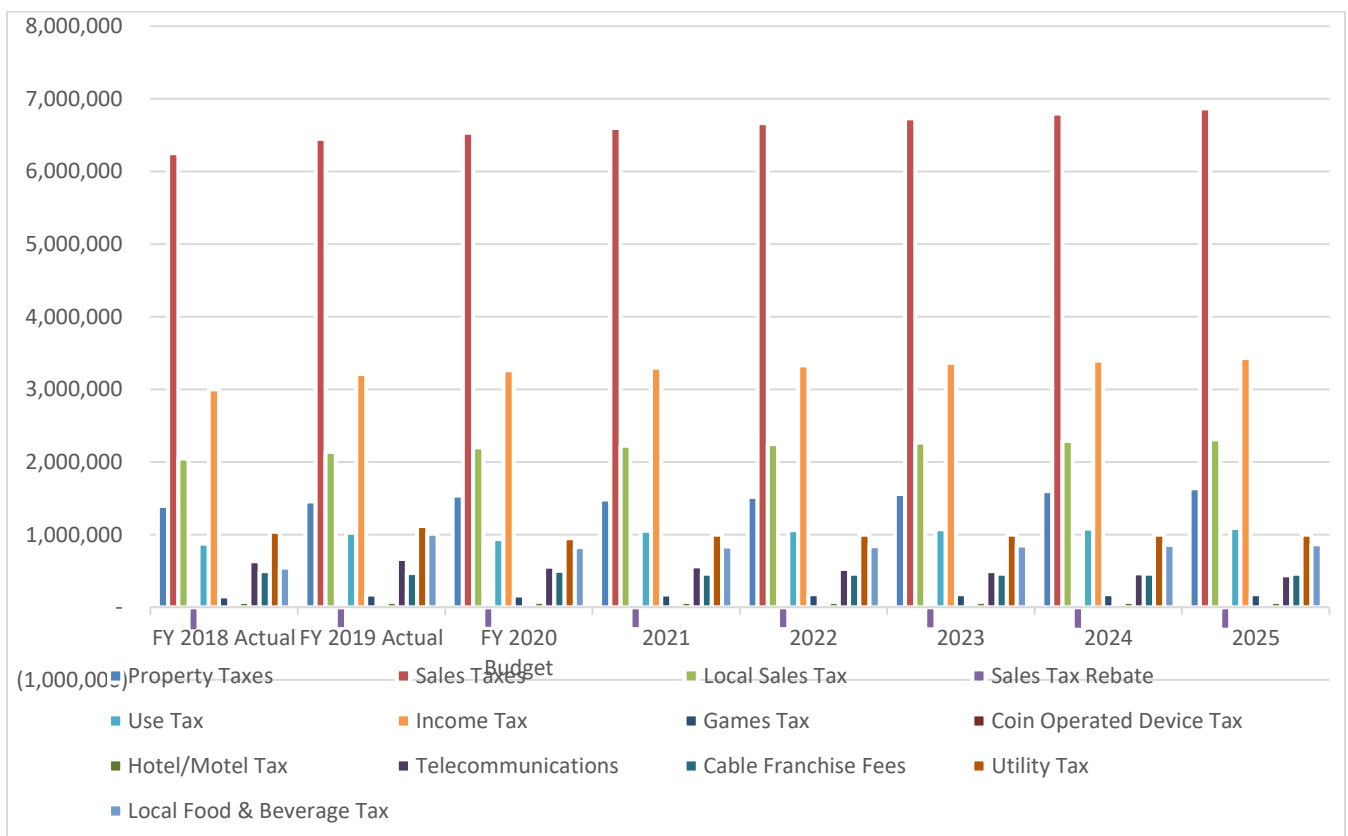
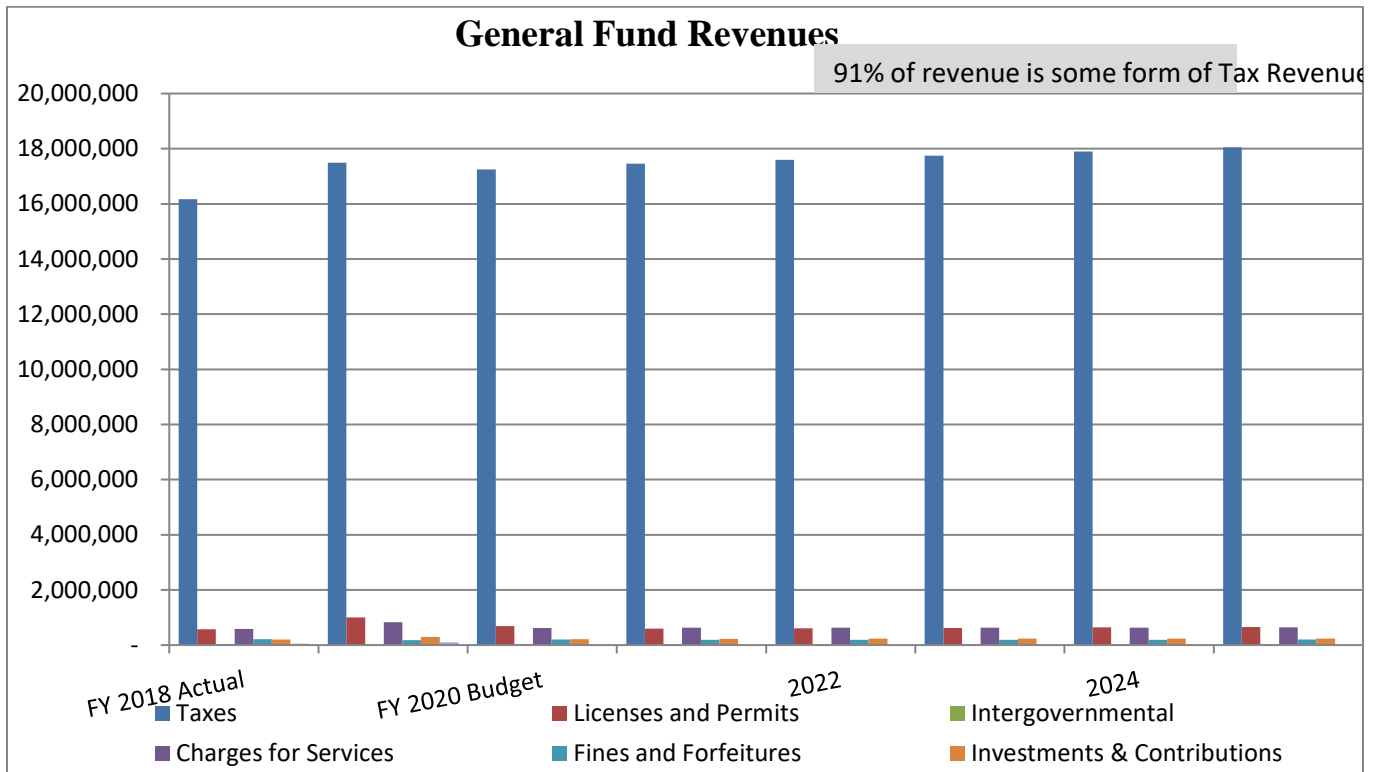


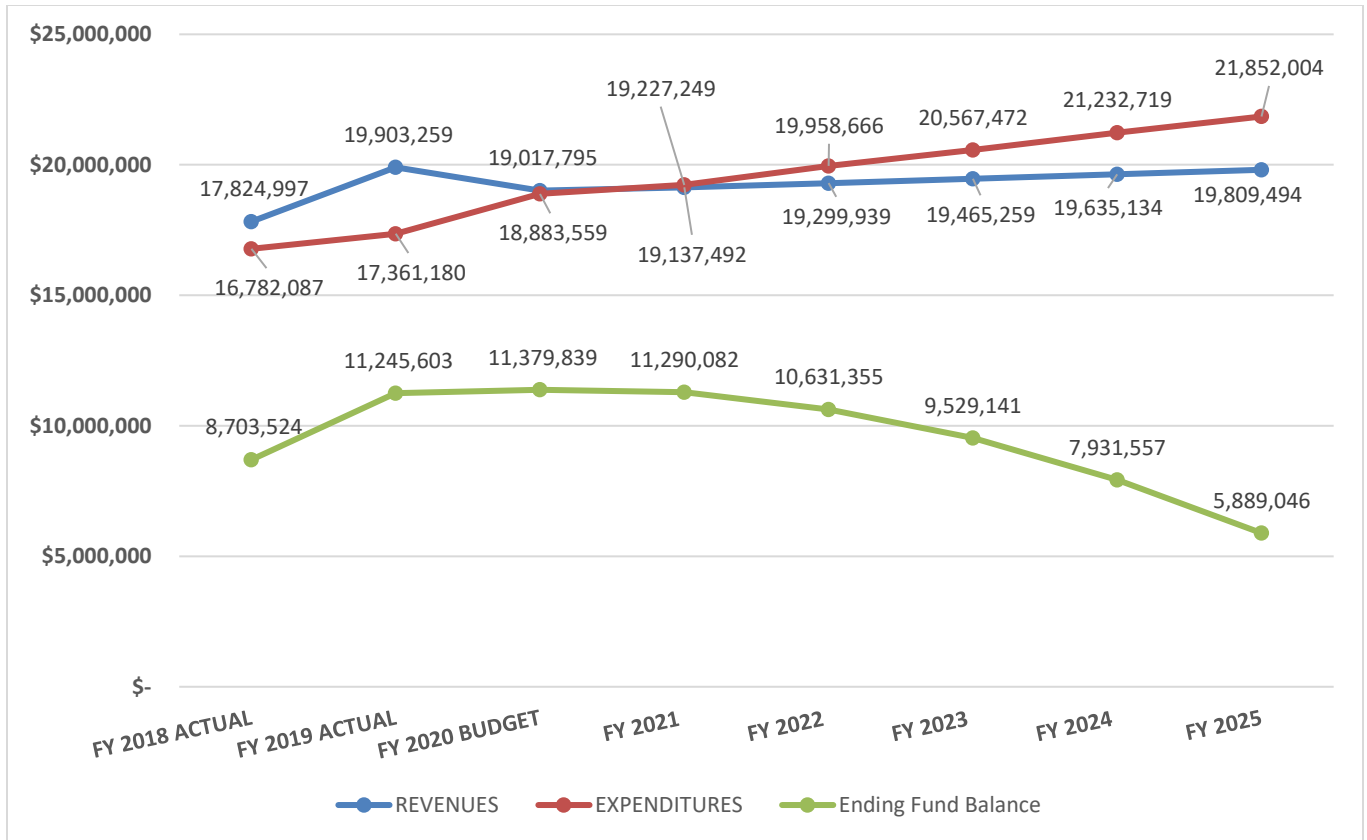
• General Fund

- expenditures average \$20.6 million
- FY 21 \$19.2 million increasing to \$21.8 million in FY 25; continues to rise
- personnel services costs rising from 72% in FY 21 to 74% in FY 25 of total expenditures
- personnel services rising \$600,000 annually; based on current structure
- total revenues increase from 19.1 to 19.8 million by FY 25
- tax revenues increasing from FY 21 \$17.5 to \$18 million by FY 25
- expenditures begin exceeding revenues in FY 21
- declining reserve balance to \$5.9 million in FY 25, 26% of estimated FY 26 expenditures, below policy level of 30%
- very conservative estimating
- all projects in the forecast



- General Fund Revenues
 - Sales tax is largest source, then Income tax, then Local Sales tax
 - Property tax is fourth greatest revenue source –8% of total revenue
 - Sales, income, local, use taxes account for 83% of total revenue





Financial Forecast

- What can we do to stay fiscally sound through FY 25
 - maintain budgets within the constraints of annual revenues
 - analyze ways to control personnel costs/benefits
 - increase annual revenues/reduce expenditures
 - cannabis tax not included
 - ✓ if choosing to move forward; tax would be added to the forecast

Board and staff discussion focused on MFT increases; whether the State will take more money from municipalities this year; if they do, State will do it after the budget is approved; IML is watching the revenues; pension reform may help or hurt the Village; back log of bills are increasing; a lot that the Village cannot control; internet and cannabis tax is what the State is relying on; anything can happen; need to use the additional MFT revenue; staff will keep the Board updated on the State. There was no further discussion.

F.2. Video Gaming Code Amendment- Gas Stations

Clerk Touchette addressed the Board regarding whether to allow video gaming in gas stations. Over the years, staff received numerous requests for video gaming in gas stations. Currently, the Village does not have a liquor classification that would allow a gas station to have on-site consumption of alcohol. Two items were presented to the Board for discussion:

- 1) Whether to move forward with allowing video gaming at gas stations

Staff provided the qualifications required for current businesses, new businesses and video gaming only businesses. All current gas stations would fall under the current business requirements:

- Must have a valid Class A, C, D, E, G, or N Village of Oswego liquor license
- Must meet revenue restrictions for Class C and D liquor licenses (must receive more than 50% of its gross revenue from the sale of food)

