



NOTICE AND AGENDA

**NOTICE IS HEREBY GIVEN
THAT A COMMITTEE OF THE WHOLE MEETING**

WILL BE HELD ON

November 05, 2019

6:00 PM

Location: Oswego Village Hall

- A. CALL TO ORDER**
- B. ROLL CALL**
- C. CONSIDERATION OF AND POSSIBLE ACTIONS ON ANY REQUESTS FOR ELECTRONIC PARTICIPATION IN MEETING**
- D. PUBLIC FORUM**
- E. OLD BUSINESS**
- F. NEW BUSINESS**

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

[Memo for Forecast 2019.docx](#)

[Financial Forecast 2019.pdf](#)

Posted: _____
Date: _____
Time: _____
Place: _____
Initials: _____

Tina Touchette
Village Clerk

F.2. Video Gaming Code Amendment- Gas Stations

[Memo-Video Gaming Amendment Gas Stations.docx](#)

[Exhibit A- Pre-Qualification Video Gaming License Application.pdf](#)

[EXHIBIT B- Community List.docx](#)

G. CLOSED SESSION

- G.1. a. Pending and Probable Litigation [5 ILCS 120/2(c)(11)]
- b. Appointment, Employment, Compensation, Discipline, Performance, or Dismissal of Personnel [5 ILCS 120/2(c)(1)]
- c. Collective Bargaining, Collective Negotiating Matters, Deliberations Concerning Salary Schedules [5 ILCS 120/2(c)(2)]
- d. Sale, Lease, and/or Acquisition of Property [5 ILCS 120/2(c)(5) & (6)]
- e. Security Procedures and the Use of Personnel and Equipment to Respond to an Actual, Threatened, or a Reasonably Potential Danger to the Safety of Employees, Staff, the Public, or Public Property [5 ILCS 120/2(c)(8)]

H. ADJOURNMENT

AGENDA ITEM

MEETING TYPE: Committee of the Whole

MEETING DATE: November 5, 2019

SUBJECT: Financial Forecast Fiscal Years 2021-2025 Discussion

ACTION REQUESTED:
Discuss and review the Financial Forecast

BOARD/COMMISSION REVIEW:
N/A

ACTION PREVIOUSLY TAKEN:

| Date of Action | Meeting Type | Action Taken |
|----------------|--------------|--------------|
| N/A | N/A | N/A |

DEPARTMENT: Finance

SUBMITTED BY: Mark G. Horton, Finance Director

FISCAL IMPACT:
None

BACKGROUND:
Staff creates a financial forecast to show the current trends in revenues and expenditures. The forecast is discussed with the Village Board.

DISCUSSION:
The Village Board and staff will review and discuss the forecast at this meeting. Overall, the forecast shows the Village will need to continue monitoring expenditures for future fiscal sustainability.

RECOMMENDATION:
Discuss the forecast.

ATTACHMENTS:
-Financial Forecast



Village of Oswego

Agenda

- Introduction
- Assumptions used
- Non – major funds
- Major funds
- Moving forward & questions



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

Revenues

- one new revenue source
- estimated with minimal growth

Expenditures

- personnel costs per existing contracts
- 1% annual increase in operating costs



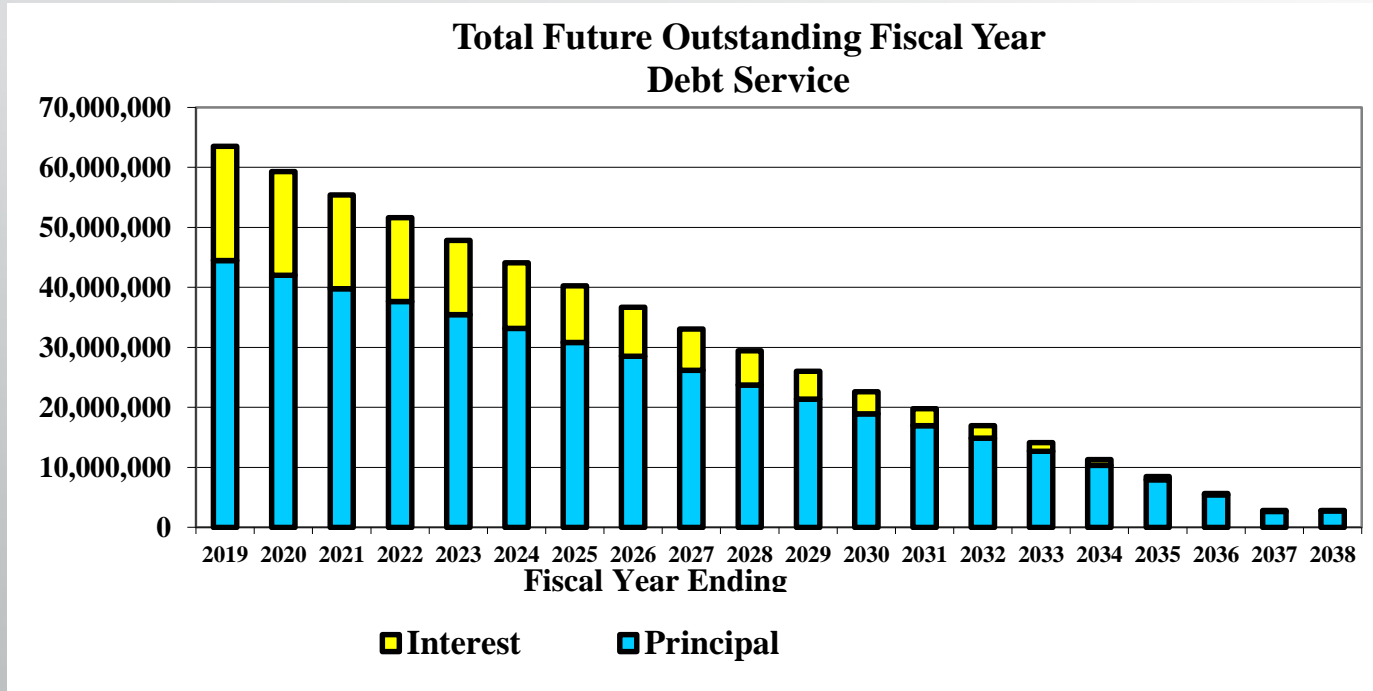
Current Financial Reserves

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



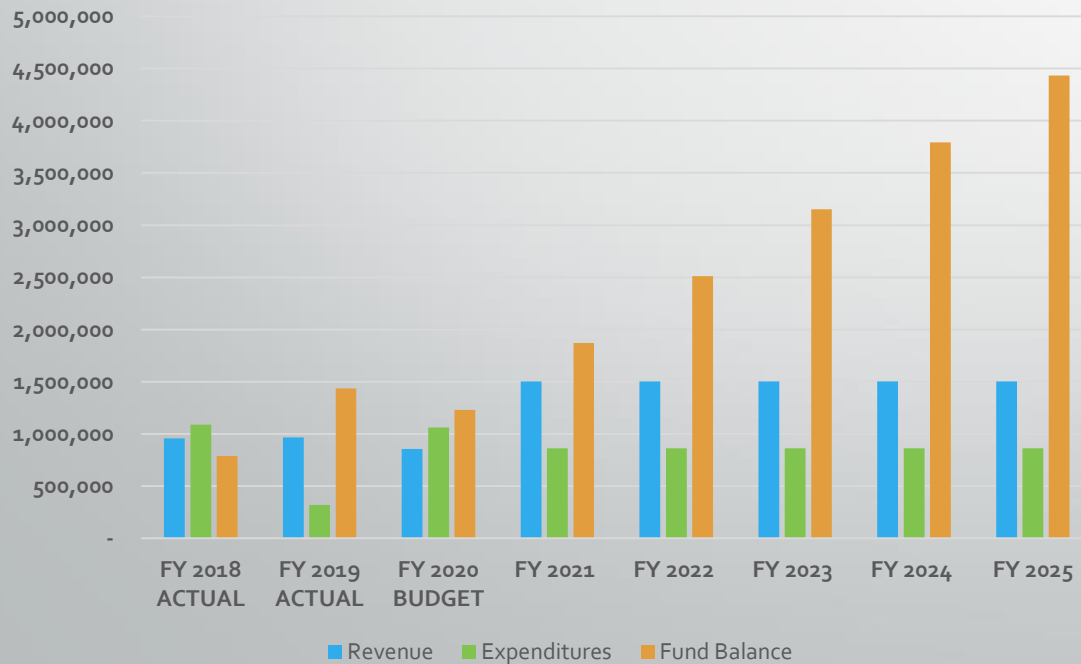
| Fiscal Year | Principal | Interest | Total |
|--------------|---------------------|---------------------|---------------------|
| 2020 | 2,480,000 | 1,763,075 | 4,243,075 |
| 2021 | 2,205,000 | 1,690,975 | 3,895,975 |
| 2022 | 2,135,000 | 1,624,725 | 3,759,725 |
| 2023 | 2,210,000 | 1,560,525 | 3,770,525 |
| 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 |
| Total | \$44,470,000 | \$19,035,900 | \$63,505,900 |

Non-Major Funds

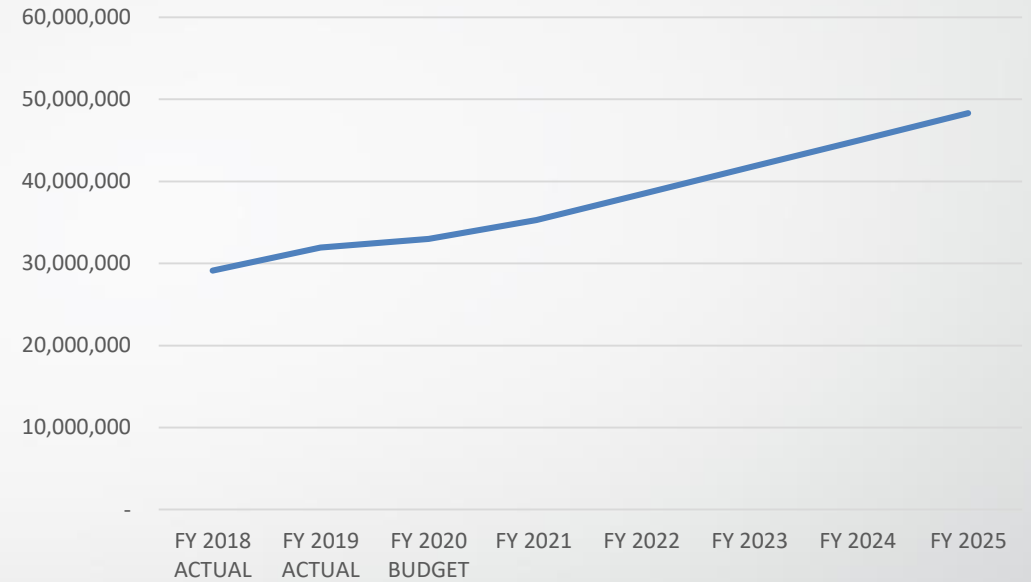
Police Pension Fund - 
 Vehicle Fund – average \$548,000 annual expenses next five years. Funded with local sales tax
 Garbage Collection Fund – revenues match expenses
 MFT Fund – new state tax, debt service, restricted uses



MFT Fund Forecast



Ending Net Assets



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

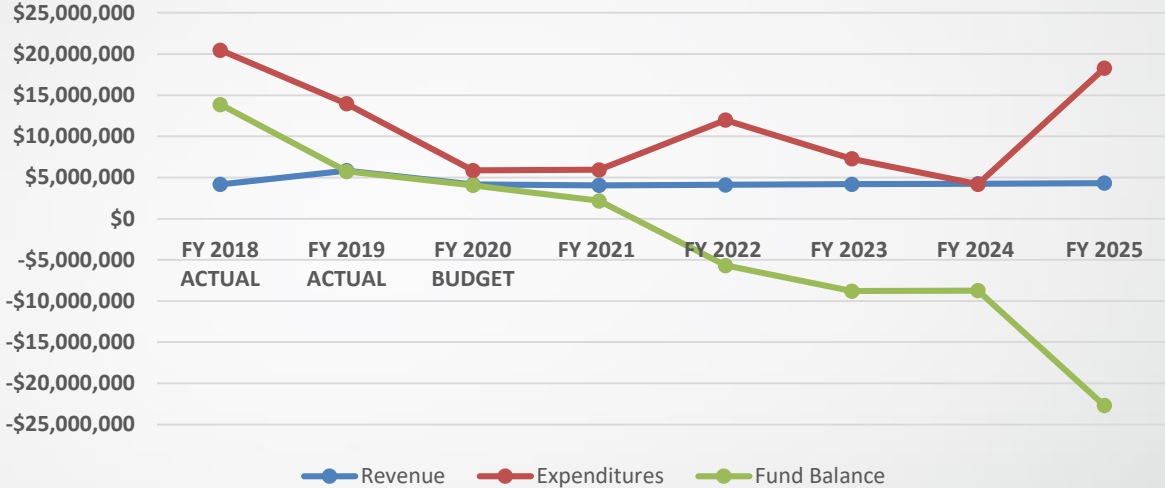
Capital Improvement Fund -

annual revenue of \$4.1 million
 \$48 million in identified expenditures next five years
 \$5.7 million shortfall in FY 22

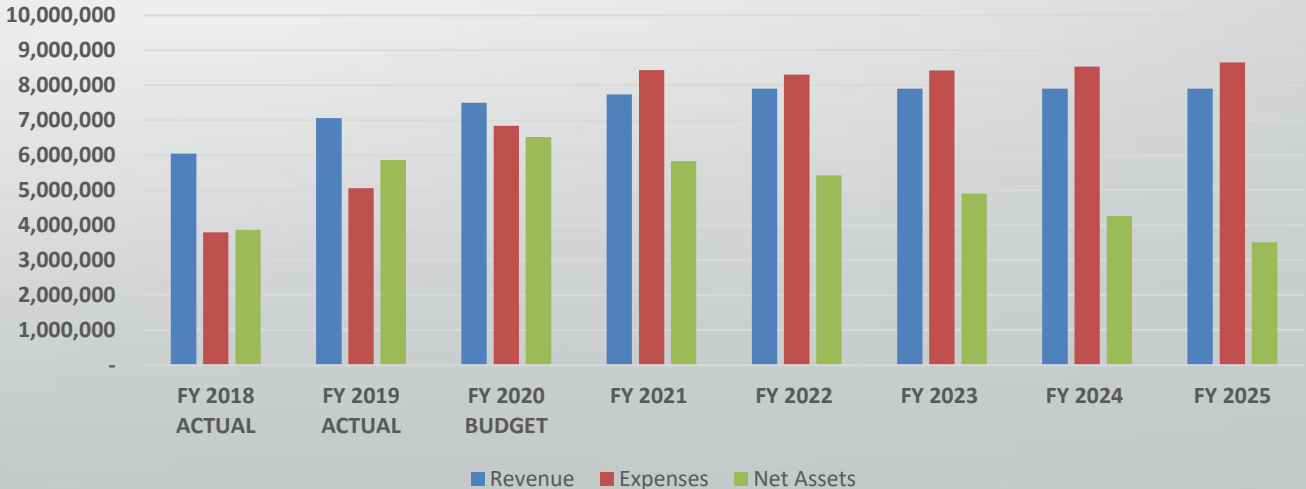
Water & Sewer Fund –

average \$7.8 million in revenue next five years
 average \$8.5 million next five years
 \$3.5 million allocated to capital improvements

Capital Improvement Fund Forecast



Water & Sewer Fund Forecast



Major Funds

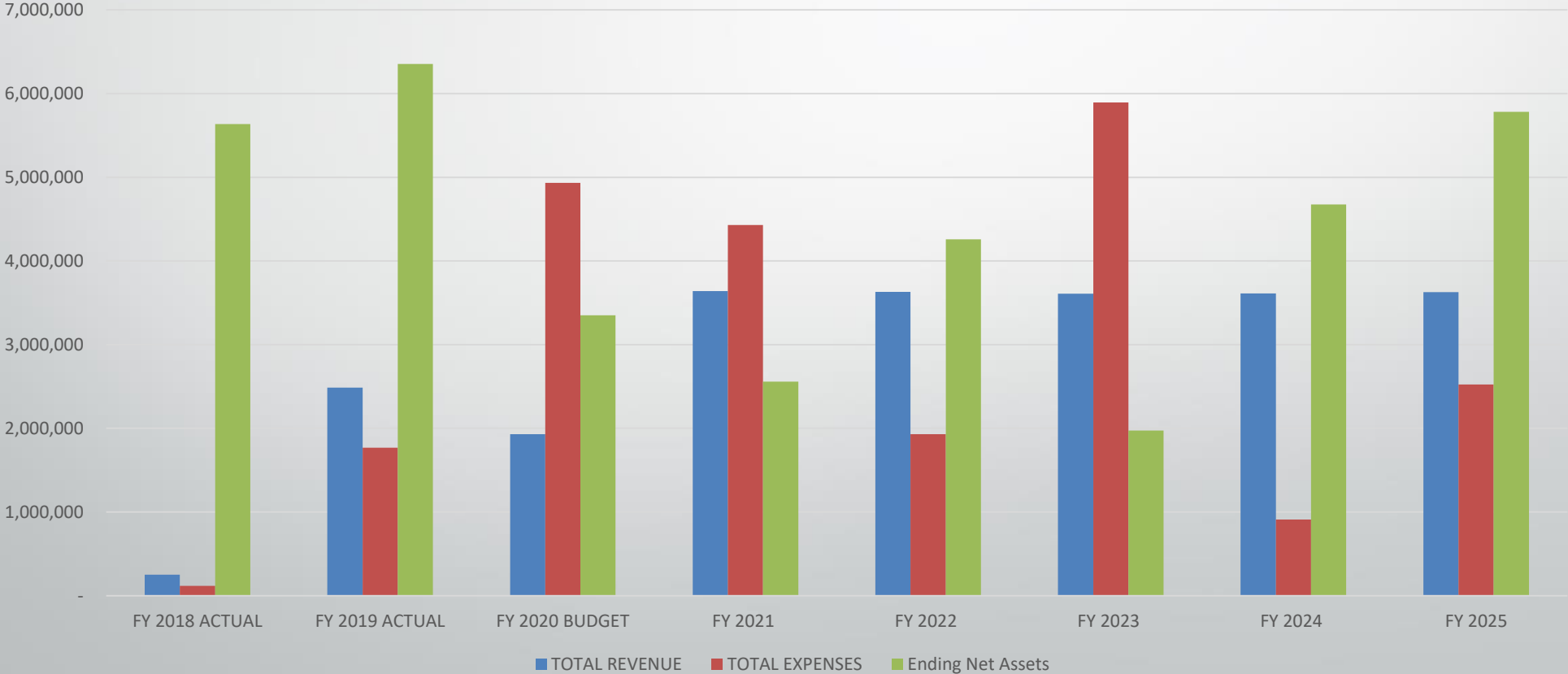
Water & Sewer Capital Fund

annual revenue of \$3.6 million

\$15.7 million slated for improvements

\$3.9 million average reserve

Water & Sewer Capital Fund

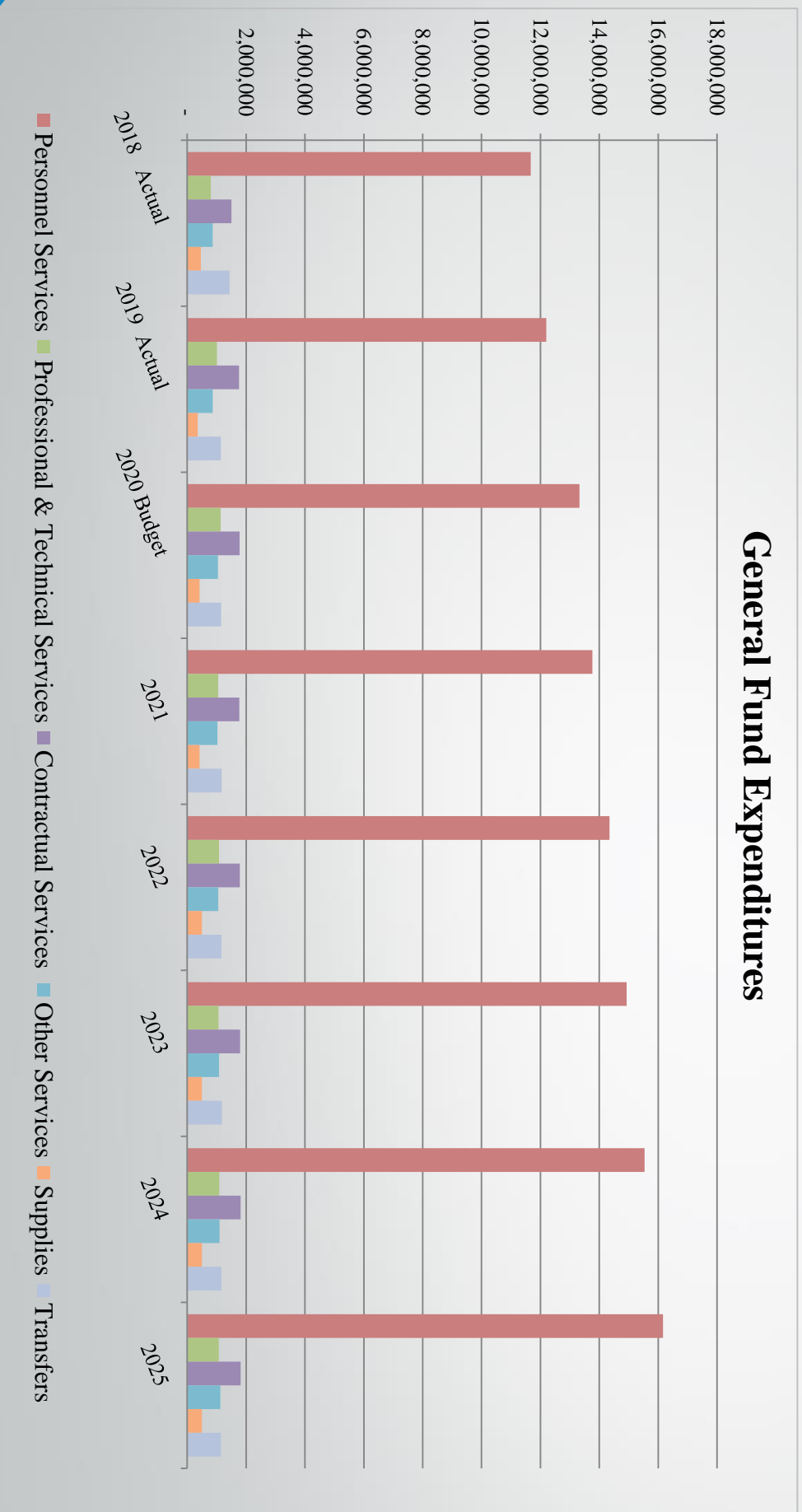


Major Funds

General Fund

expenditures average \$20.6 million
 FY 21 \$19.2 million increasing to \$21.8 million in FY 25
 personnel services costs rising from 72% in FY 21 to 74% in FY 25 of total expenditures
 personnel services rising \$600,000 annually

General Fund Expenditures



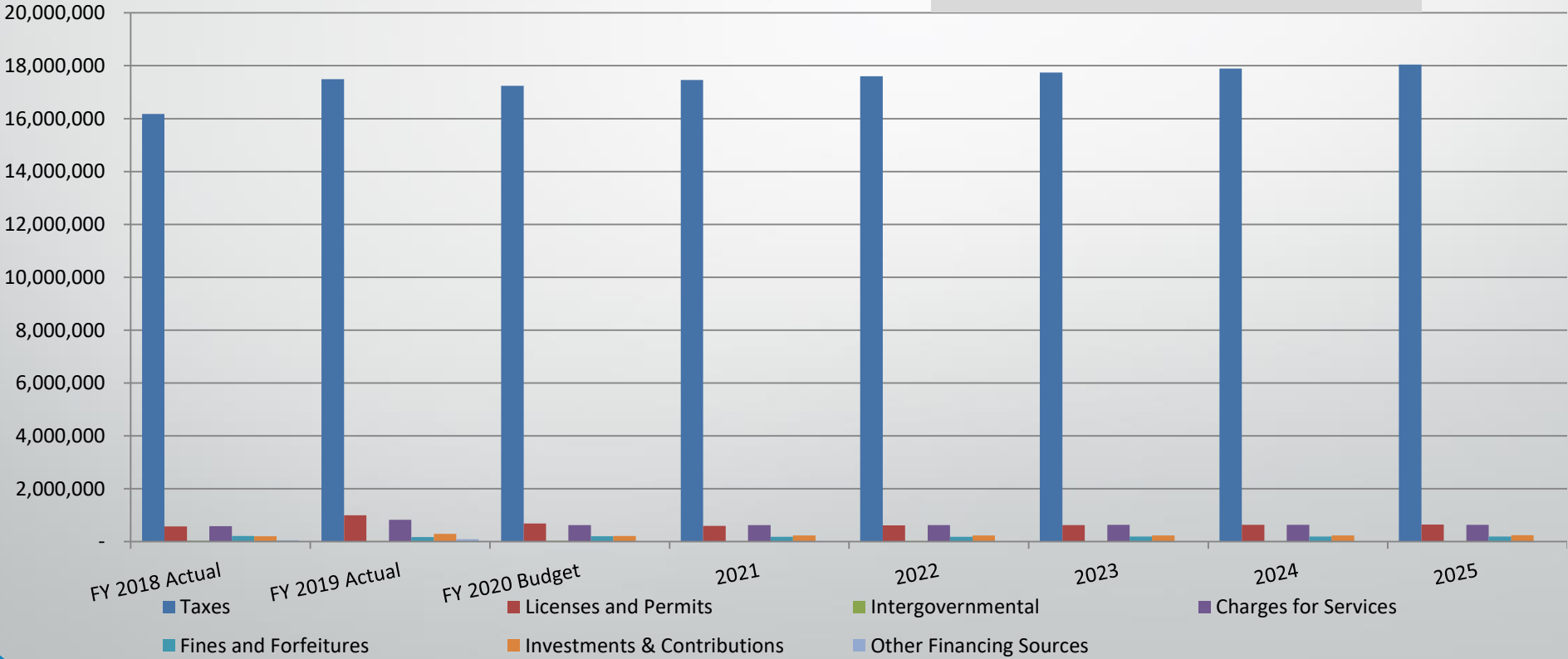
Major Funds

General Fund

revenues increasing from FY 21 \$17.5 to \$18 million by FY 25

General Fund Revenues

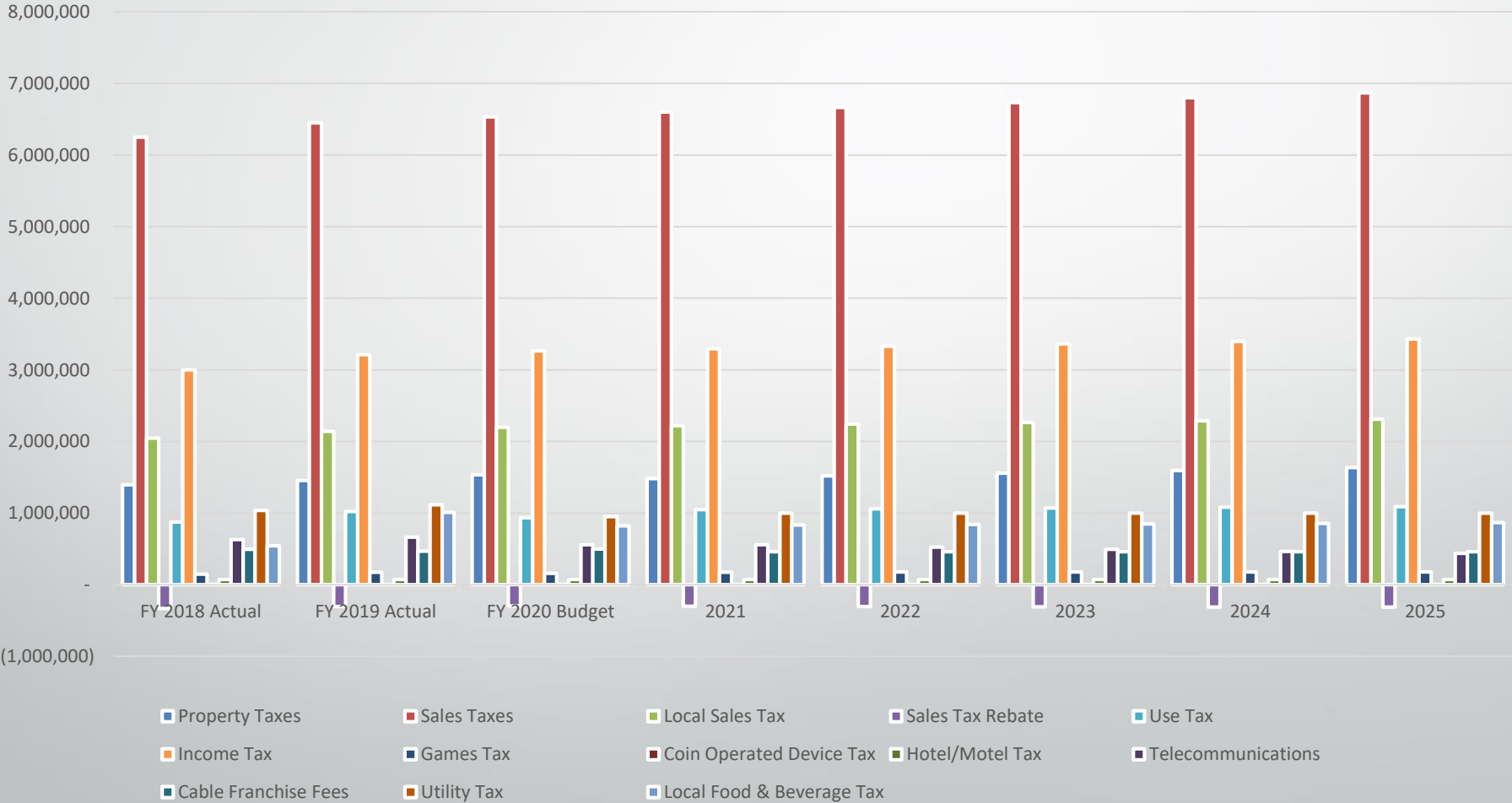
91% of revenue is some form of Tax Revenue



Major Funds

General Fund Revenues

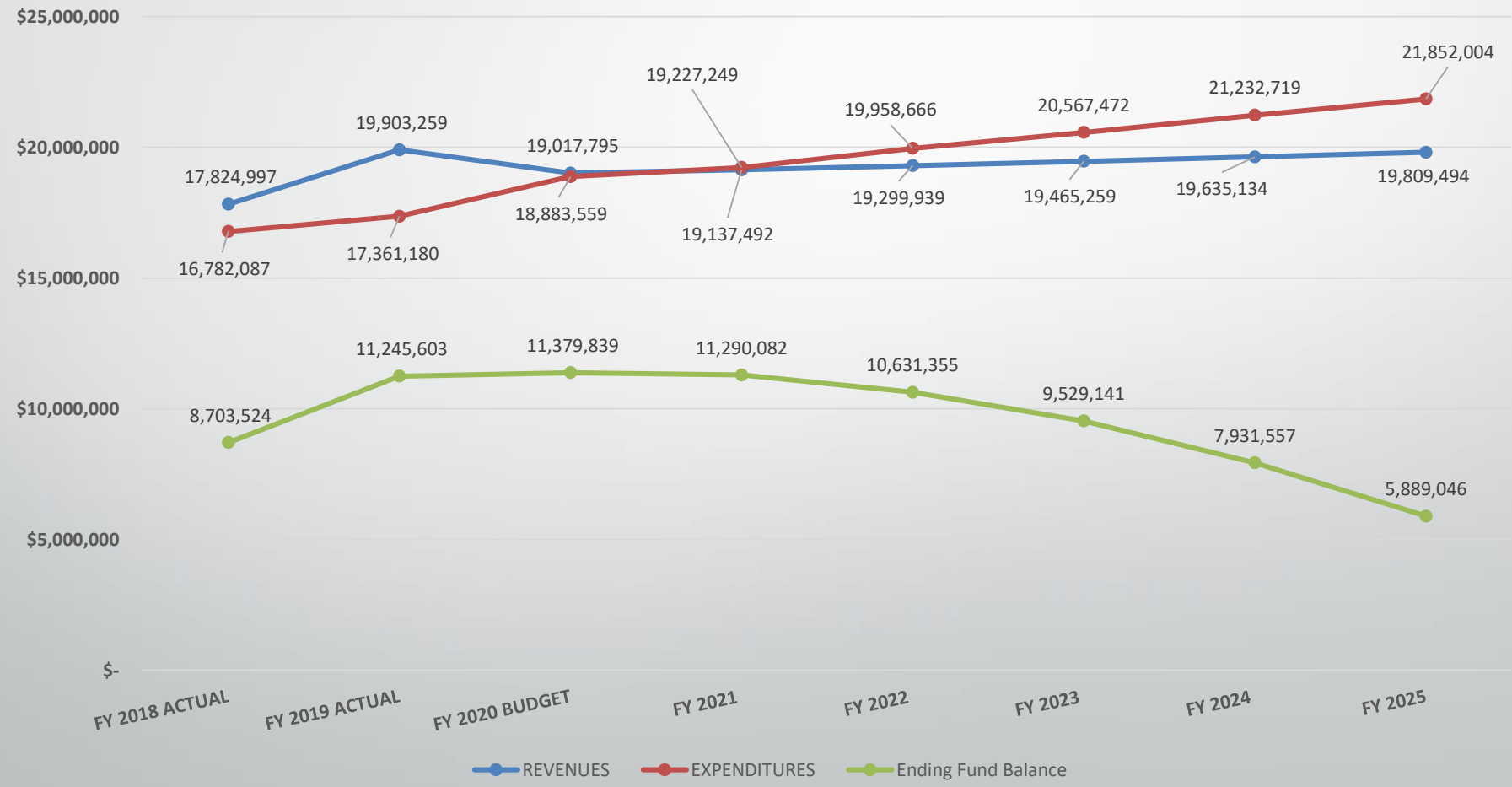
Sales tax is largest source, then Income tax, then Local Sales tax
 Property tax is fourth greatest revenue source
 Sales, income, local, use taxes account for 83% of total revenue



Major Funds

General Fund

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%



Financial Forecast

- What can we do to stay fiscally sound through FY 2025
 - maintain budgets within the constraints of annual revenues
 - analyze ways to control personnel costs/benefits
 - increase annual revenues/reduce expenditures
- Questions/discussion

AGENDA ITEM

MEETING TYPE: Committee of the Whole

MEETING DATE: November 5, 2019

SUBJECT: Video Gaming Code Amendment- Gas Stations

ACTION REQUESTED:

Consideration to amend Village code to allow video gaming at gas stations.

BOARD/COMMISSION REVIEW:

N/A

ACTION PREVIOUSLY TAKEN:

| Date of Action | Meeting Type | Action Taken |
|----------------|--------------|--------------|
| N/A | N/A | N/A |

DEPARTMENT: Clerks Office

SUBMITTED BY: Tina Touchette

FISCAL IMPACT:

N/A

BACKGROUND:

On May 7, 2013, the Village Board approved video gaming in Oswego. Currently, Village code allows for establishments that hold a valid Class A, C, D, E or G liquor license to apply for video gaming. According to the Illinois Gaming Board, video gaming is legal almost anywhere as long as the location holds an on-premise liquor license. Village classification details are as follows:

- Class A- authorizes the licensee to sell alcoholic liquor in package or by the drink, for consumption on or off the specified premise and may require a special use permit. These are typically issued to taverns and video gaming cafes where the revenue from food sales is not required.(\$1,800 annually)
- Class C- authorizes the retail sale of alcoholic beverages on the specified premises for consumption on the premises inside a restaurant. The restaurant must receive more than fifty percent (50%) of its gross revenue from the sale of food. (\$1,500 annually)

- Class D- authorizes the retail sale of beer and wine only on the specified premises for the consumption on the premises inside a restaurant. The restaurant must receive more than fifty percent (50%) of its gross revenue from the sale of food. (\$1,200 annually)
- Class E- authorizes the licensee to sell alcoholic liquor for consumption on the premises as well as other retail sale of liquor, when sold only to members and the invited guests of said members when such guest is personally accompanied by a member. (\$750 annually)
- Class G- authorizes the licensee to sell alcoholic liquors to its patrons and guests by the drink, for consumption on the golf course, and not for resale in any form. (\$1,200 annually)

DISCUSSION:

Over the years, staff has received numerous requests for video gaming in gas stations, however, the majority of the previous Village Board members were not interested in extending video gaming licenses to gas stations at the time (May 2018). In discussions with President Parlier, staff was directed to move forward with discussions to allow 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; a new liquor classification would need to be created.

For purposes of this discussion, two items need to be addressed: 1) whether to move forward with allowing video gaming at gas stations; and 2) direction from the Village Board as to which liquor classification should be brought forward for approval.

1) Allow video gaming at gas stations?

The following is a current list of the requirements based on the type of business and can also be found in our Pre-Qualification Application for Video Gaming (Exhibit A):

Current Business with Valid Village of Oswego Issued Liquor License, Certificate of Occupancy, Business Registration and Completed Food and Beverage Tax Forms

- 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)
- May require written permission from property owner
- Some corporate businesses may require permission for video gaming depending on the location/proximity to their business
- Interior layout and plans/renderings for the gaming area
- No window or neon signage relating to video gaming is allowed

New Business

- 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)
- Must complete all Food and Beverage Tax forms
- Must obtain zoning approval from the Community Development Department
 - 630-554-3622
 - Restaurants allowed in B-2 zoning; must meet revenue requirements
 - Site plans, interior layout and plans/renderings, exterior layout and plans/renderings, signage, etc. will be handled through the Community Development Department as part of their primary business (ex. bar, restaurant, club, golf course)
- May require written permission from property owner
- Some corporate businesses may require permission for video gaming depending on the location/proximity to their business
- Interior layout and plans/renderings for the gaming area
- No window or neon signage is allowed
- Certificate of Occupancy is required which includes permits and inspections from the Village of Oswego, Fire Protection District and Kendall County Health Department
- Must complete and obtain a Business Registration through the Village of Oswego

New Business (Video Gaming Only)

- Must have a valid Class A Village of Oswego liquor license
- Must obtain zoning approval from the Community Development Department
 - 630-554-3622
 - ✓ Video gaming cafes are allowed in B-3 zoning; no special use needed
 - ✓ Video gaming cafes are not permitted in B-2 zoning and no special use is allowed
- May require written permission from property owner
- Some corporate businesses may require permission for video gaming depending on the location/proximity to their business
- Provide a copy of the site plans
- Provide a copy of the Interior layout and plans/renderings
- Provide a copy of the Exterior layout and plans/renderings
- Provide signage plans
- Provide a copy of the food and beverage menu
- No window or neon signage is allowed
- Certificate of Occupancy is required which includes permits and inspections from the Village of Oswego, Fire Protection District and Kendall County Health Department
- Must complete all Food and Beverage Tax forms
- Must complete and obtain a Business Registration through the Village of Oswego

All of the gas stations would fall within the “current business” requirements. Other areas to consider is whether to include additional requirements such as site plans, signage plans, or on-premise food sales.

Staff contacted a video gaming distributor and reached out to a Clerk's group to gather additional information on who allows or does not allow gaming in gas stations. Attached is list of communities that currently allow gaming at gas stations (Exhibit B). Elk Grove Village, Galesburg and Wheeling do not allow gaming at gas stations. Normal only allows if the business is considered a truck stop. Geneva, Naperville and Plainfield prohibit video gaming, entirely, from their communities.

2) New liquor classification

The State determines whether a gas station meets the licensed truck stop establishment criteria which allows them to be eligible for a video gaming license, from the State, without an on-premise liquor license. A licensed truck stop that does not hold a liquor license may operate video gaming terminals (VGT's) on a continuous basis. The criteria and allowances for a licensed truck stop are as follows:

- At least a 3-acre facility with a convenience store
- Separate diesel islands
- Sells at retail more than 10,000 gallons of diesel or biodiesel fuel per month
 - Must show that estimated future sales or past sales average at least 10,000 gallons per month
- Parking spaces for commercial motor vehicles
 - Commercial motor vehicles are defined in Section 18b-101 of the Illinois Vehicle Code
- Allowed to operate up to six (6) VGTs

The criteria and allowances for a licensed large truck stop are as follows:

- Located within three (3) miles from a freeway interchange
- At least a 3-acre facility with a convenience store
- Separate diesel islands
- Sells at retail more than 50,000 gallons of diesel or biodiesel fuel per month
- Has parking spaces for commercial motor vehicles
- Allowed to operate up to ten (10) VGTs

Currently, the Village does not have a licensed truck stop or licensed large truck stop. Because no Village gas stations are considered a truck stop per State guidelines, the aforementioned would not apply. All gas stations, in the Village, hold either a Class "B" liquor license that authorizes the licensee to sell alcoholic liquor in original packages only for the consumption off the premises (\$1,500 annually), or a Class "F" liquor license that authorizes the licensee to sell beer and wine only in original packages for consumption off the premises. The Village does not have a liquor classification that would allow gas stations to apply for a video gaming license; on-premise consumption.

The following are options for consideration:

- a) Create a “pour” supplemental license
 - Would allow the gas stations to serve alcohol for on-premise consumption
 - Could limit alcohol to beer and wine only
 - Will be required to hold two (2) liquor licenses; on-premise (“pour”) and off-premise (packaged)
 - Would be more costly to the owner
 - License fee to be determined
- b) Create a new Class “Q” license
 - Would include language specific to gas stations
 - Allows for on-premise and off-premise consumption
 - Could limit alcohol to beer and wine only
 - Would eliminate the need to hold two (2) liquor licenses
 - License fee to be determined
- c) Amend the Village’s current Class “A” license to separate taverns and video gaming cafes; and add gas stations and a restaurant/bar classification
 - Class “A-1” Bar/Tavern
 - Replaces current Class “A”
 - Allows for consumption on or off premises
 - License fee remains the same (\$1,800 annually)
 - Class “A-2” Restaurant/Bar
 - Same as Class “A-1” except only allows for consumption on premises
 - License fee to be determined
 - Class “A-3” Video Gaming Cafes/Parlors
 - Same as Class “A-2”
 - Would include language specific to video gaming establishments
 - License fee remains the same (\$1,800 annually)
 - Class “A-4” Gas Stations (not designated as truck stops or large truck stops)
 - Would include language specific to gas stations
 - Allows for on-premise and off-premise consumption
 - Could limit alcohol to beer and wine only
 - Would eliminate the need to hold two (2) liquor licenses
 - License fee to be determined

In reaching out to our Community Development Director, option #3 appears to be the preferred choice and would assist their department, as well as the Clerk’s Office, when considering which classification an establishment would qualify for. If the Village Board decides not to allow video gaming at gas stations, staff would still like to move forward with amending the Class “A” liquor license to include classifications of “A-1”, “A-2” and “A-3” into Village code.

RECOMMENDATION:

Presented for discussion and Board direction.

ATTACHMENTS:

- Exhibit A- Pre-Qualification Application
- Exhibit B-Community List



100 Parkers Mill • Oswego, Illinois 60543
630.554.3259
Website: <http://www.oswegoil.org>
registration@oswegoil.org

PRE-QUALIFICATION APPLICATION FOR VIDEO GAMING
(Please return completed application to the Village Clerk)

Applicant Name: _____ Driver's License Number: _____

Address: _____

Telephone number: _____ Alternate Number: _____

D.O.B.: _____ Place of birth: _____

Business Name: _____

Business Address: _____

Mailing Address (if different): _____

Email Address: _____

Nature of Business (Principle Business Activity): _____

Location for which the license is requested: _____

Business Phone Number: _____ Liquor Classification: _____

IBT No.: _____

No. of Video Gaming Terminals to be placed at above establishment: _____
(Max Limit of 6 for Restaurants, Bars, Gaming Cafes, or Max limit of 10 for Truck Stops)

No. of Redemption Machines to be placed at above establishment (No Max Limit): _____

Will there be food service? Yes No Will the food be prepared on-site? Yes No

Do you own or operate other businesses with video gaming? Yes No If yes, provide the date of opening and address of the business.

Date: _____ Address: _____

Has any license previously issued to you by the State, Federal or local authorities been revoked?
 Yes No If yes, state the reasons and date of revocation: _____

Requirements – Current Business with Valid Village of Oswego Issued Liquor License, Certificate of Occupancy, Business Registration and Completed Food and Beverage Tax Forms

- 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)
- May require written permission from property owner
- Some corporate businesses may require permission for video gaming depending on the location/proximity to their business
- Interior layout and plans/renderings for the gaming area
- No window or neon signage relating to video gaming is allowed

Requirements – New Business

- 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)
- Must complete all Food and Beverage Tax forms
- Must obtain zoning approval from the Community Development Department
 - 630-554-3622
 - Restaurants allowed in B-2 zoning; must meet revenue requirements
 - Site plans, interior layout and plans/renderings, exterior layout and plans/renderings, signage, etc. will be handled through the Community Development Department as part of their primary business (ex. bar, restaurant, club, golf course)
- May require written permission from property owner
- Some corporate businesses may require permission for video gaming depending on the location/proximity to their business
- Interior layout and plans/renderings for the gaming area
- No window or neon signage is allowed
- Certificate of Occupancy is required which includes permits and inspections from the Village of Oswego, Fire Protection District and Kendall County Health Department
- Must complete and obtain a Business Registration through the Village of Oswego

Requirements – New Business (Video Gaming Only)

- Must have a valid Class A Village of Oswego liquor license
- Must obtain zoning approval from the Community Development Department
 - 630-554-3622
 - ✓ Video gaming cafes are allowed in B-3 zoning; no special use needed
 - ✓ Video gaming cafes are not permitted in B-2 zoning and no special use is allowed
- May require written permission from property owner
- Some corporate businesses may require permission for video gaming depending on the location/proximity to their business
- Provide a copy of the site plans
- Provide a copy of the Interior layout and plans/renderings
- Provide a copy of the Exterior layout and plans/renderings
- Provide signage plans
- Provide a copy of the food and beverage menu
- No window or neon signage is allowed
- Certificate of Occupancy is required which includes permits and inspections from the Village of Oswego, Fire Protection District and Kendall County Health Department
- Must complete all Food and Beverage Tax forms
- Must complete and obtain a Business Registration through the Village of Oswego

In the event there has been a change of ownership a new Pre-Qualification Application for a Video Gaming License must be completed.

Fees:

- Liquor application; includes one (1) background check- \$250
- Additional background checks- \$100 each
- Class A Retailer’s License- \$1,800 annually
- Class C Restaurant License- \$1,500 annually
- Class D Beer and Wine License- \$1,200 annually
- Class E Fraternal Society or Club License- \$750 annually
- Class G Golf Course/Clubhouse License- \$1,200 annually
- Business Registration- \$50 initial fee; \$25 annual renewal
- Contact the Building & Zoning Department regarding the fees associated with the Certificate of Occupancy
 - 630-554-2310
- Video Gaming license fee- \$750 annually
- Video Gaming terminal fee- \$300 each annually
- Video Gaming redemption machine- \$50 each annually
- Video Gaming license fee NFP (Non-for-Profit)- \$200 annually
- Video Gaming terminal fee NFP (Non-for-Profit)- \$50 each annually
- Video Gaming redemption machine NFP (Non-for-Profit)- \$50 each annually
- Distributors License Fee- \$1,000 annually

*All fees are non-refundable.

Instructions:

- Complete the liquor license application and background check.
- Upon approval of the background check, the applicant must present their concept/business plan to the Village Board at a regularly scheduled Committee of the Whole meeting. Meetings are held on the first and third Tuesday of the month at 6:00 p.m.
- The Village Board will decide whether the applicant can move forward through the process of obtaining approval.
- If approval to move forward is obtained, staff will draft ordinances to be presented and approved at a regularly scheduled Village Board meeting Meetings are held on the first and third Tuesday of the month at 7:00 p.m. The applicant will be required to attend the meeting to answer additional questions from the Village Board.
- Once approved, the applicant may continue through the process of obtaining, State liquor and video gaming licenses, certificate of occupancy, business registration and completing the required food and beverage tax forms.

Pursuant to Titles 3 & 6 of the Village of Oswego Code of Ordinances, I hereby certify that no changes have occurred or have been made since my last application and that I have read the above Pre-Qualification Application, and that all information contained therein is true and correct.

PENALTY: Any person found liable/guilty by a preponderance of the evidence of a violation of Village Code, relating to this licensing, in an administrative/judicial hearing shall be subject to a class IV fine, plus applicable hearing costs, as provided in subsection 1-4-3(G) of this code.

I understand any misrepresentations submitted may be cause for denial. The undersigned does hereby state under penalties of perjury that all statements in the foregoing application are true and correct; that the person or persons applying for video gaming are all of good moral character and have not been convicted of a felony; that if the applicant is approved hereunder, the undersigned will review the Village of Oswego Code of Ordinances, the State of Illinois Compiled Statutes and the Laws of the United State of America and is not disqualified by reason of any matter or thing contained in this document.

Signed: _____ Date: _____
(Authorized Signature)

Title: _____

EXHIBIT B

Cities That Allow Gaming at Gas Stations

Aledo
Aroma Park
Auburn
Bloomington
Bridgeview
Carpentersville
Cedarville
Champaign
Christopher
Cordova
Coulterville
Divernon
Du Quoin
East Alton
Freeport
Hillsdale
Kankakee
Lasalle
Madison
Mahomet
Montgomery
Mount Sterling
Mount Vernon
Odell
Oglesby
Ottawa
Petersburg
Riverton
Rochelle
Seneca
Shabbona
Somonauk
West Frankfort
Woodlawn
Yorkville