

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING
OSWEGO VILLAGE PRESIDENT AND BOARD OF TRUSTEES
OSWEGO VILLAGE HALL
100 PARKERS MILL, OSWEGO, ILLINOIS
October 20, 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, Luis Perez, Judy Sollinger and Brian Thomas.

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; Rod Zenner, Community Development Director; Jennifer Hughes, Public Works Director; Joe Renzetti, IT/GIS Director; Carri Parker, Purchasing Manager; and Ryan Morton, Village Attorney.

PUBLIC FORUM

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

David Edelman addressed the Board regarding police funding. Thank you for your service; tax bill portion for the Village is the second lowest; tax money goes to the Police Pension Fund; it's important this funding remains; mistake to not increase the levy; there is a \$5.9 million deficit at the school district; Village has a robust pension program; it attracts long term employees; portion does not always fund it fully; continue to have modest increases; surprised the Village hasn't done body cameras sooner; additional funding needed; get public feedback; ridiculous narrative about defunding; this community supports the police department; these are the same people who didn't want the headquarters.

Todd Milliron addressed the Board regarding the levy; people call him the watchdog in Kendall; commend on lowering the levy; Township will be doing the same; Township sold the building on Templeton; transferring \$240,000 to the Road District; body cameras; sat through budget hearings; new Inspector General (IG) position at County; County receiving cameras in a few weeks; IG position is an oversight position; \$80,000 minus benefits; IG position could be a shared position; opportunity for intergovernmental agreement for shared services; provisions; independent position; he is introducing this idea; funding could be found if shared.

There was no one else who requested to speak; the Public Forum was closed at 6:13 p.m.

OLD BUSINESS

There was no old business.

NEW BUSINESS

G.1 Financial Audit for Fiscal Year 2020 Presentation

Director Horton addressed the Board regarding the presentation of the Comprehensive Annual Financial Report (CAFR) for fiscal year ending April 30, 2020. The final audit report was presented by Brian LeFevre from the auditing firm of Sikich, LLP. For the 17th consecutive year, the Village has received the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Award. Mr. LeFevre stated that he would not be going over the Statistical Section. He provided an "unmodified opinion" and briefly addressed the following:

- Introductory Section

- Independent Auditor’s Report
 - Opinions
 - Change in Accounting Principle
 - ✓ Village adopted GASB Statement No. 83 and No. 84
- Other Reporting Required by Government Auditing Standards
- Opinion Pages 120-121
 - Required by State
- Separate document required for TIF; unmodified
- Management’s Discussion and Analysis
 - These are the “whys” of the statement
 - Required document by GASB
- General Fund Budgetary Highlights; page MD&A 8
 - Fund balance= \$14,190,327
- Statement of Revenues, Expenditures and Changes in the Fund Balances; Governmental Funds
 - Debt service
 - Sale of old PD
 - Revenues are balanced
- Schedule of Employer Contributions; IMRF (last five fiscal years)
 - 4.5% withheld from employee
 - Well-funded plan
 - \$419,397 over the year or 9% of payroll
- Schedule of Employer Contributions; Police Pension Fund (last ten fiscal years)
 - Funding at or more over the ten years
 - \$1,400,001 over the year or 29% of payroll
- Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios; IMRF (last five calendar years)
 - Active versus retirees
 - Total pension liability= \$16,988,060
 - Plan fiduciary net position= \$15,254,491
- Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios; Police Pension Fund (last four fiscal years)
 - Total pension liability=\$47,214,058
 - Plan fiduciary net position=\$33,569,502
 - 2020 total pension liability percentage= 71%
- Schedule of Investment Returns; Police Pension Fund (last six fiscal years)
 - 2020= 2.44%
 - Four of the six years is at 6.5% or more

Mr. LeFevre stated that the audit went smoothly. Remote auditing was challenging.

Board and staff discussion focused on what contributes to determining police pension; actuary is looking at unfunded liability plus current fund needs; fully funding by year 2040; Village funding IMRF on a 15 year rolling basis; don’t have to achieve 100% funding for IMRF; how employer contributions to the Police Pension is compared to others in the area; Village is doing ok; return on investment; don’t fund on highs and lows; fund over a five year average; misinformation out there. There was no further discussion.

G.2 Calendar Year 2020 Village of Oswego Tax Levy Discussion

Director Horton addressed the Board regarding the property tax levy. The Village tax levy must be adopted by the Village Board and filed with the County Clerk’s office by the last Thursday in December. Scenarios for the Levy of property taxes for calendar year 2020 are being presented for consideration based on an estimated 5% equalized assessed value (EAV) increase provided by the Kendall County Supervisor of Assessments.

2020 Tax Levy Options

Description	Levy Amount	Increase in \$ of levy	% increase in levy	Tax rate	% inc./dec. in tax rate	Tax increase for a	Tax increase for a
						home w/eav at 250,000	home w/eav at 325,000
Funding for Police and IMRF pensions	\$2,283,331	\$807,306	55%	0.22382	47%	\$64.93	\$85.71
Funding for Police pension only	\$1,783,331	\$307,306	21%	0.17481	15%	\$24.98	\$32.89
Tax rate equal to tax rate last year	\$1,549,834	\$73,809	5%	0.15192	0%	\$6.33	\$8.23
Decrease tax rate 1%	\$1,534,328	\$58,303	4%	0.1504	-1%	\$5.09	\$6.59
Decrease tax rate 2%	\$1,517,500	\$41,475	3%	0.14875	-2%	\$3.75	\$4.82
Levy same dollar amount as last year	\$1,476,000	\$0	0%	0.14468	-5%	\$0.43	\$0.43

The table displays the levy amount, resulting tax levy dollar change from the 2019 tax levy, the percentage increase in the tax levy, the resulting tax rate, the percentage change in the tax rate and the tax increase for property with equalized assessed valuations at 250,000 and 325,000. Staff needs Village Board direction on preparing the tax levy ordinances for a subsequent meeting. Considerations on whether the tax levy should be increased or decreased should include the pandemic's effect on Village revenue streams, the increase in contributions to the employee pension funds and general operating cost increases. Five individual levy abatements for outstanding bond issues will be on the agenda at an upcoming Village Board meeting. These levies are automatically extended by the County Clerk unless abated (not levied) by the Village Board. The total amount to be abated for calendar 2020 is \$4,220,836. Two special service area levies will also need to be adopted at a Village Board meeting. These two levies are for the Fox Chase Estates area for maintenance of the detention pond and landscape berm along Mill Road. Last year's levies totaled \$1,173.

Board and staff discussion focused on Village decreased 1.5% last year; don't leave money on the table which happens when we don't collect all the money; if we never increase, it keeps compounding; any philosophy is good; if never increase the levy, then we would never see another dollar from a growing community; if reduce by 1.5%, is the police pension funded; actuary amount is funded; cut amortization rate by two years; found ways to cover cost; seen in the paper and online on how the Village is not funding; contribution will go up every year 3.5%; if good interest earnings, then percentage may be less; have cut two years in the past; Village hired a new officer this year; administered the officer's oath at the last meeting; having semantics problem with the term "fully funded"; if we give the money that the actuary says every year, then we will be funded by 2040; don't want to give more than required; if we keep up with the required amount and an economic disaster hits we should be ok; need to achieve 90% funding by 2040; municipality must contribute every year; Village has had to use other funds to contribute to the required amount; have been doing this for past 4-5 years; can use funds to off-set other funds; difference could be what we don't fund; residents do not like property taxes going up; people haven't been able to go back to work; wanting to make aware of choices for long term consequences; short term and long term; no problem funding ahead; cut things we don't need this year; we have major projects with major money coming up; General Funds get transferred to the Police Pension Fund; levy has to go towards each fund; need to disclose what and where the funds go; would be reflected in the audit; CPI is 2.3%; EAV is minimum of 5%; range of small cuts will be the same as last year; why wanting to know what the CPI is; won't know the EAV until April; Village is second lowest taxing body; if the school district would do the same; lead by example and others will do the same; all others increased; staff to provide zero to 2% reduction options and include half percentages in the options. Staff will provide at a future Board meeting. There was no further discussion.

G.3 Police Body Worn Camera Overview & Discussion

Agenda item was moved to the October 20, 2020 Regular Village Board meeting under Staff Reports.

CLOSED SESSION

There was no closed session.

ADJOURNMENT

The meeting adjourned at 7:01 p.m.

Tina Touchette
Village Clerk