MINUTES OF AN OSWEGO INTERGOVERNMENTAL LEGISLATIVE MEETING OSWEGO VILLAGE HALL 100 PARKERS MILL, OSWEGO, ILLINOIS February 2, 2017

WELCOME BY OSWEGO VILLAGE PRESIDENT, GAIL JOHNSON

President Johnson called the meeting to order at 9:10 a.m.

PUBLIC FORUM

President Johnson opened the Public Forum at 9:10 a.m.

There was no one that requested to speak; the Public Forum was closed at 9:10 a.m.

ATTENDANCE

Village of Oswego: President Gail Johnson; Trustees; Judy Sollinger, Pam Parr, Luiz Perez and Karen McCarthy-Lange; Village Administrator, Dan Di Santo; and Deputy Clerk, Vel Derdzinski.

Senator Linda Holmes, 42nd Dist. of. IL; Senator Sue Rezin, 38th Dist. of IL; Senator Jennifer Bertino-Tarrant, 49th Dist. of IL; Rep. David Welter, 75th Dist. of IL; Rep. Keith Wheeler, 50th Dist. of IL; and Rep. Stephanie Kifowit, Rep. 84th Dist. of IL.

Waubonsee Community College: Director of Federal and Cultural Relations, Lourdes "Lulu" Blacksmith.

SD308: Superintendent, Dr. John Sparlin; Asst. Superintendent, Ali Mehanti; Asst. Director, Julie Lam and Board Member, Jared Ploger.

Oswego Fire Protection District: Chief, Mike Veseling.

Oswegoland Park District: Director, Rich Zielke.

President Johnson asked the audience to join her in welcoming the Legislators.

President Johnson stated that today the Village of Oswego and the other entities would be informing the Legislators as to who we are as a community and what our concerns are. President Johnson presented a list of demographics for the Village of Oswego:

Oswego-Who Are We?

- Population of 33,955
- Largest community in Kendall County
- Population expected to grow to 70,000 by 2040
- Key Statistics
 - ➤ 15.53 square miles
 - > 10,538 housing units
 - > 2,520 businesses
 - ➤ 2.8 million square feet of retail
 - > 70 restaurants
 - ≥ 2 hotels

•	Demographics	US	IL	Oswego
	Median Age	37.6	37.3	36.2
	-	US	IL	Oswego

Bachelor's Degree +	28.50%	31.10%	42.40%
Homeownership	65.50%	68.00%	84.60%
Med Home Value	\$181,400	\$190,800	\$234,400
Median Household Income	\$53,046	\$56,853	\$96,825
Below Poverty	14.90%	13.70%	3.40%

- Top Five Employers
 - 1. School District 308-1,887
 - 2. Meijer Corporation-300
 - 3. Jewel/Osco-280
 - 4. Wal-Mart Stores-270
 - 5. Kohl's-225

President Johnson introduced Lourdes "Lulu" Blacksmith, Director of Federal and Cultural Relations of Waubonsee Community College; Dr. John Sparlin, Superintendent of Oswego District 308; Mike Veseling, Fire Chief of Oswego Fire Protection District; Rich Zielke, Director of Oswegoland Park District; and Dan Di Santo, Village Administrator.

PRESENTATIONS

WAUBONSEE COMMUNITY COLLEGE— Director of Federal and Cultural Relations, Lulu Blacksmith.

Director Blacksmith thanked the Senators and Representatives for their support and relationships. Director Blacksmith stated that their main concern is the budget. Most of the Waubonsee Community College funding comes from property taxes and tuition. Dr. Smith said they have a huge gap in their budget and she is hoping that the governor will be passing the budget. Dr. Blacksmith asked for support of grants for Veterans.

OSWEGO SCHOOL DISTRICT 308- Superintendent, Dr. John Sparlin thanked the Village for hosting the meeting today and introduced Asst. Superintendent of Business and Services, Ali Mehanti. Dr. Sparlin stated that District 308 is the seventh largest school district in Illinois and is unique in how it is funded. Dr. Sparlin explained that Ali Mehanti, Asst. Superintendent for Business Services, will be giving a presentation that will tell us where District 308 receives their funding, where we are now and where District 308 will be in 5 years in regards to funding. Dr. Sparlin's hope is that the information presented here today will be utilized in representing constituents here from District 308 down in Springfield.

Ali Mehanti, Asst. Superintendent for Business and Services thanked everyone for their time and stated that he would be giving the fiscal state of District 308.

- Total Revenues \$191,000,000 FY2017 –Revenue Sources for Schools Operating
 - ➤ 49% Property Taxes
 - ➤ 39% State Funding-General State Aid, Special Education Aid, Early Childhood, Bilingual, Drivers Education, School Breakfast, Library and Transportation
 - > 4% Federal Funding-Title I, Title II, Title III, Food Subsidies, Medicaid and IDEA
 - > 7% Other Local-Interest Income, Food Service Sales, Student Fees & Rental Fees
 - > 1% CPPRT- Corporate Replacement Taxes
- General State Aid-

- > Based on average daily attendance of the school district
- Foundation level set by the state at \$6,119 (proration is applied after)
- ➤ Higher the average daily attendance, more state aid we collect
- > Other variables are property values and low income ratios

Federal Revenue-

- ➤ Title I-Improving Achievement-The purpose of this grant is to ensure that all children have a fair, equal, and significant opportunity to obtain a high-quality education and reach, at a minimum, proficiency on challenging State academic achievement standards and state academic assessments.
- > Title II-The purpose of the program is to increase academic achievement by improving teacher and principal quality.
- Title III-Title III is designed to improve the education of Limited English Proficient (LEP) students by helping them learn English and meet challenging state academic content and student academic achievement standards.
- ➤ Food Subsidies-National School Lunch Program
- Medicaid-Physical Therapy, Occupational Therapy, Nursing Services
- ➤ IDEA-Special ED Grant
- Total Expenditures-Operating
 - ➤ 69% Salaries
 - ➤ 15% Employee Benefits
 - > 9% Purchased Services
 - > 5% Supplies & Materials
 - ➤ 2% Other
- 2017-Expenditures-Operating
 - ➤ 84% of all expenses can be tied to salaries & benefits.
 - Remaining 16% (\$30 Million) is spent on technology, buses, food service, utilities, phones, building maintenance, curriculum, supplies, tuition, etc.
- Recent Financial History-Education, Operations, Maintenance, Transportation, IMRF and Working Cash Flow

Audited Year-End Balances-in Millions

- o 2011-\$31.3 Million
- o 2012-\$32.9 Million
- o 2013-\$33.0 Million
- o 2014-\$33.6 Million
- o 2015-\$33.0 Million
- o 2016-\$25.8 Million
- Revenue vs Expenditures

<u>REVENUES</u>	<u>EXPENDITURES</u>
\$142,483,276	\$135,863,940
\$146,269,520	\$144,168,444
\$151,843,553	\$151,403,236
\$161,599,518	\$160,630,184
\$166,319,267	\$167,406,753
\$173,700,141	\$180,202,204
	\$142,483,276 \$146,269,520 \$151,843,553 \$161,599,518 \$166,319,267

• History & FY16 Deficit

In FY2016 District 308 spent 6.5 million more than what was brought in due to:

- ▶ 4th quarter state categorical revenues were deferred into FY2017
- Unfunded mandates (1:1 TAs, 70/30 rule etc.)

Expenditure increase since FY11 to FY16 is primarily due to staffing as the student enrollment kept increasing. Other factors include benefits, textbook adoptions, increased cost in utilities, busing, building maintenance, etc.

• Recent Financial History

	2011	2012	2013	2014	2015	2016
Federal	\$4,181,231	\$6,058,096	\$3,633,745	\$3,994,083	\$4,623,610	\$5,223,610
Other State	11,771,357	11,407,159	14,029,060	12,973,005	13,387,277	13,790,582
Gen. State Aid	32,145,390	31,559,304	33,375,759	41,365,697	43,784,230	52,093,846
Other Local	9,246,537	9,436,470	10,238,496	10,757,724	10,456,402	10,556,400
Property Taxes	85,138,761	87,807,691	90,566,493	92,509,009	93,625,027	93,625,027

• Projections-Revenues vs Expenditures

Revenues					
2017	2018	2019	2020	2021	2022
\$190,755,862	\$189,233,132	\$190,135,291	\$191,644,733	\$193,237,267	\$194,301,638
Expenditures					
2017	2018	2019	2020	2021	2022
\$190,572,685	\$196,625,188	\$203,141,254	\$209,917,294	\$216,905,084	\$224,141,306

Projections-Operating Funds-Projection Summary

FY End Balances								
2017	2018	2019	2020	2021	2022			
\$25.9 Million	\$18.5 Million	\$5.5 Million	(\$12.8 Million)	(\$36.4 Million)	(\$66.3 Million)			

- Future Revenues not keeping up with Expenditures. If nothing changes with the State, District 308 will be bankrupt. The State would take over.
 - > State funding formula
 - > Declining Student Enrollment
 - > Increased property values
 - > Consumer Price Index is at historic lows
 - > 88% of the Equalized Assessed Valuation (EAV) is residential
 - Prorated Categoricals
 - ➤ Delayed categorical grants by the state (As of January 11th, 2017, we are still awaiting 1st quarter and 2nd quarter payments from the state which is around 7 million dollars)
- Why are projected expenditures going up?
 - Union Contracts
 - ➤ Health insurance cost will continue to rise
 - Unfunded mandates

- > Increased purchased services (third party contracts, utilities, building repairs/maintenance)
- > Equipment needs
- > Technology
- Past, Current & Future Enrollment
 - > Enrollment 2006/07 13,492
 - > Enrollment 2016/17 17,442
 - > Enrollment 2021/22 17,251
- Consumer Price Index (CPI) History

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
4.1%	0.1%	2.7%	1.5%	3.0%	1.7%	1.5%	0.8%	0.7%	2.1%

- State Aid-Cost of Proration
 - > Total dollars lost \$21.5 Million
 - ➤ 4th categorical payment was not received in FY 16: \$3 million.
- State Funds Impact
 - > \$49 Million Dollars in Unpaid Capital Development Grant
 - > \$21.5 Million Dollars in Unpaid General State Aid
 - > \$ 7 Million Dollars in Delayed State Categorical Payments
 - > \$77.5 Million Dollars Could Have Been Utilized Towards:
 - ✓ Deficit reduction
 - ✓ No reason to issue Tax Anticipation Warrants
 - ✓ Capital Improvement Plan
 - ✓ Technology Improvement Plan
 - ✓ No need to issue non-referendum bonds
 - ✓ Providing relief to current property tax payers by abating outstanding bonds
- Expenditure reductions for 2016-2017 school year- Total \$3.2 Million
 - Departmental Budget Reductions: \$1.2 Million
 - ➤ District Administration/Staff restructuring/Admin salary freeze: \$561,000
 - Restructuring workers comp and property insurance: \$600,000
 - ➤ Health insurance restructuring: \$300,000
 - Custodial Restructuring (Attrition): \$240,000
 - Reduced contractual services: \$280,000
- Expenditure Reduction Impact
 - > Students-Reduction/Elimination of Programs
 - > Staff-Employee work load, course limits, alternative deliveries of selected services
 - ➤ Operational Services-Renegotiation of third-party contracts, paperless solutions, energy conservation, competitive bidding/purchasing, insurance savings, and debt restructuring
- 2015 Operational Spending Per Student
 - > Spending at least \$3000 per student lower than the average.
 - Not over spending, very efficient.
- FY15 Operating Fund Revenues by Source-Revenue By Source Per Student
 - > \$9000

- Deficit Reduction
 - Legislative Action: The Governor appointed a commission to revise the school code. One of the approaches they have studied is the evidence based model. The Governor's commission's report is due in a few weeks. After the report is complete, a bill must be drafted and passed in Springfield as well as approved by the Governor before any school aid formula it recommends can become law. How the report will read is currently unclear.
 - Expenditure Reduction: Reduce staff which accounts for 84% of District 308's operating budget. Before cutting programs, we would go for tax referendum.
 - Tax Referendum: Plan for an operating tax rate referendum.

There was discussion from the Legislators regarding state aid proration, fund balance, categorical payments, tax freeze demand from the Governor's office, and the Governor's commission report. There is a high concentration of school districts with high poverty. It costs more to educate students in high poverty so they can be successful when they graduate. We cannot keep taxing people more.

Mr. Mehanti stated that if the property tax freeze passes, for 2 years District 308 will lose \$37 million, and for 5 a year freeze they will lose \$74 million.

OSWEGO FIRE PROTECTION DISTRICT- Fire Chief, Mike Veseling thanked the Village of Oswego and all the taxing bodies for all their support. Chief Veseling asked the Legislators for their support in the following items:

- Fire fighters emotional health and welfare.
- To require residential sprinkler systems (death rates in residential buildings with sprinkler systems have dropped as much as 70%).
- Pension Funding-will there be a Tier 3? Fire fighters concerned that the State will try getting into the funds. Oswego is presently funded at 100%.
- Crude Oil Shipment by Rail- Rail lines should be accountable for the foam in case of hazmat fire by rail. Rail lines to be required to have depots with foam along these routes. Fire Chief Veseling asked for the Legislators support to go to the federal level.

Senator Kifowit asked Fire Chief Veseling to put his request regarding railroad shipments of flammable oil in a letter and she would forward it on to the congressman that they represent.

OSWEGOLAND PARK DISTRICT- Director, Rich Zielke thanked the legislators for taking the time to come out to the meeting today. Director Zielke presented an overview of the Oswegoland Park District operation:

- Overview
 - > Established by a referendum in 1950
 - > Separate government entity known as a "special district"
 - > Serves approximately 52 thousand residents, 36-mile service area, including Village of Oswego, Boulder Hill, and parts of Montgomery, Aurora and Plainfield.
- Mission Statement- It is the mission statement of the Oswegoland Park District of effectively and responsively:
 - Plan, acquire, develop, maintain, and preserve parks, facilities, and natural and historic areas.
 - Provide diverse, accessible, high-quality services and program.

- > Provide our community with opportunities to play, gather, celebrate, learn and enjoy nature.
- ➤ Provide leadership, staff and volunteers with the resources and environment to create a park district that reflects the spirit of our community.

In the process of changing the mission statement. Will be receiving accreditation this fall.

- Vision Statement-Creating Opportunities for a Healthy Community.
- Overview of Structure- Oswegoland Park District Residents, Park Board of 5 Commissioners, Executive Director, HR, Operations, Finance, Planning & Development, Recreation & Marketing, Customer Service, IT and Golf.
- 2014 Survey Results
 - > 7 Page Survey
 - > 3000 Homes by mail, web, and phone
 - ➤ 665 Completed
 - > 95% level of confidence,+/- 3.8%
- 2014 Survey Results Facility Visits in Past Year
 - > 88% park or facility
 - > 76 % trail
 - > 71% neighborhood park
 - > 54% Fox Valley shoreline
 - > 49% playground
 - > 47% large community park
 - > 44% pool/aquatic park

Director Zielke commented that the Park District has very extensive before and after school programs. Director Zielke thanked the school district for all their support.

- Facilities
 - Prairie Point
 - ➤ South Point
 - ➤ Boulder Point
 - ➤ Civic Center
 - ➤ Winrock Pool
 - > Fox Bend Golf Course
- Parks
 - ➤ 60 parks, 995 acres
 - ➤ 30 neighborhood parks
 - > 3 community parks
 - > 5 community parks & sports fields
 - > 13 natural area parks
 - ➤ 9 greenways
- Historic Sites & Facilities
 - 1. Little White School Museum
 - 2. Stewart Farm
 - 3. Mill Park
 - 4. Troy Park

- Program Offerings
 - Adults Sports, Aquatics, Birthday Parties, Dance, Fitness, Golf, Gymnastics, Health & Wellness, Kid's Connection, Limelight Theatre, As We Grow Preschool, Seniors, Special Events, Teens, Youth Sports and Youth Varied Interest.
- Participants
 - ➤ Approximately 28,000 program participants annually.
 - > Over 60,000 attendees at PrairieFest
- The Power of Parks
 - ➤ Healthier Lifestyle
 - > Thriving Economies
 - Engaged Communities
 - > Sustainable Environments
- Healthier Lifestyles: Parks & Recreation Programming
 - The most cost effective strategy to increase physical activities
 - > Can increase self-esteem
 - > Boosts a sense of belonging in the community
 - ➤ Can lower healthcare costs overall –active people save over \$1,500 in annual care versus non-active people
- Thriving Economics: Parks & Recreation Programming
 - Parks and recreation is \$3 billion industry in Illinois
 - Employs over 63,000 people in Illinois
 - Parks Improve the local tax base and increase property values

The Oswegoland Park District has 50 full-time employees and up to 800 employees during the summer. 45% of the employees are under the age of 25.

- Engaged Communities: Striving for Social Equality Through...
 - > The provision of a safe space for youth to participate in programming or mentorship
 - > Designing open green spaces where structured and unstructured play can occur
 - > Providing a variety of programs for youth and teens in the community
 - > Encouraging volunteerism
- Sustainable Environments: Open Space Impacts
 - > Pollution control—one acre of trees absorbs the carbon dioxide produced by driving a car 11,000 miles
 - ➤ Park & Rec agencies provide 10% of Illinois' 1.5 million acres of public land
 - > Improve human stewardship

Director Zielke thanked the Legislators for all their support and availability.

VILLAGE OF OSWEGO- President Johnson and Village Administrator, Dan Di Santo presented the 2017 Legislative Priorities.

Village of Oswego Legislative Priorities

- Protect Local Government Revenue
 - ➤ Protect Local Government Distributive Fund distributions, which have already been reduced.

- > Oppose a property tax freeze, which causes local government fiscal problems and does not solve the State's.
- Automatically distribute local revenues (Motor Fuel Tax, Video Gaming, Use Tax, 9-1-1 to municipalities.

President Johnson stated that the Village of Oswego has an extremely low property tax of 1.5%. Montgomery is over 5%, Yorkville over 7% and Plainfield over 6%.

- Pass a State Budget and Capital Bill
 - Work together to solve the State's budget impasse and restore order to the State.
 - ➤ Help fund regionally significant infrastructure projects.

President Johnson asked for support on three major projects; Joint water facility, Wolf's Crossing Road, and Metra.

- Control the Rising Cost of Public Pension
 - Municipalities should be included in negotiations for pension legislation.
 - > Combine administrative functions of public safety pensions.
- Support Metra Service to Kendall County
 - > Support the BNSF extension as a High Priority in the CMAP 2050 Plan.
 - > Pass a Capital Bill
- Protect Municipal Authority
 - > Oppose laws that preempt local authority and undermine autonomy, particularly with personnel issues, land use issues and infrastructure funding.
 - Restore municipal authority to determine the form of surety accepted for development improvements.
 - > Give local governments a seat at the table on Workers Compensation reform.
 - Municipalities must be members of any governing body that will guide water supply planning and policy.

Administrator Di Santo asked the Legislators to please include the municipalities in discussions when they are going to impact the municipality.

- Address Vacant Retail Market Manipulations
 - > Prevent landlords and tenants from causing storefronts to remain vacant.
 - > Implement "Anti-Dark Store" legislation to stop chain stores from artificially lowering their assessments.

President Johnson stated that Jewel has no incentive not to keep Dominick's store dark. They said it could be dark up to 40 years. Need to prevent landlords from causing these stores to stay vacant. Sen. Holmes stated that she would start some legislation on this issue.

- IDOT District 3 Should Manage Traffic Signals Along State Highways
 - > This is currently practiced in District 1, where IDOT maintains the signals and issues the Village a bill.

Representative Kifowit asked Administrator Di Santo to send her a formal letter with this request.

President Johnson thanked all the Legislators for coming and taking the time out of their day to be at this meeting. President Johnson asked if there was anyone that had anything to say in closing. Representative Keith Wheeler thanked everyone and said he had just received a text from Representative Batinick and that he had a work commitment and was sorry he was unable to be there. Rep. Wheeler said he lives in Oswego, and he cares about Oswego and he appreciates all the work done through all the districts. Rep. Wheeler noted what a good panel of representatives, and that the punch list was very helpful and asked that they all work together as they go back to Springfield.

Representative Stephanie Kifowit said she is always available to be the Representative at the table for the Village. Representative Kifowit stated that there are a lot of challenges ahead with the State.

Senator Linda Holmes thanked everyone and commented that she had been a Representative for ten years, and the past two years have been her most challenging. Senator Holmes said we are all here as a bipartisan group; we all are representing communities so we have shared interests; the issues we are looking at should not be partisan issues; these are quality of life and people issues. Senator Holmes said she is committed to working on all the issues that were brought forward today.

Senator Sue Rezin thanked everyone for listening to her and answering her questions. Senator Rezin stated it is very valuable when they can go back and talk about specifics and how the Village is affected. Sen. Rezin said there are very difficult decisions to be made going forward in regards to the budget. Sen. Rezin asked if decisions that are made are not working, please come with suggestions of what might work.

Senator Jennifer Bertino-Tarrant thanked everyone for joining together at the Village. She thanked President Johnson for being such a great advocate for her community and promoting conversation. Senator Bertino-Tarrant said they do understand the problems and are trying to resolve them.

SD308 Jared Ploger questioned the Legislators in regards to the problem of Illinois indirectly propping up other states for roads and keeping their property taxes lowered. Mr. Ploger said that \$50 million was funneled out of the State of Illinois toward the federal government as opposed to what we funneled in. Senator Holmes suggested contacting Congressman Foster. Senator Holmes said Illinois is called the donor state. Sen. Holmes said the problem is they can't get the votes because of the way the Senate is divided; therefore they cannot get this changed. Legislators agreed that Illinois could have definitely used that money.

There were no other comments or discussion.

ADJOURNMENT

The meeting ended at 10:40 a.m.

Vel Derdzinski Deputy Clerk