

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING
OSWEGO VILLAGE PRESIDENT AND BOARD OF TRUSTEES
OSWEGO VILLAGE HALL
100 PARKERS MILL, OSWEGO, ILLINOIS
May 18, 2021**

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; Trustees Tom Guist, Kit Kuhrt, James Marter II, Terry Olson, and Jennifer Jones Sinnott.

Board Members Absent: Trustee Brian Thomas.

Staff Physically Present: Dan Di Santo, Village Administrator; Christina Burns, Asst. Village Administrator; Tina Touchette, Village Clerk; Jeff Burgner, Police Chief; Jennifer Hughes, Public Works Director; Rod Zenner, Community Development Director; Mark Horton, Finance Director; Jenette Sturges, Community Engagement Coordinator, Marketing; Susan Quasney, Project Engineer; Karl Ottosen, Village Attorney; and Ryan Morton, Village Attorney.

PUBLIC FORUM

Public Forum was opened at 6:02 p.m. There was no one who requested to speak. The public forum was closed at 6:02 p.m.

OLD BUSINESS

There was no old business.

NEW BUSINESS

G.1 Discussion with the Chicago Metropolitan Agency for Planning (CMAP) regarding the Unified Development Ordinance (UDO) project.

Director Zenner addressed the Board regarding the UDO project. The Village utilizes two main sets of requirements for the development of property within the Village of Oswego:

- 1) Zoning Ordinance
 - Lists permitted and special uses within each of the various zoning districts.
 - Establishes bulk regulations, such as height and setback requirements.
 - Ordinance has existed for several decades and has been amended from time to time to address specific issues that come before the Village that either the ordinance did not address, or to change the regulations within the ordinance.
- 2) Subdivision and Development Regulations
 - Provides the technical aspects for development including right-of-way design, engineering requirements, and various construction detail specifications.
 - Ordinance was last updated in 2008.

The Village received a grant from CMAP, in 2020, through their Local Technical Assistance program. Staff is looking to update the regulations and develop a Unified Development Ordinance. This will provide a single source for the Village and Development Community to reference for future issues including, but not limited, to zoning, land uses, subdivision standards, stormwater requirements, parking, landscaping, and definitions. Starting in 2020, CMAP began working with the Village on a community-based process to update and modernize the Village's development regulations. The update will align the development regulations, land-use practices, and community vision with the Village's Comprehensive Plan. CMAP representatives, Jake Seid, Jared Patton, and Caitlin

Goodspeed are attending tonight's meeting, via phone, to discuss the project and to provide information on the project.

Introduction to CMAP

- Regional planning agency for northeastern Illinois
- 7 counties and 284 municipalities
- ON TO 2050
 - Resilience
 - Inclusive growth
 - Prioritized investment
- Transportation and land use planning
 - Long range planning
 - Program federal transportation dollars
 - Government coordination
 - Policy research
 - Local planning
- Why does CMAP fund this work?
 - Implement the regional plan
 - Connecting local and regional goals
 - Village staff applied during the call for projects
 - Village was selected from 80 applicants
- Why partner with CMAP?
 - Low cost to the Village
 - Committed to implementation
 - Depth of resources and technical expertise

Unified Development Ordinance (UDO)

- Regulated land development and redevelopment
- Includes zoning, subdivisions and signs
- Fully integrates regulations
- Implements the comprehensive plan
- Provides opportunities for further community engagement
- Why do you need a UDO?
 - Existing ordinances are outdated and difficult to understand
 - Respond to changes in the community
 - Address new and emerging community goals
 - Makes regulations user-friendly for residents, staff and developers

Project Timeline

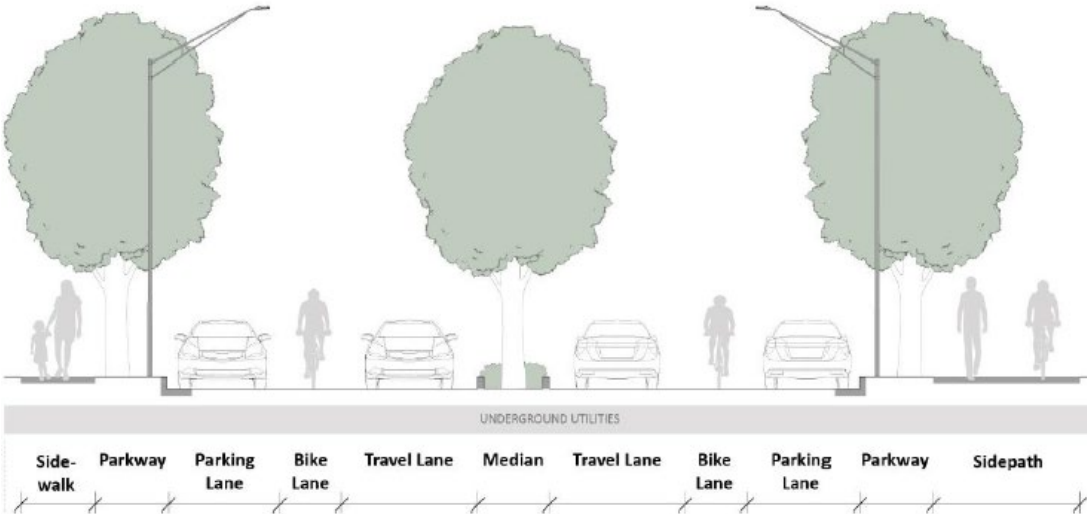
- Approximately 24 month
- Four phases
 - Review existing conditions
 - Assess regulations
 - Draft the ordinance
 - Public review and adoption
- Steering committee

What will the UDO look like?

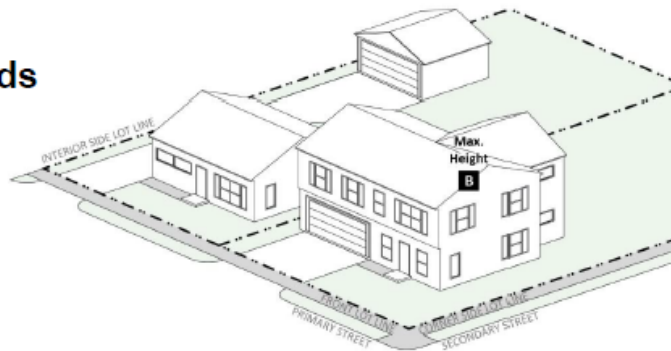
- Administration
 - Bodies
 - Procedures
 - Applications



Subdivision Standards

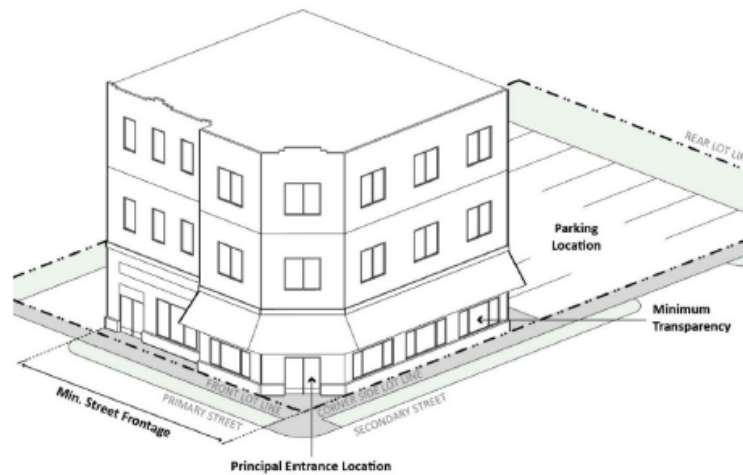


Zoning District Standards



Design Standards

- Residential
- Commercial
- Industrial



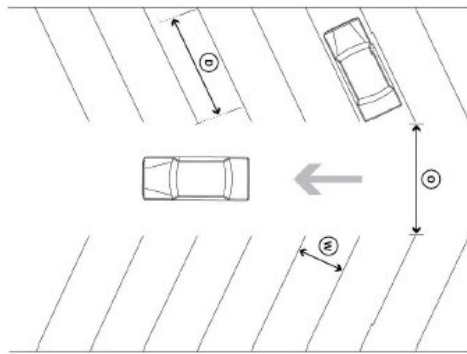
Principal uses



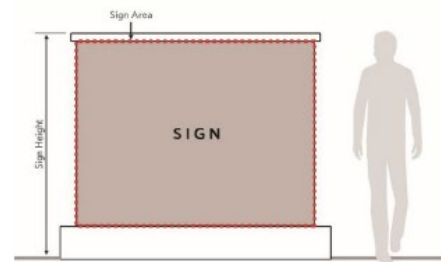
Accessory uses and structures



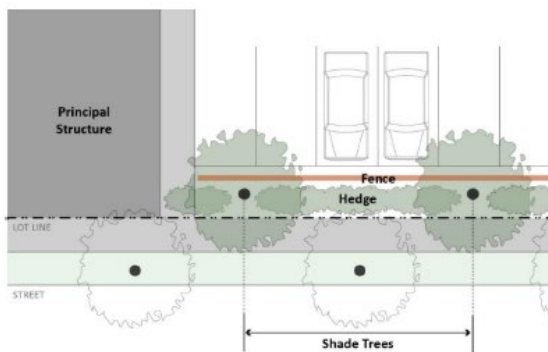
Off-street loading and parking



Signs



Landscape



What it is VS. What it is not

- Not a planning document
 - Implements existing goals
- Not frozen in time
 - Must be monitored and updated
- Cannot require a business to open or close
- Cannot require “good” architecture/design

Conclusion

- Overall
 - More user-friendly
 - Create comprehensive use tables
 - Clarify potential contradictions and conflicts
 - Reduce the use of planned unit developments (PUDs)
- Focus on implementation of the comprehensive plan
 - Keep the Village compact, grow strategically
 - Invest in downtown and the riverfront
 - Maintain a strong economic base
 - Preserve open space

Next steps and projected timelines

- Recommendations memo
 - May-June 2021
- Community outreach
 - Summer 2021 (and beyond)
- Ordinance drafting
 - Summer/Fall 2021
- Project website launch
 - May-June 2021

Board, staff and CMAP reps’ discussion focused on meeting with steering committee tomorrow night; robust public process; writing the UDO in normal English; accessible flow charts; standards and diagrams; “yes but” regulations; doing outreach for relevance; needing to be objective; no regional or local conflicts; changing the effectiveness and goals of the plan; aligning the ordinance; staff to update the goals in 5-10 years; this is the plan to achieve the goals; PUD process is not working; setting a new foundation; helps to understand regulations and eliminates additional processes; streamlines the process; timeline started in 2020; should be in the adoption process by this winter; keeping the Village at the right size for delivery of services; CMAP will not do anything the Village is not comfortable with; best practices; will have an opportunity to review the draft; will not propose anything to drastically change the Village; Village was chosen because we were attractive to CMAP; previously worked with CMAP; Village staff includes planners who will use the plan; CMAP is a regional agency; they look at the region’s future and what will have an impact. There was no further discussion.

G.2 Advance Refunding of Village Outstanding Debt

Director Horton addressed the Board regarding the advance refunding of outstanding bond issues:

- Village issued General Obligation Refunding Bonds, Series 2011 with a call date of December 15, 2021.
- Village issued General Obligation Refunding Bonds, Series 2013 with a call date of June 15, 2023.
- Village issued General Obligation Bonds, Series 2016 with a call date of December 15, 2025.

At a Board meeting in February 2021, Trustee Thomas asked if any of the Village outstanding debt could be refinanced. At that time, the answer was “not yet” due to several factors. However, the Village may have the opportunity to refinance a portion of three outstanding bond issuances over the next six months depending on interest rates and the amount of savings to be realized. Dalena Welkomer, Senior V.P of Baird Public Finance, will be presenting the potential refunding (refinancing) of the 2011 G.O. Bonds, the 2013 G.O. Bonds and the 2016 G.O. Bonds. Staff has been using Baird Public Finance since 2011. An ordinance will be on tonight’s regular Village Board meeting agenda authorizing staff to move forward with any of the three refunding opportunities should the savings parameters be achieved at any time over the next six months.

Hypothetical refunding of Series 2016

- 2016 bonds are callable on December 15, 2025 at par.
- Under current law, the Village has the following options for refunding Series 2016:
 - Taxable advance refunding at any time; can be done now.
 - Tax-exempt current refunding up to 90 days before the December 15, 2025 call date with a delivery in September 2025.
 - ✓ Subjects the Village to interest rate risk the next 4+ years.
- 2017 Reform Bill removed the ability to advance refunding.
 - Advance refunding could be reinstated, but we do not have enough information on whether it will be reinstated.
 - A lot could happen in the next few months.
 - Other municipalities may be geared-up and could cause interest rates to increase if reinstated.
 - A lot could be impacted once the Infrastructure Bill is passed.

Hypothetical refunding comparison

Summary of the assumptions used and estimated refunding statistics for four refunding scenarios:

		Taxable Advance Refunding		Tax-Exempt Advance Refunding	
Assumptions		June 2021	August 2021	August 2021	August 2021
Assumed Pricing		June 2021	August 2021	August 2021	August 2021
Assumed Delivery Date		July 29, 2021	September 30, 2021	September 30, 2021	September 30, 2021
Interest Rate Assumptions (Market Conditions as of May 6, 2021)		Plus 0.15% (Change in 10 YR Treasury as of 2Q 2021 per Bloomberg's April Monthly Forecast)	Plus 0.50% (Change in 10 YR Treasury plus Potential Rise in Rates Due to Increase in Taxable Supply)	Plus 0.25% (Change in 10 YR Treasury as of 3Q 2021 per Bloomberg's April Monthly Forecast)	Plus 0.50% (Change in 10 YR Treasury plus Potential Rise in Rates Due to Increase in Tax-Exempt Supply)
Potential Refunding Statistics					
Hypothetical Refunding Bond Par Amount		\$18,685,000	\$11,480,000	\$19,325,000	\$18,310,000
Assumed Refunded Par Amount		\$15,410,000	\$9,440,000	\$18,520,000	\$17,215,000
Assumed Refunded Maturities		2029-2035	2032-2035	2027-2035	2028-2035
Hypothetical Gross Debt Service Savings		\$1,069,843	\$326,672	\$2,001,592	\$1,514,350
Hypothetical Annual Debt Service Savings		\$71,323	\$21,778	\$133,439	\$100,957
Hypothetical Present Value Savings		\$926,903	\$286,705	\$1,797,008	\$1,334,536
Hypothetical PV Savings as %		6.01%	3.04%	9.70%	7.75%
Hypothetical Negative Arbitrage		\$1,209,171	\$916,862	\$859,711	\$1,004,854
Hypothetical Breakeven to Taxable Advance Refunding		-	-	0.74%	0.36%

↑

Additional Analysis if Reinstatement of Tax-Exempt Advance Refundings:

- A tax-exempt advance refunding of this taxable issue the end of 2021 would not be economical (est. dissavings of \$1 million).
- Could potentially advance refund the untouched callable maturities of Series 2016 (2027-2028) as tax-exempt later in 2021 for additional savings (est. \$120,000 in gross savings/\$118,000 present value savings or 3.8% of refunded par).

- Assumed delivery date is the closing date.
- A lot can happen in this market.

Hypothetical tax-exempt current refunding of Series 2011

- 2011 bonds can be currently refunded at tax-exempt interest rates up to three months prior to the December 15, 2021 call date with pricing in August and delivery in September.

- The alternative is a taxable advance refunding at any time which is not economical based on current market conditions.
- Assuming a public offering, current market rate and this rolled in with the Series 2016 refunding, estimated potential present value savings of \$50,000, or 4.43%.
- May not make sense as a stand-alone.
- Given the size of the proposed refunding and its short amortization, the Village may be able to achieve greater debt service savings through a private placement.

		2011 Bonds	
Call Date		December 15, 2021	
Hypothetical Refunding Bond Par Amount	\$1,115,000		
Assumed Refunded Par Amount	\$1,165,000		
Assumed Refunded Maturities	2022-2024	Sensitivity Analysis	
Hypothetical Gross Debt Service Savings*	\$51,486	Yield - 0.10%	Yield + 0.10%
Hypothetical Present Value Savings**	\$51,575	\$54,306	\$48,852
Hypothetical PV Savings as %**	4.43%	4.66%	4.19%

*Calculated assuming current market conditions as of April 27, 2021 for comparable issuers and bank qualified general obligation transactions rated Aa2 and assuming the same debt payment schedule and final maturity date as the 2011 Bonds. **Rates are subject to change and the actual rates may vary from those assumed. If actual rates are higher, potential savings will be lower.**

**Calculated using the refunding bond yield of 0.441% as the discount rate.

This summary of hypothetical potential interest cost savings is for information purposes only. It does not contain an express or implied recommendation and is not intended to be advice.

Hypothetical tax-exempt current refunding of Series 2013

- If the Local Act is passed, it could potentially create an opportunity for the Village to advance refund this bond Series at tax exempt interest rates for debt service savings.
 - The alternative is a taxable advance refunding which is not economical based on current market environment.
- Based on current market conditions, the potential present value debt service savings would be \$130,000, or 4.97% of the refunded par amount.

		2013 Bonds	
Call Date		June 15, 2023	
Hypothetical Refunding Bond Par Amount	\$2,525,000		
Assumed Refunded Par Amount	\$2,620,000		
Assumed Refunded Maturities	2025-2027	Sensitivity Analysis	
Hypothetical Gross Debt Service Savings*	\$129,973	Yield - 0.10%	Yield + 0.10%
Hypothetical Present Value Savings**	\$130,101	\$143,826	\$116,455
Hypothetical PV Savings as %**	4.97%	5.49%	4.44%
Hypothetical Negative Arbitrage	\$23,887		

*Calculated assuming current market conditions as of April 27, 2021 for comparable issuers and bank qualified general obligation transactions rated Aa2 and assuming the same debt payment schedule and final maturity date as the 2013 Bonds. **Rates are subject to change and the actual rates may vary from those assumed. If actual rates are higher, potential savings will be lower.**

**Calculated using the refunding bond yield of 0.637% as the discount rate.

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Economic/interest rate update and forecast

- Survey done by economists.

INTEREST RATE FORECAST

	5/6	2021			2022				2023	
		2Q*	3Q*	4Q*	1Q*	2Q*	3Q*	4Q*	1Q*	2Q*
Fed Funds Upper	0.25%	0.25%	0.25%	0.25%	0.30%	0.30%	0.30%	0.35%	0.35%	0.45%
Fed Funds Lower	0.00%	0.00%	0.01%	0.01%	0.03%	0.04%	0.06%	0.08%	0.12%	0.20%
2-Year Treasury	0.16%	0.19%	0.25%	0.31%	0.38%	0.46%	0.55%	0.63%	0.70%	0.79%
5 -Year Treasury	0.81%	0.90%	0.97%	1.00%	1.08%	1.15%	1.24%	1.32%	1.40%	1.48%
10-Year Treasury	1.58%	1.71%	1.78%	1.83%	1.92%	1.98%	2.04%	2.12%	2.23%	2.30%
30-Year Treasury	2.24%	2.39%	2.47%	2.50%	2.58%	2.64%	2.69%	2.74%	2.90%	2.96%
3-Month Libor	0.17%	0.22%	0.24%	0.27%	0.30%	0.34%	0.37%	0.39%	0.50%	0.57%

ECONOMIC FORECAST

Indicator	Q1 21*	Q2 21*	Q3 21*	Q4 21*	Q1 21*	Q2 22*
Economic Activity						
Real GDP (YoY)	0.4%	12.2%	6.4%	6.6%	5.9%	4.7%
Real GDP (QoQ)	6.4%	8.1%	7%	4.7%	3.7%	3%
CPI (YoY)	1.9%	3.2%	2.7%	2.6%	2.2%	2.2%
PCE Price Index (YoY)	1.7%	2.6%	2.2%	2.3%	2%	2%
Core PCE (YOY)	1.6%	2.2%	1.8%	2%	2%	2%
Housing Market						
Housing Starts (000s monthly avg.)	1546	1579	1533	1500	1493	1505
New Home Sales (000s, monthly avg.)	890	907	931	940	927	902
Existing Home Sales (Mln SAAR, mthly avg.)	6.5%	6.4%	6.4%	6.3%	6.1%	6.1%
Building Permits (000s monthly avg.)	1738	1700	1694	1688	1671	1676
Labor Market						
Unemployment (%)	6.2%	5.6%	5.2%	4.8%	4.6%	4.4%
Non Farm Payrolls (000s mthly chg.)	916	631	588	475	350	284
Average Hourly Earnings (YoY)	4.2	1.4%	2.5%	2.4%	2.1%	2.5%

Board, staff and Baird discussion focused on thresholds need to be met; allows to enter market quickly; have six month window; if no parameters are met, it may come back next year; could be possible that no one picks the bonds up; depends on legislation; would not recommend moving forward if can't capture savings; potentially risking \$600,000; other municipalities are waiting to see; will have a better feel for it in early July; all reliant on tax exempt being reinstated; paperwork has been started so the Village can be first in market; market is not easy to predict; \$2 million is attractive, but hard to give up on savings; ok with moving forward with \$1 million; downside risk if taxable route; dependent on rating industry; draft statement could be accelerated; decision has to be made when bonds are priced; wanting investors to be happy; savings are impossible to project; interest rates could rise over the next 6-8 months; next Federal Reserve meeting is in June 2021; impacted more by the rates. There was no further discussion.

CLOSED SESSION

There was no closed session.

ADJOURNMENT

The meeting adjourned at 7:06 p.m.

Tina Touchette
Village Clerk