

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING
OSWEGO VILLAGE PRESIDENT AND BOARD OF TRUSTEES
OSWEGO VILLAGE HALL
100 PARKERS MILL, OSWEGO, ILLINOIS
October 18, 2022**

CALL TO ORDER

President Troy Parlier called the meeting to order at 6:03 p.m.

ROLL CALL

Board Members Physically Present: President Troy Parlier; Trustees Tom Guist, James Marter II, Terry Olson, Jennifer Jones Sinnott, and Brian Thomas

Staff Physically Present: Dan Di Santo, Village Administrator, Christina Burns, Asst. Village Administrator; Tina Touchette, Village Clerk; Kevin Norwood, Deputy Chief; Jennifer Hughes, Public Works Director; Rod Zenner, Community Development Services Director; Andrea Lamberg, Finance Director, Bridget Bittman, Community Engagement Manager- Marketing; Kevin Leighty, Economic Development Director; Joe Renzetti, IT/GIS Director; Billie Robinson, Asst. Finance Director; Chuck Hervas, Attorney; and Karl Ottosen, Village Attorney.

PUBLIC FORUM

Public Forum was opened at 6:04 p.m. There was no one who requested to speak. The public forum was closed at 6:04 p.m.

NEW BUSINESS

G.1 Calendar Year 2022 Property Tax Levy Discussion

Director Lamberg addressed the Board regarding the 2022 property tax levy. An ordinance needs to be filed with the County Clerk by December 27, 2022. There are three components related to the tax levy:

- 1) Active SSA's that Village maintains
 - #04- limiting rate= 1%; EAV levy increase .4% this year
 - #05- limiting rate= 1.5% EAV levy increase 1.9% this year
- 2) Abatements
 - Six outstanding bonds
 - Calendar year 2022= \$3.7 million
 - Paid though General Funds; not levied
- 3) Village tax levy
 - Estimated EAV increase= 6.64%
 - Estimated EAV= \$1.688 million
 - Last year= \$1.679 million

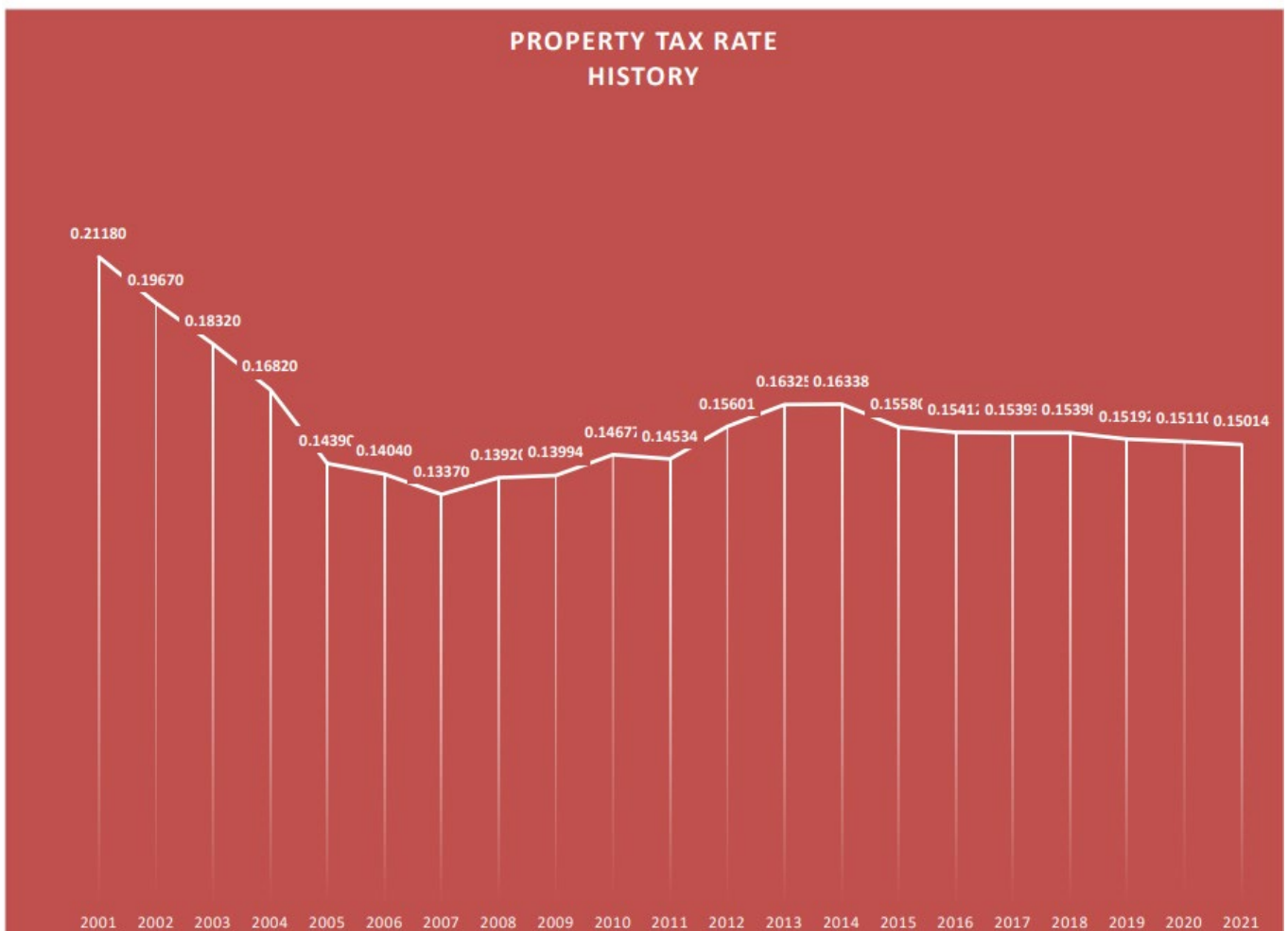
The following table provides options for the 2022 tax levy based on the estimated equalized assessed value (EAV) increase, as of October 5, 2022, received from the Kendall County Supervisor of Assessments. The estimated EAV increase is 6.64% for the entire Village of Oswego. This amount may decrease due to assessment objections up until the final EAV is determined changing the final calculated tax rate. The first line in the table shaded in green shows what the tax increase would be if the tax rate was kept equal to the final 2021 tax rate.

2022 Tax Levy Options

Description	Levy Amount	\$ increase in levy	% increase in levy	Estimated tax rate	%inc/dec. in tax rate	Tax increase for a parcel w/fmv of \$255,000
Tax rate same as 2021	\$1,688,166	\$105,055	6.64%	0.15014	0.00%	\$8.47
Decrease tax rate 0.5%	\$1,679,800	\$96,689	6.11%	0.14939	-0.50%	\$8.43
Decrease tax rate 1.0%	\$1,671,500	\$88,389	5.58%	0.14865	-1.00%	\$8.39
Decrease tax rate 2.0%	\$1,655,000	\$71,889	4.54%	0.14719	-2.00%	\$8.31

Estimated EAV increase of 6.64%

Three other options are shown decreasing the tax rate by .05%, 1%, and 2% from the 2021 tax rate of .15014. The 2021 tax rate is the lowest it has been since 2011. Average tax increase around \$8.40 and would depend on the EAV. A Truth and Tax hearing is needed.



Board and staff discussion focused on narrowing down choices and bringing back at next Board meeting; surplus of \$2 million now; another cut is in order; prefer 2%; bring back 2% and 1% as the two options; staff will monitor the EAV ahead of the December 13, 2022 Board meeting; Reserve at Hudson Crossing bonds paid with increment; do not believe the increment will cover the cost; Shodeen can pay by check or assess an SSA; this will be done every year; staff to bring back an update to the Reserve at Hudson Crossing project at a future Committee of the Whole; when the increment will support the debt service; could be in the next 15 years, or possibly never. There was no further discussion.

G.2 Financial Audit for Fiscal Year 2022 Presentation

Annual audit reports were provided to the Board. Director Lamberg acknowledged Asst. Finance Director, Billie Robinson’s work on the audit. There were no deficiencies in the report.

Brian LeFevre, from Sikich LLP, presented the audit.

There are three sections to the audit:

- 1) Introductory
 - Certificate of Achievement for Excellence in Financial Reporting Award- 19th year receiving this award; highest level you can achieve
- 2) Financial
 - Unmodified opinions on basic financial statements
 - Two additional unmodified opinions in compliance
 - In compliance with TIF laws
 - Management Discussion and Analysis- explanation of financial statements
 - Governmental Fund Sheet

**BALANCE SHEET
GOVERNMENTAL FUNDS**

April 30, 2022

	General	Capital Projects	Debt Service	Downtown TIF	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 16,104,625	\$ 4,505,121	\$ 651,547	\$ 800,901	\$ 5,101,918	\$ 27,164,112
Investments	1,343,215	2,054,373	-	-	-	3,397,588
Receivables						
Property taxes	1,584,663	-	-	1,033,406	-	2,618,069
Accounts	466,317	147,537	-	-	8,599	622,453
Accrued interest	2,182	6,984	-	-	-	9,166
Intergovernmental	3,124,714	1,096,953	-	-	114,649	4,336,316
Utility tax	98,361	-	-	-	-	98,361
Notes	-	-	-	-	133,052	133,052
Insurance	615,269	-	-	-	-	615,269
Prepaid items	637,484	4,389	310	-	24,774	666,957
Advances to other funds	2,000,000	5,837,957	-	-	-	7,837,957
TOTAL ASSETS	\$ 25,976,830	\$ 13,653,314	\$ 651,857	\$ 1,834,307	\$ 5,382,992	\$ 47,499,300
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 1,179,635	\$ 397,592	\$ -	\$ 5,178	\$ 235,751	\$ 1,818,156
Retainage payable	-	3,000	-	15,574	-	18,574
Accrued payroll	286,695	-	-	-	-	286,695
Escrow deposits	492,186	-	-	-	415,109	907,295
Due to other governments	984,721	-	-	-	-	984,721
Advance from other funds	-	-	-	10,464,664	-	10,464,664
Unearned revenue	128,096	1,488,403	-	-	24,067	1,640,566
Total liabilities	3,071,333	1,888,995	-	10,485,416	674,927	16,120,671
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,584,663	-	-	1,033,406	-	2,618,069
Total deferred inflows of resources	1,584,663	-	-	1,033,406	-	2,618,069
Totals liabilities and deferred inflows of resources	4,655,996	1,888,995	-	11,518,822	674,927	18,738,740

FUND BALANCES

Nonspendable						
Prepaid items	637,484	4,389	310	-	24,774	666,957
Advances	2,000,000	-	-	-	-	2,000,000
Restricted						
Highways and streets	-	-	-	-	2,889,954	2,889,954
Special projects	-	-	-	-	1,278,883	1,278,883
Economic development	-	-	-	-	514,454	514,454
Unrestricted						
Assigned						
Debt service	-	-	651,547	-	-	651,547
Working cash	6,702,906	-	-	-	-	6,702,906
Capital improvements	-	11,759,930	-	-	-	11,759,930
Unassigned (deficit)	11,980,444	-	-	(9,684,515)	-	2,295,929
Total fund balances (deficit)	21,320,834	11,764,319	651,857	(9,684,515)	4,708,065	28,760,560

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

\$ 25,976,830	\$ 13,653,314	\$ 651,857	\$ 1,834,307	\$ 5,382,992	\$ 47,499,300
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- Required contributions

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Seven Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 415,960	\$ 416,117	\$ 424,813	\$ 405,249	\$ 419,397	\$ 516,396	\$ 482,569
Contributions in relation to the actuarially determined contribution	415,960	416,117	424,813	405,249	419,397	516,396	482,569
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,767,125	\$ 3,784,455	\$ 4,160,284	\$ 4,426,203	\$ 4,627,200	\$ 5,074,107	\$ 5,059,545
Contributions as a percentage of covered payroll	11.04%	11.00%	10.21%	9.16%	9.06%	10.18%	9.54%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 22 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually projected salary increases assumption of 3.35% to 14.25% compounded annually and postretirement benefit increases of 3.25% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 1,007,990	\$ 1,056,065	\$ 1,150,866	\$ 1,182,911	\$ 1,465,094	\$ 1,392,423	\$ 1,342,897	\$ 1,398,759	\$ 1,542,957	\$ 1,783,331
Contribution in relation to the actuarially determined contribution	1,025,000	1,075,000	1,185,000	1,250,000	1,550,011	1,430,544	1,400,000	1,400,001	1,600,000	1,800,798
CONTRIBUTION DEFICIENCY (Excess)	\$ (17,010)	\$ (18,935)	\$ (34,134)	\$ (67,089)	\$ (84,917)	\$ (38,121)	\$ (57,103)	\$ (1,242)	\$ (57,043)	\$ (17,467)
Covered payroll	\$ 4,062,393	\$ 4,169,421	\$ 4,249,406	\$ 4,442,354	\$ 4,482,794	\$ 4,482,053	\$ 4,565,425	\$ 4,699,070	\$ 5,031,386	\$ 5,052,270
Contributions as a percentage of covered payroll	25.23%	25.78%	27.89%	28.14%	34.58%	31.92%	30.67%	29.79%	31.80%	35.64%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 21 years; the asset valuation method was at five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return of 6.50% annually, projected salary increase assumption of 3.25% compounded annually and postretirement benefit increases of 3% compounded annually.

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Seven Calendar Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021
TOTAL PENSION LIABILITY							
Service cost	\$ 395,781	\$ 416,010	\$ 415,213	\$ 405,478	\$ 451,744	\$ 480,214	\$ 466,033
Interest	860,423	922,833	967,433	1,023,894	1,136,026	1,228,721	1,299,070
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(151,576)	(415,197)	162,336	532,454	218,379	56,536	249,325
Changes of assumptions	18,102	(37,107)	(406,230)	515,616	-	(223,097)	-
Benefit payments, including refunds of member contributions	(236,327)	(329,911)	(318,855)	(443,279)	(523,073)	(560,588)	(569,314)
Net change in total pension liability	886,403	556,628	819,897	2,034,163	1,283,076	981,786	1,445,114
Total pension liability - beginning	11,407,893	12,294,296	12,850,924	13,670,821	15,704,984	16,988,060	17,969,846
TOTAL PENSION LIABILITY - ENDING	\$ 12,294,296	\$ 12,850,924	\$ 13,670,821	\$ 15,704,984	\$ 16,988,060	\$ 17,969,846	\$ 19,414,960
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 428,224	\$ 418,182	\$ 422,831	\$ 419,280	\$ 379,709	\$ 483,840	\$ 511,531
Contributions - member	170,585	180,746	191,754	215,016	205,124	216,215	227,684
Net investment income	50,655	689,647	1,845,091	(622,168)	2,352,803	2,131,196	2,894,155
Benefit payments, including refunds of member contributions	(236,327)	(329,911)	(318,855)	(443,279)	(523,073)	(560,588)	(569,314)
Administrative expense	(235,094)	10,178	(170,289)	226,335	(22,371)	150,145	(64,739)
Net change in plan fiduciary net position	178,043	968,842	1,970,532	(204,816)	2,392,192	2,420,808	2,999,317
Plan fiduciary net position - beginning	9,949,698	10,127,741	11,096,583	13,067,115	12,862,299	15,254,491	17,675,299
PLAN FIDUCIARY NET POSITION - ENDING	\$ 10,127,741	\$ 11,096,583	\$ 13,067,115	\$ 12,862,299	\$ 15,254,491	\$ 17,675,299	\$ 20,674,616
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 2,166,555	\$ 1,754,341	\$ 603,706	\$ 2,842,685	\$ 1,733,569	\$ 294,547	\$ (1,259,656)

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.35%	86.35%	95.58%	81.90%	89.80%	98.36%	106.49%
Covered payroll	\$ 3,767,125	\$ 3,784,455	\$ 4,057,885	\$ 4,349,369	\$ 4,558,325	\$ 4,804,771	\$ 5,059,641
Employer's net pension liability (asset) as a percentage of covered payroll	46.36%	46.36%	14.88%	65.36%	38.03%	6.13%	(24.90%)

In 2020, there were changes in assumptions related to price inflation, salary increases and mortality rates.

In 2018, there was a change in assumptions related to the discount rate.

The 2017 changes in assumptions related to price inflation, salary increases, retirement age and mortality rates were made since the prior measurement date.

The discount rate assumption was changed from 7.48% to 7.50% in 2016. Changes in assumptions related to mortality rates were made since the prior valuation.

In 2015 changes in assumptions related to retirement and mortality are disclosed.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018	2019	2020	2021	2022
Plan fiduciary net position as a percentage of the total pension liability	66.99%	63.22%	69.31%	69.84%	74.27%	71.10%	89.26%	79.02%
Covered payroll	\$ 4,249,406	\$ 4,442,354	\$ 4,482,794	\$ 4,482,053	\$ 4,565,425	\$ 4,699,070	\$ 5,031,386	\$ 5,052,270
Employer's net pension liability as a percentage of covered payroll	246.36%	295.41%	258.53%	280.52%	242.42%	290.37%	103.04%	214.60%

In 2020, changes in assumptions related to the bond rate assumption, projected individual pay increases, inflation rate, mortality rates, mortality improvement rates, retirement rates, termination rates, disability rates and marital assumptions.

In addition, there were changes in plan benefits required under PA-101-0610 (SB 1300) in 2020.

In 2019, changes in assumptions related to the projected salary increases were made since the prior measurement date.

In 2016, 2017 and 2018 change in assumptions related to mortality rates were made since the prior measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Eight Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018	2019	2020	2021	2022
Annual money-weighted rate of return, net of investment expense	6.67%	0.78%	9.78%	6.73%	6.62%	2.44%	24.78%	(7.80%)

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

3) Statistical

Board, staff, and auditor discussion focused on audit went smoothly with no issues; staff is professional and good to work with; whether the Village is ahead of the average for the Police Pension Fund; average is 55% and will drop; General Fund increased \$4.2 million; can protect the Village for one year; highest in any recent history; page 130-131 provides a history of the fund balances. President Parlier thanked Brian LeFevre. There was no further discussion.

CLOSED SESSION

A motion was made by Trustee Kuhrt and seconded by Trustee Olson to enter Closed Session for the purposes of discussing the following:

- Pending and Probable Litigation
- Sale, Lease, and/or Acquisition of Property

Aye: Tom Guist	Kit Kuhrt
James Marter II	Terry Olson
Jennifer Jones Sinnott	Brian Thomas

Nay: None

The motion was declared carried by a roll call vote with six (6) aye votes and zero (0) nay votes.

The Board adjourned to Closed Session at 6:29 p.m.

The Board returned to open session at 6:57 p.m. A roll call vote was taken. All attending Board members were physically present for the roll call.

ADJOURNMENT

The meeting adjourned at 6:57 p.m.

Tina Touchette
Village Clerk