

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING
OSWEGO VILLAGE PRESIDENT AND BOARD OF TRUSTEES
OSWEGO VILLAGE HALL
100 PARKERS MILL, OSWEGO, ILLINOIS
March 7, 2023**

CALL TO ORDER

President Troy Parlier called the meeting to order at 6:00 p.m.

ROLL CALL

Board Members Physically Present: President Troy Parlier; Trustees Tom Guist, Kit Kuhrt, 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; Jeff Burgner, Police Chief; Jennifer Hughes, Public Works Director; Andrea Lamberg, Finance Director; Rod Zenner, Community Development Services Director; Jason Bastin, Deputy Chief of Police; Bridget Bittman, Community Engagement Manager- Marketing; Joe Renzetti, IT/GIS Director; Kevin Leighty, Economic Development Director; Kerry Behr, Village Engineer; and Karl Ottosen, Village Attorney.

PUBLIC FORUM

Public Forum was opened at 6:00 p.m. There was no one who requested to speak. The public forum was closed at 6:00 p.m.

OLD BUSINESS

There was no old business.

NEW BUSINESS

G.1 Fiscal Year 2023 Third Quarter Financial Update

Director Lamberg addressed the Board regarding FY 2023 third quarter financial update.

\$49,209,431	Village Wide Revenue
<u>\$38,456,405</u>	<u>Village Wide Expenses</u>
\$10,753,026	Year-to-Date Surplus

General Fund

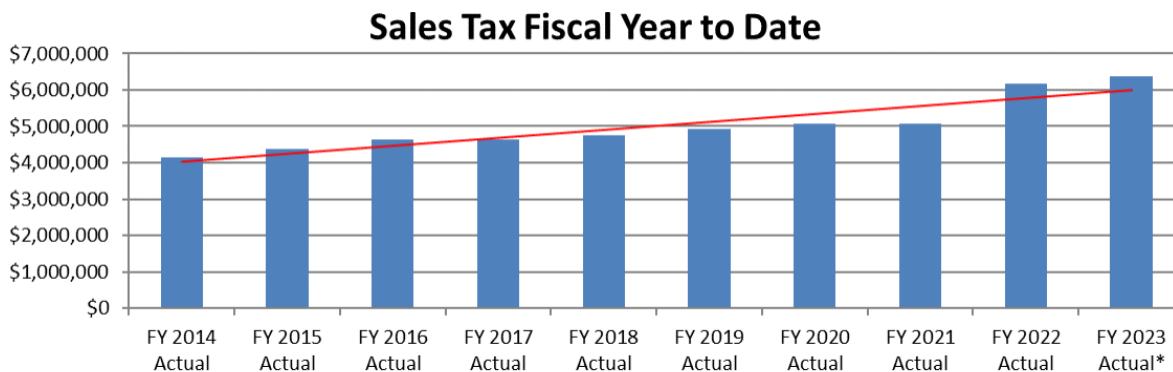
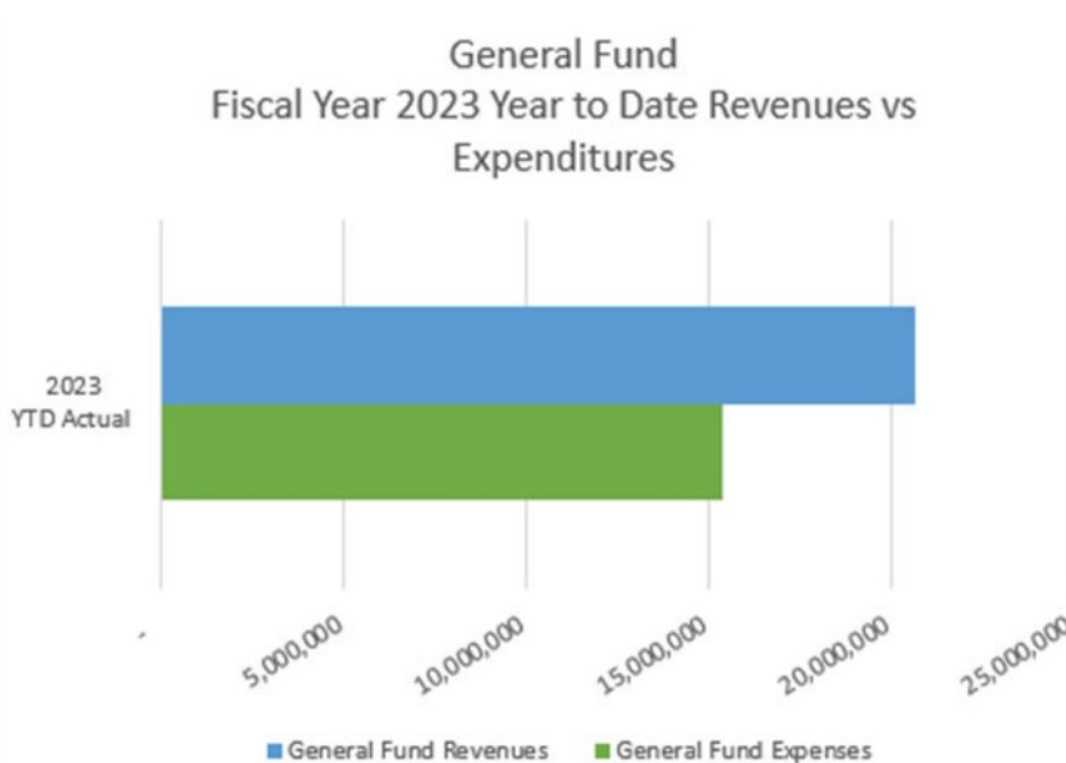
\$20,660,105	General Fund Revenue
<u>\$15,383,276</u>	<u>General Fund Expenses</u>
\$5,276,828	General Fund Surplus

- In the last quarter of the fiscal year, you will generally see higher expenses

\$22,373,137 General Fund Budgeted Revenue
\$20,660,105 General Fund Actual Revenue
 92.3% Percentage of Budget Collected

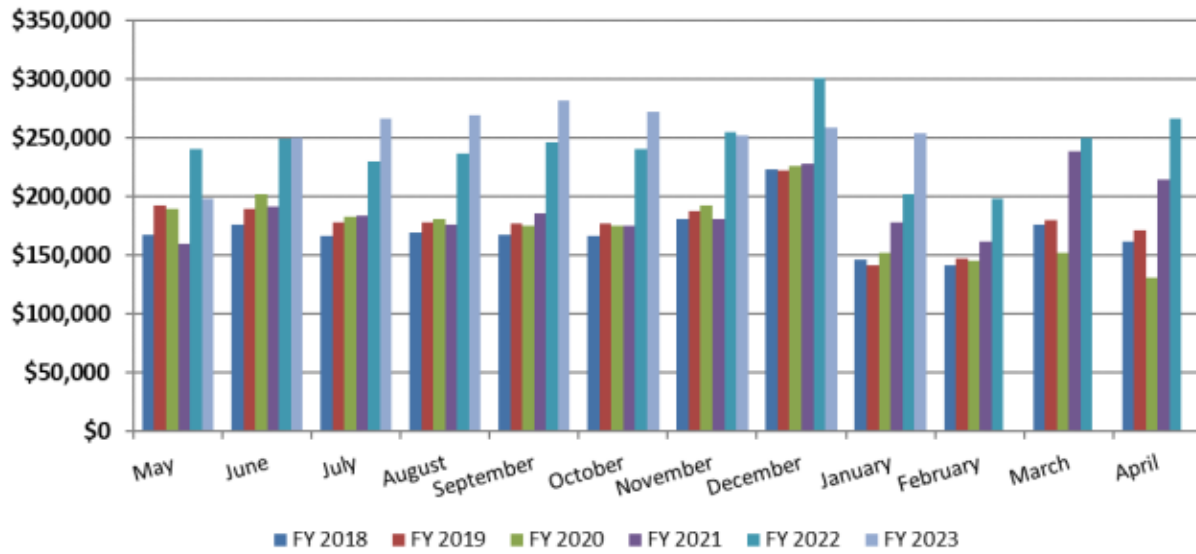
\$22,343,019 GF Budgeted Expenditures
\$15,383,276 GF Actual Expenditures
 68.9% Percentage of Budget Spent

- 75% is the target for revenue vs. expenditures

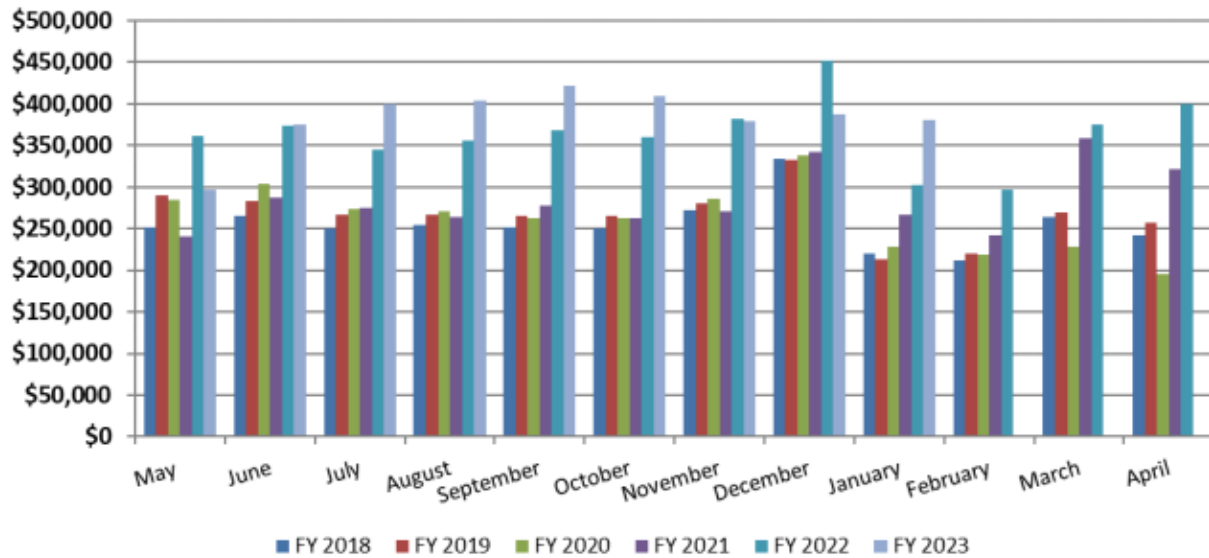


- Revenue trending ahead of budget

Local Sales Tax - General Fund

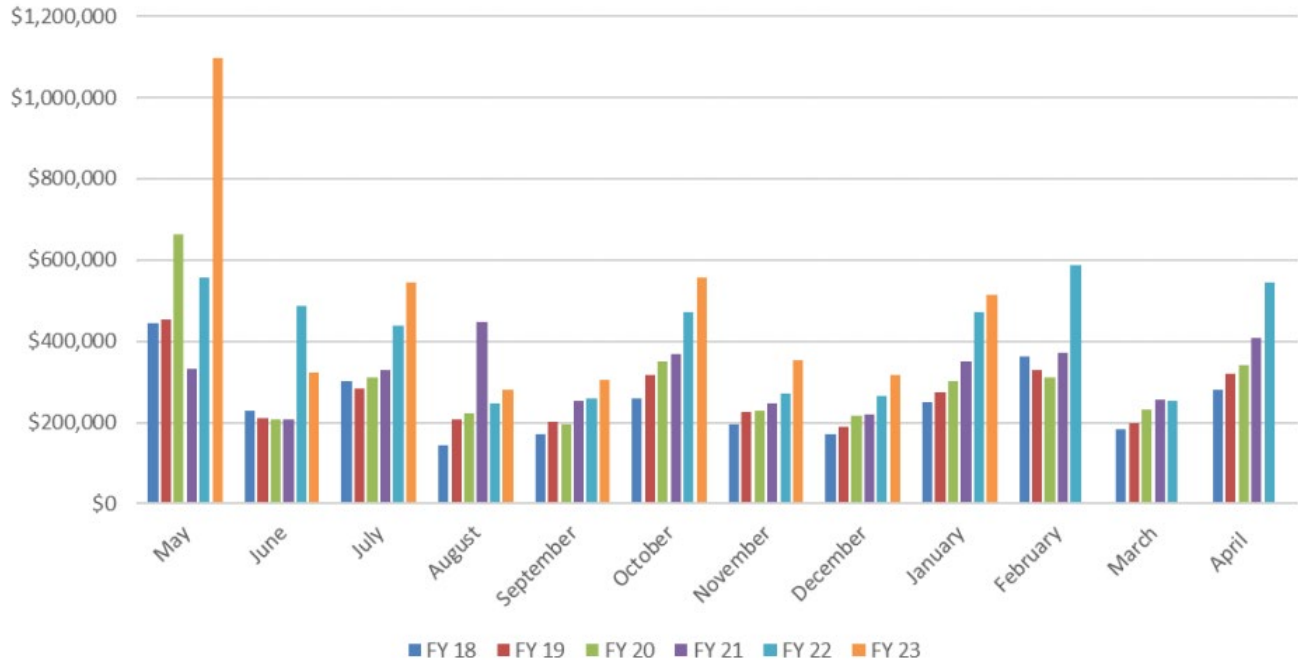


Local Sales Tax - Capital Improvement Fund



- FY23 out-performed FY22

Income Tax



- May was a record breaking month
- Unsure how long it will last; it may level off
- Don't expect it to decrease

Water & Sewer Fund

\$6,930,475	W&S Fund Revenue
<u>\$6,361,846</u>	<u>W&S Fund Expenses</u>
\$568,630	W&S Fund Surplus

\$8,002,100	W&S Budgeted Revenue
<u>\$6,960,475</u>	<u>W&S Actual Revenue</u>
86.6%	Percentage of Budget Collected

\$7,842,751	W&S Budgeted Expenditures
<u>\$6,361,846</u>	<u>W&S Actual Expenditures</u>
81.1%	Percentage of Budget Spent

- Target is 75%
- Revenue outpacing the expenditures
- Expenditures trending slightly over due to population growth

There was no discussion.

G.2 Consider Development Impact Fee Modifications

Administrator Di Santo addressed the Board regarding development impact fees. In 1996 the Village Board passed ordinance 96-33, which adopted a land/cash ordinance requiring developers to donate land or cash-in-lieu of land for the acquisition of land for school and park sites. The ordinance established population generation tables to calculate the amount of land or cash required for donation. These tables remain in effect today, while the price-per-acre used to calculate the cash equivalent of land was last updated in 2015. Following a study commissioned by SD308 through Northern Illinois University in 2001, the Village adopted a complicated impact fee structure to help taxing districts pay for capital projects related to growth. The per unit fee was based on the type and bedroom count of each dwelling and its market value; the higher the market value, the lower the fee paid.

When residential development was peaking in the early 2000s, the Village Board adopted Resolution 05-R-29, which nearly doubled fees (to approximately \$39,000/unit) and included 4% annual escalators on many of the fees. The 2005 ordinance included a county highway transportation impact fee that all Kendall County municipalities were to collect on newly annexed property on behalf of Kendall County. Over the following ten years, no developer would ever pay these fees as they did not build in those developments encumbered with the additional fees; all fees paid during this time were based on agreements using the old fee structure. As a result, in 2014, the Village partnered with SD308, the Oswego Library District, the Oswegoland Park District, and the Oswego Fire Protection District to jointly fund a new impact fee study. The study reviewed capital budgets for each taxing district as well as market conditions and recommended a new simplified fee structure. The study advised that without reducing fees within the market, Oswego would risk losing significant investment from residential developers to other competitive communities. The new fee structure was approved in 2015 by Ordinance 15-66 with the support of all taxing bodies. Subsequently in 2017, the Village Board passed Ordinance 17-45, which established a fee structure for townhomes and multi-family residences. The 2015 study recommended that the fees be reviewed periodically considering changes to market conditions, population projections, and capital plans.

The following table shows the number of new home starts between 2006 and 2015:

New Home Starts	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Oswego	372	224	96	79	83	88	112	131	127	66

The following table shows the number of new home starts between 2016 and 2022:

New Homes Starts	2016	2017	2018	2019	2020	2021	2022
Oswego	52	27	439	90	284	132	371

Proposed Increase:

Mayor Parlier asked staff to prepare an agenda item for Village Board consideration to begin increasing impact fees annually based on CPI. The CPI in 2022 was 6.5%, which would result in an increase from \$11,560.00 to \$12,311.40 for single-family units and from \$6,407.50 to \$6,823.99 for townhomes and multi-family units. Here is data gathered from the last time impact fees were reviewed:

2015 TOTAL* Fees Per Single-Family Unit	Oswego (current)	Plainfield	Montgomery	Yorkville	Sugar Grove	New Lenox
Fees	\$15,500	\$29,400	\$16,000	\$17,000	\$16,500	\$35,000

*Includes impact fees, tap-on fees, building permit, application fees, etc.

2017 Impact Fees Per	Oswego (current)	Plainfield	Montgomery	Joliet	Yorkville	Sugar Grove	New Lenox
-----------------------------	-------------------------	-------------------	-------------------	---------------	------------------	--------------------	------------------

Townhome / MF Unit							
Impact Fees	\$6,407.50	\$2,877	\$398	\$4,457	\$4,409	\$5,899.22	\$3,357.60

Here is a breakdown on how the increase would impact each government entity:

Existing Development Impact Fees

SD308, No Transportation Fee	Total	Village	SD308	Fire	Park	Library	
Single-Family	\$11,650.00	\$5,645.07	\$4,429.25	\$403.66	\$756.69	\$415.46	
Townhome/Multi-Family	\$6,407.50	\$3,104.79	\$2,436.09	\$222.01	\$416.18	\$228.50	
SD115, No Transportation Fee	Total	Village	SD308	Fire	Park	Library	
Single-Family	\$11,650.00	\$8,574.32	\$1,500.00	\$403.66	\$756.69	\$415.46	
Townhome/Multi-Family	\$6,407.50	\$4,040.88	\$1,500.00	\$222.01	\$416.18	\$228.50	
SD308, With Transportation Fee	Total	Village	SD308	Fire	Park	Library	Transportation
Single-Family	\$11,650.00	\$4,717.15	\$3,701.18	\$337.31	\$632.31	\$347.17	\$1,915.00
Townhome/Multi-Family	\$6,407.50	\$2,176.87	\$1,708.02	\$155.66	\$291.80	\$160.21	\$1,915.00
SD115, With Transportation Fee	Total	Village	SD308	Fire	Park	Library	Transportation
Single-Family	\$11,650.00	\$6,918.33	\$1,500.00	\$337.31	\$632.31	\$347.17	\$1,915.00
Townhome/Multi-Family	\$6,407.50	\$2,384.88	\$1,500.00	\$155.66	\$291.80	\$160.21	\$1,915.00

Development Impact Fees + 6.5% Increase

SD308, No Transportation Fee	Total	Village	SD308	Fire	Park	Library	
Single-Family	\$12,407.25	\$6,012.00	\$4,717.15	\$429.90	\$805.88	\$442.47	
Townhome/Multi-Family	\$6,823.99	\$3,306.60	\$2,594.43	\$236.45	\$443.23	\$243.36	
SD115, No Transportation Fee	Total	Village	SD308	Fire	Park	Library	
Single-Family	\$12,407.25	\$9,229.15	\$1,500.00	\$429.90	\$805.88	\$442.47	
Townhome/Multi-Family	\$6,823.99	\$4,401.04	\$1,500.00	\$236.45	\$443.23	\$243.36	
SD308, With Transportation Fee	Total	Village	SD308	Fire	Park	Library	Transportation
Single-Family	\$12,407.25	\$5,023.76	\$3,941.76	\$359.24	\$673.41	\$369.74	\$2,039.48
Townhome/Multi-Family	\$6,823.99	\$2,318.36	\$1,819.04	\$165.78	\$310.76	\$170.63	\$2,039.48
SD115, With Transportation Fee	Total	Village	SD308	Fire	Park	Library	Transportation
Single-Family	\$12,407.25	\$7,465.52	\$1,500.00	\$359.24	\$673.41	\$369.74	\$2,039.48
Townhome/Multi-Family	\$6,823.99	\$2,637.40	\$1,500.00	\$165.78	\$310.76	\$170.63	\$2,039.48

- If the Village Board desires to pursue this increase, staff can bring back an ordinance for Village Board consideration.

Kendall County Transportation Impact Fee:

This fee was originally intended for County highway projects and, to our knowledge, no other communities collected these fees. After conversations with Kendall County last year, they agreed that the fee is antiquated and no longer makes sense. As such, staff recommends reclassifying these fees to be used on regional Village roadways such as Wolfs Crossing. To date, we are holding \$568,755 in transportation impact fees from Avanterra and Hudson Pointe that would be used for Wolfs Crossing under this scenario.

Collection of Impact Fees:

Over the last four years, the Village Board has approved several developments without any waiver to impact fees (other than the school fee for the age-restricted Oswego Senior Living since they have no students). These

developments total \$18.6m in fees(\$11.4m in impact fees, \$3.7m in water connection fees, and \$3.5m in land/cash fees).

Amount of impact fees that developers agreed to pay:

IMPACT FEES ASSESSED 2019-Present											
Development	TOTAL DIF	Village	SD308	Fire	Park	Library	Transportation	Water Connection	School Land/Cash	Park Land/Cash	TOTAL FEES
Redwood	\$916,283.68	\$443,985.06	\$348,360.48	\$31,748.11	\$59,513.91	\$32,676.11	\$0.00	\$314,600.00	\$54,516.33	\$226,233.15	\$1,511,633.16
Oswego Senior Living	\$563,951.71	\$440,880.27	\$0.00	\$31,526.09	\$59,097.73	\$32,447.61	\$0.00	\$312,400.00	\$0.00	\$209,899.00	\$1,086,250.71
Townes of Ashcroft Walk	\$1,114,918.60	\$540,233.57	\$423,879.19	\$38,630.57	\$72,415.53	\$39,759.74	\$0.00	\$382,800.00	\$98,327.10	\$303,081.03	\$1,899,126.73
Southbury Pod 8	\$1,083,463.22	\$524,991.87	\$411,920.21	\$37,540.68	\$70,372.46	\$38,637.99	\$0.00	\$204,600.00	\$148,954.87	\$214,337.57	\$1,651,355.66
Southbury Pod 3	\$652,407.96	\$316,124.14	\$248,037.98	\$22,605.14	\$42,374.82	\$23,265.89	\$0.00	\$123,200.00	\$89,693.26	\$129,063.48	\$994,364.70
Avanterra	\$1,130,736.29	\$547,898.03	\$429,892.89	\$39,178.63	\$73,442.91	\$40,323.83	\$285,335.00	\$327,800.00	\$184,124.27	\$308,745.41	\$1,951,405.97
Hudson Pointe	\$1,411,592.22	\$683,986.71	\$536,671.08	\$48,909.94	\$91,684.90	\$50,339.59	\$277,675.00	\$319,000.00	\$386,162.96	\$115,895.10	\$2,232,650.28
Hudson Pointe - Emblem	\$1,401,677.10	\$679,182.34	\$532,901.46	\$48,566.40	\$91,040.90	\$49,986.00	\$597,480.00	\$686,400.00	\$61,475.28	\$137,401.44	\$2,286,953.82
Tuscany Station*	\$3,075,637.52	\$1,490,299.51	\$1,169,321.90	\$106,567.08	\$199,766.99	\$109,682.05	\$0.00	\$1,056,000.00	\$130,821.00	\$729,295.00	\$4,991,753.52
TOTAL	\$11,350,668.30	\$5,667,581.52	\$4,100,985.19	\$405,272.64	\$759,710.16	\$417,118.80	\$1,160,490.00	\$3,726,800.00	\$1,154,075.07	\$2,373,951.18	\$18,605,494.55

*Credit of \$2.45M owed by Village for the acquisition of the Metra/Venue 1012 parking lot parcel. To be paid from Village impact and water connection fees.

Actual impact fees collected and remitted by the Village from developers:

Payments per Fiscal Year (May 1 - April 30)

	2020	2021	2022	2023	*2023-Hold	Grand Total
Oswego Comm Unit School District	398,006.48	561,734.67	582,659.31	565,946.16	520,698.26	2,629,044.88
Land/Cash Fee-School District	148,092.90	116,773.39	42,963.68	43,805.71		351,635.68
Land/Cash Fee-School District-Wolf's Crossing			184,124.36	99,811.71		283,936.07
Impact Fees-School	249,913.58	444,961.28	355,571.27	232,884.74		1,283,330.87
Impact Fees-School-Wolf's Crossing				189,444.00	520,698.26	710,142.26
Oswegoland Park District	171,722.21	315,669.20	558,182.76	444,012.17	121,318.92	1,610,905.26
Land/Cash Fee-Park District	147,590.28	252,671.70	191,884.92	167,730.38		759,877.28
Land/Cash Fee-Park District-Wolf's Crossing			308,745.51	228,898.60		537,644.11
Impact Fees-Park District	24,131.93	62,997.50	57,552.33	47,383.19		192,064.95
Impact Fees-Park-Wolf's Crossing					121,318.92	121,318.92
Oswego Public Library	14,448.05	35,568.78	72,474.00	49,990.48		172,481.31
Impact Fees-Library	14,448.05	35,568.78	72,474.00	49,990.48		172,481.31
Oswego Fire Protection	33,700.93	59,153.68	77,355.23	67,171.33		237,381.17
Impact Fees-Fire	33,700.93	42,072.68	72,998.73	61,270.83		210,043.17
Review Fee-Fire District		17,081.00	4,356.50	5,900.50		27,338.00
Village of Oswego	208,664.35	508,264.56	1,347,243.99	941,685.58		3,005,858.48
Transportation Development Fee			285,335.00	283,420.00		568,755.00
Impact Fee	208,664.35	508,264.56	1,061,908.99	658,265.58		2,437,103.48
Grand Total	826,542.02	1,480,390.89	2,637,915.29	2,068,805.72	642,017.18	7,655,671.10

**** 2023 thru period 10 (May 1, 2022 - Feb 28, 2023)

*Holding Direct Impact Fees for School & Park pertaining to Wolf's Crossing Properties

- Over the past four fiscal years, the Village collected \$7.7m in land/cash and impact fees.

Other Considerations:

If directed by the Village Board, staff can bring back discussions on other impact-fee related topics, including:

- Review of the percentage split of the development impact fee by government unit, based on capital planning.
- Review of eligible expenditures of fees, such as requiring fees to be spent in Oswego.
- Differentiating fees for hybrid developments such as senior villas and single-family rentals.
- For senior housing, codifying that school fees are not collected and considering increasing fees for the fire district.
- Including the possibility of land donations for fire and library districts where applicable.
- Modifying timing for releasing funds.

- Modifying water connection fees for future water source funding.

Board and staff discussion focused on more expensive the home, the less the impact fees; don't know how fees are calculated in other communities; most communities are still using the 2011 numbers; simplifying fees to a single fee; looked at what the fees would be if everyone got what they wanted; fees were too large; what a developer can afford; percentage based on the needs; impact fees can only be used for capital needs related to development; whether to put an escalator on our fees and increasing starting this year; 6.5% increase this year and increasing CPI each year; eliminating the Kendall County fee and converting to a regional fee; fire department (FD) is not getting land cash fees; splitting land cash fees; FD needs to build a new fire station in the Lennar area; give FD land cash; can't raise development fees or we won't get development; Naperville lawsuit relating to land cash; complicated calculation in determining amount of land needed for schools and parks; EAV increase; 6.5% increase shouldn't be that big of a deal; ok with CPI increase; not liking a CPI increase; falls back on other agencies and their capital planning as it relates to growth; don't like the yearly CPI increase; 2015 study cost around \$40,000; company that did the study is no longer in business; study could be done in-house and would take several months; Village staff has received the FD's CIP plan; percentage split would be different; land cash with the park district and FD is very different; split of impact fees has to be determined later; Village has collected all fees from developers and development is still coming in; other entities should provide input; never collected the \$39,000/unit fees adopted in 2005; annexation agreements; recession; home building is way down; Naperville has its own FD and a not a fire protection district; has to be a formula out there, but don't know what it would be; land cash has to be used for land; impact fees are for equipment; if the FD, park and library district know about development, then they could get land from the developer at the beginning; 1-2 acres needed for a fire station versus 80 acres for a school; Reserve at Hudson Crossing development fees were waived; senior living developments do not pay impact fees; State of Illinois makes the rules on how fees are to be used; cap at 5% for CPI.

Additional discussion focused on:

- 1) Splitting of fees
 - Internal study
 - Formalize study and bring back to Board for discussion
 - Give examples of what it would look like for developments that are already in play
 - Formalize with outside consultant
 - Different development causes different needs on taxing bodies
 - Support of a large increase in fees for certain types of development
 - Whether other communities are behind on development
 - Staff can reach out to neighboring communities and look at different types of homes and what the fees are
 - Want to hear from other taxing bodies on what they are doing
- 2) One-time increase of 6.5%
 - Board consensus given to move forward
- 3) CPI increase of 3% capped
 - Board consensus given to move forward
- 4) Kendall County Transportation Fees
 - Eliminate fee
 - Bring back to vote for using fees regionally
- 5) Water Tap-on Fees
 - To be discussed at a future meeting; could be included with the larger discussion on the water source, in the Summer

There was no further discussion.

CLOSED SESSION

There was no closed session.

ADJOURNMENT

The meeting adjourned at 6:48 p.m.

Tina Touchette
Village Clerk