

**March 5, 2019
Board Meeting
Village of Sugar Grove
6:00 PM**

President Michels opened the meeting at 6:00 PM and asked that Trustee Montalto lead the Pledge. The roll was then called.

Present: President Michels, Trustee Paluch, Trustee Lendi, Trustee Herron, Trustee Johnson, Trustee Montalto and Trustee Koch

Quorum Established.

Also Present:

Administrator Eichelberger, Attorney Andersson, Clerk Galbreath, Community Development Director Magdziarz, Finance Director Anastasia, Chief of Police Rollins, Public Works Director Speciale, Streets Supervisor Payton, Utilities Supervisor Merkel, and Senior Management Analyst Murphy.

PUBLIC HEARINGS

None.

APPOINTMENTS AND PRESENTATIONS

None.

PUBLIC COMMENTS

President Michels called for public comment. Hearing none this portion of the agenda was closed.

CONSENT AGENDA

- a. Approval: Minutes of the February 5, 2019 meeting
- b. Proclamation: Work Zone and Roadway Safety
- c. Proclamation: Fix a Leak Week

Resolution: Authorizing A PSA for Annual Well Maintenance Trustee Johnson **moved to Approve the Consent Agenda as presented.** Trustee Montalto seconded the motion. President Michels then called for a roll call vote.

AYE:	Johnson	NAY:	None	ABSENT:	None
	Herron				
	Paluch				
	Lendi				
	Montalto				
	Koch				

Motion Carried.

GENERAL BUSINESS

Resolution: Authorizing Purchase of Two Replacement Trucks

Trustee Johnson moved to Adopt a Resolution: Authorizing Purchase of Two Replacement Trucks. Trustee Herron seconded the motion. President Michels then called for a roll call vote.

AYE:	Johnson	NAY:	None	ABSENT:	None
	Herron				
	Paluch				
	Lendi				
	Montalto				
	Koch				

Motion Carried.

DISCUSSION ITEMS

FY 2019-2020 Budget

Finance Director Anastasia explained that throughout the budget process this year, Staff faced two significant obstacles. The first item, at the Police Pension Board’s October meeting, the Board voted to decrease the actuarial assumption rate of return from 7% to 6%. A change in assumption with this type of magnitude greatly affects, not only the revenue to the General Fund because it is received through our Tax Levy, but the expenses as well. The FY 2018-2019 Police Pension contribution was \$401,861 which was the Entry Age Normal 90% (EAN90%) contribution level. The FY 2019-2020 Projected Unit Credit 90% (PUC90%, state mandated amount) is \$547,000, an increase of over \$145,000 from the previous year’s contribution. This increase took \$145,000 of General Fund revenue away from the rest of the operating expense budget.

The second major issue is the winter we are currently having, which has completely depleted the salt stock which the Village had built up over the years. We are estimating to have to double the amount of our salt purchase for FY 2019-2020, costing the Village an extra \$120,000 in salt-related expenses.

Other items affecting the budget are the State of Illinois enacted a 5% cut in the Local Government Distributive Fund (LGDF) for SFY2019 (July 1, 2018 through June 30, 2019) which affected the collection the Village received from Income Tax. During Governor Pritzker’s Budget Address on February 20, 2019, he proposed to continue the 5% reduction on LGDF for SFY2020 (July 1, 2019 through June 30, 2020). Therefore, the reduction in revenue the Village will see for Income Tax, will remain the same in the proposed fiscal year budget as projected for the current year.

As a small group for medical insurance, Village employees are individually rated depending upon factors such as age and experience. Individual premiums varied between a decrease of 1.2% and an increase of

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33.7%, with a 4.8% average. In almost every department the medical costs increased in the proposed budget. The employee share of the premium was similarly increased.

The initial draft budget for fiscal year 2019-2020 showed a General Fund deficit of over \$150,000 (primarily due to the Police Pension issue). At the end of the Staff and Departmental budget meetings, the General Fund deficit increased and was now showing roughly a \$243,000 proposed deficit budget (primarily due to the salt issue). As presented to the Board, the fiscal year 2019-2020 budget reflects a surplus of \$145. This change was accomplished by aggressively limiting expenditures. As presented, expenses for fiscal year 2019-2020 are \$10,329 above the fiscal year 2018-2019 projected expenses, which includes the large increases to Police Pension and Salt purchases of over \$265,000. In order to eliminate the remaining deficit and present a balance budget, Staff included the following:

- Increased Revenues – a 2.1% CPI-U increase to building permits and related revenues;
- Equipment Replacement Fund Reduction – A planned one year reduction of the Equipment Replacement Transfers of 50%, this causes a shortfall of roughly \$140,000 in funding;
- Elimination of the Sidewalk Program and Sealcoating of Bike Paths – These expenses are eligible to be completed out of the Infrastructure Fund (Fund 35) and have been moved from the General Fund totaling \$15,000;
- Elimination of the P/T Code Enforcement Officer – a total savings of \$20,147;
- Updating the percent allocation of the Public Works/Water & Sewer Office Assistant – updating the allocation to the W&S fund of roughly \$30,000.

These proposed assumptions and reduction in equipment transfers, although in the short-term may be effective, are not a sustainable way to move forward for the long-term. The Village staffing levels are at a bare minimum without depriving services to the residents. Operating costs for all departments have stayed relatively the same from the prior year. At this time, the best option to help make Sugar Grove strive forward into the future, is to start to look at ways to increase our revenue. Any surplus at the end of the year should go immediately to repay the shortage of transfers to the Equipment Replacement Fund. Projects that are not a necessity should be put on hold until there are excess funds to put towards these projects.

The following items will be discussed and presented as a part of the proposed budget. Fee increases as presented were used in determining the budgeted amounts. If changed, they would affect the proposed budget in their respective funds.

- A) General Fund Budget Summary – This will include a brief overview of fiscal year 2018-2019 projected and fiscal year 2019-2020 proposed budget amounts.
- B) Waterworks and Sewerage Fund Budget Summary – This will include a brief overview of fiscal year 2018-2019 projected and fiscal year 2019-2020 proposed budget amounts.

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- c) All Other Funds Budget Summary
- D) Fees presented to be increased in the fiscal year 2019-2020 budget:
 - i. Water/Sewer Rates
 - ii. Road Maintenance Fees
 - iii. Garbage Rates

Director Anastasia then presented an overview of Funds for the current Fiscal Year and highlights of the draft FY2019-20.

Fiscal Year 2018 – 2019 General Fund (Fund 01)

Fiscal year 2018-2019 General Fund is projected to finish with a surplus of \$38,043 versus the budgeted surplus of \$5,805. Revenues are projected to be above budget by approximate \$191,953 (3.68%), while expenditures are expected to be over budget by \$159,715 (3.09%). Overall, fiscal year 2018-2019 was a relatively stagnant year. There were no major, unexpected expenses that came up throughout the year.

Staff projected and included 55 residential and 2 commercial building permits in the fiscal year 2018-2019 budget approved by the Village Board. As of February 28, 2019, 13 of the residential and 1 of the commercial building permits have been issued. We are estimating not to hit 55 residential permits in fiscal year 2018-2019 due to a slower rate of homes being sold in the Settlers Ridge subdivision. Home improvements continue to be strong and will likely increase before year-end.

The following are explanations of the major fiscal year 2018-2019 revenue differences:

- 1) Property Taxes – property taxes were collected at a higher rate than anticipated for tax year 2017 and the remaining amount not collected from tax year 2016 was collected;
- 2) Utility Taxes – telecommunication tax decreased \$24,995 due to the decreased usage of landlines and the switch of households using a cell phone as a home line instead of having a dedicated line;
- 3) State income tax – increased \$48,545 in the projected activity from the budgeted amount due to the State of Illinois imposing a 5% reduction in Local Government Distributive Fund (LGDF) receipts to local governments in their SFY2019 budget, rather than the 10% originally budgeted. This is also proposed in the State’s fiscal year 2020 budget;
- 4) State Sales Tax Rebate – the fiscal year 2018-2019 budget was under budgeted by \$17000, which is money the Village owes back per rebate agreements;
- 5) State Sales tax – increased by \$50,000 due to the success of businesses within the fiscal year generating sales tax. The amount we will receive over budget, exceeds the increase in the Sales Tax Rebate amount owed to businesses;
- 6) State Games License – The Village has steadily seen an increase in the revenue received from the Video Gaming receipts;
- 7) Reimbursement – projecting to collect roughly \$100,000 more than budgeted for the year, however, this is due to reimbursement for invoices the Village paid for developers. There will be a corresponding increase in expense to offset the increase in revenue.

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The following are explanations of the major fiscal year 2018-2019 expenditure differences:

- 1) All Departments – Medical Insurance (01-XX-6201) – medical insurance in all of the departments will be under what was budgeted for the year. The insurance renewal came back at an average 4.8% increase for the Village, initially budgeted at a 10% increase;
- 2) All Departments – IMRF (01-XX-6206) – IMRF rate contribution was decrease by a total of 2.5% from calendar year 2018 to calendar year 2019. IMRF had an investment rate of return over 15%, which translated into large credits to each employer reserve account. Calendar year 2020 IMRF contributions are expected to slightly increase due to IMRF approving a reduced rate of return assumption on the actuarial studies from 7.5% to 7%;
- 3) All Departments – Fuels & Lubricants (01-XX-6601) – are slightly increased through the year as gas prices have begun to rise;
- 4) Street – Repair & Maintenance – Vehicles (01-53-6407) – increased due to unexpected repairs needed to be made on trucks;
- 5) Street – Landscaping Supplies (01-53-6606) – decreased due to the reduction in new development trees planted;
- 6) Building Maintenance - Repair and Maintenance Services – Buildings (01-54-6406) – increased \$16,600 as a result of the Streets Barn repairs;
- 7) Community Development – Engineering Services (01-55-6303) – increased \$73,150 as a result of the increase in developer fees paid by the Village and reimbursed back by the Developers; and
- 8) Finance – Other Professional Service (01-56-6309) – a decrease of \$8,387 was due to the decrease in property taxes paid at the 140 Municipal building, which are being paid by the tenant.

Fiscal Year 2019-2020 General Fund (Fund 01)

Staff is proposing a surplus of \$145 for fiscal year 2019-2020. This result includes an assumption to increase the amount of building permit revenue we will generate, 50% reduction in equipment replacement transfers throughout all departments, an increase in IRMA credit used annually in comparison to the fiscal year 2018-2019 approved budget, increase in Police pension contributions, and projected increased State Sales Tax revenue. Total revenues are expected to decrease from fiscal year 2018-2019 projected actuals but increase 3.18% from fiscal year 2018-2019 approved budgeted. Expenditures are expected to increase slightly from the fiscal year 2018-2019 projected actual and increase 3.14% from the fiscal year 2018-2019 approved budget.

Revenues (01-00-3XXX)

Fiscal year 2019-2020 revenues are estimated to decrease by approximately \$27,569 from fiscal year 2018-2019 estimated actuals. Significant changes include:

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- 1) Building Permits (3310) – decreased by \$13,000 due to the projection of homes being built in Settlers Ridge development decreasing (staff is projecting 30 residential and 1 commercial permit);
- 2) State Income Tax (3410) – increase by \$48,000 due to the proposed cut of the LGDF to 5% instead of 10% by the State;
- 3) State Sales Tax (3450) - increase by \$60,000 over prior year budget due to the success of the business and gas stations;
- 4) State Games Licenses (3453) – budgeted to increase by \$12,000 with the additional income being generated by Grahams C-Store;
- 5) Code Enforcement Fines (3515) – decreased to \$0 due to the elimination of the position;

Staff has increased the revenue generated by permit, licenses, and fine amounts in the fiscal year 2018-2019 budget by CPI-U of 2.1%.

Expenditures (01-XX-XXXX)

Fiscal year 2019-2020 expenditures are estimated to increase by approximately \$10,329 from the fiscal year 2018-2019 estimated actual. Significant changes include:

Personnel

The total number of Full-Time Equivalent employees is changed to reflect the elimination of the part-time code enforcement officer in Community Development. There were no changes to any of the other departments. This is all reflected in the accompanying staffing level worksheet. Nonrepresented employees are scheduled to receive salary increases equivalent to the recently approved Patrol contract and comparable community salary survey. For the represented employees, the Patrol Officers will be receiving a 2.1% increase and required step increases, while the sergeants are unknown at the time, due to the Sergeant contract expiring at April 30, 2019. Health insurance premiums are budgeted at a 10% increase for 2020 based on 2019's renewal, with the cost share between the Village and employees staying the same.

Pensions

Non-Police pensions through IMRF are funded at 103.32%. The Village will contribute the required amount. Police Pensions are currently 30.44% funded. This is due to the relatively young age of the fund, high level of current benefits provided for its size, and the decrease in assumed rate of return approved by the Police Pension Board from 7% to 6%. The Village has made its full mandated contribution every year, and in many years contributed additional funds. With the change in the assumed rate of return, the Village's contribution amount increased over \$145,000 from the prior year. The state mandated contribution is \$547,674 (projected unit credit 90%). The budgeted amount of \$401,861 (entry age normal 90% funded), was for fiscal year 2018-2019 contributions. This large increase has caused a major impact on the Village's operating budget for years going forward. It has been projected, based on the new assumption and a 5-year plan, the

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Village's contribution of \$401,861 in fiscal year 2018-2019 will double to over \$800,000 in fiscal year 2023-2024.

Vehicles & Equipment

The replacement schedule was looked at in-depth to determine if the vehicles and equipment to be replaced were able to be kept any additional years. In instances where they were, the replacement schedules were adjusted to reflect the new replacement year. All transfers to equipment replacement fund in each department were decreased by 50% to have a short-term fix to the budget shortfall.

Administration

- 1) Insurance Premiums (6514) for IRMA should decrease annually based on the experience of the Village over the past 5 years. The last major claim dropped off on the 2018 insurance premium. The invoice decreased by \$10,535 from 2018. The credit was increased from projected fiscal year 2018-2019 in the budget for fiscal year 2019-2020 credit, in the amount of \$82,000. We would be able to sustain this amount of credit for 4 more years at this rate.

Police

- 1) Salaries – Regular (6101) – The represented patrol officers are receiving 2.1% plus applicable step increases, while the Sergeants contract is set to expire April 30, 2019 and a new contract agreement has not been reached;
- 2) Salaries – Overtime (6102) and Part-Time (6104) – hours are balanced to ensure that all patrol hours are either covered with overtime or part-time patrol officers. Part-time salaries also include the part-time Administrative Officer and part-time Office Assistant positions;
- 3) Police Pension (6106) – increased to reflect the additional cost of police pension of over \$145,000 based on the new actuarial study completed for May 1, 2018 with new rate of return assumption; and
- 4) Telecommunications (6502) – increased by \$9,000 due to having to purchase the final new radio;

Streets

- 1) Repair & Maintenance Service – ROW (6405) – decreased with the removal of the Sidewalk Program has been removed and moved to Fund 35;
- 2) Landscaping supplies (6606) - decreased \$37,000 from the fiscal year 2018-2019 budget for builder funded parkway trees, based on the lot projections of new development homes to be built in fiscal year 2019-2020 as well as the removal of the 50/50 parkway tree program; and
- 3) Snow & Ice Control Supplies (6615) – increased by \$120,000 from actual estimates because all of the reserves have been depleted. We are anticipating to purchase double the amount we have in the past to build up the reserve again; and

Building Maintenance

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- 1) Repair & Maintenance Services - Buildings (6406) – decreased \$19,600 because there were two expenses that have been completed in fiscal year 2018-2019. The replacement of the A/C units in the server rooms and the Street Barns repairs.

Community Development

- 1) Engineering Services (6303) – decreased as we expect the developer related expenses to be less in fiscal year 2019-2020; and

Finance

- 1) Audit Services (6302) – increased by \$1,300 for the implementation of GASB 74/75 which is new for fiscal year ending April 30, 2019; and
- 2) Other Professional Services (6309) – decreased by \$7,094 decreased property taxes.

General Capital Projects Fund (Fund 30)

Fiscal Year 2018-2019 Revenues

Revenues are projected to be \$210,703 higher than what was budget for the year. This was from improvement donations for Chelsea Commons and the increase in funding the Equipment Replacement Fund to 100%, originally budgeted at 50%.

Fiscal Year 2018-2019 Expenditures

Expenditures are projected to be \$70,042 lower than budget for the year, due to the Streets department not purchasing the Chipper, this was pushed to fiscal year 2022-2023, as well as the Blackberry Creek Pedestrian/Bike Bridge phase 1 contribution being spent in fiscal year 2017-2018.

Fiscal Year 2019-2020 Revenues

Revenues are expected to decrease by roughly \$235,000 due to no improvement donations being expected from any developments and the reduction of the Equipment Replacement Fund by 50%.

Fiscal Year 2019-2020 Equipment Replacement

All equipment replacement transfers from the General Fund were reduced by 50% in fiscal year 20192020 as a short-term solution for the budget deficit.

Two vehicles are scheduled for replacement.

- **Police Department** - o #52 2014 Ford Interceptor Sedan – Chief's Sedan
- **Street Department** – o #203 2003 International V-Box 7400 Truck for Snow Removal/Field Maintenance

Industrial Tax Increment Financing District #1 (Fund 32)

Fiscal Year 2018-2019 Revenues and Expenditures

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Revenues are slightly below the budgeted amount due to the EAV not increasing as much as previous years. There was one major expenditure in fiscal year 2018-2019 for the resurfacing of Airpark Dr. in the amount of \$103,573.

Fiscal Year 2019-2020 Revenues and Expenditures

Revenues were budgeted at a 1% increase over the prior year actual collections for the TIF. In the fiscal year 2019-2020 there was \$30,000 added to the budget as an expense to possibly hire a consultant to create marketing material and market potential development sites within the TIF redevelopment area.

Industrial Tax Increment Financing District #2 (Fund 33)

Fiscal Year 2018-2019 Revenues and Expenditures

The revenues in the TIF have steadily increased as well due to the EAV within the area. Expenditures are the annual membership for the Illinois Tax Increment Association (ITIA) as well as the annual conference, as well as expenses in relation to the possible boundary extension of TIF 2.

Fiscal Year 2019-2020 Revenues and Expenditures

Revenues in the TIF were estimated at a 1% increase over the prior year projections to anticipate another positive increase in the EAV over the base value. The expenditures still include the annual membership and conference for ITIA, but additionally \$35,000 was added for legal and consulting services for the possibility of a boundary extension in TIF 2.

Infrastructure Capital Projects Fund (Fund 35)

Fiscal Year 2018-2019 Revenues

The revenues are projected to come in below budget by \$1,245,517 due to one of the projects not being completed or bid in the fiscal year. Below are the grants that were budgeted in fiscal year 2018-2019:

- 2018 Road Program
- IL-47 and Bliss Road Phase 3 Construction

Fiscal Year 2018-2019 Expenditures

The expenditures are projected to be below budget by \$1,581,177 the construction and engineering for Bliss & IL-47 intersection has not been completed.

Fiscal Year 2019-2020 Revenues

In August 2017, the Village implemented a Road Maintenance Fee per month that was added to the Utility

Bill. The proposed fiscal year 2019-2020 budget has the monthly amount going to \$6.48. This increase of \$0.19 is the same percent increase the garbage rates per the contract states from D.C. Trash of 3%.

Revenues are budgeted higher than the projected actuals of fiscal year 2018-2019 due to the potential of Bliss & IL-47 construction and Phase III engineering being complete. Also, the

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remainder of IL-47 & I-88 Phase I engineering will be paid out once reimbursed from the State of Illinois. The Non-Home Rule Sales Tax budgeted amount increased by \$17,390 over the fiscal year 2018-2019 budget due to realizing the total sales tax generated from the business which open throughout the year.

Fiscal Year 2019-2020 Expenditures

Expenditures are budgeted \$1,699,700 over estimated actuals of fiscal year 2019-2019. All projects in fiscal year 2019-2020 have a dedicated funding source of MFT Funds from the State, Grants, Road Maintenance Fee or existing fund balance. Below are the scheduled projects for fiscal year 2019-2020:

- Phase I Engineering IL-47 & I-88 - \$55,586
- Phase III Engineering IL-47 & Bliss Rd. - \$231,141
- Phase III Construction IL-47 & Bliss Rd. - \$1,360,000
- 2019 MFT Road Program Construction - \$247,214
- 2019 Road Program Engineering (Road Fees/MFT) - \$61,299
- 2019 Road Program Construction (Road Fees) - \$231,973
- Seal Coat Bike Path - \$5,000
- Sidewalk Program - \$10,000

The remaining revenues from the NHRST collections are used to pay the debt service payments for the 2013A Bonds.

Debt Service Fund (Fund 41)

This fund pays the debt service payments on the 2009 Public Works Facility refunding bond and the 2013A

Building Program refunding bond. Revenues to cover the bonds are received from a transfer from Waterworks and Sewerage Fund, Infrastructure Capital Projects Fund (NHRST) and General Capital Projects Fund.

SSA#10 Sugar Grove Center (Fund 47)

Revenues are projected to be collected 100%, as this was established to maintain the area near Jewel. The taxes collected are used for Storm Water and Detention Basin Maintenance. Due to the reduction in work needed in the area, the Village did not levy taxes for Tax Year 2018, collected in 2019, for SSA#10. The fund balance in the account will be reduced until we need to levy taxes again.

Waterworks and Sewerage Fund (Fund 50)

Fiscal year 2018-2019 is projected to have a deficit of (\$1,148,371), and fiscal year 2019-2020 proposed budget is to have a deficit of (\$476,056). The deficit will use fund balance to provide funding for the projects to complete in the proposed budget. Completing all the projects and operating expenses, will bring the fund balance below the fund balance policy of 25% of operating expenses in the Waterworks and Sewerage Fund. At the end of the fiscal year 2019-2020 the recommended fund balance is \$796,753 and the projected fund balance with the proposed budget will be \$334,681, a shortage of (\$462,072).

Fiscal Year 2018-2019 Revenues (50-0X-XXXX)

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Revenues are estimated to come in \$13,212 (0.31%) over the approved budget for the year. With the continuous efforts of the Utility department, the meter changes outs have made a huge impact on getting the residents correct billing. The number of meters that are estimating has drastically been reduced, leaving less than 100 meters to be replaced in fiscal year 2019-2020. We have been successful in working with residents to get their past due balances caught up to get our receivable to a reasonable amount.

Fiscal Year 2018-2019 Expenditures (50-XX-XXXX)

Expenditures are estimated to be \$352,286 (6.45%) under the approved budget for the fiscal year. There is one major reason the estimated actuals were below what was budgeted. The budget included \$600,000 for a water main repair at Cross St. and IL-47, at the time of the budget we did not know the extent of the repair. This was significantly under budget once the exploration period was completed.

Fiscal Year 2019-2020 Revenues (50-0X-XXXX)

The fiscal year 2019-2020 budgeted revenues reflect an increase in water and sewer rates of 6.25% as recommended by the Utility Rate Committee. This is year 3 of the 3 year rate plan. The average usages were recalculated for residents and non-residents now that there is better data from the new meters. Revenues are proposed to increase by \$116,258 over fiscal year 2018-2019 approved budgeted revenues. The major revenue increases were within water and sewer sales, while there was a decrease in water tapon fees, due to the decrease in new development projections that we charge tap-on fees too.

Fiscal Year 2019-2020 Expenditures (50-XX-XXXX)

Administration

- 1) Transfer to Equipment Replacement (7010) – increased to \$120,172 which is full funding for the fiscal year; and
- 2) Debt – Principal/Interest (8002/8003) – decreased by \$91,898 due to the refunding of the 2006 and 2008A bonds into the 2017 series bonds.

P.W. Administration

- 1) Salaries – Regular (6101) – increased \$37,828 by reevaluation the percentage allocation for the P.W./W&S Office Assistant position;
- 2) Medical/Dental Insurance (6201) – increased due to the insurance renewal average increase of 4.8% for the Village;
- 3) IMRF Contributions (6206) – decreased slightly as the IMRF contribution rate decreased from 9.19% to 6.69% in 2019;
- 4) General Equipment (6500) – increased due to including an Electronic Message Board for residential informational purposes;

Water Operations

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- 1) Other Professional Services (6309) – decreased by \$94,000 from fiscal year 2018-2019 budget due to not needing to contract out for the water meter replacements. Included was \$50,000 to begin a Valve Maintenance Program, which would be a multi-year program;
- 2) Electricity (6511) – was reduced due to realizing the true cost of the electrical aggregation program with Dynegy; and
- 3) Specialized Supplies (6603) – was decreased by almost \$156,000 as there are not as many meters to be purchased and replaced.

Water Capital

- 1) Engineering Services (6303) – increased by \$60,000 for the engineering to complete the remaining work on the Settlers Ridge to Prestbury Water Main and the engineering for water main replacement on Annette's Circle and Annette's Lane;
- 2) Automotive Equipment (7006) – is budgeted for \$185,000 to replace the 2003 International 5-Yard 7400 Truck #202; and
- 3) Water System Improvements (7011) – decreased from prior year but still have to complete major projects: remaining work for Settlers Ridge to Prestbury Water Main (\$50,000), Tudor Court Storm Water Pipe (\$15,000), SCADA Radio Upgrade (\$30,000), and Annette's Circle/Lane Water Main replacement (\$1,200,000).

Water Capital Fund (Fund 51)

The Water Capital Fund is a new fund created in fiscal year 2017-2018 to form a dedicated fund to transfer money for equipment replacement, vehicle replacement and infrastructure improvement projects separate from the Water Fund. In the past, the transfers being made for equipment and vehicle replacement was internally being transferred within the same fund. Creating the Water Capital Fund will designate and earmark these funds for those specific uses only, not to get confused with the Waterworks and Sewerage Fund Balance. Since this is in the early years for the fund, the only activity is equipment and vehicle replacement transfer revenue of \$110,559 into the fund.

Refuse Fund (Fund 57)

Fiscal Year 2018-2019

Revenues are projected to come in slightly higher than budgeted by \$6,000, while expenses are also set to come in \$4,000 higher than budgeted.

Fiscal Year 2019-2020

The refuse fund has a fund reserve policy to have only a 12.5% reserve balance in the fund, therefore, to maintain the reserve, we are recommending a 3% increase which is what the monthly expense will increased by per the contract with D.C. Trash beginning with the August 2019 billing. The current rate being charged by D.C. Trash is \$17.06 per month and will increase to \$17.57 per month.

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Police Pension Fund (Fund 80)

Fiscal Year 2018-2019

Revenues and expenditures are generally projected to be in line with what was budget for the fiscal year.

Fiscal Year 2019-2020

Revenues are expected to increase as a result of the increased contribution at Projected Unit Credit 90% funding level per the actuarial study with the decrease in expected rate of return. The increase to revenue will increase from the Village's contribution amount of an additional \$145,000.

President Michels asked that the realignment of Prairie be added to the budget.

The Board stated that they would like to the seasonal PT Code Enforcement position retained. They understand that it would cut into reserves but the efforts of position have been appreciated but residents.

Trustee Koch stated that he would like to see some support/work on achieve the police pension funds in the state run differently, more like IMRF.

Trustee Johnson inquired as to how many people are in the police pension. It was answered 11 Full-time officers and 6 that are either retired or on disability.

Trustee Paluch questioned why the large charge in the levy for the general fund. It was explained that due to the mandate for the large increase in the police pension levy portion, as the total funds do not vary much that portion of funds had to be removed from elsewhere in the levy. He also asked about looking at streaming Board meetings.

Trustee Lendi asked about the signage at Sugar Grove Parkway and Park. Administrator Eichelberger explained that staff is still looking at it. When first discussed the fact that there are dedicated turn lanes at the entrance was not considered. This would lead to confusion for drivers. An updated traffic count will be done to see if we can meet warrants for a signal.

REPORTS

Trustee Koch expressed his sympathy for the family of Stan Bonds, Montgomery Village Trustee.

Trustee Montalto stated that Groovin in the Grove committee is considering sponsorship from local businesses.

President Michels stated that Administrator Eichelberger would be representing Sugar Grove at the Springfield Legislative drive down.

CLOSED SESSION

Trustee Johnson **moved to adjourn to closed session to discuss Personnel as per the exception to the open meetings act, and to adjourn therefrom taking no action.** Trustee Montalto seconded the motion. President Michels then called for a roll call vote.

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AYE:	Johnson	NAY:	None	ABSENT:	None
	Herron				
	Paluch				
	Lendi				
	Montalto				
	Koch				

Motion Carried.

AIRPORT REPORT

Representative Wolf stated that the Airport board has updated their by-laws..

ADJOURNMENT

Motion adjourn at 8:15 p.m. by Trustee Johnson, seconded by Trustee Montalto.

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