

**VILLAGE OF LIBERTYVILLE
BOARD OF TRUSTEES**

**Committee of the Whole
Finance Committee**

**December 8, 2020
7:00 p.m.**

AGENDA

Meeting Conducted Virtually Due to Governor's Executive Orders #2020-10, 18, and 32

Pursuant to the Open Meetings Act, as amended by Public Act 100-0640, the Mayor of the Village of Libertyville, as the head of the public body, has made a determination that an in-person meeting is not practical or prudent because of a disaster.

Please join this meeting from your computer, tablet or smartphone:

<https://global.gotomeeting.com/join/699731277>

Members of the public can also dial in using a phone:

United States: +1 (872) 240-3311

Access Code: 699-731-277

1. Approve Minutes of the November 10, 2020 Meeting (Roll Call)
2. Stormwater Update
3. Other
4. Adjourn

Any individual who would like to attend this meeting but because of a disability needs some accommodation to participate should contact the ADA Coordinator at 118 West Cook Avenue, Libertyville, Illinois 60048 (847)362-2430



VILLAGE OF LIBERTYVILLE
Finance Committee/Committee of the Whole Minutes
DRAFT
November 10, 2020

A joint meeting of the Finance Committee and Committee of the Whole was held on Tuesday, November 10, 2020 at 7:00pm virtually due to COVID-19. In attendance were Committee members: Chairman Moras and Trustees Carey and Justice. Also in attendance were Mayor Wepler, Trustee Johnson, Trustee Adams, Clerk Kowal, Administrator Amidei, Deputy Administrator Engelmann, Fire Chief Rich Carani, Public Works Director Paul Kendzior, Police Chief Clint Herdegen, Community Development Director John Spoden, and Finance Director Mostardo.

Clerk Kowal called the roll.

PRESENT – Wepler, Johnson, Moras, Justice, Adams, Carey
 NOT PRESENT – Garrity

Trustee Johnson moved to approve the minutes of the October 13, 2020 Finance Committee/Committee of the Whole meeting and Trustee Carey seconded. After a roll call vote, the motion carried.

AYES – Johnson, Moras, Justice, Adams, Carey
 NAYS – None
 NOT VOTING – None

Review of Monthly Financial Report – October 2020 / COVID-19 Impact Update

Director Mostardo presented the financial reports for the month ended October 31, 2020. The COVID-19 pandemic continues to be a strain on the Village's economic base, particularly with the rising caseloads throughout the month of October. He explained that this was the first month end that incorporated the budget amendment figures that were adopted in early October. The historical budget benchmarks versus year-to-date actuals are looking much better than in prior months with the amended revenue and expenditure levels taken into consideration. Director Mostardo then proceeded to walk through each of the Village's major funds: General, Utility and Sports Complex. He did not identify any areas of critical concern but noted several revenue streams that continue to underperform on account of the COVID-19 pandemic. He noted that sales taxes revenues, while still underperforming versus prior years, were fairly reasonable for October (sales in July) even in light of the COVID-19 pandemic.

Chairman Moras commented that everything seems to be lining up very well due to the budget amendment. Trustee Johnson expressed her agreement with Chairman Moras' assessment.

Tax Levy Presentation – Tax Year 2020

Director Mostardo delivered a presentation regarding the options for the 2020 tax levy, which is normally scheduled to be approved by the Village Board in December. Director Mostardo reviewed the fundamentals of the Village tax levy which included how it is used and how it is calculated under the Illinois Property Tax Extension Limitation Law (PTELL).

He then reviewed the parameters by which the Village was able to calculate its maximum limiting rate under PTELL for tax year 2020. Utilizing both the maximum CPI allowed under PTELL (2.3%), plus incorporating new growth would result in an \$18 (1.6%) levy increase for a resident with a home valued at \$500,000. Director Mostardo presented two alternate options which did not fully incorporate the CPI allowance. Due to the actuarial increases in contributions to the public safety pension funds on account of April 30, 2020 fiscal year-end investment returns, the Committee determined that the full CPI allowance plus new growth levy option was most appropriate for tax year 2020. Director Mostardo reminded the Committee that the Village's property tax levy makes up only 9% of a resident's tax bill, and that the all-inclusive Libertyville tax rate for traditional municipal services, fire services, and parks/recreation services is among the lowest in the Lake County region.

Chairman Moras supported the staff recommendation to proceed with a levy recommendation of the full CPI allowance plus new growth.

Trustee Johnson made a motion to recommend to the Village Board a tax year 2020 levy estimate of \$8,671,241 after debt service abatements and Trustee Adams seconded. After a roll call vote, the motion carried.

AYES – Johnson, Moras, Justice, Adams, Carey
NAYS – None
NOT VOTING – None

Annual Review of IRMA Excess Reserves

Director Mostardo reviewed the Village's participation in the IRMA risk pool and the concept of IRMA Excess Surplus Fund. He noted that the budget amendment called for IMRA Excess Surplus funds to be used to offset the annual insurance contributions for the General Fund and Sports Complex Fund. He noted that this action would likely take the Village's Excess Surplus Fund fund balance below the Village's policy temporarily, but that it should be replenished during the first quarter of 2021 once IRMA credits the Village with its year-end investment earnings.

Trustee Carey made a motion to direct staff to utilize \$724,499 in IRMA Excess Surplus Fund resources to offset the upcoming 2021 annual Village IRMA contribution and Trustee Justice seconded. After a roll call vote, the motion carried.

AYES – Johnson, Moras, Justice, Adams, Carey
NAYS – None
NOT VOTING – None

Stormwater Update

Director Mostardo provided a brief overview to the Committee pertaining to the ongoing development of the proposed stormwater utility fee. He noted that staff have finished coding off the multi-family and multi-unit parcels and provided that information to the Village's GIS provider to incorporate into the stormwater billing database.

Other

None.

Adjournment

There being no other business, Trustee Justice moved to adjourn the meeting and Trustee Carey seconded the motion. After a roll call vote, the motion carried.

AYES – Johnson, Moras, Justice, Adams, Carey
NAYS – None
NOT VOTING – None

The meeting was adjourned at 7:40pm

Respectfully submitted,

Nicholas A. Mostardo
Director of Finance

MEMORANDUM

TO: CHAIRMAN MORAS AND FINANCE COMMITTEE

FROM: NICHOLAS MOSTARDO, DIRECTOR OF FINANCE

SUBJECT: STORMWATER UPDATES

DATE: 12/8/2020

CC: KELLY AMIDEI, VILLAGE ADMINISTRATOR

Background

Since late-summer, staff and the Village's consultants at NewGen Strategies and Solutions and MGP have been working on matching the stormwater impervious surface data to the Village's existing utility billing database. This process was completed the week prior to Thanksgiving and the database was handed over from MGP to NewGen for the development of the customer stormwater utility fee lookup utility. This utility will be completed shortly and a demo will be presented to the Village Board during the December 8, 2020 Committee of the Whole/Finance Committee meeting.

Separately, with the lookup utility nearly complete, it is time to begin discussing the conclusion of the Phase II of the stormwater utility feasibility study and the introduction of the fee to the Village's customer base.

Analysis

For Village Board consideration, staff is proposing the following milestones to conclude the stormwater utility fee development and implementation process:

1. No later than December 18, 2020 – Launch of final customer lookup utility
 - a. We will publish the availability of this utility and stormwater utility fee background on the Village's website, the electronic newsletter, and social media. We will utilize a centralized landing page on the Village's website for this information.
2. Thursday, January 14 and Thursday January 28, 2021 – Virtual resident/business forums to discuss the fee, facilitated by the NewGen, Village staff, and the Mayor (held in a format similar to the non-home rule sales tax public information meetings).
 - a. Staff would use all available resources to widely disseminate information about these meeting opportunities. Mayor Wepler may wish to utilize a *Code Red* in advance of the meeting dates.
3. Tuesday, February 9, 2021 – NewGen presents final Phase II study results to the Village Board Committee of the Whole after incorporating input from public meetings. Village Board issues final policy direction for preparation of the stormwater utility fee ordinance.
4. Tuesday, February 23, 2021 – Village Board adopts an ordinance establishing a stormwater utility.
 - a. The ordinance will be prepared by Village staff and NewGen staff and will undergo significant legal review by the Village Attorney.
 - b. Once approved, mailers will be included with all utility bills explaining the new charge in advance of the fee going into effect.

5. Wednesday, September 1, 2021 (bills issued on or after) – The stormwater utility fee begins appearing on customer bills.
 - a. This date provides a six-month period for residents and business to prepare for the stormwater utility fee. It was previously the desire of the Village Board to afford residents and businesses this advance notice period.

The Stormwater Sewer Fund has adequate access to resources to maintain progress towards ongoing project completion (FY 2021-2022 Rockland Construction; Highlands Phase II Engineering) even if the charges for the fee are not introduced until September 1, 2021. Not only is the Village in serious consideration for significant state grants, having a fee ordinance on the books will also allow the Village to begin raising money from issuing alternate revenue bonds as prescribed by Phase I of the Stormwater Utility Feasibility Study.

Recommendation

1. Provide policy direction on the proposed timeline for the finalization of a stormwater utility fee.