

Village of Carol Stream

Special Meeting of the Village Board

Village Hall Remodeling Renovation-Phase 2 Design Presentation FY16/17 Budget Wrap-Up

Gregory J. Bielawski Municipal Center
500 N. Gary Avenue, Carol Stream, IL 60188

March 21, 2016
6:00 p.m. – 7:01 p.m.

Meeting Notes

ATTENDANCE:

Mayor Frank Saverino, Sr.
Trustee Matt McCarthy
Trustee John LaRocca
Trustee Rick Gieser
Trustee Mary Frusolone
Village Clerk Laura Czarnecki

Joseph E. Breinig, Village Manager
Bob Mellor, Assistant Village Manager
Chris Oakley, Asst. to the Village Manager
Jon Batek, Finance Director
Jim Knudsen, Director of Engineering
Marc Talavera, Information Systems Dir.
Ed Sailer, Police Chief
Don Bastian, Community Dev. Dir.
Caryl Rebholz, Employee Relations Dir.
Phil Modaff, Public Works Director
John Jungers, Deputy Police Chief

The meeting was called to order at 6:00 p.m. by Mayor Frank Saverino, Sr. and the roll call read by Village Clerk Laura Czarnecki. The result of the roll call vote was as follows:

Present: Mayor Saverino, Sr., Trustees LaRocca, Gieser, Frusolone and McCarthy

Absent: Trustees Hennessey and Schwarze

Village Hall Remodeling Renovation-Phase 2 Design

Mark Bushhouse provided a recap of the design options for the Village Hall remodeling project and described the agreement for architectural services for schematic design & construction development services. Construction documents are broken out by specific trades with preference given to local contractors if desired. Plan to use construction manager at risk who is financially responsible for subcontractors.

Trustee Frusolone wants to make sure employees working in the spaces, have input at the schematic design stage.

Staff to work with Village Attorney and Architect on an Architectural Services Agreement for Village Board consideration on April 4, 2016.

Presentation FY16/17 Budget Wrap-Up

Finance Director Jon Batek presented the budget wrap-up of the other funds for the FY 2017 Budget as follows:

- TIF Funds
 - Geneva Crossing TIF
 - North / Schmale TIF
- Police Pension Fund

TIF2 – Geneva Crossing Shopping Center

- Created in 1997 to spur the development of the Geneva Crossing Shopping Center.
- \$4.69M TIF Bonds issued in 1997 to assist with site acquisition costs.
- 20 Year Bonds ending January 1, 2017.
- Bonds refinanced in 2005 to save interest costs and restructure debt to meet TIF cash flows. Bond maturities extended to December 30, 2021 (additional 5 years).
- Property tax increment + 100% of Village sales taxes received from the development (minus \$100,000/yr. the Village keeps) are pledged to repayment on the bonds.
- Last year (FY14/15), we applied \$1.015M of available cash reserves to call (pay early) the last three (3) years of bonds retiring in 2019, 2020 and 2021, saving the TIF more than \$306,000 in future interest costs.
- This year (FY15/16), we applied \$875K of available cash reserves to call final three (3) years of bonds retiring in 2016, 2017 and 2018, saving an additional \$86,000 in interest costs.
- Bonds were fully retired on December 30, 2015.
- 6 years early on the 2005 refunding bonds.
- 1 year early compared to original 20 year bonds.

TIF Close-Out Procedures

- Earliest close date is December 31, 2016 per Village Attorney.
- Search for unresolved property tax appeals.
 - Village intervening in 2015 tax appeal.
 - Escrow funds for outstanding appeals.
- Current TIF Cash Balance (2/29/16) = \$328,362.
- We will need to collect 2015 levy during CY2016
 - Estimated at \$425,000
- Final distribution to taxing jurisdictions based on County formula.

TIF3 – North Ave./Schmale Rd. TIF

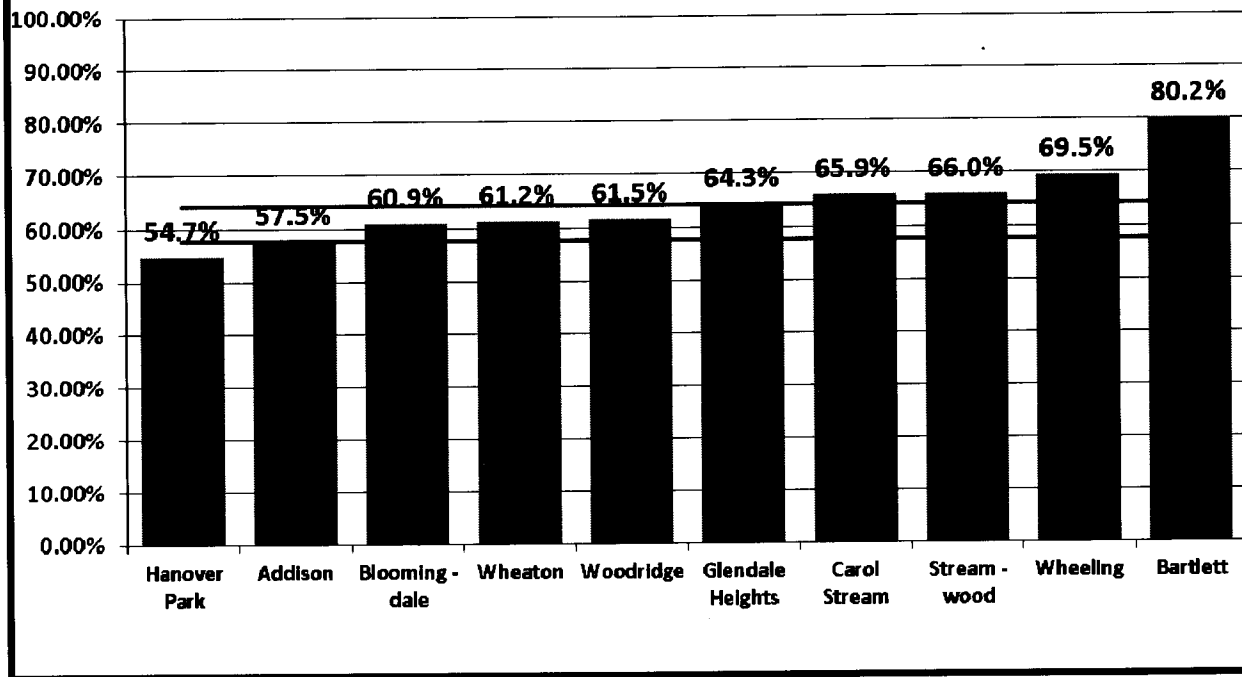
- Created in FY11/12 to provide assistance with the development of the southwest corner of North Avenue / Schmale Road.
- Redevelopment Agreement signed with Caputo's in July 2013.
- Structured differently than Geneva Crossing TIF:
 - No up front bond sale. Privately financed.
 - Non-monetized Village note of \$3.5 M.
 - Secured by 100% of incremental property taxes + 50% of sales taxes for a period of 13 years. 2 year extension if total principal not paid (incremental property taxes ONLY).

- Caputo's operational September, 2014.
- Last year (FY14/15), first sales taxes received from Caputo's contributed to the TIF (\$73K)
- Current year (FY15/16) sales tax contributions estimated at \$90K.
- Thus far, we have only received property tax increment on Caputo's site in FY13/14 (for 2012 taxes). In 2013 and 2014, EAV was below frozen value due to construction and tax appeals, thus no increment flowing to the TIF.
- Increment for tax year 2015 is positive, based on reassessment for completed construction, however there is still a pending property tax appeal, making increment unsure for FY16/17 as well.
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- Increment for tax year 2015 is positive, based on reassessment for completed construction, however there is still a pending property tax appeal, making increment unsure for FY16/17 as well.
- Principal and Interest (P&I) payments on the note are due on June 30 and December 31 each year.
 - We have had 2 P&I payments thus far, June and December 2015.
 - As of December 31, 2015, there is an interest deficiency of \$81,899.
 - Thus, property tax increment is needed to pay back interest deficiency and begin principal
 - This likely will not happen in FY16/17.
- Village is protected from default or partial payment on the note as it is only secured by the property tax increment and 50% sales tax pledge.

Police Pension Fund Highlights

- Funding comes from three (3) sources:
 - Officer Contributions (9.91% of Base Pay)
 - Interest Earned on Investment Portfolio
 - Actuarial Contribution Made by the Village
- Eclipsed \$40 million in net assets during FY14/15.
- 65.9% funded as of April 30, 2015.
- Village contribution increases by 7.5% in FY16/17 over FY15/16.
- The Fund is not having a good FY15/16
 - Volatile market conditions
 - Net asset decline of \$1.6 million since May 1, 2015
 - About a 3.8% drop, from \$41.5M to \$39.9M
 - This is not unique to Carol Stream
- Fund's allocation target
 - 55% Fixed Income
 - 45% Equities
 - A bit more conservative than statutory allowance
- Very Long-Term Focus – we take the good with the bad.

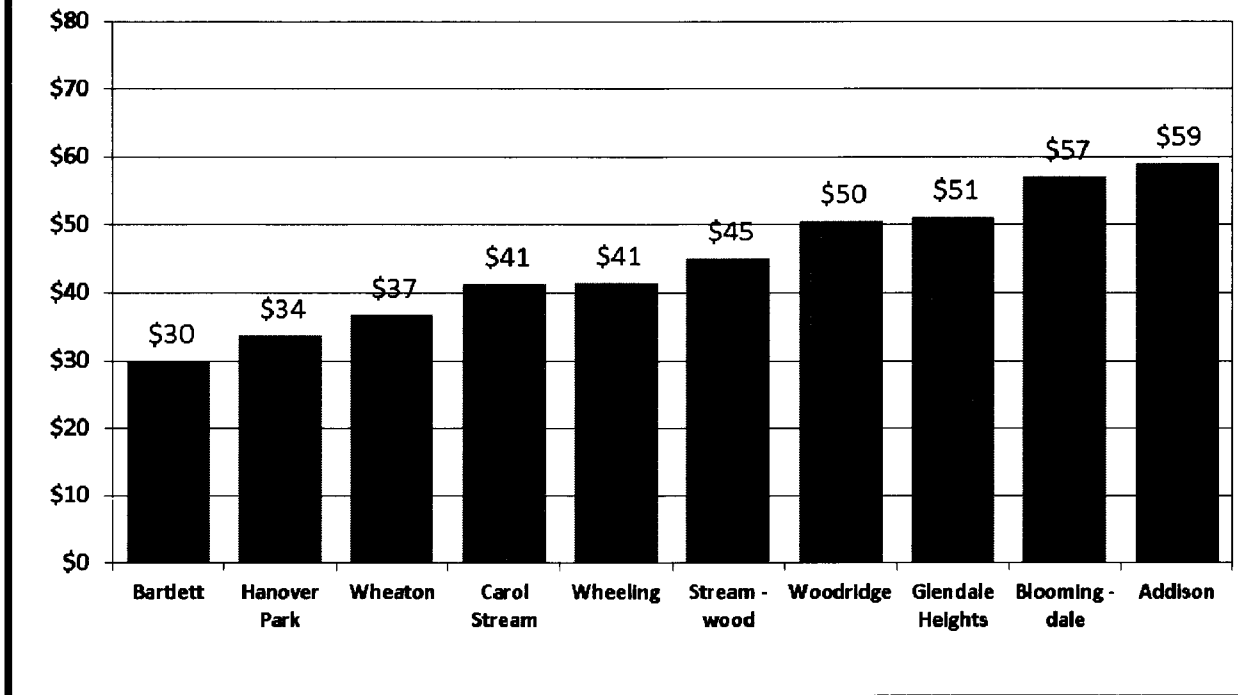
Police Pension Funding Status FY 2015



Source: Comprehensive Annual Financial Reports

* State average for all Downstate Police Pension Funds for FY14 (most current data available)
Per Illinois Department of Insurance - Pension Division.


Police Pension Contributions per Capita FY 2015



Trustee Frusolone commented about and was complimentary of the increases across all department budgets.

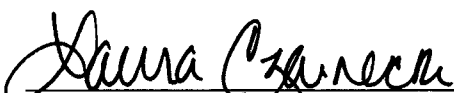
There being no further business, Trustee McCarthy moved and Trustee Frusolone made the second to adjourn the Special Board meeting. The meeting was adjourned unanimously at 7:01 p.m.

FOR THE BOARD OF TRUSTEES



 Frank Saverino, Sr., Mayor

ATTEST:



 Laura Czarnecki, Village Clerk

Minutes approved by the President and Board of Trustees on this

4th day of April, 2016.

Jana Czupnecki
Village Clerk