

**CALL TO ORDER**

President Miller calls to order the Village of East Dundee Committee of the Whole Meeting at 6:00 p.m.

**ROLL CALL:**

Trustees Lynam, Selep, Hall, Andresen and President Miller. Trustees Wood and Mahony were absent.

Also in attendance Village Administrator Jennifer Johnsen, Assistant Village Administrator Brad Mitchel, Chief of Police Terry Mee and Village Clerk Katherine Holt.

**PUBLIC COMMENT (Agenda Items only):** None

**OLD BUSINESS:** None

**NEW BUSINESS:**

**A. 2017 Tax Levy Discussion**

Administrator Johnsen provided a memo to the Village Board which captured all the aspects of the tax levy that she recommends be reviewed and discussed at this time before making any decisions. She explained that the levy has remained flat since 2010 and as a result, the Village's share has decreased over time. She said the Police Pension contribution has gone up and as a result, the levy is primarily the Police Pension obligation. She stated that the Village tax rate increased as the EAV dropped due to the recession. She said the EAV has turned around and has increased over the last 2 years.

Regarding the Police Pension Contribution, the Illinois Department of Insurance (DOI) provides a report that tells the Village what it needs to contribute and that it needs to be levied through taxes. The State of Illinois requires that the Police Pension Fund be 90% funded by 2040. The Pension Board has hired Lauterbach and Amen to help advise with this and they have recommended to be 100% funded by 2036. The difference between the 2 recommendations is \$188,000. She said ultimately it is the Village's obligation to levy and pay the Police Pension Fund, which is currently 52% funded. The Village has always been contributing the statutory minimum for the last several years. She asked that the Board consider the Police Pension obligation in its decision about the levy.

Regarding bond abatement, Johnsen explained that every year the Board has the opportunity to abate general obligation bonds. She said that the County will automatically levy for the Village's debt, however, it is the Village's decision to abate that and find other sources of revenue. She said that there has been a significant jump in the debt and that is contributed to some of the bonds having been interest only for the last couple of years. She said with the changes that were made this year, the Village will be able to fund with TIF and home rule sales taxes. She doesn't recommend doing anything different.

Regarding refuse costs, Johnsen provided a list of advantages and disadvantages of charging the refuse fee through the property tax bill versus keeping it on the utility bill. She explained that a resident with double the home value than another resident will pay double the refuse fee even though they are not necessarily generating more garbage. She said that it is not possible to levy just garbage users, therefore, those that do not receive garbage service will still be required to pay for it. Trustee Mahony added that it is a similar situation to residents that do not have children in school but are still paying for it. She also said that she doesn't feel communication to residents has been as strong as it could have been when implementing the garbage fee. She feels that if they are better informed on what the garbage fees are for other local communities and that East Dundee is trying to stay competitive, it may help them better understand the program when they see the comparison. President Miller stated that West Dundee pays for the garbage fee through property taxes which they raised 14% last year, while other municipalities charge

as a user fee. Trustee Andresen said that he would like to see how numbers pan out in different scenarios if the refuse fee was to go on the tax bill (Senior citizen household, \$100,000 single family home, \$400,000 single family home, etc). Johnsen said that the Village newsletter is currently being created and she will have information included as Trustee Mahony recommended.

Regarding the Property Tax Extension Limitation Law (PTELL), Johnsen explained that the Village would be limited to the PTELL if it was not home rule. She said it is the rate of inflation or 5 percent, whichever is less. She noted that the Village passed home rule in 2004. She stated that recovered increases for new construction and annexations are only allowed the year following the construction or annexation. She provided a calculation back to 2010 of what the Village would have received if it had operated under PTELL which amounted to \$260,000.

The Board will continue the Tax Levy discussion at a future Board meeting.

**PUBLIC COMMENT (Non Agenda Items): None**

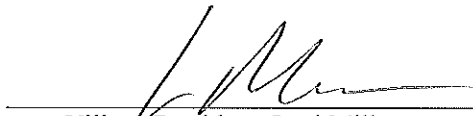
**EXECUTIVE SESSION: No**

Motion to adjourn the Committee of the Whole Meeting at 7:02 pm by Mahony/Andresen. Motion carries by unanimous vote.


Respectfully Submitted,

Katherine Holt

By: \_\_\_\_\_

  
Village President, Lael Miller

Attest: \_\_\_\_\_

  
Village Clerk, Katherine Holt