



**VILLAGE OF BARTLETT  
COMMITTEE MINUTES  
October 16, 2018**

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President Wallace called the Committee of the Whole meeting to order at 7:54 p.m.

PRESENT: Chairmen Camerer, Carbonaro, Deyne, Gabrenya, Hopkins, Reinke and President Wallace

ABSENT: None

ALSO PRESENT: Village Administrator Paula Schumacher, Assistant Village Administrator Scott Skrycki, Management Analyst Sam Hughes, Finance Director Todd Dowden, Acting Community Development Director Roberta Grill, Public Works Director Dan Dinges, Public Works Engineer Bob Allen, Building Director Brian Goralski, Assistant Golf Pro Paul Galvan, Chief Patrick Ullrich, Deputy Chief Chuck Snider, Deputy Chief Geoff Pretkelis, Village Attorney Bryan Mraz and Village Clerk Lorna Gilles.

**FINANCE AND GOLF, CHAIRMAN DEYNE**

**Proposed 2018 Property Tax Levy**

Chairman Deyne stated that the only item on the agenda was the proposed 2018 property tax levy and asked Finance Director Todd Dowden to present the item.

Mr. Dowden presented the attached power point.

Mr. Dowden stated that the property tax levy is for operating expenditures, payment of General Obligation Bonds and contribution to the Police Pension Fund.

He stated that the chart on page three explains the timeline for the tax levy.

On page four of the presentation, Mr. Dowden explained that the chart shows the levy to the last year's extension which includes the lost factor the counties include. The Village is not required to hold a public hearing with the taxation amount not increasing over five percent, but the Village holds one anyway to be transparent. The Villages levy is lower than the extension because the extension included lost factor.

On page five of the presentation, Mr. Dowden explained that the chart shows what the Villages actual levy is compared to last year's actual levy. The corporate levy is the same, the police pension levy is set to go up \$205,916, and the debt service levy is set to increase \$11,000. He explained that \$93,000 of the \$205,916 police pension increase is from lowering the assumed investment rate of return on the actuarially report. The Police Pension Board voted to reduce the investment rate to seven percent over the next two years, with this year being 7.125% and next year being lowered to 7%.



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President Wallace asked why the Police Pension Board is assuming the investment rate will be lower.

Mr. Dowden stated that it is not invested 100% in equities, it is about 55-60% in equities and about 40-45% in bonds, so that is why the investment rate is not as good as the market.

Chairman Reinke stated that it seems like the Village is always behind on the police pension and the return is never what we project it to be so we are always catching up.

Mr. Dowden stated that other factors that affected it was salary increases and a number of turnovers, so the total covered salary has reduced because as people retire and there is turnover, people come in at lower salaries, but their annual increases are more until they get to the top of the range, so that is a factor. The Village has had one disability pension this last year, but the Village had a number of police retirements the year before that and this year the Village has already had three police retirements. He stated that in regard to the debt service, \$11,000 is due to the debt service schedule. The debt service schedule is going to be level until the year 2031/2032. The total increase compared to the levy is 216,833 or just under 2%.

On Page six of the presentation, Mr. Dowden stated that the chart is a breakdown of the debt service levy. 2009 bonds were for the Kohler ball fields, West Bartlett rd. water meter change out and Village Hall. 2012 bonds were from the streets improvements and storm water project on North Ave., 2016 were police station bonds and 2017 was refunding of the 2007 fire station bonds.

On page seven of the presentation, Mr. Dowden stated that this chart is the levy history. The general fund has decreased since 2008. The police pension has increased about \$600,000 and debt service has increased about \$2,000,000.

On page eight of the presentation, Mr. Dowden stated that this chart has the history of the police pension annual returns. For the years 2008 through 2016, it is using a three year smoothing where the investment returns or losses are spread out over three years so there is not any big ups or downs. Back during the stock market crash of 2008, you can see where that is reflected in 2009 and 2010. At that time, we were invested at about 50% in bonds which did very well compared to the equity portfolio. Many pension funds decreased a lot during that time. Currently the Village is 77% funded. The average pension fund in the state is below 65% funded. If Bartlett reduces our assumed investment, we will still be over 70% which is better than most funds. Once you get low in your funding and you are paying out while you are trying to bring money in, then you run into trouble.



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Mayor Wallace asked Village Administrator Paula Schumacher if there has been any activity with the Village lobbyist about fighting the consolidation of police pension funds.

Ms. Schumacher stated that staff has requested an additional meeting with the Northwest Municipal Conference expressing that concern with them. The pension consolidation is moving forward now and they are at a point where they are studying it. In talking to our lobbyist, staff does not think it will get a lot of traction, but they are still looking to make a recommendation and possibly have it consolidated with IMRF. That is a little more palatable than some of the other solutions that are out there. Staff has expressed their concerns to both of the conferences, stating that Bartlett would not be in favor of that kind of move.

Mr. Dowden stated that average returns from 2008 to 2018 were just over six percent and based on our bond to equity ratio, the Village is 50/50 whether we will reach our 7.25% level, which is why the pension board voted to reduce it to 7.125%. Currently, the law states that pensions funds need to be 90% funded by the year 2040, so it is better to put more money in early and gain investment income. 80% is considered healthy and Bartlett has been right around 80% for quite a while.

On Page nine, Mr. Dowden explained that this chart shows the EAV over the years. In 2017 the Village's total increased assessed value was 2.7%. 2016 was the Cook County triennial assessment which was very high, around 17%. Cook County actually had a decrease of .8% in 2017. Part of that was due to the increase of the Home Owner exemption which took some of the taxable assessed value away as they increased that. DuPage County increase 2.3% so that is where we ended up with that 2.7% overall increase. Estimate for 2018 is 3% for Cook County and 5% for DuPage. Cook County should come back a little bit, but values have been up and down. Currently 93% of our EAV is from residential properties.

On page 10, Mr. Dowden explained that in Cook County, 35.75% is the burden and the 1.1407 tax rate is slightly less than last year.

On page 11, Mr. Dowden explained that in DuPage County, the burden will be \$6,800,000 and the tax rate is around .9411, a slight decrease from 2017.

On page 12, Mr. Dowden stated that this chart is the combined rate and shows that it is down slightly based on the EAV estimated to increase slightly and the levy to be relatively flat.

On page 13 and 14, Mr. Dowden stated that the Village will make up about 10% of the total property taxes for DuPage County and Cook County residents.



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On page 15, Mr. Dowden stated that going from here, staff will advertise the public hearing which will be the first meeting in November. Also on the first meeting, the Village Board will review and approve the estimated levy and the final levy would be adopted the first meeting of December with the levy needing to be filed by Christmas Day.

Chairman Carbonaro asked who would be overseeing the group if they consolidate the pensions.

Mr. Dowden stated that it depends. They could potentially have IMRF take over the investments to get economies of scale, but the local governments would still have their boards to award pensions and making disability terminations.

Ms. Schumacher asked Mr. Dowden to summarize the tax levy.

Mr. Dowden stated that the tax levy compared to the extension last year is down slightly, compared to the actual, it's up slightly.

Chairman Wallace entertained a motion to adjourn to the Committee Meeting.

Trustee Deyne moved to adjourn and Trustee Carbonaro seconded the motion.

**ROLL CALL VOTE TO ADJOURN THE MEETING**

**AYES:** Trustee Camerer, Carbonaro, Deyne, Gabrenya, Hopkins, Reinke.

**NAYS:** None

**ABSENT:** None

**MOTION CARRIED**

The meeting adjourned at 8:15 p.m.

Sam Hughes  
Deputy Village Clerk