VILLAGE OF
Mundelein
Incorporated in 1909

AGENDA

COMMITTEE OF THE WHOLE

October 28, 2024 - 6:15 PM
Village Hall - Board Room
300 Plaza Circle, Mundelein, IL 60060

I. CALL TO ORDER

II. MINUTES APPROVAL

A. **Motion** to approve the Committee of the Whole Meeting Minutes from February 26, 2024.

III. PUBLIC COMMENTARY

IV. NEW BUSINESS

A. PMA Presentation

V. ADJOURNMENT

The Village of Mundelein, in compliance with the Americans with Disabilities Act, requests that persons with disabilities who require certain accommodations to allow them to observe and/or participate in this meeting, or who have questions about the accessibility of the meeting or facilities, to contact the ADA Coordinator at 847-949-3200 to allow the Village to arrange accommodations for those persons.

CALL TO ORDER

Committee of the Whole Meeting was called to order at 6:00 PM.

Clerk Walsh took the roll. It indicated the following:

Board Attendance
PRESENT: Trustees Meier, Lambert, Ross, Juarez, Wilson, Schwenk, Wilson, and Mayor Lentz
ABSENT: None

Village Attendance

Public Works & Engineering Director Boeche, Village Administrator Guenther, Finance Director Miller, Fire Chief Lark, Police Chief Seeley, Community Development Director Orenchuk, Building Director Schubkegel, Attorney Cahill, and Assistant Village Administrator Monroe

Absent: None

MINUTES APPROVAL

Committee of the Whole - Committee of the Whole - Feb 12, 2024 6:00 PM

RESULT:	**CARRIED [UNANIMOUS]**
MOVER:	Daniel Juarez, Trustee
SECONDER:	Robin Meier, Trustee
AYES:	Juarez, Lambert, Meier, Ross, Schwenk, Wilson

PUBLIC COMMENTARY

None.

ANNUAL COMMISSION UPDATES

Annual Report – Planning & Zoning Commission

Community Development Director Orenchuk gave the update on the Planning & Zoning Commission. The Planning and Zoning Commission held 11 meetings and heard 13 cases in 2023 that proceeded to the Board of Trustees.

The biggest case was the Station 250 plat approval right next door to the Village Hall. Commission Member Terry Roswick spoke saying that the Commission has a great mix of members, and the Village staff is great with all the work they do.

Annual Report - Economic Development Commission

Mike Decker, Chair for the Economic Development Commission spoke with a slide presentation. He went through the activities for 23-24 (based on the fiscal year):

Chamber Membership Grant, Business Appreciation Breakfast (very well attended this year), Gold Star Awards, Business Registration Outreach, Vacancy Data Collection, and S.T.A.R. Grants (fairly recent).

They have divided the Village into ten districts and assigned individual members to each district, they feel consistency is important and having one key person per district will work well. The Commission also tries to contact businesses that leave to find out the reasons for leaving, that information is helpful.

Annual Report – Mundelein Arts Commission

Senior Planner Colleen Malec spoke for the Arts Commission and Aurelia Spicuzza, the new Chair, introduced herself.

Ms. Malec reviewed the many projects the Commission was responsible for; the Earth Flight Sculpture, the skateboard park mural, the Luke's mural, the second year for the Lure of the Local Art Show, this was the first year the Kirk Players joined in the Shakespeare Shorts, more intentional effort with using Park Street by using an acoustic musical instrument street jam which was very well attended. She gave an update on the Stars On Parade program, while there are new stars being worked on, the current stars are nearly four years old and showing signs of wear & tear. There are additional art ideas being discussed, one is small murals (Smurals) and looking into a sculpture for the Courtland Commons. Ms. Spicuzza thanked the Public Works team for all the work they did helping the Arts Commission.

Annual Report - Beautification Committee

Trustee Ross spoke for the Beautification Committee.

Some of the completed projects are the hanging baskets along Route 45 and Seymour Avenue, the Village Hall Native Demonstration Garden, and the pollinator garden at Courtland Commons. For the last two years the Village has participated in the Wildlife Federation Mayor's Monarch Pledge to help raise awareness of the Monarch Butterfly habitat. We have participated in America In Bloom and won awards. In 2023 they had their first Spring Into Summer event in cooperation with Tighthead Brewery and will be having the second event this year.

Annual Report - Historical Commission

Mike Flynn spoke as the Chair of the Commission.

He thanked Wendy Frasier and Barb Zander for the archiving work they have been doing. This year the Museum held its first Mundelein History Day and it was well attended. Rebuilding the caboose is being discussed since a Tourism Grant Application that was submitted for a new caboose did not get approved, this could be a community project. Vintage Halloween Radio dramas were held in the darkened "Lady's Waiting Room", they were popular. Attendance has been up though two Commission members left. Vintage railroad photos were found and a framed collection of them is hanging at the Metra Station.

Coming up this year--a possible intern program at the High School; possibly some sort of historical event at Tighthead; identifying really old trees and creating a listing of them was suggested by

America In Bloom--this would be part of a champion tree program (the Village does have some very old trees). A new landscape plan is being worked on to create historic gardens at the Museum.

Annual Report - Mundelein Community Connection

Mike Flynn gave the MCC report. Their mission is to publicize & promote the downtown as an economic generator.

Events: Park on Park (well attended); Craft Beer Festival (the big fund raiser) which is getting harder due to many breweries going out of business; Fine Arts Festival; Winter Fest and the Tree Lighting may be combined (on a weekend which has been requested by residents; The Mexican Festival (nothing firm on this--did not work out well on Route 60 last year), the Boxing Event at the Plaza Circle.

Some of the goals for 2024, adjust to new event locations and construction-related impacts, double individual and business memberships, increase business sponsorships for all events, combine Winterfest with the tree lighting, control expenses, participate in Spring Into Summer Event, add new revenue sources, expand community partnerships, and expand community partnerships.

Mr. Flynn said they ended the fiscal year with pretty good cash on hand.

ADJOURN

Motion to Adjourn the Committee of the Whole Meeting

The Committee of the Whole Meeting ended at 7:04 PM.

RESULT:	**CARRIED [UNANIMOUS]**
MOVER:	Erich Schwenk, Trustee
SECONDER:	Kara Lambert, Trustee
AYES:	Juarez, Lambert, Meier, Ross, Schwenk, Wilson

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Village Clerk

Village of Mundelein

Review of School Finance and School District Capital Funding

Robert Lewis
Senior Vice President, Managing Director
PMA Securities, LLC

October 28, 2024

Review of School District Funding Sources

Comparison of Funding Sources by Type of Government

- Village
  - Share of state sales tax
  - Local Sales tax
  - Motor Fuel tax
  - Water and sewer rates and charges
  - Property tax (30.56% of governmental revenues)
  - Share of state income tax
  - Federal grants

- Park District
  - Property tax
  - Recreation fees
  - State grants

- School District (percentages are for Fremont 79)
  - Local - mostly property tax (91.6%)
  - State (6.8%) – Increases based of Tier status (see next slide)
  - Federal (1.6%)
  - Percentages vary by the local wealth of the community

- School District (percentages are for Mundelein 120)
  - Local - mostly property tax (86.6%)
  - State (9.3%) – Increases based of Tier status (see next slide)
  - Federal (4.1%)
  - Percentages vary by the local wealth of the community

Differences reflect variation in flexibility and diversity of revenue streams.

State Funding:
Evidence Based Funding (EBF) Formula - Tier Distribution

- Each district is assigned to a Tier based on how close it is to its Adequacy Target

Tier	% of New Funding	Adequacy Level (FY24)
Tier 1	50%	<=77.3%
Tier 2*	49% (*includes Tier 1 districts)	77.3-90%
Tier 3	0.9%	90-100%
Tier 4	0.1%	>100%

- Fremont 79 is in Tier 3 and received $31,569 new dollars in FY 2024.
- Mundelein 120 is in Tier 1 and received $592,592 new dollars in FY 2024.

- The District 79 has been Tier 3 since EBF inception (FY19). Mundelein 120 has moved from Tier 3 to Tier 1 (as of FY25).

Federal Funding Programs

	2023 ISBE Budget (millions)
Vocational Programs	70.0
Free & Reduced Lunch	1,062.5
Special Ed (IDEA)	996.4
Title Grants	1,646.6
Others	312.0
Total Federal Through ISBE	4,087.5

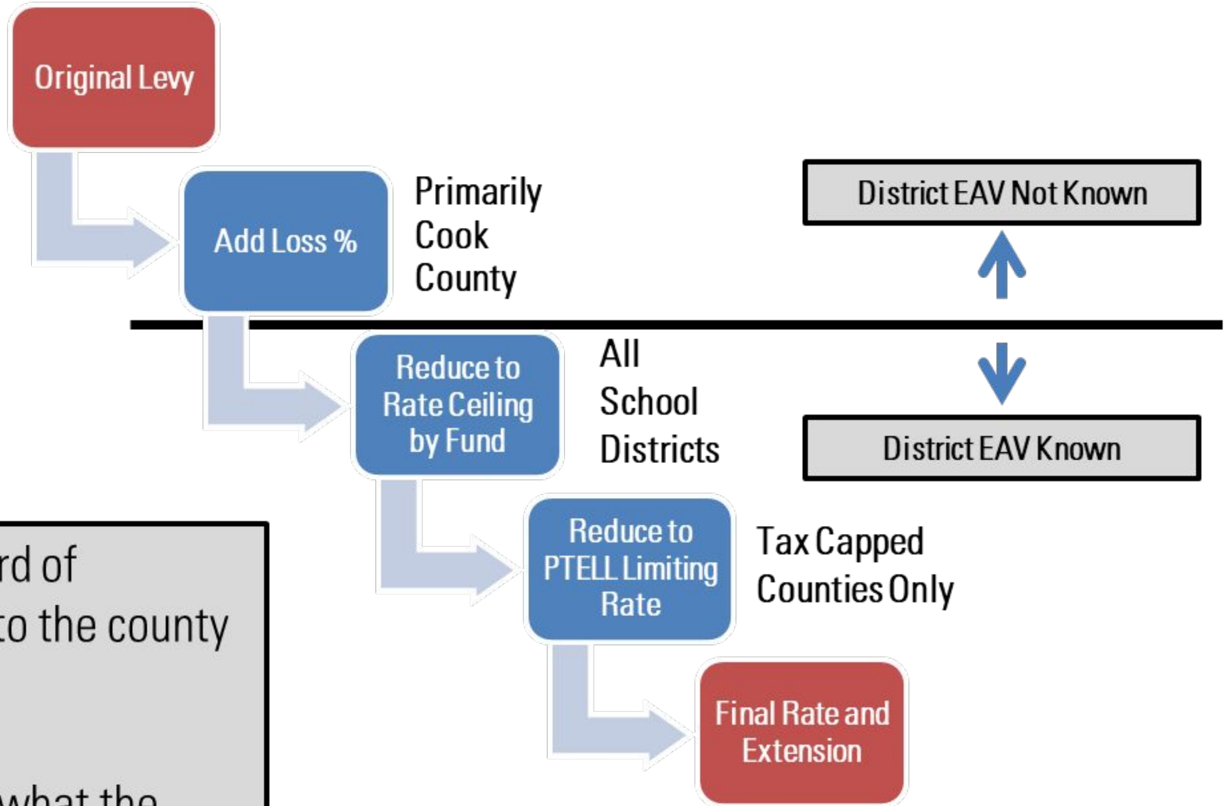
Additionally, in the last few years more than $6B of Federal COVID stimulus dollars flowed to and through ISBE

- District 79 received ~$1,285,122 of Federal funds in FY 2024 (of which COVID stimulus dollars totaled ~$565,123)
- District 120 received ~$3,365,915 of Federal funds in FY 2024 (of which COVID stimulus dollars totaled ~$1,573,468)

Property Tax Extension Limitation Law – PTELL ("Tax Cap")

- Enacted in suburban Collar Counties for 1991 levy and Cook County for the 1994 levy
- PTELL enacted for remaining Illinois counties if approved at county-wide referendum
- Limits the increase in property tax extension to 5% or the increase in the "Consumer Price Index-All Urban Consumers" (CPI-U), whichever is less
- Additional revenues available for "New Property"
  - New property includes the following examples: home addition, a new Amazon facility, new subdivision and an expiring tax increment finance district

How the Tax Levy Becomes the Tax Extension – *The Request Is Made Before All Variables Are Known*



The **LEVY** is the board of education's request to the county for property taxes

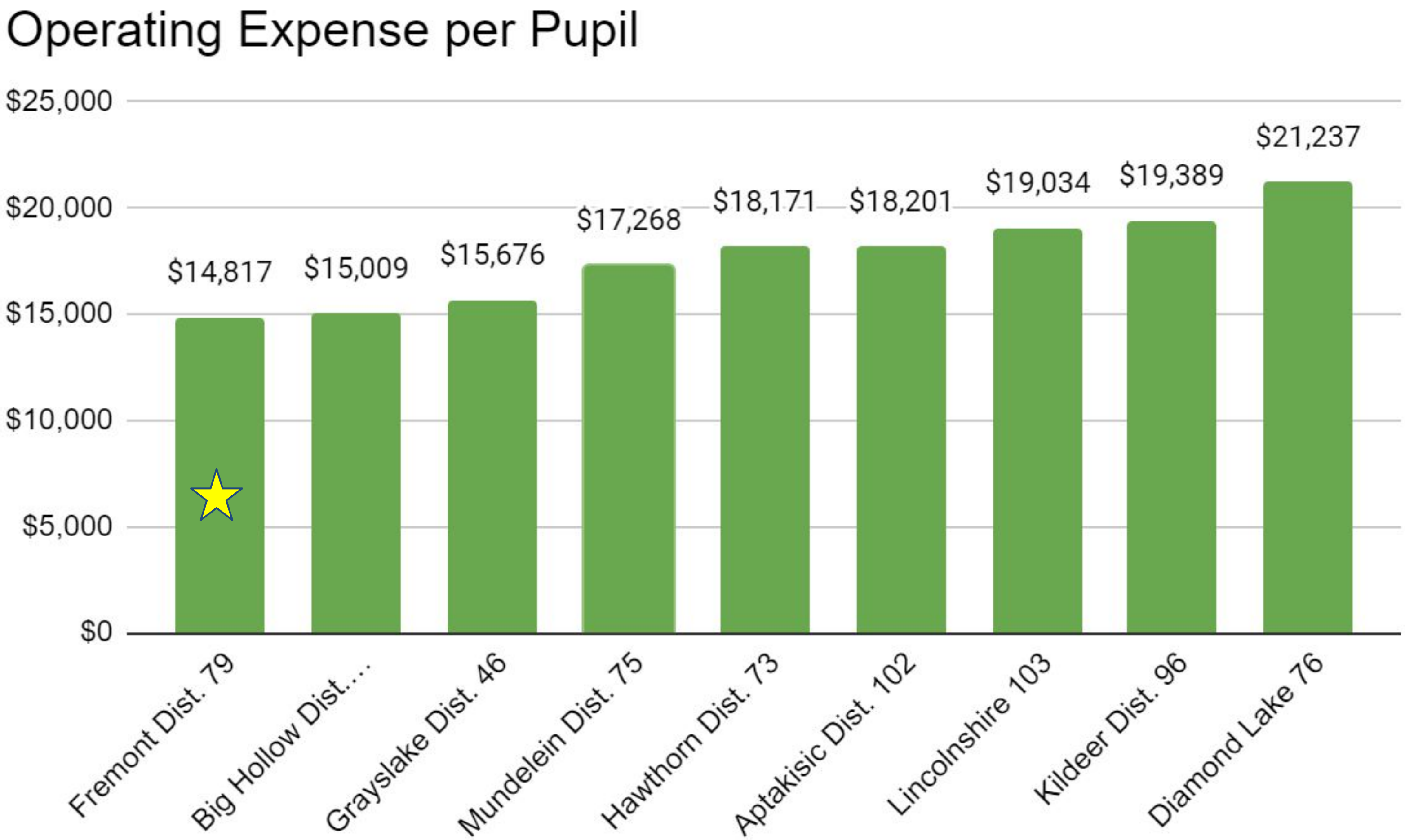
The **EXTENSION** is what the County ends up putting on the tax bills

Property Tax Revenues

- The CPI (capped at 5%) increase generally covers annual growth in current employee salaries/benefits
- New property generally covers enrollment growth, new mandates and other costs not covered by the inflationary increases; however…
- Revenues from new housing are not available until approximately one to two years after the property is occupied

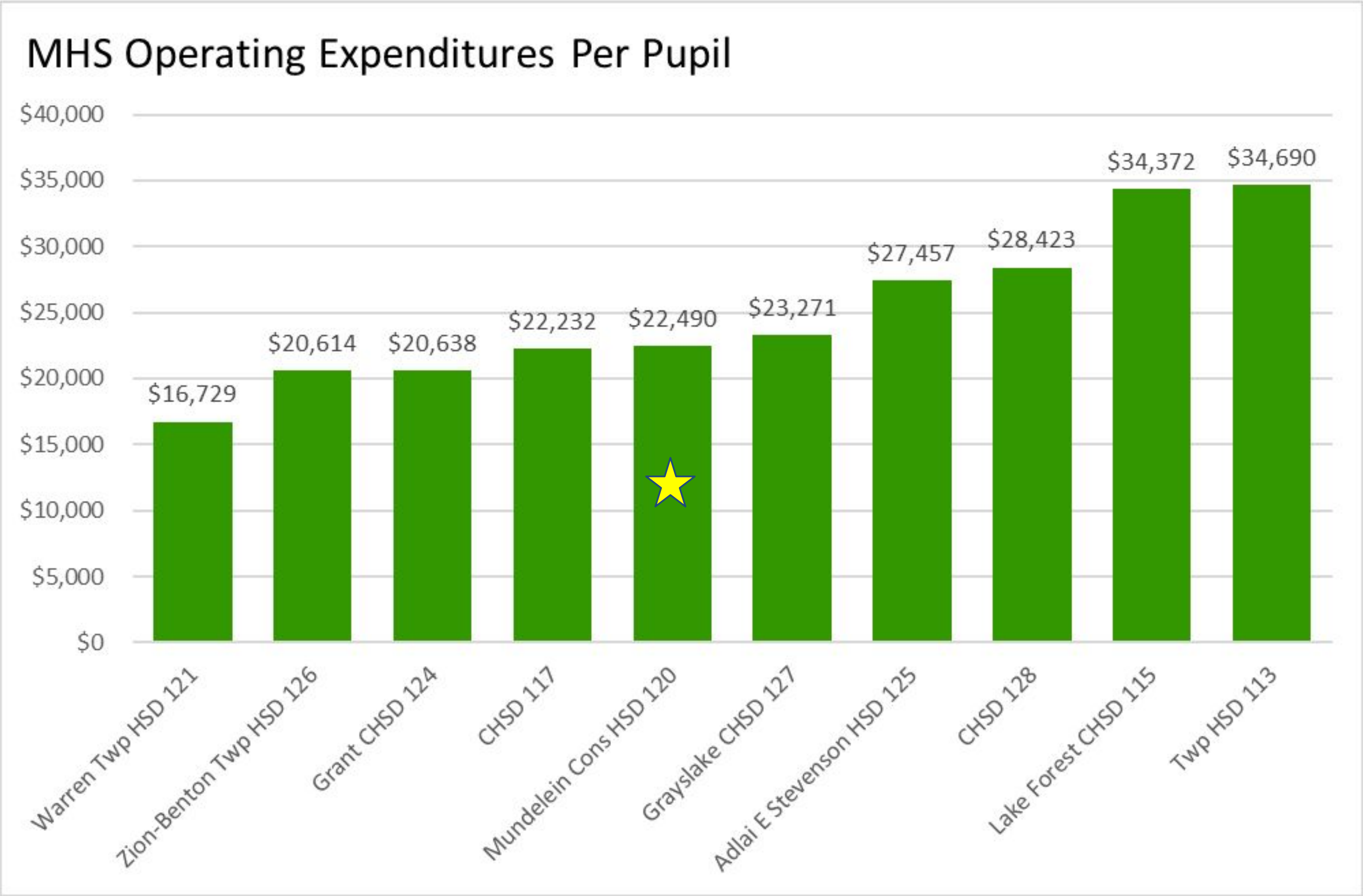
Historical New Property					
		District 79		District 120	
Levy Year	Fiscal Year	Est. Market Value	Revenue	Est. Market Value	Revenue
2019	2021	$25,758,522	$244,928	$27,968,601	$209,606
2020	2022	$22,045,791	$212,975	$10,647,390	$80,704
2021	2023	$58,380,147	$561,278	$65,854,803	$493,362
2022	2024	$46,780,296	$454,252	$61,830,150	$469,064
2023	2025	$33,596,547	$323,810	$41,442,744	$311,788
2024 (est)	2026	$50,447,649	$489,863	$53,951,835	$377,000

Peer Analysis on FY23 Cost Per Pupil - District 79



Source: Frontline Analytics/ISBE

Peer Analysis on FY23 Cost Per Pupil - District 120



Source:

Funding of Capital Needs

Major Capital Revenue Sources

1. District Fund Balance
   - Funds strategically saved over time to contribute to large capital projects
2. Municipality/Developer for Growth Impact
   - Developer Impact Fees
   - Developer Donation (i.e. Geneva)
   - Special Service Area Tax (e.g. Oswego 308)
3. Community Partnerships
   - Joint investments for shared used (i.e. Park District)
4. Grants
   - State program has not been funded in over two decades
5. Community Request/Referendum
   - After sources exhausted

District 79 Capital Expenditures & Funding Source

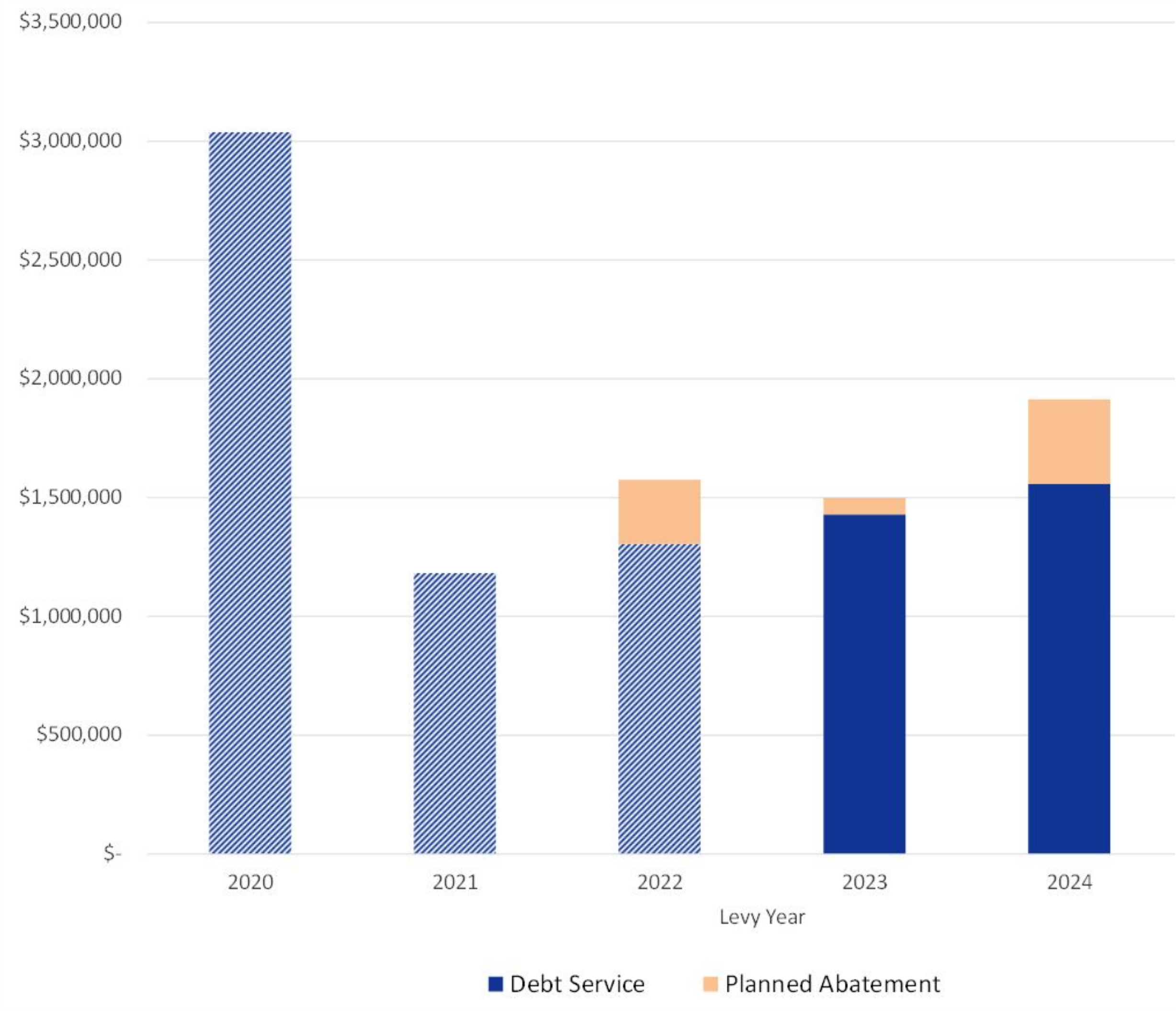
Capital Expenditures	FY22	FY23	FY24
Total Capital Expenditures *(i.e. maintenance & repair, health life safety, science lab renovations)*	$477,244	$756,632	$902,609
How was it funded?	**FY22**	**FY23**	**FY24**
Impact Fees *(Capital Projects Fund)*	$0.00	$475,150 (63%)	$789,533 (88%)
Operating Funds *(Operations & Maintenance Fund)*	$477,255 (100%)	$281,382 (37%)	$113,076 (12%)
Fiscal Year Fund Balance	**FY22**	**FY23**	**FY24**
Fund Balance for Capital Needs *(savings for larger facility projects)*	$476,813	$635,281	$762,983

- The District appreciates the impact it receives from development agreements, but they are not sufficient to construct a new building
- Current District 79 facilities would allow it to absorb an additional ~180 students
- Over $40M in facility assessment needs exist in current buildings (maintenance/repair, safety & security, etc.) as of Oct 2024

Debt Review

Aggregate General Obligation Debt Service – District 79

- District 79's property tax levy to pay debt service declined from a peak of $3 million
- District 79 has used funds on hand to abate a portion of the bond levy



Debt Service Extension Base – Limits a District's Ability to Borrow on a Non-Referendum Basis

- If a district is subject to “the tax cap”, the annual debt service (principal and interest) payments on certain non-referendum General Obligation (GO) bonds are limited by its Debt Service Extension Base (DSEB)

- Original DSEB was determined in the levy year in which tax caps became law and was equal to the amount of non-referendum debt service levied for that year (1994) and has been tied to CPI since 2009

- District 79’s DSEB
  - DSEB for levy year 2024: $180,555
  - Too small to be of much benefit to District 79

- Mundelein 120’s DSEB
  - DSEB for levy year 2024: $4,066,704
  - It is nearly fully utilized

Summary

- Growth will provide new property tax revenues for the school districts to cover related operating costs, but does not address major capital
- New students will not generate significant new state and federal revenues
- The *pace and composition of the growth* are important variables to effectively plan
- Ideally early development will focus on projects that provide property tax revenues without significant new enrollments
  - This would allow the districts to prepare the new facilities and identify new staffing at a time there is a national shortage of education employees, and to manage the lag in new receipts
  - Sharing of this information would allow us to more reliably forecast the timing of and magnitude of potential revenues and plan for when the new operational and capital expenditures are likely to occur
  - Additionally this information is needed to demonstrate our due diligence to all taxpayers as a referendum may need to occur to build a new school building in Fremont District 79

Disclosure

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