

Administrative-Finance Committee
RESCHEDULED
October 3, 2022
6:30 p.m. – City Hall Conference Room

- 1. Call to Order**
- 2. Public Comment**
- 3. New Business**
 - a. Tax Levy Determination**
 - b. Approval of Minutes – September 6, 2022**
- 4. Other Business**
- 5. Next Meeting – November 7, 2022**
- 6. Adjournment**

AGENDA MEMO
Administrative/Finance Committee
Meeting Date: October 3, 2022

Issue Statement

Motion to approve the tax levy determination for general and special purposes for Fiscal Year 2022-2023.

Background/History

The process for setting a tax levy is to determine how much revenue to collect from the property tax, and request that the County levy a tax to generate that amount of money. The first approval required is the tax levy determination, which takes place prior to the approval of the tax levy ordinance. Not less than 20 days prior to the adoption of the aggregate levy, the Council shall determine the amounts of money to be levied. There are also special requirements if the aggregate amount of the Corporate and Special Purpose levy is more than 105% or of the preceding year's extension and abatements.

Unfortunately, we are still subject to a timing constraint that requires us to make our initial request by the end of December, a few months before we are far enough into the budget process to make a final judgment on what we will need. In previous years the City has approached the process with an underlying assumption that the Council will not increase property taxes for the combined general corporate purpose (general fund) and special corporate levy (police pension fund).

At the same time, the Council can approve additional abatements up to the end of March. This gives the Council the ability to request a "ceiling" amount, while allowing us to review the budget early next year and consider abatements to the original request.

The attached ordinance requests a general corporate purpose (general fund=\$10,700) and special corporate levy (police pension fund=\$2,406,164) total of \$2,416,864 which represents a 4.99% increase over this year's non-bond extension \$2,301,864. I determined the levy for the police pension fund based on the actuary report conducted on the Police Pension Fund.

Additionally, a levy for any outstanding bonds has been filed upon the adoption of the bond ordinances. The 2021 levy amount to pay for the principal and interest on these bonds totaled \$881,815. The 2022 levy amount to pay for the principal and interest on these bonds totals \$804,320. After the water fund bond abatements, the total bond amount to be paid is \$112,420. Therefore, the total requested levy is \$2,529,284, which is slightly over last year's extension of \$2,500,438. In order to keep the levy the same as last year's extension, staff will present an additional Series 2015 bond abatement of \$28,846 from available

funds. This will maintain the total levy request of \$2,500,438 that represents a 0% increase over last year's total levy.

All of the bond abatement will be presented in conjunction with our budget review.

With respect to the tax levy for Special Service Area #1, we have a plan for maintenance expenses for these wetlands and storm water infrastructure, and the recommended revenue from this levy is proposed to be maintained at \$5,000.

Staff/Committee Recommendation

Staff recommends approval of the levy determination and ordinances which:

- Set the City's 2022 general property tax levy and special corporate tax levy (police pension fund) at \$2,416,864.
- Set the City's 2022 Special Service Area I property tax levy at \$5,000.

Alternate Consideration

Levy different amounts.

Decision Mode

The tax levy determination will be on the October 17, 2022, Council meeting for formal consideration. This final tax levy ordinance will be on the November 21, 2022, City Council agenda for formal consideration.

DRAFT FOR TAX LEVY DETERMINATION

CITY OF DARIEN

DU PAGE COUNTY, ILLINOIS

ORDINANCE NO. _____

AN ORDINANCE LEVYING TAXES FOR
GENERAL AND SPECIAL CORPORATE PURPOSES
FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF MAY, 2022,
AND ENDING ON THE THIRTIETH DAY OF APRIL, 2023,
FOR THE CITY OF DARIEN, ILLINOIS

ADOPTED BY THE

MAYOR AND CITY COUNCIL

OF THE

CITY OF DARIEN

THIS _____ DAY OF NOVEMBER, 2022

Published in pamphlet form by authority of
the Mayor and City Council of the City of
Darien, DuPage County, Illinois, this
_____ day of November, 2022.

ORDINANCE NO. _____

**AN ORDINANCE LEVYING TAXES FOR
GENERAL AND SPECIAL CORPORATE PURPOSES
FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF MAY, 2022,
AND ENDING ON THE THIRTIETH DAY OF APRIL, 2023,
FOR THE CITY OF DARIEN, ILLINOIS**

WHEREAS, the City of Darien is a home rule unit of local government pursuant to the provisions of Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, as a home rule unit of local government, the City may exercise any power and perform any function pertaining to its government except as limited by Article VII, Section 6; and

WHEREAS, the City Council of the City of Darien, Illinois, adopted the Annual Budget for the City of Darien, Illinois, for the Fiscal Year beginning on May 1, 2022, and ending on April 30, 2023, and which has been duly published.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, IN THE EXERCISE OF ITS HOME RULE POWERS, as follows:

SECTION 1: A tax for the following sums of money or so much thereof as may be authorized by law to defray all expenses and liabilities of the City of Darien be, and the same is hereby levied, for the purposes specified against all taxable property in said City for the Fiscal Year commencing on the First day of May, 2022, and ending on the Thirtieth day of April, 2023.

ORDINANCE NO. _____

<u>Purpose</u>	<u>Amount Budgeted</u>	<u>Derived From Other Sources</u>	<u>Amount Levied</u>
<u>For Department of Administration:</u>			
Total	1,440,165	1,440,165	0
<u>For Police Department:</u>			
Total	8,774,796	8,764,096	10,700
<u>For Community Development Department:</u>			
Total	953,058	953,050	0
<u>For Municipal Services Department:</u>			
Total	3,847,762	3,847,762	0
Total Amount Levied for General Corporate Purposes			<u>10,700</u>
Police Pension Fund.....			2,406,164
2012 G.O. Refunding Bond- Water System....			304,750
2015 G.O. Refunding Bond- Capital Projects			112,420
2018G.O. Bond- Water System			387,150
Total Amount Levied for Special Corporate Purposes & Debt			<u>3,210,484</u>
TOTAL TAX LEVY FOR ALL FUNDS			<u>\$3,221,184</u>

SECTION 2: The City Clerk of the City of Darien is hereby directed to file with the County Clerk of the County of DuPage, a certified copy of this Ordinance as provided by law.

SECTION 3: If any item or portion of this Ordinance is for any reason held invalid, such decision shall not affect the validity of the remaining portion of this Ordinance.

SECTION 4: This ordinance and each of its terms shall be the effective legislative act of a home rule municipality without regard to whether such ordinance should (a) contain terms contrary to the provisions of current or subsequent non-preemptive state law, or (b) legislate in a manner or regarding a matter not delegated to municipalities by state law. It is the intent of the corporate authorities of the City of Darien that to the extent that the terms of this ordinance should be inconsistent with any non-preemptive state law, that this ordinance shall supersede state law in that

ORDINANCE NO. _____

regard within its jurisdiction.

SECTION 5: This Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form, as required by law, and shall be known as Ordinance Number _____ of the City of Darien, Illinois.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this 21st day of November 2022.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED BY THE MAYOR OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this 21st day of November 2022.

ATTEST:

JOSEPH MARCHESE, MAYOR

JOANNE E. RAGONA, CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

**CITY OF DARIEN
DU PAGE COUNTY, ILLINOIS**

ORDINANCE NO. _____

**AN ORDINANCE FOR THE LEVY AND ASSESSMENT OF
TAXES FOR THE FISCAL YEAR BEGINNING ON THE FIRST DAY OF MAY, 2022
AND ENDING ON THE THIRTIETH DAY OF APRIL, 2023,
IN AND FOR THE CITY OF DARIEN SPECIAL SERVICE AREA NUMBER ONE
KNOWN AS TARA HILL**

**ADOPTED BY THE
MAYOR AND CITY COUNCIL
OF THE
CITY OF DARIEN**

THIS 21 DAY OF NOVEMBER, 2022

**Published in pamphlet form by authority
of the Mayor and City Council of the City
of Darien, DuPage County, Illinois, this
_____ day of November, 2022.**

**AN ORDINANCE FOR THE LEVY AND ASSESSMENT OF
TAXES FOR THE FISCAL YEAR BEGINNING ON THE FIRST DAY OF MAY 2022,
AND ENDING ON THE THIRTIETH DAY OF APRIL, 2023,
IN AND FOR THE CITY OF DARIEN SPECIAL SERVICE AREA NUMBER ONE
KNOWN AS TARA HILL**

WHEREAS, the City of Darien is a home rule unit of local government pursuant to the provisions of Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, as a home rule unit of local government, the City may exercise any power and perform any function pertaining to its government except as limited by Article VII, Section 6.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, IN THE EXERCISE OF ITS HOME RULE POWERS, as follows:

SECTION 1 - Findings: The City of Darien Special Service Area Number One was created by Ordinance No. 0-35-90 entitled “An Ordinance Establishing City of Darien Special Service Area Number One - Tara Hill”, adopted June 18, 1990, and effective as of September 18, 1990. No petition was filed opposing the creation of the special service area, pursuant to Section 9 of Public Act 78-901. Special Service Area Number One consists of the territory described in **Exhibit A**, attached hereto and made a part hereof. The City of Darien is authorized to levy taxes for special services in Special Service Area Number One.

SECTION 2: The total amount of appropriations for all the purposes to be collected from the tax levy of the current fiscal year in Special Service Area Number One is ascertained to be the sum of \$5,000.

SECTION 3: The following sums shall be levied upon the taxable property, as defined in the Revenue Act of 1939, in the City of Darien Special Service Area Number One; said tax to be levied for the fiscal year beginning May 1, 2022, and ending April 30, 2023.

Contractual Services

Professional Services	\$5,000
TOTAL LEVY	\$5,000

SECTION 4: This tax is levied pursuant to Article VII, Sections 6A and 6L, of the Constitution of the State of Illinois, and pursuant to Public Act 78-901 and pursuant to Ordinance No. 0-35-90 Establishing City of Darien Special Service Area Number One.

SECTION 5: The \$5,000 tax levy is certified to the County Clerk of DuPage County, Illinois. The City of Darien determines this \$5,000 tax levy to be the total amount required to be raised by taxation for the current fiscal year of the City for Special Service Area Number One. The City Clerk is hereby ordered and directed to file with the County Clerk of DuPage County, Illinois, on or before the time required by law, a certified copy of this ordinance.

SECTION 6: This ordinance and each of its terms shall be the effective legislative act of a home rule municipality without regard to whether such ordinance should (a) contain terms contrary to the provisions of current or subsequent non-preemptive state law, or (b) legislate in a manner or regarding a matter not delegated to municipalities by state law. It is the intent of the corporate authorities of the City of Darien that to the extent that the terms of this ordinance should be inconsistent with any non-preemptive state law, that this ordinance shall supersede state law in that regard within its jurisdiction.

SECTION 7: This ordinance shall become effective from and after its passage, approval and publication in the manner prescribed by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this 21st day of November 2022.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED BY THE MAYOR OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this 21st day of November 2022.

JOSEPH MARCHESE, MAYOR

ATTEST:

JOANNE E. RAGONA, CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY



City of Darien
Minutes of the Administrative/Finance Committee
September 6, 2022

Chairwoman/Alderswoman Sullivan called the Meeting to order at 6:00 pm. Committee members Aldermen Vaughan and Schauer were present. City Administrator Vana, Accounting Manager Julie Saenz and Treasurer Coren were also present. Jim Savio of Sikich also attended.

Presentation – Draft FYE 22 Annual Financial Report

Jim Savio of Sikich presented the draft Annual Financial Report for the Year Ended April 30, 2022. The final report will be presented to the City Council October 3, 2022.

FYE 22 Audit to Budget Comparison

Staff advised upon completion of the yearly financial audit, the Administrative/Finance Committee reviews a comparison between the FYE 4-30-22 audited numbers and the FYE 4-30-22 estimated numbers included in the FYE 4-30-23 budget. This year's review included the document containing a detailed sheet on the General and Capital Projects Funds. The General Fund audited fund balance exceeded the estimated balance used in the 4-30-23 budget by \$1,746,945. The City Council previously approved the *Capital Improvements Plan Guidelines*. Section 3 of the guidelines includes the following:

- Surplus from the general fund, in excess of 3 months operating reserve, will be transferred to the capital projects fund annually

Based on these guidelines staff recommended that the Administrative/Finance Committee recommend that the City Council approve a transfer of \$1,700,000 to the Capital Projects Fund from the General Fund. This item will be scheduled for the October 3, 2022, City Council meeting. The Committee unanimously approved the recommendation that the City Council approve a transfer of \$1,700,000 to the Capital Projects Fund from the General Fund.

Pension Fund Report – Overview by Treasurer Coren

Treasurer Coren provided an overview of the CITY OF DARIEN POLICE PENSION FUND ACTUARIAL VALUATION AS OF MAY 1, 2022, conducted by the pension board.

Approval of an ordinance authorizing the disposal of surplus property

Staff recommended the distributed list of city property be declared as surplus property and auctioned using an on-line auction service, Public Surplus, or disposed of. The Committee unanimously approved the recommendation.

Approval of a resolution accepting a proposal from AIS for the purchase and install of a multi factor authentication (MFA) at the desktop level in a total amount not to exceed \$35,005 (\$23,905 for software/labor and Microsoft licensing \$11,100).

Staff advised with the ever-increasing concerns related to ransomware, the FBI, cyber insurance companies, etc. are requiring Multi Factor Authentication (MFA). MFA is an authentication method that requires the user to provide two or more verification factors to gain access to a resource such as an application, online account, or a VPN (virtual private network), adding another layer of protection to the sign in process. In addition to combating common cyberattacks, MFA is also effective at preventing ransomware attacks. This at the computer desktop level. The Yubico USB MFA Key is the hardware authentication device to protect access to computers, networks, and on-line services that supports one-time passwords. Users may also use a city issued phone to receive the password. Staff identified this project was included in the FYE 23 budget. A resolution accepting a proposal from AIS for the purchase and install of a multi factor authentication (MFA) at the desktop level in a total amount not to exceed \$35,005 (\$23,905 for software/labor and Microsoft licensing \$11,100). The Committee unanimously approved the resolution.

Minutes – August 1, 2022 – The committee unanimously approved the minutes.

Adjournment - The meeting adjourned at 6:59pm.

Approved:

Mary Sullivan, Chairwoman _____

Ted Schauer, Member _____

Lester Vaughan, Member _____