

**MINUTES OF THE PUBLIC HEARING-TAX LEVY
OF THE VILLAGE PRESIDENT AND BOARD OF TRUSTEES
OF THE VILLAGE OF WESTCHESTER
December 2, 2009**

CALL TO ORDER:

The hearing meeting was called to order at 7:04 PM and present / responding to roll call were Trustees Boyle, Casey, Fox, Novak, Sloan and Steker and Pres. Pulia. Absent was Trustee Boyle. Also present was Village Attorney Durkin.

NEW BUSINESS:

2010 Tax Levy: Ms. Kelly Zabinski gave an overview of the proposed 2010 Tax Levy. She explained that the Tax Levy is based upon three different items; 1. Needs of the Village, 2. Westchester Library Levy and 3. Pension Fund Levies. She said the needs of the Village are based upon the budget that was passed in June 2009. The levies are only shown for the General and Pension Fund without consideration of the Water, MFT or Hotel/Motel funds, as they do not receive property tax revenues. She reported that last week the Library Board voted to increase their levy 17%, to which she responded to Len Weigel, the Library Treasurer, that the Village could only do a 4.9% increase. Mr. Weigel understood and confirmed that the Village would only levy a 4.9% increase for the library. She said the pension fund has no levy requirement by statute but the levy must be based on an actuarial study which includes age of employees, longevity, raises to employees, the rate of return on investment. The levy is also based on the net pension obligation, which is the amount of difference between the pension board requests versus the real amount contributed. She said right now the net pension obligation for the Village for both the police and fire pension funds are \$1.2 million. She said at this time because we have not funded the pensions at the true actuarial level we are now having to play "catch up". As a result we are asking for a levy of \$5,779,676 or an increase of 4.9% over last year's levy. She said this year we are changing the allocation of the property tax levy. In prior years the pension fund requests were not given their full valuation; currently the two funds are 72% and 75% funded, which means we have a liability for pensions. She said that it appears that we were funding the reserve fund by not fully funding the pensions funds. She said that we would like to reverse this trend over a five-year period, knowing that even if we levy at the full actuarial amount, both funds would still be underfunded. Ms. Zabinski said that the finance committee is recommending that \$200K be taken from the general fund and \$100K given to each of the pension funds. This would set the tax levy line at 4.9% without reducing any services. Trustee Steker asked what the rate of return was with our funds. Trustee Novak responded that both the Village pension funds are performing much better than the state average, about 18% loss for the state average, to the Village 10% loss. Ms. Zabinski said that this is a proactive approach and if it meets the approval of this Board, then plans will then be presented to the pension boards. President Pulia reiterated that this five-year plan will bring the funds to their 100% annual funding requirement in accordance with an actuary. Trustee Novak asked if the pension funding could have any effect on a favorable bond rating. Ms. Zabinski responded that the pension funds should not affect the bond rating unless they were not funding at their obligation.

PUBLIC PARTICIPATION:

None.

ADJOURNMENT:

With no further business to discuss, Trustee Sloan made a motion, seconded by Trustee Steker, for the meeting to be adjourned and on the roll call vote, the Board unanimously passed said motion. (Aye 6) and the meeting was adjourned at 7:29 PM.

Emily M. Fister, Deputy Village Clerk