

Staff Responses to Council Questions 11/15/2022

Coffee with the Council: Budget Edition

1. How many trees are planned to be planted in 2023?

An estimated 400 trees will be planted in 2023. This number could vary depending on the number of trees required to be removed due to damage, disease and Emerald Ash Borers.

2. What will the capacity of the emergency back-up wells be once the rehabilitation has been completed?

The total capacity of all three wells is estimated at around 4 million gallons per day, which is about 83% of the water used by the Village on a typical day.

3. Fleet Services Fund - Please explain the charges to Village Departments that are revenue in this fund

The Fleet Services Fund is primarily funded by the various Village departments. Charges are allocated by department using a 3 year historical average of prior year transfers. These contributions from departments appear as revenue in the Fleet Services Fund.

4. Capital Fund - How much American Rescue Plan Act (ARPA) was received and when? How and when are these funds being used?

The Village received \$4,916,120 in ARPA funding in 2021 and 2022, in two equal payments. The Village began using the funds in 2021 and spending continues in 2022 to pay for street maintenance activities. The Village expects to spend all ARPA funds by the end of 2023.

5. Health Fund - Please explain the information that appears in the text box. What are the percentages measuring?

The percentages listed are the cumulative increases in employee premiums for medical insurance since 2012. The Price Waterhouse Coopers Survey is the market standard for private and public entities. The Village's rate is significantly lower than the market rate due to key factors such as demographic shifts, aggressive negotiations, plan design, communication, wellness initiatives and also the ability for employees to compare costs for various medical procedures within the health plan options.

6. OPEB Trust Fund - What is OPEB? Please explain the purpose of this fund and how it works.

All municipalities in Illinois are required to provide retired employees access to the employee health benefit program. The required provision of health benefits is known as Other Post Employment Benefits (OPEB).

While retirees pay health benefit premiums to help cover the cost of the benefits, the cost to the Village of providing the health benefits to retirees exceeds the amount paid to the Village in premiums. This difference creates a liability for the Village. The unfunded liability for OPEB is the actuarially calculated difference between the amount paid to the Village by retirees and the amount the Village will have to pay to provide their health benefits. Beginning in 2018 this liability was required to be shown in the Village financial statements.

In 2019 the Village created an OPEB Trust Fund to prefund the Village's obligations for postemployment benefits for health insurance. The Village has been contributing \$300,000 per year from the Health Fund. Prefunding should reduce the long term costs of the benefits by harnessing investment returns to help pay for benefits.

Additional information about the Village OPEB Trust Fund can be viewed [here](#).