



Village of Oak Park

123 Madison Street
Oak Park, Illinois 60302
www.oak-park.us

Meeting Minutes

Finance Committee

Monday, October 9, 2017

6:30 PM

Room 130

1. Call To Order

Village President Abu-Taleb called the Meeting to order at 6:32 P.M.

2. Roll Call

Present: Finance Committee Members (Village Trustees Andrews, Button, Taglia and Tucker; Village President Abu-Taleb)

Absent: None

Also Present: Village Trustee Boutet, Chief Financial Officer Drazner, Budget Manager Gasiecki, Village Manager Pavlicek, Village Attorney Stephanides and HR Director Valdez

3. Public Comment

There was no Public Comment.

4. Approval of Minutes

A. [MOT 17-238](#) Minutes from the September 19th Meeting of the Finance Committee.

It was motioned by Village Trustee Andrews, seconded by Village Trustee Tucker to approve the Minutes of the September 19, 2017 Meeting of the Finance Committee. A voice vote was taken and the motion was approved.

5. New Business

B. [ID 17-652](#) Finance Committee Review of the Draft Recommended FY18 Budget

Village Manager Pavlicek stated that the 2018 Budget document was provided electronically on Friday. Notices will go out this month for the Truth in Taxation and Budget Document Public Hearings scheduled for November.

She stated that tonight's meeting will be an introductory review of General Fund Revenues and the Internal Service Funds; Debt Service, Health Insurance and Self Insured Retention Funds. Tomorrow's meeting will focus on the Water and Sewer and Environmental Services Funds and the Special Revenue Fund. Subsequent meetings will cover Police and Fire Pension Funds, the Parking Fund and General Fund Expenditures. Additional meetings can be scheduled at the discretion of the Committee.

There was a discussion regarding the bond issuance for the projects discussed at the September 25 Board Meeting.

General Fund Revenues

Chief Financial Officer Drazner gave an overview of the General Fund Revenues, which include licenses, permits and fees, charges for services, grants, fines, inter-fund transfers and property taxes. He gave details behind some of the larger variances over the past four years. CFO Drazner discussed the county's reassessment and his recommendation regarding the tax levy, based on the assumption that property values in Oak Park will increase approximately 20%. Village Manager Pavlicek explained why she is comfortable with a flat tax rate to capture additional revenue. Village Trustee Andrews expressed concern that expenses are being budgeted against a projected increase in property tax dollars. Village Manager Pavlicek discussed increases in contractual services that must come out of the General Fund as well as revenues that should be transferred to other funds. Village Trustee Andrews asked when they can start talking about cuts in other areas. Village Manager Pavlicek stated that the expenditure side will be another discussion.

CFO Drazner discussed his projections on other taxes and clarified how he arrived at these numbers. He estimates an increase in real estate transfer taxes. Last year, the Village slightly increased the natural gas use tax from 2.4 cents to 5 cents, as well as the electricity tax to the maximum allowed by state statute. Many people do not own landlines anymore, which accounts for the decrease in telecommunication tax. Vehicle sticker tax will not change. The state income tax revenue and personal property replacement tax is controlled by the state. He explained what the personal property replacement tax is. There was a discussion regarding collection of liquor taxes.

CFO Drazner stated that staff is going to bring forth a request for an increase in the ambulance fee. Village Manager Pavlicek commented that the Village recently changed billing companies and they recommended charging a flat fee regardless of the level of service, as it is easier for the insurance companies to process. After comparing rates with other municipalities, Chief Ebsen recommended the amount of the increase. The increased fees should offset an increase in staff, as EMT calls are rising due to the aging population. Village Trustee Andrews asked what is the percentage of fees versus actual cost and what percentage is paid versus written off. CFO Drazner commented that there is \$1.8 million YTD in charges and approximately \$700,000 in payments. The remainder has been written off or written down. Village Manager Pavlicek added that the Village is not trying to be too aggressive regarding collections. Village President Abu-Taleb raised the topic of outsourcing. Village Manager Pavlicek stated that the way Illinois collective bargaining is set up, it is hard to take out something that is already in an agreement. HR Director Valdez added that outsourcing is the first thing that the Union will fight. There was a discussion regarding privatized services. Village Manager Pavlicek commented that the argument by the Chief has always been quality of service. Village President Abu-Taleb stated that after the budget is completed, he'd like to get some numbers to see if there is any value in that. Fire Districts were also discussed briefly.

There was a conversation regarding crossing guards; the Village still gets reimbursed by District 97 even though it is an expired agreement. CFO Drazner discussed projections for parking fines and explained the source of cable franchise fees. Village Trustee Boutet asked why parking fines went down. Village Manager Pavlicek explained that part of it is changes in regulations as well as decreasing staff. Dixon, the consultant charged with looking at the Parking Division, had commented that enforcement shouldn't be about generating revenue but about compliance. They will also analyze whether the department is staffed properly. Village Trustee Taglia asked Village Manager Pavlicek if she was satisfied with the efforts to collect these sources of revenues and if there are any other opportunities that they are missing. Village Manager Pavlicek commented that they are

doing the best they can. She was not pleased with the State in terms of timeliness with their payments to the Village.

Debt Service Fund

CFO Drazner stated that this fund accounts for all bonds issued to date excluding a couple that are in Enterprise Funds. He gave an overview of the revenue sources. He noted that these numbers do not include the \$1 million requested from the CIP. Village Manager Pavlicek commented that there was consensus of the Finance Committee to find \$1 million in projects to reduce the CIP by. Public Works Director Wielebnicki suggested doing an A-B-C-D classification and they are still working on that; it should be available by Friday. CFO Drazner explained how bonds are split by principal and interest.

Health Insurance Fund

Village Manager Pavlicek stated that the Village is self insured for health insurance, prescription drug coverage, life insurance policies and dental insurance policies. HR Director Valdez commented that employees pay 100% of their dental and vision, as well as other voluntary benefits. She clarified that the Village is self funded. Blue Cross Blue Shield is the Village's insurer; this has saved the Village a significant amount of money. The Village is on a cost plus contract with BCBS; the Village pays an administrative fee and BCBS absorbs most of the risk up to the point of stop loss. Village Manager Pavlicek stated that employees working more than 30 hours per week are insured, as well as retirees, who pay 102% of the cost of the annual premium. HR Director Valdez added that there are almost 500 participants, including those on PSEBA and COBRA. She explained stop loss. CFO Drazner discussed revenues, which include employee payroll deductions, retiree payments and the Village's contributions. On the expense side are payments to BCBS and all prescriptions. It also includes life insurance premiums and cost of dental insurance for one particular bargaining unit. CFO Drazner stated that there has been an improvement in the fund balance. Village Manager Pavlicek commented that ideally, they would like to build it up to \$3-\$4 million in order for them to be able to look at other policy options.

Self Insured Retention Fund

CFO Drazner stated that this fund is used to track workers comp claims, property damage claims, etc. and is funded by transfers from other funds. For the current year, \$1 million was taken from both the Parking and Water Funds. In order to reduce the negative reserve balance, they are transferring \$1 million from the General Fund as well for next year. Village Trustee Boutet commented that there are \$700,000 in comp claim payouts. Village Manager Pavlicek stated that there are a couple of different items that make up that amount. CFO Drazner explained how he and the Law Department analyze existing claims to budget for the coming year. It is one of the harder funds to budget for. Village Manager Pavlicek stated that PEDAs allows injured fire and police personnel to receive 100% of their salary without taxes for one year. HR Director Valdez commented that the workers comp number will increase next year, as the PEDA figures are currently recorded as regular payroll. They will be reclassified into the workers comp category in 2018. There was a discussion regarding PSEBA and how getting employees back to work benefits them and the Village. CFO Drazner commented that there is still work to do with this fund.

6. Old Business

There was no Old Business to discuss.

7. Adjournment

It was motioned by Village Trustee Button, seconded by Village Trustee Tucker to adjourn. A voice vote was taken and the motion was approved. Meeting adjourned at 8:03 P.M., Monday, October 9, 2017.

Respectfully Submitted,

MaryAnn Schoenneman
Deputy Village Clerk