



Village of Oak Park

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

Meeting Minutes

Finance Committee

Thursday, October 24, 2019

6:30 PM

Room 101

1. Call To Order

Trustee Taglia called the meeting to order at 6:31 p.m.

2. Roll Call

Present: Members of the Finance Committee; Trustee Boutet, Trustee Moroney, and Trustee Taglia.

Absent: Village President Abu-Taleb

Also present: Trustee Andrews, Trustee Walker-Peddakottla, and Trustee Buchanan (left at 7:49 p.m.)

3. Public Comment

Kitty Conklin: Ms. Conklin called for a 3% levy for both the Village and Library and suggested this would require both entities to work together to attain that goal. In addition, Ms. Conklin pointed out the lack of online listings with photos on the Oak Park Regional Housing Center website and complimented Trustee Boutet and Trustee Andrews for providing board goals in a **Specific, Measurable, Attainable, Relevant, and Timely** framework.

Louis Mezzatesta: Ms. Mezzatesta appreciates the historical value of the Housing Center. She also feels the Housing Center is capable of fundraising to support its mission without subsidies from the Village. Maintaining an affordable housing stock and managing high taxes is vital to attracting diversity.

Tom MacMillan: Residents entrust Village Trustees to make responsible decisions with tax dollars. Mr. MacMillan asks that the Village Board hold the Oak Park Regional Housing Center accountable and consider reducing their funding and seek identifying different projects to support.

Jack Powers: Mr. Powers asked for the Village Board to be fiscally responsible and recognize that needs have changed and question spending.

Monica Sheehan: Ms. Sheehan urged the Board to use data to make decision, focus attention on items that are the responsibility of a municipality, recognize that taxes are a significant concern, reject red light cameras as a revenue source, and call for greater expectations for civil discourse.

Maureen Kleinman: Ms. Kleinman expressed concern for negative attacks on residents that express different views.

Bruce Kleinman: Mr. Kleinman suggested that the housing center is obsolete and high spending should bring results.

Susan Kurtenbach: Ms. Kurtenbach spoke representing Bike Walk Oak Park, noting her disappointment that the collaboratively designed Greenway Plan is not supported in the staff recommended 2020 budget. Bike Walk Oak Park believes the Greenway plan is a good investment contributing to public safety concerns and would like to see funding returned.

Franny Richie: Ms. Richie also spoke representing Bike Walk Oak Park. She expressed her great concern that a collaboratively designed plan with the Village is not supported in the staff recommended 2020 Budget. Ms. Richie expressed the opinion that this plan is one that benefits the entire Village.

4. Approval of Minutes

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[MOT 19-116](#) Minutes from the October 14, 2019 Meeting of the Finance Committee.

It was moved by Trustee Moroney and seconded by Trustee Boutet to approve the minutes of the October 14, 2019 Finance Committee meeting. A voice vote was taken and the motion was approved.

5. New Business

none

6. Old Business

[ID 19-312](#) Finance Committee Review of the Draft Recommended FY20 Budget

Deputy Village Manager Lisa Shelley provided an overview on the budget review process with the Finance Committee and highlighted topics of discussion for this meeting from the Enterprise and Internal Service Funds. Ms. Shelley noted that the draft staff recommended 2020 budget is on the

Village's website, including a schedule of meetings for the finance committee, and a highlevel summary chart of the proposed budget and 3% levy.

Enterprise Fund

Water/Sewer Fund

Ms. Shelley introduced the Director of Public Works John Wielebnicki to present on the Water/Sewer fund rate study with consultants from Baxter & Woodman. The desire is to present options for a five-year water rate forecast to fund needed infrastructure improvements and services. It has been a goal to identify leaks and improve accounting practices with updated meters that would permit a fixed network. A fixed network would permit the Village and residents to receive real time water readings, helping to identify leaks and need for service sooner. Additionally, a new goal is to update EPA documents for emergency preparedness. Mr. Wielebnicki responded to questions of the Village Board on plans to replace older meters overtime.

Mr. Wielebnicki introduced consultants from Baxter & Woodman. The consultants presented a water rate study with three scenarios for projecting a 5-year rate plan. Consultants from Baxter & Woodman explained how they assessed and came up with suggested rate increases to meet the need for proposed future infrastructure budget expenses without pricing water/sewer fees higher than neighboring communities overall. The consultants evaluated three scenarios for achieving a sustainable fund balance and provided results of each: 1) baseline - no increases, 2) fixed and volumetric increases of 2% each year, 3) fixed and volumetric increases of 3% for the first two years, 2% the third year, and 1% for year four and five. The consultants responded to questions of the Village Board regarding fixed versus volumetric rates. "Fixed" references costs that a municipality consistently incurs to provide services. "Volumetric" allows a municipality to charge a higher rate for consumers that use greater amounts of water, such as a Hospital, to cover additional costs that can incur to maintain meters for these customers. Baxter & Woodman recommend utilizing scenario 2) or 3) and evaluating actuals every year to adjust as needed. Mr. Wielebnicki explained the advantage to providing a five year rate plan for budgeting of larger infrastructure projects. He does not anticipate changing the five-year Capital Improvement Plan at this time. The consultant shared that identifying and repairing water leaks may raise revenue for the water/sewer fund in future years due to loss that is currently unmonitored.

Trustee Moroney asked questions to suggest that the Village Board be cognizant that growing a water filter program translates to higher

water/sewer rates. Mr. Wielebnicki shared that he anticipates the EPA eventually requiring communities to have a plan for replacing lead lines over time. Trustee Moroney suggested there are different ways to plan for replacing lead water lines. Trustee Buchanan shared that changing water lines has been identified as a source for increasing lead in water for a period of time after project completion and stated the need for ensuring water filters are included in the budget for those projects. Mr. Wielebnicki stated that the cost of water filters will be built into the budget for each project.

Environmental Services

Mr. Wielebnicki introduced Cameron Hendricks, Manager of Environmental Services, and provided an overview including preparation for rebidding a contract for waste hauling, currently with Waste Management. 2020 will be the fourth year of a five year contract with Waste Management for waste, recycling, and composting pick-up and the second year of a ten year agreement with Transfer Station for disposal. Composting has increased by 18% in participation. The Village froze the rates for composting for 2019. There are recommended changes to composting fees for 2020 but there is a desire to keep the first 3 months free as an incentive. The proposed budget includes a request for an additional part-time person to assist Mr. Hendricks in auditing costs related to environmental services to identify possible revenue loss and assist in responding to customer service inquiries. There is a need to focus on recycling and composting education. The recommendation is a 3% rate increase for all environmental services.

Mr. Wielebnicki would suggest investigating options for franchising of environmental service providers for multi-unit buildings (6 units or more) to potentially reduce the number of trucks that are servicing the Village and managing quality of service. It is a challenge to provide composting for 6 or more unit buildings because contamination is more of a challenge for larger buildings. Trustee Andrews would suggest investigating options for increasing access to composting for multi-unit buildings, perhaps with a database of neighbors willing to share. Mr. Hendricks responded to questions that he will be investigating options for bringing composting to a location, such as the Farmers Market, for anyone interested in participating who does not currently have access.

Trustee Boutet raised the discussion of reducing leaf pick-up and implementing an education campaign to encourage mulching. Trustee Moroney would support starting leaf pickup later and encourage composting.

Parking Fund

Director of Development Customer Services Tammie Grossman

presented on the Parking Fund. She began with noting that the proposed parking budget reflects reducing staffing by one employee due to the efficiency of the Passport Parking system. Ms. Grossman updated the Village Board on parking garage maintenance projects which are nearing completion. There is a projected deficit of \$1.2M in the parking fund for 2020 due to absorption of the Holley Court bond debt which had previously been offset by the Lake Street TIF.

Revenue in the parking fund comes from parking permits, parking garage fees, and parking meter fees. The passport system has reduced cost of coin collection related to meter fees. Additionally, the app has been very successful in providing the option of a virtual waitlist for parking permits. Trustee Moroney pointed out to his Colleagues on the Board the challenge they face in paying the Holley Court debt, not just for next year, but through the end of the Bond life in 2026. Ms. Grossman expects that staff will bring forward revenue suggestions for future years, but have delayed making those suggestions while the Lake Street project is underway. Village Manager Pavlicek commented that the Village Board may also be considering an option to defer capital debt for a couple of years at some point. Ms. Grossman stated that she does not foresee need for major repairs in the near future as long as they keep up regular maintenance of garages.

Village Manager Pavlicek provided clarification on the fact that vehicle license and citation revenue goes into the general fund, not the parking fund, however payments will be made to the parking fund for managing vehicle stickers renewals, mailings, etc. Parking citations and vehicle sticker revenue goes into the general fund to support maintenance of streets managed by public works.

Internal Service Funds

Debt Service Fund

CFO Steve Drazner shared that when the Village is issued a Bond they are required to file the Bond payment schedule with Cook County. The County will then automatically levy the needed amount to make those payments unless the Village Board passes a Resolution stating that they have other sources of revenue to pay down the bonds, that is called an abatement.

CFO Drazner reviewed the Debt Service Fund. The Debt Service Fund accounts for the general debt of the Village. Debt is also paid directly by the Village's Enterprise Funds if the proceeds were used for expenses in one of those funds. Annual Debt payments are primarily funded through a portion of the Village's property tax levy. The Debt Service Fund amount is greatly tied to the Capital Improvement Plan (CIP) discussion. Mr. Drazner reviewed the \$17.5M in Bond proceeds that will be expended out for the

CIP. Debt Service amounts referred to in the budget are actual. Mr. Drazner reviewed projected principal payments overtime with no additional debt, accounting for planned abatements. Included in additional projections were three proposed projects; 1) renovation of current or new Police Station, \$35M; 2) Fiber network \$2.6M (of which only 1/3 is projected for payment funded through debt service); and 3) Lake Street, \$9.9M. Trustee Andrews confirmed that dept projections do not include inflation adjustments. Trustee Andrews requested seeing past average five year debt taken on and past five year debt paid to use as an additional projection model. Trustee Walker-Peddakotla agreed that she would like to see the information requested by Trustee Andrews. She believes it would be helpful to understand how the Village has paid for significant projects in the past. Trustee Moroney shared with his colleagues that the Village Board may have the option to find additional revenue to fund projects outside of increasing debt. CFO Drazner shared that past year audits are available on the Village website. Villager Manager Pavlicek stated that staff can provide the information requested by the Village Board.

Health Insurance Fund

The Village provides cost-share health insurance, dental, and life insurance. Eligible retired employees are able to buy-in. The Village has been able to reduce health insurance costs for employees by 2% for 2020. The recommended 2020 fiscal budget shows an increase for a new employee to manage the Health Insurance Fund and a wellness program for employees. Trustee Boutet requested the difference between a wellness program and what the Employee Assistance Program (EAP) can provide. Village Manager Pavlicek shared that she feels employees would be better served with a staff person managing a wellness program. Trustee Walker-Peddakotla appreciates the addition of a wellness program for staff to assist with recruitment of new employees as well as caring for current employees.

Self-Insured Retention Fund

Village Manager Pavlicek provided an overview of the Village's Self-Insured Retention Fund for handling of property and casualty liability. The Village self-insures up to \$750,000 for general liability, \$700,000 for workers compensation of public safety and fire personnel, and up to \$500,000 for all other remaining staff workers compensation cases.

CFO Drazner explained that the Self-Insured Retention fund is paid for out of the General Fund, Sewer/Water Fund, and Parking Fund. Ideally each fund would compensate the Self-Insured Retention Fund relative to the actual liability for employees serving each fund. In order to present a balanced 2020 Budget with a 3% levy it was necessary to recommend less

coming from the General Fund then would normally be recommended. CFO Drazner responded to questions of the Village Board regarding this recommendation. Village Manager Pavlicek summarized how determining how much should be in the Self-Insured Retention Fund is figured. The Village Board may decide to have a more detailed discussion in the future on how that amount is assessed, what revenue sources should be contributing, and to what degree.

Village Manager Pavlicek noted that John Wielebnicki will be presenting the rate changes from the Environmental Services Fund for a first reading at the November 4, 2019 Village Board meeting.

Village Manager Pavlicek clarified that staff will be presenting a proposed 2-year Budget for the Board, as previously requested, now that some direction has been gathered in the first go around with the staff recommended 2020 Budget to the Board.

Trustee Boutet requested a document come to the Village Board that identifies funding for the Board goals.

7. Adjournment

It was moved by Trustee Moroney, seconded by Trustee Boutet to adjourn. A voice vote was taken and the Motion was approved. Meeting adjourned at 8:39 p.m., Thursday, October 24, 2019.

**Respectfully Submitted,
Village Clerk Vicki Scaman**