



Village of Oak Park

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

Meeting Minutes

Finance Committee

Tuesday, October 10, 2017

6:30 PM

Room 130

1. Call To Order

Village President Abu-Taleb called the Meeting to order at 6:34 P.M.

2. Roll Call

Present: Village Trustees Andrews, Button and Taglia; Village President Abu-Taleb

Absent: Village Trustee Tucker

Also Present: Health Department Director Charley, Budget Manager Gasiecki, Development Customer Services Director Grossman, Village Trustee Moroney, Village Manager Pavlicek, Deputy Village Manager Shelley, Village Attorney Stephanides and Public Works Director Wielebnicki

3. Public Comment

There was no Public Comment.

4. Approval of Minutes

There were no Minutes.

5. New Business

A. [ID 17-653](#)

Second Meeting of the Finance Committee to Review the Draft Recommended FY18 Budget

Village Manager Pavlicek reminded the Committee Members to refresh their ipads, as new information was sent to all Trustees. This meeting will cover two Enterprise Funds and the Special Revenue Funds.

Environmental Services Fund

Public Works Director Wielebnicki stated that this fund supports refuse, recycling, yard waste, composting and leaf pickup. All fees are collected through quarterly billing for refuse, in which the amount depends upon the size of the cart. He discussed the cart size options and the Green Rate, which is the rate for a combination of the 64 gallon toter and a composting cart. Only about 10% of 12,000 accounts are participating in composting. The revenues of just over \$4 million is essentially from those services as well as the sale of stickers for yard waste and refuse.

Director Wielebnicki gave a history of the Village's waste collection service, which was originally done in-house. In the early 1990's they began outsourcing. Waste

Management has been their service provider since the late 1990's. Last year began the first of a new five-year contract with them. Staff had many conversations with Waste Management prior to that regarding any additional tools or enhancements that were available. New with this contract was the At Your Door service, in which Waste Management will pick up any old paint, motor oil, or other hard to dispose of items by appointment. Oak Park is the first community in Illinois to offer this; users pay \$1.25 for the service. It has replaced the Public Works electronics drop off program and paint exchange and is a good way to dispose of hazardous wastes. This has saved money in staff time as well as in tipping fees. He discussed the advantages of the Village's membership in the West Cook County Solid Waste Agency. He noted that their contract with the landfill expires in 2019 and a new one will be negotiated. Director Wielebnicki discussed the job duties of the two positions in the department, one of which is currently vacant. He described how the leaf pickup program works. He also noted that \$2.80 of each account's first cart fee goes to the alley improvement program. He briefly described contractual services and other programs within the budget.

Director Wielebnicki discussed why various cart sizes are available. The Village is losing money on the 96-gallon service and the only savings to the Village for the 64-gallon service is that there is less disposal fees; the cost for pickup is no different. Waste Management will be getting a 2.5% CPI next year. He discussed how they are trying to encourage more people to choose the Green Service by decreasing the cost of the composting cart. There was a discussion regarding composting and the Green Service. Village Trustee Button suggested some kind of discount to encourage people to use the Green Service. Village President Abu-Taleb was not in favor of reducing revenue and commented that the difference in rate by bundling 64 gallon carts with compost carts is not enough incentive for people to compost; either they do or they don't. He expressed concern regarding the projected deficit in the fund balance this year and hoped there were some recommendations to offset the increased cost of services.

Village Trustee Andrews suggested a survey to learn why people are not composting. There was discussion. Village Manager Pavlicek commented that typically fees have to be adopted in November, before the final budget is adopted in December. Village Trustee Andrews agreed with President Abu-Taleb; if the Village's costs are going up, the rates should reflect that. Village Trustee Taglia asked if the Village's rates go up 2.5% every year. Director Wielebnicki said that they do. However, Waste Management has been a good partner and their service is second to none. He would like to do the survey prior to changing the rates. Village Trustee Button stated that charging \$10 for the compost carts is a good marketing tool. Village Manager Pavlicek stated that the 2018 rates can be put forward in the budget but can be amended mid-year if the Board believes the survey will be helpful. There was further discussion regarding composting, as well as the status of the plastic bag incentive. Village Trustee Andrews raised the idea of a promotion offering three months free for new accounts that sign up for composting for an entire year instead of dropping the price. Director Wielebnicki commented that if rates were raised 2.5 to 3%, they would probably break even. Village President Abu-Taleb stated that expenditures should not be more than revenues; some adjusting is necessary. There was consensus of the Committee regarding the three month free incentive. Village Manager Pavlicek stated that this would have to be brought to the Board and an ordinance can be adopted in November. Staff will work on this.

Water and Sewer Fund

CFO Drazner commented that there are a couple of bonds issued for this particular fund, for a total debt service of \$904,000. In addition, as mentioned before, \$1 million will be transferred into the Self Insured Retention Fund.

Director Wielebnicki stated that revenues are primarily from water and sewer user fees. The Village did a study in 2014 that established rates for the next five years; rates are codified through 2019. There is no need to review unless Chicago came up with an increase. He reviewed expenses. There are 12.5 employees in this department. The largest expense in the fund is for the City of Chicago. He described other accounts. Staff is trying to control water loss, which is 18%. Ideally, they should be as 12%. They are looking to test the large meters for the hospitals, Park District, etc. If those malfunction, there is a significant loss. Other control methods will be main replacements and a leak detection survey. Staff is also considering replacing the residential meters, which are aging. Village President Abu-Taleb asked for the 18% loss to be quantified. CFO Drazner explained that it is not shown as a specific loss; it is just less water going through the meters than what the Village pays the City of Chicago. Village Manager Pavlicek commented that the Village does have some non-billable water, such as what the Fire Department uses. Director Wielebnicki added that the Village does not pay for their own water for street sweeping, etc., and that is factored in as non-revenue water. There was discussion. Village President Abu-Taleb suggested hiring a consultant to investigate the water loss. Village Manager Pavlicek stated that instead of hiring a consultant, staff will provide information regarding how many gallons the Village is using to water plants and trees, etc. as this can be quantified. Director Wielebnicki reiterated how his department is planning to resolve the issue.

Village Manager Pavlicek commented that \$48 million of the \$59 million fund balance is the value of the sewer system. balance. The liquid fund balance of \$7 million seems excessive, but staff likes to have funds available in the event of an emergency. There is a modest fee increase in water and sewer rates for 2018 which was approved by a previous ordinance. Director Wielebnicki added that some sewer projects were cut to maintain a better fund balance. Next year he wants to focus on the water loss issue. There was a discussion regarding gallons used per person per day.

Special Revenue Funds

CDBG Grants

Village Manager Pavlicek stated that these are regulated by the Federal Government and are a declining source of revenue. Just under \$2 million is projected for 2018. These funds are allocated out to not-for-profits groups per recommendations from the Community Development Citizen Advisory Committee. Part of the income is used for the Village's housing programs.

CDBG Revolving Loan Fund

Development Customer Services Director Grossman stated that this fund is a payback of CDBG dollars loaned through several housing programs. All loans are collected at the time of title transfer.

DTOP TIF Fund

CFO Drazner stated that this comes from the county based on the EAV from the most recent year times total rate (15%) of the Village. Some debt service may be paid out of this fund per the 2011 settlement agreement. The TIF is set to expire in 2018.

Earthfest Fund

Director Wielebnicki stated that this is revenue generated from the exhibitors at this annual event.

ESG Fund

Director Grossman stated that this is similar to the CDBG Fund, as it is from the Federal

Government. It is used for homelessness issues and given to PADS. The Village keeps a small amount for administration costs.

Farmers Market Fund

Health Department Director Charley explained expenses of the Farmers Market. Village Manager Pavlicek stated that the fund is self supportive.

Federal RICO Fund

CFO Drazner stated that this fund captures seizure of property related to drug crimes. The revenue stream is unpredictable and is used for police costs.

Foreign Fire Insurance Fund

CFO Drazner stated that this fund segregates revenue from out of state fire insurance policies. If a resident purchases a policy from an out of state company, the Village gets a percentage, which goes into this fund. Revenues are used at the discretion of the Fire Department.

Harlem/Garfield TIF Fund

CFO Drazner commented that this is the last year for this TIF. Village Manager Pavlicek stated that there will probably be surplus distributions to the taxing bodies.

Health Grants Fund

CFO stated that the Village receives various Federal and State health grants. Director Charley explained the various programs the funds go towards and answered questions from the Committee regarding the Health Department and additional grant opportunities.

Keep Oak Park Beautiful Fund

CFO Drazner stated that staff is closing this fund. The fund balance will be transferred to the Environmental Services Fund.

Cook County Lead Hazard Prevention Fund

CFO stated that this is a grant from Cook County and budgeted at \$80,000 for next year. Director Grossman stated that this works with single family rehab grants. She explained HUD rules that apply to it.

Madison Street TIF Fund

Village Manager Pavlicek stated that by the end of the TIF in 2018, the fund balance should be close to \$18 million. The Board may want to seek an extension; this needs to be approved by the school districts and then the State. There was a discussion regarding proposed projects and their costs.

Motor Fuel Tax Fund

CFO Drazner stated this amount is from the State of Illinois and will be transferred into the General Fund, and in turn the CIP Fund.

SSA #1 Fund

This is the amount that is transferred out of the Downtown TIF Fund. The expenditures go to DTOP per an ongoing agreement.

SSA #7 Fund

This is for the diverters installed at Elmwood and Rossell.

Sustainability Fund

Village Manager Pavlicek commented that this fund was originally based on a Federal

grant that allowed the Village to hire a sustainability coordinator. After the grant ran out, it was supported by the Environmental Services Fund. The revenue coming in currently is from the electrical aggregation program. The projected revenue from the bag program has not yet been added.

Travel Training and Wellness Fund

CFO Drazner stated that the revenue coming into this fund is from the Village's credit card rebates; they try to charge as much as they can. Village Manager Pavlicek stated that the \$40,000 expense from the Village Manager's Office was for software for the Fire Department. There has been no formal staff training recently.

Village Manager Pavlicek reminded the Committee that on 10-23, they will discuss Police and Fire pensions and the Parking Fund.

6. Old Business

There was no Old Business to discuss.

7. Adjournment

It was motioned by Village Trustee Button, seconded by Village Trustee Taglia, to adjourn. Meeting adjourned at 8:20 P.M., Tuesday, October 10, 2017.

Respectfully Submitted,

MaryAnn Schoenneman
Deputy Village Clerk