



Village of Oak Park

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

Meeting Minutes

President and Board of Trustees

Monday, June 10, 2019

7:00 PM

Village Hall

I. Call to Order

Village President Abu-Taleb called the Meeting to order at 7:07 P.M.

II. Roll Call

Present: 7 - Village President Abu-Taleb, Village Trustee Andrews, Village Trustee Boutet, Village Trustee Buchanan, Village Trustee Moroney, Village Trustee Taglia, and Village Trustee Walker-Peddakotla

Absent: 0

III. Agenda Approval

It was moved by Village Trustee Andrews, seconded by Village Trustee Moroney, to approve the Agenda. A voice vote was taken and the motion was approved.

IV. Public Comment

There was no non-agenda public comment.

V. Regular Agenda

A. [ID 19-122](#) Review and Discuss the Draft Fiscal Year 2018 Comprehensive Annual Financial Report (CAFR), Single Audit, and all Supporting Documents

Village Manager Pavlicek provided information regarding the process of accepting the Comprehensive Annual Financial Report (CAFR) and Single Audit.

Jim Savio with the Village's independent auditing firm Sikich gave an overview of the Independent Auditor's Report, noting that this is the auditor's only responsibility. He referred to the Management's Discussion & Analysis (MD&A), which provides an overview of the Village's financial position and any significant changes that occurred throughout the year, as well as comparative data. Mr. Savio described various financial statements to provide clarification of the layout of the report.

Village Trustees Boutet and Taglia asked for an explanation of the growth in the General Fund. Village Manager Pavlicek explained that it is difficult to accurately estimate revenue from development in the community, as the timing can be a challenge, as well as large influxes of cash from unanticipated real estate transfer taxes. In addition, weather can affect budgeting overtime and salt expenses as well as variances caused by the personnel turnover rate.

Mr. Savio continued describing the various financial statements and indicated where

pension fund statements were located. He noted that the Water and Sewer Fund shows a positive of \$5 million, with a net income of \$4.9 million. Village Trustee Taglia commented that the Villages unfunded liability on the Police and Fire Pension Funds increased by approximately \$20 million. CFO Steve Drazner stated that the unfunded pension liability is approximately \$155 million. Village Trustee Taglia commented that the process used to calculate that can change that dramatically. Mr. Savio noted that a bad investment year, as 2018 was, creates a larger net pension liability. Village Trustee Taglia would like to have a discussion regarding the actuary's recommendations to get a better idea this year. Village Trustee Boutet recommended that the Board have an early budget meeting in July prior to staff doing a lot of work. Village Trustee Taglia agreed that this would be helpful.

Mr. Savio continued his presentation of the various reports. He stated that the Management Letter indicates no material weaknesses, however; two deficiencies were noted in the current year. Mr. Savio described those deficiencies and recommends that the Village implement a procedure where no employees have the authority to both initiate and approve wire transfers, and that the Village ensure that transactions are being recorded in the proper periods.

Mr. Drazner explained how the Village would use water and not charge for it, such as for fighting fires. Village Manager Pavlicek added that a water leak study is underway and will provide an opportunity for the Board to take a close look and evaluate areas for improvement in covering costs for water uses. Village Trustee Taglia expressed concern that despite the typical non-revenue water, unbilled water loss is still significant.

Mr. Savio explained journal entries recorded as part of the audit process. Mr. Drazner gave details. Mr. Savio stated that the number of entries is typical for a municipality of this size. Village Trustee Boutet asked what the Board should be doing as a fiduciary. Mr. Savio stated that maintaining a good internal control is really the Board's only responsibility. Village Trustee Boutet questioned whether they are monitoring internal controls. Village Trustee Andrews asked Mr. Savio what his level of confidence is regarding that. Mr. Savio has a high level of confidence in the results of their audit process.

Village Trustee Walker-Peddakotla requested printed copies of the documents.

Village President Abu-Taleb requested that staff provide an overview of an investment made by the Village that turned out to be fraudulent. Village Manager Pavlicek summarized the incident, adding that a number of municipalities are in litigation with the investor. Village President Abu-Taleb asked how this would be prevented in the future. Mr. Drazner believes the Village's current investments are as safe as possible. Village President Abu-Taleb requested confirmation of a mechanism that prevents fraudulent wiring of funds. Mr. Drazner explained the processes in place. Village Manager Pavlicek stated she would provide a written summary with any additional recommended controls. Village President Abu-Taleb also expressed concern regarding on-line protection as well. He also asked about the process of collecting coins from meters. Village Manager Pavlicek noted that she would provide a confidential memo with that information.

Village Trustee Moroney asked how the Village can address the current negative balance in the Self-Insured Retention Fund. He asked if larger transfers from the General Fund can be done in order to lower the deficit. Mr. Drazner stated that is is an option, and would help with bond ratings in the future. However, the disadvantage is drawing on General Fund cash that is used to operate with. Village Manager Pavlicek provided the background for the deficit. She noted that it would be a policy decision of the Board what

to transfer into that fund.

Village Trustee Boutet asked how the Village estimates the amount in the Self-Insured Retention Fund. There was further discussion regarding the recommendations. Village Trustee Andrews would like to get an overview of this in Executive Session.

B. [ID 19-162](#)

Discussion Related to Uncollectable Parking Fines Related to Citations Issued during 2017 and Prior.

Village Manager Pavlicek stated that as the Parking Amnesty Program is being concluded, staff is looking for direction regarding whether to deem amounts still outstanding as uncollectible.

Village Trustee Andrews commented that the amount collected was disappointing. He asked how difficult it will be to enter this data into the new system. Village Manager Pavlicek stated that there is concern regarding the input and accuracy of data that old. Village Trustee Andrews would like the cost before making a decision. He added that he and Village Trustee Boutet discussed the option of using the Debt Recovery Program. Delinquent amounts are reported to the State Comptroller's Office, where they are deducted from tax refunds, or other amounts owed from the state. He noted that even collecting ten percent of the remaining \$14 million is a significant amount of money. He would like to see additional data on debtors in order to make an informed decision.

Village Trustee Moroney also noted this was a lower number than he had hoped for and he feels that those who don't pay are wishing this would just go away. It is not fair to those who did pay if the other 46,000 unpaid tickets are written off. He thinks pursuing other collection methods is worth looking into.

Village Trustee Walker-Peddakotla agrees with staff's recommendation to forgive the remaining debt, as she believes that those who owe are likely less able to pay. She would prefer to investigate to find out why some have not paid.

Village Trustee Taglia appreciated Village Trustee Walker-Peddakotla's comments, but this is a large amount of money. He would like to look at all options before making a decision.

Village Trustee Buchanan commented that two amnesties in 15 years is a lot. She is not in favor of forgiveness.

Village President Abu-Taleb asked about the Debt Recovery Program process. Village Manager Pavlicek stated that it is priority based, i.e., funds owed to the State will be recovered prior to funds owed to a municipality, and that they generally take what is available to take, even if that means someone's entire state tax refund. Village President Abu-Taleb asked what the risk is to input the data in the new system. He would like staff to come back with more information.

C. [ID 19-178](#)

Discussion Of New Vehicle License Software System Powered by Passport Labs

David Thomas. Mr. Thomas referred to the renewal letter and the requirement to change your browser. He expressed concern with the browsing data that is collected. This determines predictability and is marketable and profitable for the software company.

Director of Development Customer Services Tammie Grossman explained the intention of purchasing and utilizing Passport Parking for parking, paying parking citations and now

renewal of vehicle licenses.

Village Trustee Walker-Peddakotla asked what the Village is paying for Passport. Ms. Grossman commented that the Village charges an additional \$3 per parking citation to cover the cost of the software, although there are additional components to the agreement. She will provide her with a copy of that, as this was originally approved by a previous Board. Ms. Grossman described the new process for the new paperless vehicle license. She noted that testing was done, but acknowledged that the roll out should've been at a slower pace. The confusion lies around creating an account, which staff has addressed. In addition, staff has received complaints regarding the link code, which has since been clarified. Lastly, the software now provides for individuals with vehicles that have not been previously licensed with the Village to obtain the license online by uploading the required documents. In the past, they were required to come to Village Hall with proper documentation. She discussed the browser setting issue and commented that the cross connection has to be disabled in order to go through the Village website first. If the cross connection is not disabled, they cannot use the link to go to the Passport website. She added that the Village is at the same point last year in terms of the number of vehicle licenses purchased online. The amount of complaints is a small percentage of licenses purchased overall.

Village Trustee Walker-Peddakotla asked representatives from Passport how the company makes their revenue. The representatives responded that they receive a specific amount for each of the various fees collected by the Village. Ms. Grossman clarified that fees were adjusted to accommodate these costs. Village Trustee Walker-Peddakotla noted that she would prefer to have data secured on the Village server. She asked who is responsible for testing the user experience. Ms. Grossman described how the software product was tested. She added that all concerns received from residents have been addressed. In addition, she has received comments from residents regarding the ease of purchasing the license with the new software. Village Trustee Walker-Peddakotla stated that for this convenience, residents are giving up part of their personal data. She asked if Passport uses cookie authentication; the representatives stated that it does, but they are working to change that to universal log-in.

Village Trustee Boutet shared complaints she has received; a big concern was having to download a different browser. The Passport representative stated that this has already been addressed. Village Trustee Boutet raised the possibility of a Village-wide log-in. Village Manager Pavlicek noted that water billing and parking are on separate software systems. Village Trustee Boutet discussed other challenges, such as not being able to get the senior discounted rate and a confusing receipt. She is significantly concerned, however, about the privacy issues.

Village Manager Pavlicek stated that the Civic Information Systems Commission is looking at privacy policies used by other municipalities and staff is also having conversations with other communities.

Village Trustee Moroney acknowledged that this prior Board direction was to make the process more efficient and convenient. He personally found the process easy and feels that the negative experiences are largely outnumbered by the positive ones.

Village Trustee Andrews is concerned with privacy and keeping data safe. He asked if there were other options. Ms. Grossman replied that residents can still come to Village Hall to do the transaction.

Village Trustee Taglia understands the concerns, and appreciates staff's responsiveness.

Village President Abu-Taleb commented that there are always issues with system changes. He would prefer the issues were fixed prior to receiving complaints. He asked that staff try to address potential problems prior to roll out to the public in the future.

VI. Adjourn

It was moved by Village Trustee Boutet, seconded by Village Trustee Andrews, to adjourn. A voice vote was taken and the motion was approved. Meeting adjourned at 9:22 P.M., Monday, June 10, 2019.

Respectfully Submitted,

MaryAnn Schoenneman, Deputy Village Clerk