

Finance Committee of the Village Board Minutes
Monday, July 14, 2014
7:30 pm Room 130

APPROVED MINUTES

Call to order 7:45 p.m.

Present were members of the Finance Committee, President Abu-Taleb, Trustees Tucker and Brewer.

Absent: Trustee Salzman

Staff in attendance included Village Manager Pavlicek, Village Attorney Paul Stephanides, Village CFO Craig Lesner and Village Clerk Powell.

Guests included Public Works Director John Wielebnicki and Acting Village Engineer Bill McKenna.

The minutes of the June 30, 2014 Finance Committee meeting were approved as submitted.

There was no public comment.

New Business

Manager Pavlicek explained that in advance of the budget process, this meeting was intended to be a review of pavement conditions in streets and alleys.

Alley Pavement Conditions

Public Works Director Wielebnicki reviewed the life cycle of the typical alley and noted that appropriate repairs early in the life cycle can extend the life of alleys, of which there are approximately 606 in the Village. Asphalt alleys can have a 25 year life span; while concrete alleys can survive for up to 50 years. He discussed the rating of alleys and proportion within each 10-point level, noting that alleys at 80% or better are not considered in the current repair cycle. Since 2002 an average of 12 alleys per year have been reconstructed.

Acting Village Engineer McKenna explained that an outside consultant rates pavement conditions in a range of 1-100; some are currently rated very low with the majority in the 40-60% range. The Village budgets approximately \$800,000 annually (\$700,000 from CIP and \$100,000 - \$150,000 from CDBG). In 2014 the amount is raised by \$2 million due to grant funding, allowing for work on 30 alleys.

President Abu-Taleb noted that there are about 360 alleys in bad shape and expressed concern if the rate of repair drops back to the earlier level next year. Acting Village Engineer McKenna noted that if expenditures were increased additional alleys could be completed annually. He

also explained that a rate of thirty alleys per year was optimal to accommodate local flow of traffic and relocation of cars due to this work.

Public Works Director Wielebnicki added that staging this over several years could spread the rate of future repairs for the next round of replacements in 35 years or so, and noted that drainage issues hasten deterioration. Most alleys are now concrete with a 50 year life expectancy. He noted that alleys lose one point per year on average; they get less traffic than streets. Manager Pavlicek noted that the proposal is an additional \$2 million in capital fund per year, or a total of \$2.8 million annually, over the next five years, which could be handled with a series of bond issues over that period.

Trustee Brewer supports accelerating repairs. Trustee Tucker noted that a core function of local government is maintenance of streets, always a balancing act.

President Abu-Taleb asked about permeable pavement in alleys and if this could be handled with an SSA if local residents agree to contribute. Staff noted that there are areas of Oak Park that are not well-suited to permeable pavement due to soil issues and the cost of installation in such areas would be more. Trustee Tucker noted that when brick streets were offered on a cost-sharing basis there were no takers.

President Abu-Taleb proposed using a portion of the environmental services fund balance to support the cost of alley reconstruction since refuse trucks contribute to alley deterioration. Attorney Stephanides noted that this can be reviewed and any fee must relate to a direct purpose. Trustee Brewer noted that debt is less expensive now, and funds could be secured at lower cost as a way to address debt service.

Public Works Director Wielebnicki noted that the alley pavement condition rating is not the only factor in determining reconstruction schedule as alleys with the same pavement condition rating may have drainage issues, for example, and as a result may be scheduled for reconstruction sooner.

Street Pavement Conditions

Public Works Director Wielebnicki presented pavement conditions on streets, noting the difference between major streets and local residential streets with similar ratings. Acting Village Engineer McKenna noted that there are 240 lane miles of streets (or 120 center line miles). Street pavement condition scores are similar to alleys, with separate ratings for the network, major arterial streets and local streets. 70% ratings are considered very good or better.

Acting Village Engineer McKenna explained that there are two programs for street maintenance: one maintains streets in good condition through grinding, overlay, and micro-surfacing/crack filling. For more extensive repairs, reconstruction is required with deeper drilling of asphalt, as well as possible curb replacement and drainage issues. Choice of such repairs is influenced by rating, drainage, and the age of underground infrastructure.

The annual funding commitment to streets has averaged \$2.7 million for the past nine years, inclusive of Federal and State funds. Road improvements of about 20 blocks per year have raised ratings about .25 annually..

Acting Village Engineer McKenna noted that State and Federal funding has been a major factor in recent street improvements. Trustee Tucker noted that streets such as Ridgeland Avenue are partially designated as state highways and qualify for such funding. Manager Pavlicek noted that prompt repairs limit damage from water filtration and noted that Oak Park repairs on perimeter streets are influenced by plans of adjacent municipalities. She also noted that planned improvements by other local governments, such as recent Park renovations, may require underground improvements to coordinate with their construction schedule rather than waiting.

Acting Village Engineer McKenna explained that both "fair" and "good" streets might be repaired to extend the street life cycle.

Acting Village Engineer McKenna recommended an accelerated five year plan to speed repairs of streets, taking five versus 15 years to make these needed repairs. Public Works Director Wielebnicki noted that major streets may also be eligible for Federal funding. The balancing of local and major street repairs was discussed as the focus may shift due to Federal funding, with a multi-faceted approach required to address all issues.

Public Works Director Wielebnicki reported that Public Works receives 20,000 calls per year about streets; Trustee Brewer noted that failure to repair now may require more extensive repairs later.

Engineering Services

Public Works Director Wielebnicki reviewed the organizational structure and duties of the engineering division of the Public Works department, which handles the basis design and construction projects for the Village with outside help as additional projects are added. The total cost for Village construction activities including streets and alleys above, as well as sewers, bike lanes and others, ranges from \$6 million to \$10 million annually. In some cases portions of larger projects are designed in-house, as a recent Federally-funded design project saved 10% or \$200,000 over the cost of contract design drawings.

Acting Village Engineer McKenna explained that some projects that are larger can be completed more quickly with consultant assistance, while continuing to evaluate in-house efficiencies. In 2013 consultant engineering costs were 11.7% of total costs while in-house engineering costs were 8.4% of total costs.

Manager Pavlicek explained that staff recommends maintaining a baseline of Village employees for basic projects, with consultants as additional capacity is needed without locking in additional employees in such positions. This hybrid approach is working well for Oak Park.

President Abu-Taleb asked if it was better to outsource or keep things in-house and whether every project requires design. Acting Village Engineer McKenna explained that all projects require some engineering design. Every project requires documents prepared and engineering technicians can handle routine matters.

President Abu-Taleb asked what similar communities do. There was discussion of the range of solutions used by municipalities, and the fact that some communities have separate governments which manage water and sewers, for example. President Abu-Taleb asked for third party analysis of the costs of CIP or similar analysis. Trustee Tucker asked if it would be difficult to make comparisons; staff will find some comparable municipalities and report back.

Public Works Director Wielebnicki discussed the importance of public works communication to the public as an example of good customer service, something consultants would not do. Manager Pavlicek discussed the payment arrangements for consultants as similar to outsourced legal services, either hourly or a percentage of total costs.

Old Business

Trustee Brewer asked when reports can be expected regarding the Board of Health and Dole Library as previously requested by Mr. Barber. Manager Pavlicek reported that Health and Adjudication will be presented at the July 28 meeting. The VOP-owned Dole facility will be addressed later.

Trustee Tucker asked that Trustee Barber be notified when these topics are presented so that he can plan to attend, if he wishes.

Moved by Trustee Tucker to adjourn. Second by Trustee Brewer.

Ayes: All. Nays: None.

The meeting was adjourned at 8:48 p.m.

SUBMITTED AND RECORDED IN THE OFFICE OF:

Teresa Powell, Village Clerk