

APPROVED
Finance Committee Meeting
Thursday, February 9, 2012
Room 130, Village Hall

Called to Order 7:07 p.m.

Present: Trustee's Tucker, Brewer, President Pope, Trustee Hedges (7:11 p.m)

Minutes of 9-27-11 approved as corrected.

Minutes of 9-28-11 approved.

Also Present CFO Lesner, DPW Director John Wielebnicki, Village Engineer Jim Budrick, Housing Programs Manager Tammie Grossman, and Deputy Village Manager Lisa Shelley

Public Comments were taken from the 19th Century Charitable Organization requesting funds for roof repairs, the Arts Council & Housing Center requesting additional funds above their current contracts with the Village and the Housing Authority requesting funds as a result of loss of federal funding.

A. Fund Balance Policy

CFO Lesner reviewed the current fund balance report and discussed the draft fund balance policy. The goal would be to seek Finance Committee approval and then forward the policy for adoption by the entire board at a Regular Meeting.

The Board raised some concern about having a fund balance policy that either isn't achievable in the near term or realize the consequences of having to raise taxes or make significant cuts (i.e a 20% fund balance is 10 million dollars). The policy was modified to show a range and include a statement that this is a goal over a number of years and will not be realized in the next few budget cycles. There was further discussion about what a fund balance is defined as, is it all cash? The Board also added the need for performance measures.

The Committee directed staff to make the revisions discussed and bring back the policy for review again at the next Finance Committee.

B. Review and Consideration of FY12 Requests to Amend the Budget

The following items emerged or have been raised by the Village Board that will impact the FY12 and will require budget amendments.

1. DTOP TIF General Fund Adjustments
 - a. \$75,000 Reoccurring DTOP Expenses (\$60K), plus minor one-time projects (\$15K)
 - b. \$15,000 Tree Pit & Ground Planters Repairs/DTOP & Other Business Areas
 - c. \$30,000 Brick Replacements

Staff explained these expenses and asked the Committee to consider a budget amendment for FY12 since the past funding source (DTOP TIF) is not an option going forward due to the 2011 Settlement Agreement with D200 and D97 reviewed in detail what these expenses. CFO Lesner recommended that capital related project costs be assigned to the CIP and the

remaining expenses would be assigned to the General Fund. For future years (FY13+), the Board can discuss a more permanent solution. Public Works staff offered the potential to use salt & snow overtime savings. Staff recommended these adjustments.

A majority of the Committee directed staff to prepare the budget amendment for adoption at a Regular Board Meeting and clearly identify the salvage available for the amendment.

1. DTOP TIF General Fund Adjustments

d. \$100,000 DTOP/Lake Street Streetscape design (staff recommended)

Staff explained that this was for planning the next area, located in the DTOP, similar to the planning on Marion, S. Marion and Oak Park Avenue previously. Staff recommended this adjustment. Funding potentially could be identified in anticipated savings from the upcoming Harlem Avenue Project.

A majority of the Committee decided to wait until March or when the Board reviewed the status of the Village's overall Economic Development strategy next month.

1. DTOP TIF General Fund Adjustments

e. \$25,000 S. Oak Park Avenue Streetscape (staff recommended)

f. \$ 7500 Preliminary Lake Street Design (staff recommended)

Staff reviewed these projects which have outstanding invoices that were to be paid for from the DTOP TIF.

The Committee agreed that these outstanding invoices need to be paid and should be prepared for an upcoming agenda item and budget amendment.

1. DTOP TIF General Fund Adjustments

e. \$50,000 OPDC DTOP Grant/Façade Program

Staff explained that this program was removed from the recent OPDC contract since there is no funding source available anymore. The Finance Committee was then charged with reviewing the program status and makes a recommendation to the Village Board about next steps. A committee member noted that this should be considered along with all other Village priorities.

The Committee deferred the item to the next meeting so that OPDC could be present to give more information on the program history.

2. VOP Loan Guarantee to OPDC Loan Program/Brijio Default for \$22,732 (staff recommended)

Staff recommended payment of the loan guarantee since the Village participates in this program with OPDC and is obligated to pay when there is a default.

The Committee agreed and directed staff to make the necessary payment and budget amendment (if required).

3. Request from Housing Authority for \$75,000

Staff explained that in a few years ago the Board held a Special Meeting and determined that the Village was not going to fund the deficit to the Housing Authority due to cuts from federal funding. Therefore this request was not recommended by staff during the budget

process. The Housing Authority came to a meeting in early January asking the Village Board to reconsider. The Board deferred this item to the Finance Committee. The Housing Authority clarified that it is negotiable how much money they are requesting from the Village. Usually the Housing Center only bills the actual amount. A committee member noted that they would be concerned on how this one-year commitment (if provided) would impact future commitments.

The Committee deferred the item to the next Finance Committee and asked if staff could do a survey if any other towns are absorbing the cuts from federal funding and if there were any other potential funding sources.

4. Request from the Housing Center for an additional \$20,000

Housing staff mentioned that it would need to find salvage from existing programs to fund this request.

A majority of the Committee directed staff to proceed with a contract and budget amendment for the additional funding.

5. Request from the Oak Park Area Arts Council for an additional \$17,750

The Arts Council reviewed the letter previously sent to the Village Board and described the projects for which they are seeking additional funding.

After discussion, the majority of the Committee suggested waiting on this request until after the % for Art discussion and a report from the Public Art Advisory Commission which may provide a funding stream for more arts funding going forward. In particular some members said that they would not be in favor of giving the money to the Arts Council for web design or a round-table discussion; not sure on the Village's return on investment. (see also Agenda Item D for more discussion).

D. Use of CIP Art Fund

Currently the 2012 CIP "art fund" is \$100,000. Aside from the purchase or lease of public art, over the last year the Village received several request from various performing arts venues to sue this fund for facility improvements. The Village Board asked the Finance Committee to review the intended use of the fund. Staff reviewed a breakdown of the intended use of this fund for FY 2012. Major items included the mini-mural project (\$20,000), the Longfellow Mural Install (\$20,000), maintenance of public art (\$5,000) and performing arts grants (\$48,000). In addition, there are smaller projects funded in the Commission's budget in the general fund. In addition, staff discussed a special project under review by the PAAC for a temporary sculpture installation from June through September along Lake Street and Forest Avenue. It is intended to coincide with the International Sculptures Conference being held in Chicago this summer. The estimated cost of this project is estimated at \$10,000-15,000.

A majority of the Board voted to deny the request of the 19th Century Charitable Organization for a performing arts grant with the intent that the CIP fund should be actual public art. In addition, there was consensus to eliminate the Performing Arts Grant at this time for the same reason and instead use the money toward the International Sculpture Conference and possibly fund some of the requests from the Oak Park Area Arts Council (i.e. Off the Wall project). If there were other types of grants the Board may want to consider (such as a performing arts fund), then it should be

discussed in the FY13 budget discussions. Currently the Village has no resources for a performing arts infrastructure, but with the “% for Art” discussion, there may be a funding source identified.

E. Review Basement Flooding Prevention Programs

The Public Works Department gave a comprehensive overview of the summary table of opportunities presented by the Village’s consultant. This included a downspout disconnect program, an overhead sewer and backflow prevention system, a sewer study updates for FY12-13 which includes a pilot inlet study, as well as all of the existing on-going programs (i.e. rain barrels, dry wells, etc). The Village also noted that they have applied for grants to consider the bioswale option and the green alley project. If the Village should receive either of these grants, the project would be brought back to the Board for final approval. In addition, Housing Programs reviewed some of the details in their programs and how an overhead sewer program could be crafted similarly.

The Committee talked about comparable communities and requested more information on the model inlet restrictions program.

The Committee asked for more detailed information at the next meeting.

Item F (debt policy) will be deferred to next week, Item G (FY10 audit wrap-up) will be deferred to next week.

Other issues for future meetings include a budget amendment policy, a review of the gas tax (as requested by the Board at a recent meeting), ambulance fees and pensions.

The meeting adjourned at 10:17 p.m.