



Finance

Committee of the Board

Friday, March 14, 2014

8:00a.m. - 8:45a.m.

Conference Room 124

Agenda

- I. Call to Order
- II. Approval of Minutes of October 22, 2013 and October 24, 2013
- III. Public Comment
- IV. New Business
 - A. Funding Capital Projects
 - B. Status Report on Audit for the Year Ending December 31, 2013
- V. Old Business
- VI. Adjourn


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Date: March 7, 2014

To: Finance Committee (Trustees Brewer, Salzman and Tucker)

Fr: Cara Pavlicek, Village Manager 

Re: March 14, 2014 Finance Committee

Cc: Board of Trustees
Deputy Village Manager Shelley
CFO Lesner

The Finance Committee of the Village Board is scheduled to meet at 8:00 a.m. on Friday, March 14, 2014, in Room 124.

The meeting was called at the request of President Abu-Taleb to meet with Al Ronan, a local lobbyist to understand how he might assist the Village in obtaining state and/or federal funding for capital projects.

A brief status on the annual audit will also be provided.

Please note that Trustee Tucker has advised of a conflict and therefore, I will defer to the group if they prefer to reschedule.

Additional supporting materials for the meeting will be emailed next week. Please let me know if you have any questions.

Finance Committee of the Village Board Minutes
Tuesday, October 22, 2013
7:00 pm Room 130

DRAFT MINUTES

Call to order 7:02 p.m.

Present were members of the Finance Committee, President Abu-Taleb, Trustee Robert Tucker, Trustee Glenn Brewer. Trustee Salzman was not in attendance.

Staff in attendance included Village Manager Pavlicek, CFO Lesner, Village Attorney Stephanides, Budget Manager James Harris.

Trustee Tucker moved to approve the minutes of October 17, 2013. Seconded by Trustee Brewer. Ayes: All. Nays: None. Motion approved.

There were no Public Comments.

Fire-Police Pension Funds were discussed. The Fire Pension Fund provided written comments and the Police Pension Fund was represented by Len Jorgenson (retired officer) and Tom McShane (Pension Fund investment consultant since 2002).

CFO Lesner provided overview noting that both the Fire and Police Pension Boards are elected locally; property tax levy is a component for these pensions. The levy is determined via parameters established by the State of Illinois through the Department of Insurance. A detailed discussion was held regarding the investment portfolios and role of Village Board in the pension levy process as well as actuarial assumptions and the differences between the Police Pension Fund and the Fire Pension Fund in terms of size and percent funded.

There was consensus that the assumptions for the levy used in the recommended budget will be maintained. Manager Pavlicek will maintain assumptions in the budget.

The Health Insurance Fund was reviewed and there was a discussion regarding the Township and WSCDC notice that they will not seek health insurance under the Village in 2014. Manager Pavlicek noted that the Village's health insurance broker has advised that the reduction of approximately 75 insured participants does not impact the Village's self-insured program. A more detailed discussion ensued regarding the Village's exposure for catastrophic events. Staff was asked about alternatives and indicated that in 2014 we plan to review costs of self-insurance, pools and full insurance to ensure we comparatively look at employee health insurance costs. Wellness programs were also discussed.

Risk Management and the Self Insured Retention Funds were discussed noting that the source of revenue to fund risk management, property-casualty and work comp insurance related costs is via fund transfers from the major operations of the Village (i.e. General Fund, Water/Sewer Fund and Parking

Fund primarily). Staff noted the fund has a deficit position and in 2014 the Village Attorney will evaluate options available to the Village and recommend future direction to the Board.

Special Revenue Funds were reviewed as follows:

- CDBG is funded via HUD and Oak Park's designation as an entitlement communication. The CDCAC is reviewing allocation requests and will make recommendations to the Board.
- Revolving Loan Fund- grants for lead based hazards. The CAFR shows income as compared to forgivable grants.
- E-911 is state established and funds a significant portion of dispatch costs within WSCDC, also emergency operations center within PW building technology. Efforts in Springfield to mirror cell phone fees provided to Chicago for other municipalities. CADD system in WSCDC is nearing end of useful life and Village will face future capital costs for its update.
- Farmers Market Fund- overseen by Public Health Department and pays for itself.
- RICO- Oak Park Police participate on regional task force and therefore Village receives share of revenues from drug seizures; revenues may only be used for law enforcement equipment – pays for marked cars.
- Foreign Fire Insurance pursuant to State law, fire insurance policies sold by out-of-state agencies pay a fee to the fund.
- SSA 1 for DTOP – property tax levy self-imposed by property owners. Village board responsible for levying and sub-contract for services that are legal in SSA (e.g. trash, litter, flowers, marketing, heated sidewalks).
- Sustainability Fund was initially established as a grant that funded a new position. Now dependent upon transfer of revenues from Environmental Service Fund. President Abu-Taleb asked about sharing this service with other communities.
- Travel, Training, Wellness Fund was reviewed.

President Abu-Taleb recommended a study session to brainstorm with staff and trustees about opportunities to share services with other communities.

Moved by Trustee Tucker to adjourn. Second by Trustee Brewer. Ayes: All. Nays None. The meeting was adjourned at 8:28 p.m.

Finance Committee of the Village Board Minutes
Thursday, October 24, 2013
7:00 pm Room 130

DRAFT MINUTES

Call to order 7:13 p.m.

Present were members of the Finance Committee, President Abu-Taleb, Trustee Robert Tucker, Trustee Glenn Brewer. Trustee Salzman was not in attendance.

Staff in attendance included Village Manager Pavlicek, CFO Lesner, Village Attorney Stephanides, Public Director John Wielebnicki, IT Director Alvin Nepomuceno, Village Engineer Jim Budrick, Asst. Village Engineer Bill McKenna, Budget Manager James Harris.

There were no minutes submitted for approval from the meeting on Tuesday, October 22, 2013. Staff noted that with the short duration between meetings, there was not sufficient time to prepare the minutes.

There was one public comment from Dr. Ohara, 300 block of South Taylor regarding alley conditions.

Village Engineer Budrick noted in FY14, Capital budget proposes 29 alleys. President Abu-Taleb inquired about establishing a program for cost sharing with residents. It was discussed that it can be done and not currently a practice in Oak Park.

The Building Improvement Fund was reviewed including the following significant items:

- Village Hall/Police Station cooling tower (HVAC), original from 1970s.
- Village Hall courtyard window replacement. Currently single pane important to establish energy efficient building envelop to more appropriate size for the most efficient cooling tower. Trustee Tucker asked if the HVAC decision is impacted by D97 conversation regarding an administrative building at Village Hall. Director Wielebnicki stated that Village Hall/Police Station would likely require a separate unit from a new facility. However, we have been delaying the conversation until there is direction/decision related to D97, therefore, funding in the recommended budget would not be committed until further Board direction is provided.
- Police Station improvements to Gun Range. Current Police staff is looking at other departments. Director Wielebnicki indicated he was unsure that engineering work would proceed in 2013. The funding has been held in the Capital budget for multiple years and in 2014 it will be important to determine best direction to resolve situations. President Abu-Taleb asked staff to think outside the box in this matter and determine why do we have to have our own range and whether there are

opportunities to share with Cook County or River Forest. Manager Pavlicek indicated staff would also evaluate the economics of officer overtime and travel outside of Oak Park jurisdiction while on shift. It was also requested that staff look at the ability to charge other agencies to use our range for their training needs. Further discussion was held by the committee about the visibility of the Police Station as well as the space needs. Trustee Tucker noted preference for the range in the basement and support for bringing personnel "upstairs" to enhance visibility. A meeting and/or tour was requested of the range along with more information from the Chief about utilization (e.g. how often are officers required to qualify, etc.)

- Fire Station and DPW repair listing was reviewed.
- Dole Center repair needs reviewed and discussion was held regarding staff working with Library and Park District to consider change in ownership. Trustees Tucker and Brewer indicated support for sale.

IT Director Nepomuceno reviewed the Equipment Replacement Fund including the following significant items:

- Telephone system update to move to a newer technology. Discussion regarding functionality to callers was discussed as well as maintenance costs which staff noted will decrease from \$33,000 to \$15,000. It was noted that wi-fi in Village Hall will also be improved. President Abu-Taleb asked if this will help reduce staff and it was reported that it will not impact FTEs and there was a dedicated telephone staff support employee that was eliminated in 2008. It was asked if this would be cloud based and staff advised that they did not want to have the phones cloud based since the Village would lose phone services if the internet goes down, and voice is deemed more critical than data as data can re-send. Trustee Tucker asked if we are re-cabling to the older format and Director Nepomuceno advised that the Village Hall was last cabled in 1999 and this cabling will support VOIP. President Abu-Taleb asked for Commission input and there was consensus to review this with the CISC. Trustee Brewer asked about discussing with other entities and Director Nepomuceno shared that he has met with other taxing bodies.

Director Wielebnicki reviewed the Fleet Replacement Fund.

- Staff noted the Fleet Quality indicates that 75% of current vehicles are within life span of their services therefore 25% of the fleet is due for replacement however, we do not replace at that rate.
- The funds for fire equipment are for current lease payments for prior year purchases as well as the new Fire Ladder truck.
- In regards to Police vehicle replacement, Federal and State RICO funds are used to pay for their vehicles and generally they have been purchasing 8 to 10 replacement cars per year. In FY14 only 4 are proposed as a result of available funding.
- In Public Works there is a pick-up truck replacement.

Environmental Services Fund was reviewed by Director Wielebnicki.

- Staff advised there is an opportunity to increase trash and litter control through this

Fund as opposed to the General Fund which currently supports such services and has been reduced over the years, especially in Business Districts that do not have SSA funding.

- Staff noted that the contract with Waste Management contains a 1.8% cost increase in 2014 and the recommended budget does not proposed fee increase to pass this cost onto residents as there is more than sufficient fund balance available at this time to cover the increase in costs.
- Food Scrap program was reviewed noting that it reduces the waste stream costs by eventually reducing tipping fees. Trustee Tucker asked if there are plans for a restaurant composting program and it was recommended by President Abu-Taleb that it be tested in individual restaurants to learn. Staff reviewed prior Board discussion to franchise the commercial waste hauler as opposed to the current process which only franchises residential waste collection and noted that proposal was rejected but that subject to direction it could be revisited.
- Director Wielebnicki noted that they are initiating the return of the lawnmower exchange program and starting block party composting educational programs.
- The Fund balance was discussed extensively and it was concluded that these funds should be maintained in this fund for future rate relief at such time as it is needed.

Water/Sewer Fund was reviewed by Director Wielebnicki.

- Staff noted the bulk of expenditures is payment for water to City of Chicago and in 2014 the City of Chicago is increasing that rate by 15%. Manager Pavlicek noted that the Village has an expired contract with the City of Chicago. There was consensus to bring back this contract to the Board for consideration.
- A review of major projects included the continuation of the overhead sewer grant program.
- Staff was asked to look at a total rate increase of 16% to provide capacity for pending capital needs.

TIF Funds were reviewed.

- Trustee Johnson's email was reviewed and there was a discussion about the request for a study regarding development of a Roosevelt Road TIF. Trustee Tucker asked staff for their recommendations. Manager Pavlicek noted she has met with Paul Zimmerman about options for the corridor and is hoping to hear back from him regarding questions or recommendations.
- Staff reviewed each TIF.

General discussion was held regarding the upcoming timeframe the full Board's review and the Public Hearing process.

Moved by Trustee Brewer to adjourn. Second by Trustee Tucker. Ayes: All. Nays None. The meeting was adjourned at 8:56.