



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

Agenda

- I. Call to Order
- II. Approval of Minutes of June 30, 2014
- III. Public Comment
- IV. New Business
 - A. Alley Pavement Conditions
 - B. Street Pavement Conditions
 - C. Engineering Services Review
- V. Old Business
- VI. Adjourn

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Finance Committee of the Village Board Minutes
Monday, June 30, 2014
7:00 pm Room 130

DRAFT MINUTES

Call to order 6:31 p.m.

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

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

Guests included Kevin W. McCanna and Sarah McCanna of Speer Financial, Inc. and Richard Boykin, Cook County Commissioner Elect.

The minutes of the June 12, 2014 Finance Committee meeting were approved as submitted.

There was one public comment from Dr. Robert O'Hara, 300 block of South Taylor regarding alley conditions.

New Business: Debt Analysis

Manager Pavlicek explained that in advance of the budget process staff is presenting a review of the bonded indebtedness to show current debt and potential new debt. CFO Lesner and Kevin McCanna, President of Speer Financial were introduced.

President Abu-Taleb asked Mr. McCanna to introduce Speer Financial. CFO Lesner reviewed current debt issues and annual debt Service chart, and highlighted the impact of potential new debt in future years. Debt abatement and property tax levy were further reviewed.

Trustee Tucker introduced Mr. Richard Boykin, who joined the meeting and noted that he is expected to represent Oak Park on the Cook County Board later this year and is an Oak Park resident.

President Abu-Taleb remarked on the poor condition of streets and alleys. He further commented that the new proposed debt is not inclusive of Madison Street TIF District and there was consensus from the Committee that that this be included.

It was noted that within the proposed debt for street and alley reconstruction, \$10 million is stated as a placeholder only for streets and \$10 million for alleys. A subsequent meeting of the Finance Committee will focus on a review by Public Works of the needs and costs related to

streets and alleys.

CFO Lesner reviewed proposed new debt and the impact on overall debt service. He noted that an alternative to consider will be the structure of individual debt issues so that annual debt service can be equalized from year to year.

President Abu-Taleb asked about including debt for technology improvements. It was noted that improvements in technology can lower cost of services in the longer term. Manager Pavlicek noted that FY14 includes \$4.4 million in proposed debt for IT inclusive of building permitting software and GIS as well as Harrison Street lights and that the IT master plan will be available for Board review in 30-45 days and following its review there will be additional information about IT needs. President Abu-Taleb asked for consideration of leasing versus buying technology services.

Trustee Brewer and President Abu-Taleb asked whether the Village has in-house expertise in technology.

Trustee Brewer asked about the Engineering Division's cost per alley for repairs and the budget per year. Total alley repairs in 2014 will more than double over last year due to increased funding and a green infrastructure grant. Manager Pavlicek referred to Mr. O'Hara's alley repair request and noted that the index evaluating the condition of alleys is being redone. She will report in July on how many would need to be repaired to bring them to "good" condition; she noted that Public Works Director Wielebnicki is reviewing the capacity for annual alley reconstruction.

President Abu-Taleb asked for evaluation of increasing the use fee for refuse collection to allocate funds for alley repair. Discussion of this option explored increases in water fees for funds, which would have to be allocated to related capital improvements, such as sewers, and the greater impact of refuse fees on residential users, as businesses use private collection services. Manager Pavlicek noted that consideration of franchising commercial waste hauling could be considered as well.

Trustee Brewer asked about the impact of such increases on the Village's bond rating; Mr. McCanna noted that this would only be a concern if Oak Park were the highest in Cook County. Trustee Salzman noted that there should be a logical link between fees and services.

President Abu-Taleb asked for information about the Village's borrowing capacity in the next 4-5 years. Mr. McCanna reviewed the various indicators that are considered by rating agencies such as liquidity. There was discussion about the balance between debt and return on investment and the need to provide public services in accordance with the vision of the Village Board. Mr. McCanna complimented the discussion about planning for debt, as well as the need to consider the Village's annual capacity for bank qualified issues which is up to \$10 million. The potential for issuing new debt and refinancing current debt should be decided prior to calendar year end.

Trustee Tucker asked for additional information about street and alley improvements and the balance between taxes and fee burdens. Manager Pavlicek asked the Committee what additional information would be useful to review and there was consensus that staff provide an listing of current Village fees that could support new infrastructure investment, tax rate and levy information for comparable communities, an example of the impact of new debt to the average homeowner,

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

Ayes: All. Nays None.

The meeting was adjourned at 7:56.

SUBMITTED AND RECORDED IN THE OFFICE OF:

Teresa Powell, Village Clerk