



Finance
Committee of the Board
Thursday, February 16, 2012
7:00 p.m.
Conference Room 130

Agenda

- I. **Call to Order**
- II. **Approval of Minutes**
- III. **Public Comment**
- IV.
 - A. **Revised Draft Fund Balance Policy** (as discussed February 9th)
 - B. **Review and Consideration of FY12 Requests to Amend the Budget**
 - 1. Request for Additional Information Regarding the unfunded OPDC \$50,000 Grant Program in DTOP (as discussed February 9th)
 - 2. Request for Additional Information Regarding the Housing Authority Request for \$ 75,000 (as discussed February 9th)
 - C. **Request for Additional Information Regarding the Basement Flooding Prevention Programs Proposals** (as discussed February 9th)
 - D. **Debt Capacity Policy Status**
 - E. **FY10 Audit Wrap-Up**
 - F. **Other**
 - G. **Review Agenda for Next Meeting March 12, 2012**
- V. **Adjourn**

For more information regarding Village Board meetings and agendas, please contact the Village Manager's Office at 708.358.5770. If you require assistance to participate in any Village program or activity, contact the ADA Coordinator at 708.358.5430 or e-mail adacoordinator@oak-park.us at least 48 hours before the scheduled activity.

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DRAFT

Village of Oak Park Financial Policies



Draft February 16, 2012



Section 3. Financial Administration

3.9 Fund Balances

3.9b General Fund Balance

General Fund

Appropriate fund balance levels are necessary to respond to unexpected emergencies and annual cash flow requirements. In the General Fund, an unreserved fund balance goal of no less than 10% and no more than 20% of the current year's estimated operational expenses shall be maintained. Of this balance, cash and investments should compose no less than 60%.

For example, in the situation where the fund balance is \$5,000,000 but the actual cash and investments are less than \$3,000,000, the policy objective would not be met. This caveat discounts for situations where the general fund is owed money from other Village funds, and can reasonably be expected to repay within 12 to 24 months.

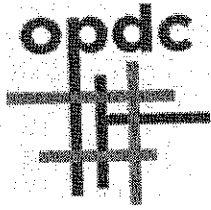
If the reserves drop below this amount, staff shall recommend a budget and operational strategy to accumulate the necessary reserves over a period not to exceed three years.

3.9c Enterprise Funds Balance

Each enterprise fund shall also strive to maintain a 10% to 20% unreserved fund balance to be available for emergency, unforeseen circumstances, and fund cash flow needs.

If the reserves drop below this amount, staff shall recommend a budget and operational strategy to accumulate the necessary reserves over a period not to exceed two years.

NOTE: At the time of discussion in 2012, the Village's current balances are not in compliance with the above policy. Staff is committed to implementing the stated policy, achieving compliance within five years. Once in compliance, the above policy will take hold in order to maintain status.



TO: Village of Oak Park Finance Committee
FR: Sara J.R. Faust, President OPDC
RE: OPDC Commercial Rehab & Preservation Program – A brief history
DT: 10 February 2012

OPDC has administered a property improvement grant program on behalf of the Village since 1989. Over the decades the program has been adjusted numerous times to meet changes in eligibility, funding levels and priorities. Throughout its entirety, applicants have always needed to provide a minimum 50% match in the project costs. And although OPDC administers the program from application to documentation, two members of the Village staff serve on the grant review committee.

Initially funded through Community Development Block Grant (CDBG) funds, project eligibility was limited by eligible geographic area. The grants themselves weren't very big, limited to \$100 per linear front foot. The first grant was \$1650. In the mid-1990s non CDBG funds (or general funds) were added to the program so that businesses throughout the community (South town Oak Park, for instance) had grant funds available. Grants were limited to exterior renovations, signs and awnings. A year or two later, The Exterior Renovation Program offered more design assistance and grants were increased to \$10,000 per elevation, still requiring a minimum 50% match from the applicant.

In 1998, responding to business needs and the Village priorities, a similarly designed grant program was initiated to assist with accessibility and code related issues. In 1999, we combined the administration of all three programs and changed the name to the Commercial Property Rehab and Preservation Program.

The funding sources included CDBG and non-CDBG funds (or General Funds) from the Village. By 2006, it was becoming increasingly difficult to fund CDBG eligible projects, so difficult in fact, that OPDC decided to not seek CDBG funds in 2007.

So, for one year, in 2007 grants, which now again excluded interior work not a direct result of façade changes, were all funded by General Funds. In 2007 the grants budget was \$110,000. The administrative cost was just under \$36,000.

Cognizant of the demand on General Funds, grant funding began including TIF monies in 2008. In 2008, the budget for grants included \$50,000 from the Madison Street TIF and \$75,000 from the Greater Downtown TIF to fund eligible grants in those respective areas. Additionally, in 2008, \$ 67,000 General Funds were approved to provide for non-TIF eligible area. The administrative cost, entirely paid from GF, was \$35,000. An additional \$70,000 was budgeted from Harrison Street catalyst funds that were not ultimately authorized by the Village Board.

Beginning in 2009 the TIF budgets for the CPRPP grant program have been \$50,000 from each of the two aforementioned TIFs through 2011. The General Fund budget has changed minimally year to year. In 2009, the GF grant funding dropped to \$30,000. In response to the reduction in funding and an expressed desire to somehow account for an ability to fund on the part of the

applicant, the program changed to fund 50% of the first \$5000 of a project and then the grant participation dropped to 25% on the amount above \$5000. The suggested cap for each grant was \$25,000. In 2010 and 2011 the GF grant funding was \$33,000 each year.

In, 2012, GF grant funding is \$30,000 and the Greater Downtown TIF funding was eliminated. The \$50,000 in the Madison Street TIF remains. The program has been amended for 2012 to cap GF grants at \$10,000. We begin accepting applications for this year on 29 February 2012.

The following reflects the program during the years 2008 – 2011 when TIF funding was a source for the grants.

	Budget	# of projects	Grant Amt	Project Amt
2011				
GDTIF	\$50,000	4	\$8,155	\$717,460
MSTIF	\$50,000	2	\$26,275	\$136,300
GF	\$30,000	5	\$6,626	\$137,524
2010				
GDTIF	\$50,000	5	\$19,268	\$4,979,000
MSTIF	\$50,000	1	\$15,649	\$37,420
GF	\$33,000	9	\$24,338	\$448,755
2009				
GDTIF	\$50,000	6	\$28,703	\$93,363
MSTIF	\$50,000	5	\$38,774	\$249,461
GF	\$33,000	4	\$8,424	\$18,205
2008				
GDTIF	\$75,000	4	\$75,000	\$618,700
MSTIF	\$50,000	4	\$42,656	\$151,323
GF	\$67,000	8	\$44,102	\$358,938

For more information on this program and other OPDC efforts, please give me a call at 383-3838 or visit our website at www.OakParkDevelopmentCorporation.net.

Inlet Control Estimates
(calculations are based on static conditions)

Typical Block (Paved Area)		Area (SF)	Av Curb Height
Width	Length	18000	0.33 (4 inches)
15	600		h
	b	l	

Street Storage Capacity (assume centerline equals curb height)
 $1/2 \times b \times h \times 2Xl = 2970 \text{ CF / Block}$

Storm Intensity for 1 Hour	Inches	100 % Restricted Volume (CF)	Volume (Gal)	% Street Impacted
2 year	1.43	2145	16046	72%
5 year	1.79	2685	20085	90%
10 year	2.1	3150	23564	106%
25 year	2.59	3885	29062	131%
50 year	3.04	4560	34111	154%
100 year	3.56	5340	39946	180%

Sewer Main Capacity for Typical Residential Block

Sewer Size (in)	Pipe Area	Sewer Capacity	Sewer + Street	2 year	5 year	10 year	25 year	50 year	100 year
12	0.79	471	3441	2145	2685	3150	3885	4560	5340
15	1.23	736	3706	2145	2685	3150	3885	4560	5340
18	1.77	1060	4030	2145	2685	3150	3885	4560	5340

Total Impervious Areas on a Typical Block


Overall Area	150ft + 66 ft + 150ft x 600ft =	219600 SF / Block	% of Block	CF @ 2 Yr	Impacted w/ 12 in Sewer	% Street + Sewer
Street	30 feet wide	18000	8%	2145	62%	
Roof Tops	(30 per block) 25 x 60	45000	20%	5363	156%	
Public Sidewalks	5 feet wide	6000	3%	715	21%	
Private Sidewalks	3 feet wide	16920	8%	2016	59%	
Garages	20 x 20	12000	5%	1430	42%	
Total		97920	45%	11669	339%	



Village of Oak Park
Department of Public Works
Administration
MEMORANDUM

February 13, 2011

TO: Thomas Barwin, Village Manager

FROM: John P. Wielebnicki, Director of Public Works 

CC: Lisa Shelly, Deputy Village Manager; Jim Budrick, Village Engineer;
Craig Lesner, CFO; Steve Witt, Building & property Standards Director;
Tammie Grossman, Housing Services Manager

RE: Draft Sewer Backup Protection Loan Program

At the February, 9, 2012 Finance Committee meeting it was requested that staff prepare the details of a loan program for sewer backup protection improvements to residences. The attached Draft program was prepared in cooperation with The Housing Services Department.



Oak Park

SEWER BACKUP PROTECTION

LOAN PROGRAM

FEBRUARY 2012

SEWER BACKUP PROTECTION LOAN PROGRAM

WHAT IS IT?

The Village of Oak Park Sewer Backup Protection Program was established to provide financial assistance to homeowners who desire to protect their home from flooding during a heavy rain event. The program's intent is to offset a portion of the expense that a homeowner will incur to modify the building plumbing system such that sewage cannot backflow in the building when the Village sewers are full. Eligible homeowners may qualify for a zero percent interest deferred title transfer loan of up to 50% of the total cost of flood improvements, for a maximum of \$5,000.00, to install either an Overhead Sewer System or a Backflow Prevention Valve System. Loans will be repaid in full upon sale or transfer of title.

HOW DO THESE SYSTEMS WORK?

The typical layout of an existing home plumbing system is shown on Figure 1. To modify the plumbing system to provide sewer backup protection there are three basic options:

1. Modify the sewer piping and inside plumbing that goes out to the Village sewer in a new Overhead Sewer System and eliminate all gravity drainage below the basement floor (See Figure 2).
2. Modify the inside plumbing by disconnecting all basement level plumbing fixtures from the gravity drainage system and redirect their discharge to an ejector pump. The pump then discharges into an existing soil stack. This is referred to as a Modified Overhead Sewer System (See Figure 3).
3. Install a Backflow Prevention Valve System and bypass the sewer line in an underground manhole (See Figure 4).

Each of the above approaches has different costs, degrees of disruption and levels of protection.

Please note that the installation of a new Overhead Sewer System is strongly recommended to provide the greatest protection under all weather conditions and storm events to prevent sewage from entering the building.

Homeowners are required to disconnect roof drainage/downspouts as part of this program unless an exemption is obtained from the Director of the Building and Property Standards Department.

WHAT WORK IS COVERED UNDER THIS LOAN PROGRAM?

The following are Eligible costs as part of this program:

- Cost of location, excavation and exposure of the building sewer, including the support of existing structures, for reconnection of a new overhead sewer to the existing sewer line.

- Cost of a new pump pit, ejector pump and associated electrical and plumbing works needed to lift the drainage from basement plumbing fixtures to an overhead sewer or existing soil stack.
- Cost of trenching and concrete floor replacement.
- Cost of installing a backflow prevention valve with a bypass (new sump and sump pump in an underground vault) and associated electrical and plumbing work.
- Cost of grass seeding or sod to restore disrupted landscape.
- Battery backup system.
- Applicable permit fees.

The following are Non-Eligible costs as part of this program:

- Removal and replacement of interior basement walls and finishes.
- Use of materials not meeting the requirements of the Village's Specifications or Codes.
- Ancillary homeowner improvements not necessary to provide backup protection of the basement.
- Planting of new or replacement landscaping (bushes and trees) other than grass seeding.
- New electrical panels and/or upgrading the house electrical supply.

WHO IS ELIGIBLE TO PARTICIPATE IN THIS PROGRAM?

The program is open to those single-family owner-occupied homes that are susceptible to sewer backup by way of a gravity sewer line.

Homeowners will be considered ineligible if:

- back taxes, water bills, or mechanics liens are owed, or
- Other financial threats to the owner's retention of title exist, including pending foreclosure

ELIGIBILITY OF VILLAGE EMPLOYEES

The Conflict of Interest and Ethics Ordinance will determine eligibility of Village employees for this program (1993-0-24, adopted 4/4/93 in addition to all other program requirements).

ELIGIBILITY FOR OTHER HOUSING PROGRAMS

Recipients of the Sewer backup Protection Loan Program continue to be eligible for other Village Housing Programs provided they meet the eligibility criteria for those programs.

REFINANCING

The Village will only consider subordination in cases of extreme financial hardship, when the homeowner is requesting cash back from the refinancing and the equity taken out is being used for emergency home repairs. The homeowner shall provide a written statement describing the emergency. Staff will present the request to the Village Board of Trustees for consideration as soon as practicable.

HOW DO I APPLY?

The following are the basic steps for the program:

1. Homeowners complete the application materials which include:
 - a. Completed Application Form and submit to the Housing Programs Division.
 - b. Detailed drawings and proposal from a licensed plumbing contractor, including all technical information on pumps, valves, electrical work, etc. The Village encourages homeowners to obtain at least three estimates from qualified contractors for this work.
- Note: Applications will be processed on a first come, first serve basis.
2. The Housing Programs Division will review the completed application and submit the Village Engineer for review.
 3. Once the Village Engineer has reviewed the request, the loan application will be submitted to the Village Board for approval. Upon approval, the homeowner will be required to sign the loan agreement, note and mortgage. The Housing Programs Division will record the mortgage and notify the homeowner that they may proceed with the requested work.
 4. The homeowner must then obtain all applicable permits before the contractor may begin work. All work shall meet all applicable Village and State Codes. The contractor shall schedule necessary inspections by the Building and Property Standards Department throughout the construction.
 5. Homeowner submits a Request for Reimbursement Form, with necessary certifications from the contractor that the work was completed in accordance with Village and State Codes, to the Housing Programs Division. The Housing Programs Division will ensure that the work passed all required inspections.
 6. If the Request for Reimbursement is in conformance with the program requirements, the Request will be forwarded to the Villages Finance Department for payment.

VILLAGE OF OAK PARK
SEWER BACKUP PROTECTION LOAN PROGRAM
APPLICATION FORM

GENERAL INFORMATION

Date: _____
Name: _____
Address: _____
Daytime Phone No: _____ email address: _____
Date you moved into home/building: _____
Are the downspouts disconnected from the Village Sewer System? _____ Yes _____ No
Does your building have an outside Catch Basin? _____ Yes _____ No
Does the building have a foundation/footing drain? _____ Yes _____ No
Please check all basement plumbing fixtures found in your building:
_____ Floor Drain _____ Shower/tub _____ Slop sink/wash basin
_____ Sump pump _____ Ejector pump _____ Lavatory/toilet
Other (please describe) _____

What is the frequency of basement flooding? _____

APPLICATION MATERIALS REQUIRED

The following documents must be attached to this application in order for the application to proceed and for a permit to be issued.

- _____ Copy of detailed drawing/proposal from plumbing contractor to complete the work;
- _____ Signed Property Owner Participation Agreement; and
- _____ Completed permit application forms (with applicable fees paid).

For Village Use Only
Date application received: _____ by: _____

VILLAGE OF OAK PARK
SEWER BACKUP PROTECTION PROGRAM
REQUEST FOR REIMBURSEMENT FORM

Date: _____
Name: _____
Address: _____
Daytime Phone No: _____ email address: _____
Date plumbing work was completed: _____
Plumbing permit number issued: _____
Name of Contractor performing work: _____
Total cost of eligible expenses: _____
Total amount of reimbursement requested: _____
(50% of eligible expenses not to exceed \$5,000)

OWNER CERTIFICATION

I, _____, am the owner/occupant of the premises indicated above and I certify that all of the information contained on this Request for Reimbursement Form is true and accurate to the best of my knowledge.

Signature Date

CONTRACTOR CERTIFICATION

I, _____ of _____ certify that all work completed under this program has been performed in accordance with all applicable Village Codes.

Signature Date

For Village Use Only	
Approved for permits:	_____
Final inspection approved:	_____
Approved for Reimbursement:	_____

VILLAGE OF OAK PARK
SEWER BACKUP PROTECTION PROGRAM
PROPERTY OWNER PARTICIPATION AGREEMENT
(Submit in Duplicate)

THIS AGREEMENT made on this _____ day of _____, 20__ between the VILLAGE OF OAK PARK, 123 Madison Street, Oak Park, Illinois (hereinafter referred to as "Village") and _____ (name) and _____ (name) at _____ (address) in Oak Park, Illinois (hereinafter referred to collectively as "Property Owner").

WITNESSETH:

WHEREAS, Property Owner is the owner of a building located at the address indicated above and such building has been the subject of occasional basement flooding, including backup from the Village's sewer system in the past; and

WHEREAS, the Village has adopted a program to protect basements in the Village and such program provides for the reimbursement to Property Owners for certain basic costs of upgrading their plumbing in order to minimize sewage backflow, a copy of which program is available at the Village (hereinafter referred to as the "Program"); and

WHEREAS, the Property Owner desires to participate in such Program and the Village and the Property Owner desire to enter into this Agreement governing the installation of plumbing improvements in the Property Owners building and the Village's reimbursement of certain expenses relating thereto in accordance with the Program.

NOW, THEREOFRE, in consideration of the above and the terms and conditions set forth below and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1: The preamble paragraphs set forth above are hereby expressly made a part of and operative provisions of this Agreement as fully as if set forth at length in this Section 1.

Section 2: Definitions. The following terms shall have the following meaning when used in this Agreement unless the context clearly indicates a contrary meaning.

"Contractor" shall mean a contractor who has obtained the necessary licenses and permits from the Village to do work under the Program.

"Program" is the program for the installation of Property Owner plumbing improvements to prevent sewage backup within the Village as established by the administrative program adopted by the Village.

"Proposal" shall mean a detailed bid for equipment, material and labor. Quantities shall be itemized.

"Guide Specifications" are the specifications and requirements for the plumbing work developed by the Village.

"Permit" is the Village permit which Property Owner must obtain before any improvements can be installed by a Contractor.

Section 3: Village Approval. Prior to the installation of any plumbing facilities for which Property Owner expects reimbursement hereunder, the specific plans, including the Proposal, shall be submitted to the Village for approval. No work shall be commenced until such Village approval is obtained. If any such work is commenced without Village approval, Property Owner shall not be entitled to reimbursement for any work done prior to Village approval.

Section 4: Installation. Property Owner agrees to install the approved plumbing facilities in accordance with the Program. Installation shall be performed according to the Guide Specifications. The time may be extended upon written request by Property Owner and written permission by the Village if the work is delayed because of weather, unavailability of a Contractor or other factor beyond the Property Owner's control where Property Owner has exercised reasonable diligence to timely complete the installation of the facilities.

Section 5: Contract for Work. The contract for installation shall be signed based on the Proposal attached hereto and hereby made part hereof as **Exhibit A**. The contract for the installation shall be a contract between the Contractor and the Property owner. The Village shall not be a party to such contract.

Section 6: Permit Required. The installation of the plumbing and electric facilities will require a permit issued by the Village.

Section 7: Inspections. The Village must be notified so that it can inspect the plumbing and electric work as required by the Program Procedures.

Section 8: Reimbursement Items. The Village will reimburse the items listed in the reimbursement guidelines included in the summary for the Program. In no event shall the amount of reimbursement exceed \$5,000.00.

Section 9: Payment of Reimbursement. Reimbursement of eligible items at approved amounts will be made when all work is completed, inspected and approved by the Village. To receive a reimbursement, Property Owner must follow all requirements of this Agreement and submit a claim on the Request for Reimbursement Form.

Section 10: Property Owner's Responsibility. Once the work is completed it will be the responsibility of the Property Owner including, but not limited to, the following items:

- a. Restoration or replacement of shrubbery.
- b. Correction of subsidence in the excavated area. Settling of excavated soils is common. The Property Owner will be responsible for any future filling and reseeding.
- c. Future maintenance of ejector pump, backflow valve, overhead sewer, associated electrical equipment and all other related equipment and

improvements. Like all equipment, this equipment and related items may require checking, service or repair in the future. The Property Owner is responsible for this future maintenance.

Section 11: Liability. The Village shall have not liability for any defective work or other damage, injury or loss on account of any act or omission of the Contractor in the performance of the work. The Property Owner must make any claim for such matters directly against the Contractor or Contractor's insurance carrier. Property Owner hereby agrees to indemnify and hold Village harmless against any and all claims and further covenants not to sue the Village for any and all claims.

Section 12: Disclaimer. The Program is designed to substantially reduce the risk of basement backups. However, there is always some risk of basement backup as a result of unexpected sewer collapse, obstruction, power failure, extreme environments conditions or other unforeseen factors. Proper operation of foundation drains is necessary to prevent seepage of ground water through walls below grade. Existing foundation drains will not be tested for proper operation in the Program - the Property Owner has the responsibility for all testing, inspections and any corrective work that may become necessary.

In addition, reliable continuous functioning of Property Owner's sump/ejector pump(s) is necessary for overhead sewers, backflow prevention valves and foundation drains to function properly. The Property Owner has the responsibility to check the operation of the pumps regularly. The Property Owner has the responsibility for all testing, inspections and any corrective work that may become necessary.

It is further recommended that the Property Owner install a battery backup system to provide protection in the event of power failure.

Section 13: Notices. Unless otherwise notified in writing, all notices, requests and demands shall be in writing and shall be personally delivered to or mailed by the United States Certified mail, postage prepaid and return receipt requested, as follows:

For the Village:

Village Manager
Village of Oak Park
123 Madison St
Oak Park, Illinois 60302

For the Property Owner:

Name: _____

Address: _____

Phone: _____

Or at such other addresses that any party hereto may designate in writing to the other parties pursuant to the provisions of this Section.

Section 14: Disconnection of Downspouts. Property Owner must disconnect any downspouts from the Village's combined sewer system and must take all corrective action

necessary to prevent the discharge of roof drainage into the Village's combined sewer systems, unless an exemption is obtained from the Director of the Building and Property Standards Department.

Section 15: Breach. If the Property Owner fails to comply with all requirements of this Agreement or to complete installation as provided in this Agreement, the Village shall have no obligation to reimburse the Property Owner.

Section 16: Entire Agreement. This Agreement shall be binding on the parties, their assigns and successors. This Agreement and the documents referenced in this Agreement constitute the entire agreement between the parties and supersede. This Agreement shall not be modified except in writing signed by the parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the dates written below.

VILLAGE OF OAK PARK, an Illinois Municipal Corporation

By: _____

Thomas W. Barwin
Village Manager

ATTEST:

By: _____

Teresa Powell
Village Clerk

SIGNATURE(S) OF PROPERTY OWNER(S)

ACKNOWLEDGMENTS

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Thomas W. Barwin, known to me personally known to me to be the Manager of the Village of Oak Park, and Teresa Powell, personally known to me to be the Clerk of said municipal corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that such Manager and Village Clerk, they signed and delivered the said instrument and caused the corporate seal of said municipal corporation to be affixed thereto, pursuant to authority given by the Village Board of said municipal corporation, as their free and voluntary act, and as the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this _____ day of _____, 20__.

Commission expires _____

Notary Public

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named _____ and _____, personally known to me to be the same persons whose name are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this _____ day of _____, 20__.

Commission expires _____

Notary Public