

**APPROVED MINUTES - SPECIAL BOARD MEETING
PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF OAK PARK
HELD ON MONDAY, JULY 30TH, 2012 AT 7:00 P.M.
IN ROOM 101 OF OAK PARK VILLAGE HALL**

I. CALL TO ORDER

President Pope called the meeting to order at 7:04 p.m.

II. ROLL CALL

PRESENT: Trustees Brewer, Hedges, Johnson, Lueck and Salzman; President Pope
ABSENT: Trustee Tucker

**III. ADJOURN TO EXECUTIVE SESSION TO DISCUSS COLLECTIVE BARGAINING
AND LITIGATION IN ROOM 130**

In compliance with the Open Meetings Act, it was moved and seconded to adjourn to Executive Session to discuss collective bargaining and litigation in Room 130.

The roll call on the vote was as follows:

AYES: Trustees Brewer, Hedges, Johnson, Lueck and Salzman; President Pope

NAYS: None

ABSENT: Trustee Tucker

The motion was approved.

IV. RETURN TO OPEN MEETING AT 8:00 PM IN COUNCIL CHAMBERS

PRESENT: Trustees Brewer, Hedges, Johnson, Lueck and Salzman; President Pope
ABSENT: Trustee Tucker

The Special Meeting reconvened at 8:24 p.m. in Room 101.

V. AGENDA APPROVAL

It was moved and seconded to approve the agenda for the meeting. A voice vote was taken and the agenda was approved as presented.

VI. PUBLIC COMMENT

There was no public comment.

V. REGULAR AGENDA

A. Presentation and Preliminary Discussion of FY2013 Budget

Interim Village Manager Cara Pavlicek stated that by code, the Village Manager must present a recommended budget to the Village Board annually by the first meeting in November. A recommended budget will be presented to the Finance Committee on August 20; copies will also be distributed to the full Board at that time. This would allow for budget discussion during the remainder of August, September and October.

One public hearing shall be held by the Village Board prior to final adoption of the budget.

Ms. Pavlicek presented a financial overview that included descriptions of each fund operated by the Village, historical trends of revenues and expenditures, composition and breakdown of property taxes and debt and pension fund obligations.

Trustees Lueck and Hedges commented that at 13%, the Village's portion of each property tax dollar has increased. Ms. Pavlicek stated she would provide figures from 1990, 2000 and 2009 regarding that breakdown. President Pope commented that one of the main drivers for the increase is rising pension costs, the structure of which is controlled by the State.

Regarding the distribution of the Village's portion of property taxes, Trustee Salzman noted that 16% allocated to debt payment represents the annual payment only and could be misinterpreted as representing the entirety of the debt. Trustee Lueck added that between debt and pension obligations, 45% of the tax bill is going towards something other than current services. Trustee Hedges noted that fire and police pensions are part of the ongoing costs for providing public safety services.

Trustee Johnson stated that it would be helpful to have the three 10-year interval breakdowns to educate the public regarding these items trending upwards and putting pressure on the General Fund. As the debt and pension obligations grow, it becomes more difficult to fund day-to-day operations.

Ms. Pavlicek referred to the recently adopted Fund Balance Policy, an unreserved amount in the General Fund which should be no less than 10% and no more than 20% of the current year's estimated operational expenses. This fund is to be used for emergency expenditures. She noted that the Village does not currently meet that objective but will continue towards attaining that balance. Ms. Pavlicek commented that the reserve fund was previously in this range but dropped over time for various reasons. She indicated that the General Fund is composed of all revenue sources, including transfers from other funds, and is used to administer day-to-day operations. Trustee Hedges commented that these transfers shouldn't be considered as an ongoing source of revenue as they are reimbursements of funds originally transferred out of the General Fund. Ms. Pavlicek noted that it appears that budgeted revenues are going to be less than anticipated this year, but budgeted expenses will be lower as well. She estimated that by fiscal year end, only 99% of revenue will be expended, allowing approximately one half million dollars to be contributed back to the fund. Going into the recommended budget, revenues are estimated at \$49 million; therefore, recommended expenditures in the General Fund should be \$48.5 million to allow for a small growth in the fund balance.

Trustee Johnson commended Ms. Pavlicek's conservative and pragmatic approach but asked for more detail. He indicated that the citizen survey regarding which services are ranked high or low would be beneficial to look at within the context of the budget.

Ms. Pavlicek referred to the charts regarding 10 years of the Village's debt levy and General Obligation Bonds. She indicated that the total taxable valuation for residential properties has increased significantly over that time. President Pope commented that

an increase in valuation of households doesn't necessarily correspond to a similar increase in income for those households. Ms. Pavlicek clarified that the tax levy is abated for issuance of General Obligation Bonds, as this is backed by the taxing power of the Village. Trustee Salzman stated that a breakdown of the G.O. debt would be helpful. President Pope commented that virtually all G.O. debt is for infrastructure investment of some type, as this debt is paid back over time by future users of the infrastructure as well as those paying taxes at the time of construction. The Village does not use G.O. debt to pay operating expenses.

The next topic of discussion was the various pension funds, which include police, fire and IMRF. Ms. Pavlicek referred to a chart going back to 1990 showing rising pension obligations in 5-year increments for each group. Trustee Hedges noted that IMRF operates differently than fire and police, adding that if there was a similar pension for all firefighters in Illinois and police officers in Illinois, the retirement programs would work more efficiently. President Pope agreed, adding that IMRF pension benefit levels have not changed since 1990 whereas the state has made numerous adjustments to police and fire that have dramatically increased local obligations. The dates and ages of benefit eligibility for public safety workers are also lower than for those covered by IMRF. Ms. Pavlicek noted the payment obligation versus actual funded amounts for each of the three funds. Trustee Lueck stated that Springfield needs to do something about this and the Board needs to actively advocate that their legislative body make this obligation more reasonable for communities. She added that they cannot continue on this path; this can bankrupt the Village.

Ms. Pavlicek presented a timeline with each step in the budget process. After discussion and comments from the Board, it was noted that the budget would be available for public viewing on October 1.

VIII. CONSENT AGENDA

*All Ordinances and Resolutions adopted herein are
herewith ordered filed in the Office of the Village Clerk*

- B. Resolution 2012-R-169 entitled RESOLUTION AUTHORIZING A SUBORDINATION OF LIEN: CDS-497**
- C. Resolution 2012-R-170 entitled RESOLUTION AUTHORIZING A SMALL RENTAL PROPERTIES REHABILITATION LOAN: SRP-001**

APPROVE THE CONSENT AGENDA

It was moved and seconded to approve the items under the Consent Agenda.

The roll call on the vote was as follows:

AYES: Trustees Brewer, Hedges, Johnson, Lueck and Salzman; President Pope

NAYS: None

ABSENT: Trustee Tucker

The Consent Agenda was approved.

ADJOURN

It was moved and seconded to adjourn. A voice vote was taken and the motion was approved. The meeting adjourned at 10:04 P.M. Monday, July 30, 2012.

SUBMITTED AND RECORDED IN THE OFFICE OF:

By: MaryAnn Schoenneman
Interim Deputy Village Clerk

Teresa Powell, Village Clerk