

VILLAGE OF ORLAND PARK

14700 Ravinia Avenue
Orland Park, IL 60462
www.orland-park.il.us



Meeting Minutes

Wednesday, November 5, 2014

6:00 PM

****SPECIAL MEETING - 2015 BUDGET****

Village Hall

Board of Trustees

Village President Daniel J. McLaughlin

Village Clerk John C. Mehalek

*Trustees, Kathleen M. Fenton, James V. Dodge, Jr., Edward G. Schussler,
Patricia Gira, Carole Griffin Ruzich, and Daniel T. Calandriello*

CALL TO ORDER/ROLL CALL

The meeting was called to order at 6:10 PM.

Trustee Dodge was present via audio conference - He stated he was traveling for business.

Present: 7 - Trustee Fenton, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, Trustee Calandriello and President McLaughlin

SPECIAL MEETING**2014-0461 FY 2015 Budget**

Village Manager Grimes stated that at tonight's meeting a review of the final Operating and Capital budgets will take place. Presented will be some adjustments to the budgets made by staff along with the requested amendments from the Board. All will be discussed and then voted on.

Staff will then take this budget with any adopted amendments and finalize the 2015 budget and publish in accordance to the statutory requirements and it will be brought forward for adoption at the December 1, 2014 Board of Trustees meeting.

A power point presentation began.

CAPITAL BUDGET (EXHIBIT A)

Director of Finance Annmarie Mampe reported that the FY2015 Capital Budget is at \$39,665,607. In 2014 the Village's Capital Budget was at approximately \$23 Million.

The larger expenditures are road improvements in an amount of a little over \$19 Million – the two larger components of that are the \$8.5 Million for the road resurfacing and \$5.1 Million for LaGrange Road. Water, Sewer & Storm Water improvements in the amount of approximately \$15.4 Million, \$10.1 Million of that is for flooding studies storm water projects.

All other Expenditures were reviewed (See Exhibit A – page 1)

Funding Sources – The Board has authorized \$21 Million in Bond proceeds in the 2015 Budget, which will fund the LaGrange Road Improvements, Road Reconstruction, Open Lands Purchases as well as the Storm Water Improvements in the water fund.

All other Funding Sources were reviewed (Exhibit A – page 1)

Village Manager Grimes reviewed the Roadway Resurfacing & Reconstruct Program, which for 2015 there will be \$8.5 Million budgeted (Exhibit A – page 3).

He explained that the typical annual road maintenance program expenditure level is about \$3 Million. Staff is proposing an additional \$5.5 Million for the first installment of a multi-year program subject to Board approval.

This program is to reconstruct a number of streets throughout the Village with a more permanent job. This is a different way to treat aging streets that need to be redone. Instead of doing a typical overlay, this is actually reconstructing some of the Village's streets for a more robust street in accordance with the standards that would be accepted today. There were different standards when the streets were first construction many years ago and the streets did not last as long.

Some of this would be cash funded and some of it would be through a bond issuance which is included in the bond issuances that Director Mampe had reviewed earlier.

Village Manager Grimes referred to the ARA analyze (EXHIBIT B -10 year & EXHIBIT C – 20 year).

President McLaughlin stated that he appreciated the ARA study. It gave an understanding of what condition the Village's streets are in. This is a huge issue and he believes this should be addressed every year. Funds would then be budgeted (each year) to get the roads to as good of condition as possible.

President McLaughlin does not want to make a decision on this tonight or within the next few weeks for upcoming years. This is something that is ongoing for the next 20 years. What the Village will spend every year on the Village's road reconstruction and what level of work will be done is a discussion that will take place throughout the year.

Trustee Dodge stated that he agrees with President McLaughlin that this needs to be addressed every year. He asked Director Mampe if the Board assumes the number is \$5 Million what does this look like in terms of the Villages overall debt load, capital structure, and the impact of the property tax bills.

Director Mampe stated that the \$5.5 Million, staff has had Spears Financial research this for a 10 year load instead of a 20 year to save on interest costs. The average interest rate is at 2.6 percent, so this will be about \$640,000 debt service per year. That would be added to the Villages use of Home Rule Sales Tax, because it is a Capital Project (road related) opposed to putting it on the Levy.

Trustee Dodge asked how much is rolled off the Villages debt service every year; he believes it is in the \$500,000 range with natural expiring bond issuance.

Director Mampe stated that in 2015 the Village is scheduled to roll off approximately \$7.8 Million in principal.

President McLaughlin stated that what Trustee Dodge is referring to is the Village is having debt service rolling off each year, so this new debt would be taking the place of the old debt.

Trustee Dodge stated that is correct. He wants to make sure as the Board moves forward and this is explained to the Public it is clear what is being done. He also stated that as debt service amounts retire, these decisions can be made on a year by year basis.

Director Mampe stated that in 2017 is the next debt service roll off.

Trustee Fenton asked for the total amount that the Village was anticipating to bond-out for.

Director Mampe stated the total is \$21 Million
--\$10 Million is for flood study improvements and debt service would be paid from the Water and Sewer Fund Revenues
--\$5.5 Million for the Road Reconstruction fund
--\$5.4 for the LaGrange Road enhancements
--\$700,000 for Open Lands

President McLaughlin stated that the important fact is that there are a lot of public improvements, solving some flooding problems, getting the roads improved, in the amount of approximately \$40 Million in work and keeping a balanced budget.

President McLaughlin questioned regarding the \$3 Million that is budgeted each year for neighborhood streets, are the spec's being changed so that the \$3 Million may get the Village less but a better quality of road.

Infrastructure Maintenance Director John Ingram stated that is correct. This year the methodology that was being done in the past from just doing the overlay has been changed to a complete reconstruction of the streets. Now the depth of the asphalt is being increased so a better service life can be expected out of the road.

Trustee Ruzich asked what area is scheduled to be the first phase of this road construction.

Director Ingram stated it is not known at this time, once the funds are approved, meetings will take place with ARA to establish which roads will be worked on first.

Trustee Schussler questioned if a full reconstruction is being done on the roads, will that bring the roads up to the new spec that is being required today for new subdivisions.

Director Ingram stated that is correct.

Trustee Ruzich asked in the long run will the Village be saving money on the annual maintenance of the roads.

Village Manager Grimes stated yes that is the good news.

PROPOSED CAPITAL BUDGET AMENDMENT (EXHIBIT Aa)

Village Manager Grimes stated that Trustee Schussler has submitted a proposal regarding ComEd Undergrounding – LaGrange Road to Sportsplex.

Trustee Schussler stated that the reason he has suggested this is it is a project that is a good project. However, it is being proposed at a bad time. There are several Capital projects that are being discussed and the Board will set priorities. For some projects when there are not enough funds, those will be deferred to future years.

If this project he is proposing is not done now, it will never get done because there is road construction being done down 159th and this can be coordinated with that construction.

The burying of the lines was done on LaGrange Road and everyone agrees it drastically improved the aesthetics of LaGrange Road.

The total cost for this project is \$4.5 Million and Trustee Schussler is suggesting the funding source should be GO Bonds.

President McLaughlin commented that he cannot justify spending \$5 Million to bury the utility lines down 159th Street when the majority of the property in that area is forest preserve, open lands, and cemetery. There are some future development sites that future developers can share in the burying of those lines. He was in favor of burying the lines on LaGrange Road because he considers that the Villages "front yard".

Trustee Gira agreed with President McLaughlin's comments. She stated that even though lines are buried underground, that does not eliminate power outages.

Trustee Ruzich agreed with the comments President McLaughlin made, especially in a year when the Village is taking on \$21 Million in Bonding for Capital Improvements.

Trustee Dodge stated that he likes the idea of burying the lines near the southern border of the park. However, this is a question of the Boards priorities and financing.

2014-0689 Com Ed - 159th - LaGrange to Sportsplex - Undergrounding Utilities

Proposed Budget Amendment - Capital Budget - EXHIBIT Aa

Proposed by Trustee Schussler

Segments

Will/Cook to 113th Court (Red)

113th Court to West of 108th Avenue (Blue)

108th Avenue to Railroad Tracks - (Yellows)

Railroad Tracks to Ravinia Avenue (Green)

Ravinia Avenue to LaGrange Road (Brown)

It was suggested to only relocate the utility lines from the railroad tracks on 159th to Ravinia Avenue and not the entire project at this time.

I move to approve Com Ed relocation from overhead to underground from the railroad tracks to Ravinia Avenue (Green) only at a cost of \$1.6 Million.

A motion was made by Trustee Schussler, seconded by Trustee Dodge, that this matter be APPROVED. The motion FAILED by the following vote:

Aye: 3 - Trustee Fenton, Trustee Dodge, and Trustee Schussler

Nay: 4 - Trustee Gira, Trustee Griffin Ruzich, Trustee Calandriello, and President McLaughlin

PROPOSED ADJUSTMENTS & AMENDMENTS

Director Mampe reviewed the total FY2015 Total Budget.

Proposed adjustments and amendments were discussed.

Director Mampe highlighted some of the amendments to the Proposed FY 2015 budget (Exhibit D)

Director Mampe stated that after continually reviewing this proposed budget it was found that revenue and expenditure adjustments needed to be made and these amendments reflect those adjustments.

2014-0693 FY 2015 Budget Adjustments - Revenue Budget - Amendments

Proposed by the Finance Department

Revenues - Addition of \$22,744.537 - Includes an increase in bond proceeds of \$21,349,878; an increase to inter-fund transfers of \$1,608,530; a decrease in Insurance Fund revenues of \$311,797; an increase in water service fees of \$95,026; and an increase in special event revenues of \$2,900. (See Exhibit Bb)

I move to approve the budget amendments as reflected on pages 1 through 48 (Exhibit Bb) in the amount of \$22,744.537.

A motion was made by Trustee Griffin Ruzich, seconded by Trustee Schussler, that this matter be APPROVED. The motion carried by the following vote:

Aye: 7 - Trustee Fenton, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, Trustee Calandriello, and President McLaughlin

Nay: 0

2014-0694 FY 2015 Budget Adjustments - Expenditures - Amendments

Proposed by the Finance Department

Expenditures - Reduction of \$(2,040,328) - Includes a decrease in Water & Sewer Fund capital expenditures of \$2,317,000; an increase in water purchase costs of \$340,318,; and other miscellaneous changes netting to a decrease of \$63,646. (See Exhibit Bb)

I move to approve the budget amendments to reduce expenditures in the amount of \$2,040,328 as reflected in the previous discussed documents (Exhibit Bb)

A motion was made by Trustee Griffin Ruzich, seconded by Trustee Dodge, that this matter be APPROVED. The motion carried by the following vote:

Aye: 7 - Trustee Fenton, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, Trustee Calandriello, and President McLaughlin

Nay: 0

REQUESTED AMENDMENTS

Village Manager Grimes stated that there were two requests submitted that additional information /explanations were needed.

Trustee Fenton had questioned the purpose of having contract instructors (EXHIBIT Cc)

Recreation Division Director Nancy Flores stated that the contractual programs are a win-win for the Village because these are not Village employees. Instead they are paid depending on how many participants register for their program. If the instructor for a program was a Village employee then staff would monitor very closely the program to make sure attendance is up in order to off-set the expenditures of that program.

Clerk Mehalek requested that the Deputy Clerk's salary be budgeted 100 percent in the Clerk's budget and the Public Information Officer's stipend be placed in the Public Information Offices budget. (Exhibit Dd)

Village Manager Grimes stated that the in the 2015 budget it will reflect this change.

2014-0696 Additional Part Time Inspector(s) - General Fund

Proposed by Trustee Fenton

This amount would be used to hire part time individuals when needed for inspectors.

This could be for plumbing inspectors, electrical inspectors, property maintenance inspectors.

I move to approve adding additional part time hours for inspectors in the Development Services Department at a cost not to exceed \$24,000.

A motion was made by Trustee Fenton, seconded by Trustee Gira, that this matter be APPROVED. The motion carried by the following vote:

Aye: 6 - Trustee Fenton, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, and Trustee Calandriello

Nay: 1 - President McLaughlin

2014-0697 Public Information Office - Change in staffing

Proposed by Trustee Schussler

To delete the new position for a part time Media Assistant and change the part time Communication Specialist to full time.

Trustee Schussler stated that this request was discussed at the last budget meeting. It is believed that with the increase of communication to the Village residents that comes from the Public Information Office that this position is needed.

It was also mentioned that the Public Information Office will be needed to help market the Civic Center along with the new General Manager that was recently hired.

Director Mampe stated that \$77,204 is the estimated cost for a full time Communications Specialist in the Public Information Office for 2015.

Trustee Dodge stated that there is a need for this position in the Public Information Office, however, the fact that there would be a \$25,000 increase in the budget, is hard to get past.

President McLaughlin stated that he has a problem adding any new full time

positions at this time.

As far as the Civic Center goes, until a marketing plan is presented, he does not want to even discuss the Civic Center.

Trustee Dodge stated that possible as the Board sees the needs grow in the Public Information Office, this request can be revisited in the future.

President McLaughlin agreed.

Trustee Schussler stated that in light of President McLaughlin's opposition to the full time position – he is withdrawing his recommendation for the part time Communication Specialist to become a full time position. This will also include the withdrawal of a part time Media Assistant position in the Public Information Office at this time.

I move to approve withdrawing the recommendation for the part time Communication Specialist to become full time as this time;

and

Delete the proposed new part time Media Assistant position in the Public Information Office from the budget.

A motion was made by Trustee Schussler, seconded by Trustee Gira, that this matter be APPROVED. The motion carried by the following vote:

Aye: 7 - Trustee Fenton, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, Trustee Calandriello, and President McLaughlin

Nay: 0

2014-0698 Special Events - Delete the Seasonal Part Time Special Events Position

Proposed by Trustee Fenton

Trustee Fenton commented why would the Village need an additional part time person, who is not familiar with the Village's events, when there is full time staff members (other than the Special Events Coordinator) who could do this work and/or help. Another point is the Village is not increasing the number of events in 2015.

President McLaughlin agreed with Trustee Fenton to eliminate this position.

I move to approve deleting the Seasonal Part Time Special Events Position from the FY2015 budget.

A motion was made by Trustee Fenton, seconded by Trustee Calandriello, that this matter be APPROVED. The motion carried by the following vote:

Aye: 7 - Trustee Fenton, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, Trustee Calandriello, and President McLaughlin

Nay: 0

2014-0701 Special Recreation - Part Time Program Assistant - Special Olympics

Proposed by Trustee Fenton

Trustee Fenton originally was against a part time program assistant, until it was clarified by Director Mampe and Director Flores that this position is with the Special Rec Program for Special Olympics coverage.

Director Mampe explained due to the new laws of the Affordable Care Act that part time employees can only work 29 hours per week - there is a need for additional staff to make up those hours.

Trustee Fenton stated that she would rescind her original request to not allow the part time program assistant for the Special Rec Program now that it was clarified and allow this in the FY2015 Budget.

NO ACTION was required.

ADJOURNMENT - 7:45 PM

Director Mampe stated that staff will be putting the budget together and have it ready for public inspection 10 days prior to the December 1, 2014 Public Hearing at 6:45 PM.

A motion was made by Trustee Fenton, seconded by Trustee Calandriello, that this matter be ADJOURNED. The motion carried by the following vote:

Aye: 7 - Trustee Fenton, Trustee Dodge, Trustee Schussler, Trustee Gira, Trustee Griffin Ruzich, Trustee Calandriello, and President McLaughlin

Nay: 0

/nm

APPROVED:

Respectfully Submitted,

John C. Mehalek, Village Clerk