

VILLAGE OF ORLAND PARK

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



Meeting Minutes

Wednesday, August 6, 2008

6:00 PM

****SPECIAL MEETING****

Village Hall

Board of Trustees

Village President Daniel J. McLaughlin

Village Clerk David P. Maher

*Trustees Bernard A. Murphy, Kathleen M. Fenton, Brad S. O'Halloran,
James V. Dodge, Jr., Edward G. Schussler, and Patricia Gira*

CALL TO ORDER/ROLL CALL

In the absence of Village Clerk David P. Maher, Deputy Clerk Joseph S. La Margo was present.

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

Staff Present: Village Manager Paul Grimes, Assistant Village Manager Ellen Baer, and Finance Director Annmarie Mampe, and Director of Public Works Pete Casey.

Present: 6 - Trustee Murphy, Trustee Fenton, Trustee O'Halloran, Trustee Dodge, Trustee Schussler and Village President McLaughlin

Absent: 1 - Trustee Gira

DISCUSSION

2008-0427 Discussion of 2009 Budget

Village Manager Paul Grimes gave a brief review of the budget progress. This is the third budget workshop. Tonight's discussion will be on the Capital Improvement Plans and the Property Tax Rebate Scenarios.

Trustee Gira entered the meeting at 6:05 PM

Village Manager Grimes explained the center piece and a major project of the Village's Capital Improvement Plan is the Main Street Triangle. Incorporating expenditures are required for the Triangle, for example road construction and land acquisition will be explained.

Village Manager Grimes explained because of the significance of the Triangle project, it is important to have a five year capital improvement plan. It will be absolutely necessary to have discipline for a five year plan to work, given the resources that are going to be spent on the Triangle project and other very important projects throughout the Village.

Village Manager Grimes stated there will not be a lot of margin for error in the capital improvement budget. There are several projects coming up and Village Manager Grimes is confident the Village has the resources for these projects and that is why there is a need for the Village to have a capital improvement plan.

Director Mampe gave a recap of how Village staff has successfully met the \$4.8 Million in cuts. She also discussed the additional fees that were recommended at the July 24, 2008 Special Budget Meeting for recreational programs and field maintenance cost recovery.

Director Mampe reviewed fiscal year 2009 fund balance analysis. She presented

the Board with a spreadsheet of the different unreserved funds and explained each line item that was highlighted on this sheet.

Director Mampe had stated that the Road Impact fees would be spent by geographic zone that is a mandate that was received from Klein, Thorpe and Jenkins.

Trustee Murphy commented that was the initial understanding of the road impact fees being spent by geographic zones, but a few years ago a different opinion was received and the money could be used elsewhere. Trustee O'Halloran stated he also recalled that.

Trustee Murphy stated he thought it was when Will-Cook Road was built and the Village gave Gallagher and Henry credit throughout the years for permits, even though Gallagher and Henry was building in a different area. It was possible the subdivision was Spring Creek. President McLaughlin requested staff to look into this.

Director Mampe reviewed the Capital Improvement Program. The two major items for Fiscal Year 2009 will be the Land Acquisition (\$2,943,500) for the Main Street Triangle and the Infrastructure Construction (\$4,888,706) (Construction for Ravinia, B and Jefferson Streets, including demolition of existing structures).

Village Manager Grimes explained that the proceeds from the sale of land may decrease the negative projected total fund balance for the Main Street Triangle.

Director Mampe stated if the Village wants to approve these projects, the Village will need to identify a funding source.

Director Mampe explained the different road projects. There is \$11 Million for road improvement fees, the Village will receive only \$4 Million from the state. The Village will be paying approximately \$7 Million on the roads.

Trustee Dodge asked if the residents realize how much of local money is being spent on state road improvements.

Trustee Dodge stated within a few years the Village is going to payout \$20 Million dollar of local money to fix state roads.

President McLaughlin stated that is why the Village adopted the home rule sale tax.

Director Mampe stated the Village is still waiting for reimbursement for the LaGrange Road engineering (131st to 179th) which is approximately \$1.7 Million and all of the expenses of 159th and LaGrange, which as of now, is approximately \$8 Million.

Director Grimes asked Director Mampe when she thought IDOT would be releasing the money to the Village.

Director Mampe stated she has spoken to Roger Valente from IDOT and he stated, reimbursement for the La Grange Road engineering will not come to the Village until IDOT budgets the next phase of that project, which they have no idea when that will be because of funding limitations. The reimbursement for 159th and LaGrange Road will come to the Village when IDOT has finalized, audited, double checked, all of the costs related to that project. The Village is actually responsible for \$4.8 Million of the cost, which was just an estimated cost of the sidewalks and street lighting.

Director Mampe stated the \$1.8 Million for LaGrange Road could come within two years, but these reimbursements can not be budgeted as a revenue source.

Trustee Dodge stated the only way the Village can do the \$12 Million project is by getting Bonds and hope the Village only have to carry these Bonds for 5 years. Then roll the money that IDOT is going to pay the Village, and payoff as much of that debt as possible.

Director Mampe repeated a funding source needs to be identified in order make those debt payments.

President McLaughlin stated the funding source for a year or two on the Bond itself would be the Village receiving money back from the state, and the sale of properties in the Main Street Triangle.

Trustee Schussler questioned what would be the chance of getting a better split with IDOT for 143rd Street.

President McLaughlin stated he is trying to set up a meeting with IDOT to introduce Village Manager Grimes to them and to have a list of items to discuss. 143rd Street is one of the items to discuss.

Trustee Dodge stated he is not arguing the validity of any of the projects the Village is planning in 2009. He is questioning, does the Village begin budgeting and accruing for what may happen inside the Main Street Triangle? Does the Village go forward with the plan at 143rd and LaGrange, which will guarantee the Village going out into the debt market, and as a result will reduce what can be spent on other projects.

Trustee Fenton stated the Village knows that 143rd and the Triangle are priorities. The neighborhood road surfacing and the Ravinia extension are also priorities. There are other projects that are not priorities, for example; the railroad crossing safety improvements, street lighting installation program, Ravinia Avenue

non-boulevard portions, engineering related to non-boulevard sections, seasonal lighting.

Trustee Dodge stated that capital improvements are at \$15.1 Million, \$11.8 Million of that is for 143rd Street. Trustee Dodge believes it will not be difficult to find in the budget \$3 Million to spend on the balance of the projects in 2009. Trustee Dodge asked the question, is the Village prepared to pay \$1 Million per year to debt service so they can go after 143rd and LaGrange.

Director Mampe stated the Village can not issue debt again this year, because the Village just issued the water bonds as being qualified. If the Village issues debt again this year those qualified bonds become taxable. However, after January 1st the Village can issue debt again, because it goes by calendar year.

Director Mampe stated there are four different scenarios for the property tax rebate program. The Village can leave the rebate as it is, the Village can cap the rebate at \$4.5 Million, the Village can cap the rebate a \$4 Million, or the Village can rebate without pension levies.

Director Mampe explained leaving the property tax rebate the way it is, there would be \$1.2 Million of Home Rule Sales Tax available to fund Capital. If the property rebate is capped at \$4.5 Million there will be \$3.9 Million available to fund Capital. If the property rebate is capped at \$4 Million there would be \$4.4 Million available to fund Capital. If the Village rebates without pension levies there would be \$4.1 Million available to fund Capital.

Director Mampe stated the best scenario is for the Village to cap the property tax rebate at \$4 Million. The resident would receive back approximately between 50 percent and 2/3 of what they are currently receiving. If the Village capped at \$4.5 Million the residents would received approximately 75 percent of what they are currently receiving.

Trustee Dodge stated his trepidation was he wanted to preserve as much of the property tax refund to the residents as possible and also get as much done as the Village can from the property tax and other sources. Trustee Dodge stated he would like to make sure the residents know how much the Village is putting into state projects.

Trustee Dodge stated before any decision can be made on what projects can be done; a decision needs to be made on which scenario the Board agrees on for the property tax rebate.

President McLaughlin stated at the last special meeting, it was discussed to take the pensions out of the rebate because the residents would understand this easier since it already appears on the county tax bill, and also pensions are out of the Village's control. If the Village rebates without the pension there will be more

money to work with, but it would cut down on the amount of the rebate for the residents. President McLaughlin also mentioned at that meeting Trustee Murphy had suggested to rebate 50 percent which would be approximately \$5 Million.

President McLaughlin stated the \$4 Million cap or the \$4.5 Million cap; the residents would receive more of a rebate back than the pension idea. The rebate would also be close to the 50 percent Trustee Murphy suggested. In the long term, it will be better for the Village to grow its operating money.

Trustee Schussler stated residents are aware of the road problems. If the residents are made aware that the Village is making this adjustment because there is a need for money to go towards the roads, he believes it will not be a hard sell.

Trustee Murphy stated when the Home Rule Sales Tax took place, it was agreed upon that 50 percent would go towards roads and 50 percent would go as a refund to the homeowners of Orland Park. Trustee Murphy commented with the economy the way it is, homeowners need the rebate.

Trustee O'Halloran agreed with Trustee Murphy that when the Home Rule Sales Tax was adopted, 50 percent would be refunded to the homeowners and 50 percent would go into Capital Improvements.

Trustee O'Halloran stated he doesn't understand why the originally agreement (50 percent rebate for homeowner and 50 percent capital improvements) couldn't be put back in place. The intent was to evaluate the Village's capital needs towards infrastructures to help with the transportation aspects of Orland Park. Also, it was to give back to the homeowner because of the misery the homeowners go through with the transportation issues, being a regional shopping district.

Trustee Dodge stated he recalled what the public was told, nothing was said about half the fund was dedicated to the rebate. What was said, "of the fund" the Village is going to use a portion "of the fund" to give the homeowners back 50 percent of what the homeowner paid.

President McLaughlin took a consensus of the Board on if the rebate should have a cap of \$4 Million for this year, \$4.5 Million for this year, or 50 percent of the fund for this year.

Trustee Schussler - \$4 Million

Trustee Gira - \$4 Million

Trustee Murphy – 50 percent

Trustee Dodge – \$4.5 Million

Trustee O'Halloran – 50 percent

Trustee Fenton - \$4.5 Million

President McLaughlin - \$4.5 Million

President McLaughlin stated this rebate is hopefully something that the Village can provide in the future, but there may be a year or two it can't be given because of economic conditions.

Trustee Dodge stated if the Village cap's the rebate from a budget prospective at \$4.5 Million over the next few years, it would allow the Village to go forward into these big picture projects and it keeps the majority of what was talked about with our residents in-tacked given the economic conditions.

Director Mampe stated \$4.5 Million for the rebate check will be going out in March, 2009 (that was actually budgeted in this year), that will give the Village \$1 Million in savings for fiscal year '08 that will roll over into the fund balance. For fiscal year '09 \$2.6 Million of additional Home Rule Sales Tax, because this is a 15 month budget.

Trustee Schussler stated he would like to propose \$4.25 Million as a compromise for the tax rebate cap.

President McLaughlin took another consensus of the Board on if the rebate should have a cap of \$4 Million for this year, a cap of \$4.25 Million for this year, or a cap of \$4.5 Million for this year.

Trustee Schussler – \$4.25 Million

Trustee Gira - \$4.5 Million

Trustee Dodge - \$4.5 Million

Trustee O'Halloran \$4 Million

Trustee Fenton - \$4.5 Million

President McLaughlin stated the rebate will have a cap of \$4.5 Million.

A motion was made by Trustee Kathleen Fenton, seconded by Trustee James Dodge, Jr., for a RECESS. Trustees Fenton, Murphy, O'Halloran, Dodge, Schussler, Gira, and President McLaughlin voted aye. No negative votes.

Whereupon President McLaughlin declared the motion carried.

MEETING RECONVENED AFTER RECESS

The roll was called to reconvene the Special Budget Meeting and Trustees Fenton, Murphy, O'Halloran, Dodge, Schussler, Gira, and President McLaughlin were present.

Village Manager Grimes reported on each of the Capital Improvements as follows:

- The projected land acquisition for Main Street Triangle will be approximately \$3 Million.
- The infrastructure construction, construction of Ravinia, B and Jefferson Streets, including demolition of existing structures \$4.8 Million.
- Old Orland lighting – new antique lighting in historical district \$217,000.
 - Village Manager Grimes stated the Village does have funding for this project, it will come out of the Road Exaction Fund.
- The Doctor West management and restoration plan \$215,000.
 - Assistant Village Manager Baer stated that this project is a priority because of the need to mitigate some of the wetland areas that 156th Street. The 156th Street project requires that the Village mitigate some of the water that would have been retained in that area.
- Phase I - facilities improvements, rehab old police building, relocate ESDA, relocate The Recording for the Blind, relocated Recreation Administration \$600,000.
 - Village Manager Grimes stated at the August 4th Board Meeting there was a presentation to the Board on the Space Needs Analysis. This presentation gave an overview of how the Village can get the most efficiency out of Village buildings which will require some capital investments.
- Traffic Signal at 94th Avenue and Wheeler \$156,000.
 - Director Casey stated that IDOT is funding 70 percent of this project – the \$156,000 is 30 percent of the project. This is IDOT's project.
 - Director Mampe stated this amount needs to be amended to state the project is \$500,000 and when the Village received the 70 percent that will be revenue received.
- Neighborhood Road Resurfacing Program \$2 Million.
- Ravinia Avenue Extension – complete the connection between Costco and 97th Avenue to provide valuable access to new development \$150,000.

- 143rd & LaGrange Road Intersection Improvements – widening of intersection with single left turn lane \$4 Million \$6.8 Million.
- 143rd & LaGrange Road Intersection Improvements – additional cost to widen intersection with double left turn lanes, including land acquisition \$4.7 Million.
 - President McLaughlin suggested changing this amount to \$1.5 Million to acquire land acquisitions only. At a later date, a budget adjustment can be made.
 - Trustee Murphy asked what the \$4.7 Million represents.
 - Director Mampe explained this amount includes \$1.5 Million for land acquisitions, which bring the amount down to \$3.2 Million, that amount is for the installation of the double left turn lanes. The Village received the \$3.2 Million figure as a proposed direction from Spaceco.
 - Director Mampe reviewed when the budget is passed on September 2, 2008, it will have \$1.5 Million in FY2009 budget, and it will not have the actual construction of that intersection. Finance will take the \$4 Million out of revenue. That will enable the Village to do all the projects that are listed in capital improvements with the funding source coming from Home Rule Sales Tax.
 - President McLaughlin stated there will be money sitting in another fund.
 - Trustee Dodge stated this will be a very large budget adjustment, but it is the only way to get through the budget now.
 - Director Mampe stated that the Board should reconsider what will happen to the Main Street Triangle by not having this in the Village's budget. Possibly, a developer will look for this line item to be in the budget and when it isn't it could be interpreted that the Village is no longer building the Triangle. If the Village is no longer building the Triangle, you don't have 143rd Street.
 - President McLaughlin stated the \$1.5 Million should be budgeted for the land acquisitions. Then \$1 Million should be budgeted as potential funding for the debt service. This way a developer would know the Triangle is in the Village plans.
 - Director Mampe stated you can't just budget for the debt service; you have to budget for the project.
 - President McLaughlin stated to move forward, if it is the Board's intention, the first step on the Main Street Triangle Project is that the Board must budget the money for the land acquisitions.
 - Trustee Dodge state that the Board is in full agreement, when the Main Street Triangle is ready to move forward, at that time Director Mampe will come before the Board with budget adjustments for approval to show \$4 Million being received from the State of Illinois and X-amount going out in bonds. The Board is aware that adjustments will need to be made to the funds and the future revenue streams to pay this debt off.
- Ravinia Avenue – non-boulevard portions \$200,000.
 - This amount is only for engineering studies.
 - Director Casey stated the Village is looking to have Ravinia become a bypass for LaGrange Road, especially if LaGrange Road goes under construction. The Village would like Ravinia to be more than a residential

street; it would become more of a secondary arterial street.

- Seasonal Lighting – seasonal lighting in the business district \$75,000.
 - Director Casey stated the existing lighting system on LaGrange is obsolete. This \$75,000 is for the infrastructure work to adapt transformers to each light down LaGrange Road beginning at 143rd Street and continuing down as far as we can go under this year's budget.
- Underdrains for Resurfacing Program – install underdrains to lengthen life of road \$100,000.
- Sidewalk Gap Program – install section in various locations to improve pedestrian safety \$10,000.
- Streetlight Installation Program – install streetlights in various locations to improve traffic/pedestrian safety.
- Railroad Crossing Safety Improvements – Install barriers at rail crossing to create quiet zones \$30,000.

Trustee Fenton noted that some of the above capital improvements have not been formally presented to the Board for approval, or even discussed by the Board. Only informal presentations have occurred. She asked if these projects can be postponed until the next fiscal year.

Director Mampe explained that dollar amounts have been placed in the FY 2009 budget for these capital improvements, just in case after formal discussions occur during 2009 and if the Board decided that a project can begin fully or partially, then money will be available.

President McLaughlin asked that by temporarily taking out of the Budget the bigger expenses for 143rd Street improvements and allowing the Village to do all the additional work listed, the capital fund will be balanced.

Director Mampe stated yes, there will be a balance in the capital improvement fund because of the property tax rebate change.

President McLaughlin stated if a developer should question the Village's sincerity in getting the 143rd and LaGrange Street intersection improvement done, the money is available to fund debt services.

Director Mampe stated there is one small item which is the Main Street Triangle expenses that are listed that do not have a funding source. Those items are the land acquisition and the construction of Ravinia, B and Jefferson Streets.

Director Mampe questioned if it was the Boards decision that the Village does not

budget for the Main Street Triangle land acquisition or the construction of Ravinia, B and Jefferson Streets and then when it happens, to come before the Board for a budget adjustment from some offsetting revenue.

Director Mampe noted she wanted to make sure the Board was going to handle these two items for the Main Street Triangle the same as the 143rd & LaGrange Road Intersection Improvements.

Trustee Dodge stated that is correct.

Trustee Dodge stated the decision was the Village doesn't know when these things are going to happen, the Board is aware they are out there, and will make a budget adjustment at that time.

Director Mampe stated the Public Hearing for the FY2009 Budget will take place on September 2, 2008 at 6:45 PM. Then the budget will be approved at the regular Board Meeting that will take place on September 2, 2008 at 7 PM.

This matter was discussion only NO ACTION was taken.

ADJOURNMENT – 8:40 PM

A motion was made by Trustee Kathleen Fenton, seconded by Trustee Brad O'Halloran, that this matter be ADJOURNED. The motion CARRIED by the following vote:

Aye: 7 - Trustee Murphy, Trustee Fenton, Trustee O'Halloran, Trustee Dodge, Trustee Schussler, Trustee Gira, and Village President McLaughlin

Nay: 0

/nm

APPROVED: September 15, 2008

Respectfully Submitted,

/s/ David P. Maher

David P. Maher, Village Clerk

/s/ Joseph S. La Margo

Joseph S. La Margo, Deputy Clerk