



**Village of Oak Park Board of Trustees
April 20, 2009**

Cathy Sweitzer, Observer

President David Pope and all members of the Board began the special meeting at 8:10 p.m. For Sandra Sokol, Village Clerk, this would be her last meeting before retirement. It was also the last meeting for outgoing trustee Greg Marsey. Village Manager Tom Barwin and a representative from the Village Attorney's office, Simone Boutet, were present.

Manager Barwin reported that asbestos had been found at the 1145 Westgate site undergoing demolition. The additional cost to remove the hazardous substance is \$30,000, a sum the Village hopes to recoup from another part of the project. Trustee Jan Pate asked if the problem could have been foreseen. Manager Barwin said it would have required chopping deep beneath the floors. The demolition is now on track and should proceed on schedule.

Clerk Sokol presented the first reading of an ordinance that would levy a \$100 fee on exempt real estate transactions, such as transfers of property in trust or in divorce settlements. The charge would cover the staff time needed to process these transactions. Trustee Jon Hale noted that the number of exempt real estate transactions is increasing. In 2005, they accounted for 20-30% of transfers; now they constitute 50%. Board members did not have a clear sense of why this might be so. President Pope invited public comment to the Board and to the Village on the proposed measure.

Chief Financial Officer Craig Lesner reviewed the first quarter financial report. The Village is \$575,000 down from what was anticipated. He noted weakness in real estate transfer tax revenues, sales taxes, and building permits. The biggest decline is in real estate taxes, about 50-60% lower than projected. If the decline should continue, we would be down about \$1.6 million for the year. Lesner urged caution, however, in making such long-term predictions. While he thinks real estate may continue to be hard hit for the rest of the year, other areas may pick up and counteract the losses. Trustee Hale quipped that revenues on liquor sales, for example, are up 23%.

Overall Lesner believes we are on track to meet the over-arching goal of fund balancing. He characterized Village response to financial challenges as moving from reactive to proactive, pointing to layoffs and reductions in program spending, such as alley and tree projects, which have cut expenditures. Trustee Pate sounded a cautionary note, urging care that service to the public must remain a priority. Trustee Colette Lueck asked what the trigger would be to alert the Board to a critical financial problem. Lesner said his office would report any significant change immediately, using real estate transfer as an example.

Trustee Greg Marsey lauded the quarterly report as "big progress" from the days of less transparency and praised the cost-cutting measures. He voiced concern, however, about a line of credit extended by Park National Bank. He feared that what was intended as a short-term bridge loan may turn into a

long-term debt. Lesner admitted that the loan would not be paid off on time, but foresees repayment within the next year. He agrees with Marsey that we should “buy down” loans from the fund balance, but cautioned that many factors have to be considered. He compared the situation to an individual’s decision of whether or not to empty a savings account to pay off a credit card balance or to keep the cash reserve and pay interest over time.

Trustee Marsey also raised concern about the TIF debt. He advised against loading up the debt with downtown hotels and high rises. He asked: “Should we continue to develop big and tall, or buy down our debt with more conservative development?”

Trustee John Hedges wanted to clarify that the figure that appears on the cash balance line includes the \$4.5 million line of credit, which it does. Trustee Ray Johnson noted that the real fund balance is therefore significantly masked by this line of credit. He pointed out that even with the cuts in expenditures, we have not hit the desired mark. He expressed concerns about having ready funds for necessary capital expenditures, like road repair and housing. Trustees Hale and Hedges urged a balanced budget. “First we have to make sure that we are not spending more than we are bringing in,” said Trustee Hedges.

Parking Adjudicator Wayne Moran explained a computer glitch that caused a backlog of some 900+ unpaid parking tickets going as far back as 2004-2005, to be turned over to a collection agency in February. Many individuals who received notices approached Village Hall with their protests and questions. As of this date, Moran believes that most complaints have been addressed in a satisfactory manner.

Several questions arose from the Board over this matter. Some trustees questioned whether adequate time has been built into the system before the tickets are sent to a collection agency. Currently, a parking ticket is immediately registered in a database. Fifteen days later, if it has not been paid, it is cued for penalty payment and the offender is informed by mail. After 35-45 days of no payment, a third notice is sent. The offender then has 6 months to rectify the situation and pay the outstanding debt before it is sent to the collection agency. Some trustees questioned whether a slush period should not be built into the penalty-payment schedule. Village Attorney Boutet believed it should be a firm date, cautioning against “individual judgment calls” and “fudging.” Moran pointed out that the existing system actually does work efficiently, and that the problem was caused by a computer error that has since been corrected.

Another objection raised by the Board was that the problem was called to their attention by the local press almost two months after the fact on April 15, rather than brought to them by Village administrators in a timely fashion. Moran explained that his office failed to note that the tickets went back to 2004 when reporting the situation to Manager Barwin. The omission may explain why the Board was not immediately informed. Several Trustees considered the situation embarrassing and an onerous burden for the public involved. Trustee Lueck, however, believed that the Parking Office acted according to established policy, exercising its right to collect debt within a four-year period. She noted that the problem was not so much about parking as about policy-making and internal communications.

Another issue addressed included a contract for \$11,412 awarded to a reseller of phone services, Call One, which currently handles incoming calls and will now handle outgoing traffic as well (presumably to Village Hall). Trustee Marsey cautioned against outsourcing such services to “outside

retailers,” questioning why we don’t go directly to AT&T. He foresees the promise of low fees up front and then ever-increasing bills as the Village becomes more dependent on the service. He urges that the IT Department keep an inventory of all operations, which they intend to do.

The Board unanimously passed an ordinance authorizing the sale of a residence at 1030 S. Taylor for \$100,000. The buyer, 20 Ways Up/My Green Home, will make it a prototype for an energy efficient single family home, showcasing “green” building materials and technologies. The Village acquired the house during the Barry Park clean-up six years ago for considerably more, so the sale represented a loss. But the property had grave structural problems and would have been a tear down anyway. As President Pope pointed out, the sale price basically represented the cost of the lot and a little more. He noted, “The house will be a source of learning and a positive addition to the neighborhood.”

The Board also approved the authorization of bills to PeopleSoft. This was a legal formality, giving retroactive Board approval to bills that have actually already been paid. Manager Barwin pointed out that investigation into the incident confirms that the Village received “full value for all expenditures.” Trustee Marsey cast the only dissenting vote because he did not believe the fact that full value was received justified after-the-fact approval.

President Pope invited the public to a reception honoring Sandra Sokol’s years of service on Wednesday, April 29, at the Carlton Hotel from 6-9 p.m.

This Observer left the ongoing meeting at 10:15 p.m.

(online minutes: www.oak-park.us/about_our_village/board_minutes_2008.htm)