

Village of Oak Lawn, Illinois
Municipal Center @ 9446 S. Raymond Avenue
Finance Committee Meeting Minutes #2020-01
Tuesday, January 7, 2020

1. Roll Call: by Village Clerk Jane M. Quinlan at 9:07 a.m.

Chairman Thomas E. Phelan
Trustee Tim Desmond
Trustee Paul Mallo

Also in attendance:

Village President:	Dr. Sandra Bury
Police Chief/Interim Acting Village Manager:	Randy Palmer
Village Attorney:	Paul O'Grady
Village Finance Director:	Brian Hanigan
Village Budget Director:	Adam Metz
Senior Associate, Teska:	Pete Iosue

2. Approval of meeting minutes: Finance Committee Meeting minutes #2019-05 dated November 26, 2019.

Trustee Mallo moved, seconded by Trustee Desmond to approve Finance Committee Meeting minutes #2019-05 dated November 26, 2019.

Voice vote: All voted aye. Motion passed 3-0.

3. Updates on Village Real Estate Developments

Automotion:

Brian Hanigan stated that staff will perform a walk through at Automotion today at 10:30 a.m. with the real estate broker for the seller. He requested an extension but has not received confirmation as of yet. The seller seems to be willing to give the Village an extension assuming that the Village takes care of the holding costs. Whatever the holding costs are (for example, the utilities) the Village would pay a prorated portion of the property taxes. The closing is set for January 31, 2020. The seller's side is under the understanding that it is Friday, January 10, 2020. Per Village Attorney Paul O'Grady the Village agreed to January 31, 2020. In addition, Brian Hanigan has asked for an extension until Labor Day. He briefed the members on what needs to be considered and what the Board of Trustees need to approve in this transaction.

Paul O'Grady explained that Automotion has moved their business out of the State of Illinois. They were bought out by a Japanese company and the Japanese company did not purchase the buildings.

Trustee Phelan invited Valerie, a resident of Oak Lawn, to address the members. Valerie addressed her concerns as a resident which included the Village's credit rating is near junk status. Trustee Phelan stated that the biggest concern our Village was facing is funding pensions. He stated that the Village's primary focus is to provide Village services, safety, fire and police, clean streets, etc. to its residents. For the last 10 to 12 years, the Board of Trustees has not raised taxes for our residents.

Brian Hanigan stated that the cost to residents so far has been zero dollars. The outlook has been changed from negative to stable. The pension problem is an Illinois problem. The Village could have raised property taxes by approximately \$3 million dollars to get a better credit rating but they chose not to do so.

Village President Bury stated that she was thankful for Valerie coming to the meeting to discuss her concerns. She stated that the Board of Trustees and staff work for the residents. She would be happy to meet with Valerie at another time to discuss her concerns.

Valerie added that she would like to see the Village Manager's contract changed.

Hubbard Street Group:

Brian Hanigan stated that he still has to get the old information for property taxes. There was approximately \$500,000 per year being generated from some businesses at 95th Street and Pulaski in 2013-2015. Adam Metz explained to Trustee Phelan that the numbers he wanted were the numbers that Hubbard Street Group used which is the 2% escalating and they projected it out to their first year to the 7b incentive is 2022. Trustee Phelan clarified that he just wanted to see what the numbers were doing 3 or 4 years ago. Brian Hanigan stated that it was approximately \$372,000 in sales taxes for a 3 year average going back to 2013, 2014 and 2015 when most of those businesses were up and running in full form. He thinks that 2009, 2010 and 2011 were not substantially higher. Trustee Phelan does want to look at the gross impact on the Village only because those property taxes had an impact on other taxing bodies. There are two different things. The way Hubbard Street Group sent it to the Village; they were only looking at the Village. The Village's portion of property tax bills is approximately 10.5%. The gross real estate taxes were approximately \$1.4 to \$1.5 million dollars. Brian Hanigan and Trustee Phelan discussed whether or not the 7b is appropriate to use in the calculation of real estate property taxes and sales taxes. They discussed the different taxing bodies, where the funds will be distributed and the rate per dollar of the property taxes. Brian Hanigan and Adam Metz will continue their work on the micro/macro impact.

Attorney Paul O'Grady updated the committee that they are still looking at and negotiating for the houses by the Public Works Department.

4. Patriot Station TIF

Brian Hanigan stated that we need to have some hearings on this matter. Pete Iosue, Senior Associate from Teska was present. Teska has performed the feasibility study for the Village in the past. We have to take an existing TIF District, expand it and amend it to bridge to an existing TIF that is on the north end of the Village at 89th and 90th and Cicero Avenue to access that cash flow in the interest to pay debt down. To do that under the state law, we have to make sure the TIFs are contiguous to each other. We want to expand that TIF along the railroad tracks to Cicero just to bridge to the cash flow. Pete Iosue's job is to make sure that the TIF is appropriate and viable. He did the previous work on the Patriot Station and the 111th and Cicero TIF. He would perform a two part process. He initially does the eligibility portion which he would examine the area against the eligibility criteria. The second portion is to write up a redevelopment plan. It takes approximately 4 to 6 months to go through the TIF process. The committee discussed the expansion of the TIF, different taxing bodies, the life of the TIF, the projections of the TIF and the cash flow of the TIF.

5. Impact of Minimum Wage - Increase on Village Contracts

Randy Palmer discussed that there is a new contract with Andy Frain Services, Inc. Attorney O'Grady gave a brief description of the impact of the minimum wage and how it will impact the Village. He stated that on January 1, 2020 the minimum wage went up to \$9 and some change. That triggered some of the contracts that the Village has for the crossing guards and the civilians we have working at the Village. The increase has opened up negotiations. It is now state law. It will continue to go up until it reaches \$15.00 an hour. This is something we have to address. Randy Palmer stated that when we first privatized the crossing guards, we tried to keep most of the existing crossing guards employed because they were Oak Lawn residents. The problem is that with Andy Frain they take some of their employees when it is off season and they relocate them somewhere else for security, etc. What we have found now is that most of the crossing guards are coming from the City of Chicago that are employed by Andy Frain. We do have some of the local residents working as crossing guards but not the percentage we had in the past. Andy Frain stated that due to the increase in costs they cannot absorb all those fees so they are passing it on to the users of the crossing guard system. They have agreed to hold the line for a few months for us. The issue is we cannot get rid of them now. We have to keep them until the end of the school year. Randy Palmer is recommending to the Finance Committee that they approve the new contract with Andy Frain. At the end of the school year, we can re-evaluate if need be. His goal is to get an extended contract with Andy Frain for at least two years.

Trustee Phelan discussed the committees and the role they play as to recommending items to the full Board of Trustees. The committee discussed details, projected costs of the Andy Frain contract and the possibility of the school districts partnering with the Village on the cost of the crossing guards.

Brian Hanigan stated that the Andy Frain and Teska items will be on the agenda for the January 14, 2020 Board of Trustees meeting. The Committee requested a study to be performed on the corners with crossing guards.

6. Village Professional Service Contracts

Trustee Phelan stated that he wants to make sure that all the contracts have been reviewed and contact information has been updated. Randy Palmer stated that he sent out a notice of what he compiled to date. He did so to keep everyone informed that he is currently working on this item.

Brian Hanigan discussed the benefits of long term contracts with the committee. Trustee Phelan stated the cheaper the better and that there is no standard policy.

Randy Palmer discussed the slight increase in the Guardian contract with the committee. For 2019, the fee was \$4,800.00 a month. With the increase, Guardian will charge \$5,200.00 a month. Randy Palmer spoke to the staff and Guardian has worked great with the residents. They respond to calls immediately. The service is free to the residents. The Village pays for the monthly fees no matter how many calls they get. During certain months of the year, we do have an increase in calls for example, summer and winter. Brian Hanigan stated that the Village has increased the investment in pest control to \$85,000.00. The Guardian contract is for three years. Randy Palmer will provide an average of how many calls are received for pest control and let the committee know the results.


7. General Financial Issues

The Village website, the cell towers and Village owned properties will be discussed at a later date.

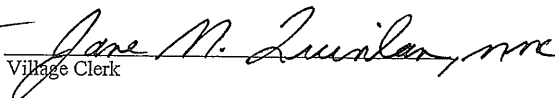
8. Adjournment:

Trustee Mallo moved, seconded by Trustee Desmond to adjourn at 10:16 a.m.

Voice vote: All voted aye. Motion passed 3-0.



Finance Chairman



Village Clerk