

**Official Minutes of the
Oak Park Board of Education District 97,
970 Madison Street, Oak Park, Cook County, Illinois
Joint Assembly of Oak Park Local Governments**

**Saturday, October 25, 2014
Brooks Middle School Commons
325 South Kenilworth Avenue
Oak Park
9:00 a.m. -11:30 a.m.**

CALL TO ORDER

Call to Order

The meeting was called to order at 9:00 am by Village President Anan Abu-Taleb.

Attendees:

Oak Park River Forest High School District 200 Board: Steve Gevinson, Ralph Lee, and Jeff Weissglass

Elementary School District 97 Board: Graham Brisben, Amy Felton, Jim Gates, Jim O'Connor, Bob Spatz, and Peter Traczyk

Village of Oak Park Board: Anan Abu-Taleb, Peter Barber, Colette Lueck, Andrea Ott, Adam Salzman, Bob Tucker

Park District of Oak Park: Paul Aeschleman, Jessica Bullock, Vic Guarino, Sandy Lentz, and Dave Wick

Oak Park Library Board: Matt Baron, Janet Kelenson, and David Sokol

Oak Park Township Board: David Boulanger, Clarmarie Keenan, and Jim Taglia

Absent:

Tom Cofsky, Julie Moore, Sharon Patchak-Layman, and John Phelan – District 200

Denise Sacks – District 97

Glenn Brewer – Village

Win Fox, Matt Fruth, Lane Hart, and Bruce Samuels - Library

Mary Cozzens, and Ade Onayemi – Township

Others Public Officials Attending:

Teresa Powell – Village Clerk

Ali ElSaffar – Township Assessor

Welcome

WELCOME

Village President Anan Abu-Taleb welcomed those attending this Joint Assembly of local government boards and noted that it was good when every local government could break bread and talk taxes. He stated that we share a goal of what is best for citizens of Oak Park and asked everyone to think of new ideas and new ways to work together to benefit the community as a whole. All governments share the same tax pool of Oak Park dollars and the fiscal action of any board affects us all. By understanding the issues faced by each government we can best work together. He introduced the moderator for today's meeting, Gil Herman.

Meeting Purpose, Process and Payoff

Mr. Herman explained the seating arrangements for participants and thanked the Library Board for providing morning refreshments. He gave a brief explanation of the Intergovernmental Committee (IGov), which includes representatives from each of the six local taxing bodies for better cooperation among governments, and which organized this event.

He explained that under the open meetings act no more than two board members from any single board should talk together at this meeting. Any discussion of action to be taken as a result of this meeting will be conducted in meetings of the individual boards at a later date. He then discussed the purpose, process, and payoff of this meeting.

The purpose overall is intentional collaboration to optimally share resources in alignment with the Envision Oak Park comprehensive plan, with a focus on sustainability. The comprehensive plan includes economic, environmental, and social aspects of Oak Park. The specific focus today is on economic issues to educate, differentiate issues, and collaborate to optimize joint solutions.

He explained the process. Each of the governments in turn will have five minutes to briefly review slides detailing the revenues, expenses, fund balance and organizational challenges. Following the presentations discussion among elected officials will take place at the five tables in the center of the room. Observers are invited to listen in (not participate) at the tables to any of the discussions or hold their own discussions about what they have seen and heard. Brief report outs and public comment will follow.

Index cards were available for all present to submit questions to any board or the IGov committee for response. In addition, the agenda has contact information for all six boards.

Mr. Herman explained the payoff for today's meeting. Each board member should better understand the financial situation, drivers and challenges of each of the other boards. Each board will receive Input and questions for further discussion at individual board meetings. Third, this meeting will clarify the desire and focus for intentional collaboration through further IGov meetings. Finally, gathering questions and comments from table discussions, along with minutes of the Joint Assembly, will help determine what the issues are, and how to make this information available to interested parties.

Presentations

PRESENTATIONS

Mr. Herman introduced the presentations with a slide showing increases in the proportion of the property tax burden for residential homeowners over the past several decades. The next two slides showed the distribution of property taxes by governments, and the 2014 distribution of property taxes to all governments involved. The remaining slides were presented by each government to show revenues, expenses, fund balance, and major challenges for each.

Township

Gavin Morgan, Township Manager of Oak Park Township, explained that the slides presented refer only to the Town Fund, and that two other funds, the Community Mental Health Fund (\$1.58 million in expenditures for FY 2014 with a fund balance of \$1.53 million), and General Assistance Fund (\$553,000 in expenditures for FY 2014, and a fund balance of \$351,000) are not included here. Morgan reported that the revenue top drivers are property taxes (65%), intergovernmental (which includes federal, state and local sources including the Youth Interventionist program which is jointly funded by all local governments in Oak Park and River Forest), and charges for services.

Major expenditures are for personnel (salaries), operating costs, services, and fringe benefits (about 70% of total expenditures are for salaries and benefits). Morgan reported that the fiscal year is April through March. He noted that the Fund Balance, at 103% in 2010 prior to the purchase and renovation of the new Senior Services building at 130 South Oak Park Avenue, has now dropped to 36% for 2014, as was previously planned for purchase of a property.

Township (Continued)

Organizational challenges include changing priorities and sources of state and federal funding, particularly for senior services, as well as maintaining local funding for the Youth Interventionist program. Another challenge is homelessness/prevention, and addressing mental and behavioral health issues for all residents.

Library

David Seleb, Executive Director of the Oak Park Public Library, explained that property tax was the major source of funding and remains steady at about 94%, as is common for libraries statewide, and will not change. Small percentages come from grants, gifts, donations, and interest. The fee environment provides remaining revenues. The drop in revenue in 2016-2020 is based on retirement of debt from the library over five to six years. Major expenses are wages and benefits, debt service (24%), with drops in debt payments over the next five years. The board is committed to fundraising and exploring options for other non-tax sources of revenue. Technology has been at the center of library activity for a long time and will continue.

The fund balance is near 42%, in accordance with the policy of the library board. He explained that the fund balance is replenished by tax revenues in fall and spring, and gradually falls as operating expenses are paid until the next payment. Challenges, based on the library's strategic plan, include expanding non-tax revenue sources, improving access to Oak Park historic content, increasing access to library spaces for diverse uses, improved staff skills, and environmental stewardship.

Parks

Jan Arnold, Executive Director of the Park District of Oak Park, noted that property tax was the major source of funding at 57%, with 27% from user fees, and grant funding providing much of the rest. The Park District hopes to increase non-tax revenue (program fees, pass sales, etc.) over time to 50% of total revenue, with a goal of 42% in the coming year. Grants are being actively pursued, with a \$1.6 million grant in 2013 for the project at Scoville Park, increasing intergovernmental transfers that year. Another grant source has brought in \$400,000 annually over the past eight years to rebuild parks.

Top expenses are wages and benefits at 44%; debt service is 12%, and repaying the \$30 million in bonds issued in 2011-2013 for the Ridgeland project and others. Converting fitness staff from contractors to employed staff will provide greater control, moving some expenses from contractors to wages. Drivers are wages and benefits, with some deferred maintenance at facilities to be improved. The next 10-year master plan is scheduled to be approved in December with focus helping to shape future decisions for programs and facilities. Utilities expense will increase with additions such as irrigation systems in several park locations.

The overall fund balance is at 25%, but is 75% for the museum fund which supports Pleasant Home and the second floor of the Cheney Mansion. Other challenges include growing revenue, mix of programs and services, diversifying users from 24% current use, with more program outreach to teens and seniors, implementation of the comprehensive plan recommendations, and pending changes in the minimum wage. Many employees are in the minimum wage category and an increase in the minimum wage to \$11 will increase costs by \$250,000 with a \$100,000 annual increase for every additional dollar increase.

District 97

Bob Spatz, President of the Oak Park Elementary District 97 School Board, noted that property taxes are the major source of school funds, as well as student fees, TIF distributions with 12% state aid, and 7% in other state funding such as special education and transportation. District 97 had a referendum increase in 2011 anticipating that state funding would grow after the state tax increase with inflation. State funding has unfortunately gone down since then. Top drivers of

District 97(Continued)

revenues are state funding and potential changes to pension payments of Senate Bill 16, which will cost \$5.3 million per year, a huge chunk of state funding along with a planned referendum in 2017, neither of which was reflected in the graph. President Spatz noted that CPI is a big driver in the referendum because all governments are tax capped, except the Village.

Top expenses are salaries and benefits (75%). Other expenses include busses, utilities, and other services. Top drivers of expenses are projected increases in enrollment (1,000 increase in last 10 years), collective bargaining contracts with a number of staff, and the potential Teachers Retirement Fund pension shift by the State.

President Spatz reported that the district's fund balance drops off by 2017. He noted that in the first years after the referendum, revenues exceed expenses, and then drop off, as anticipated with another referendum needed in 2017. He reported that bonds for Brooks and Julian will go off the books in 2017 and 2018, at \$4.5 million per year. President Spatz identified challenges as equity and excellence in education, changing times with new programs, legislative changes, enrollment and capacity.

District 200

Jeff Weissglass, board member of the Oak Park River Forest High School District 200, noted that nearly 80% of total revenues come from property taxes and just over 10% from other local sources. Last year, the board reduced the tax levy as shown on the slide. Key revenue drivers were the operating levy reduction, the debt service levy abatement, and Senate Bill 16 with a \$1.7 million per year loss. The current goal is for the tax revenue to cover the debt service, with three more years until current debt is paid off. Salaries and benefits are the highest expense category, and could increase with growing enrollment (from 3,300 to 3,900 projected by the end of the decade). Weissglass identified other top expense drivers as implementation of the strategic plan and technology initiatives. He reported that the fund balance grew as a result of the phase in of the 2002 referendum and reached more than 200% of the operating budget. Last year the Finance Committee recommended that they phase down the fund balance to below 100% of operating expenses, and down to 40% in seven years, balancing capital investment needs and tax level. Additionally, plans are under consideration to reduce the levy again this year, but can only be done for two years because of the tax code rules. If the district takes no action on the fund balance, the district is on track for 120% of the operating expenses. Challenges include implementation of the strategic plan, educating students on health, skills, and character.

Village of Oak Park

Cara Pavlicek, Village Manager of the Village of Oak Park, explained that as a home rule government under state law, the Village can pass any law that is not specifically prohibited by state statute. The Village has four fund categories, operating funds, enterprise funds funded by user fees, internal service funds such as debt service, and special revenue funds such as block grants which must be tracked separately. When considering general revenue funds, the percent of property tax is about 50%. Expenses are shown by all funds, with wages and benefits less than 50%, and contractual services accounting for functions outsourced by the Village. Considering only the general operating fund, public safety services represent 645% of expenses, with administrative services covering other personnel. The board sets the expenses at less than projected revenue, rather than above, as in some previous years. The fund balance policy is 10% to 20% of expenses; however, a \$10 million deficit in the parking fund over the past decade has now been paid off. Pavlicek discussed various regulations which impact how services are delivered, and require varied expertise. Many services are provided on a 24/7 basis (police, fire, and public works emergency services such as snow removal), and such services represent 55% of the work force. Another major challenge is police and fire pensions, which represent 30% of the total tax levy and continues to grow. For every dollar paid to a fire fighter, 55 cents is set aside

Village of Oak Park (Continued)

for pensions. For police pension, costs are 33 cents for every dollar of salary. These are set by state law. She concluded by referencing the increased percentage of the tax burden on residential taxpayers over the past two decades.

Open Discussion and Presentation Following Breakout Sessions

OPEN
DISCUSSION AND
PRESENTATION
FOLLOWING
BREAKOUT
SESSIONS

Mr. Herman introduced the next phase of the agenda following a brief break. He noted that elected officials were assigned to one of the five tables. Observers were welcome to listen to the discussion. All present were invited to submit questions on the index cards provided. Each table will also report back on discussion through a response sheet. These sheets will be attached as addenda to these minutes. Comments were invited from the breakout participants.

Mr. Traczyk talked about the term “look up” used with young soccer players. While each board has its own mission, it is also important to “look up” and remain aware of the issues of other boards. He suggested that each board could have IGov as a standing board item as a method to do this. When making large decisions it is important to “look up” and be aware of the possible impact on other taxing bodies.

He also suggested looking at the financial reports of each board. He noted that the group as a whole has an opportunity in the next four to six years; that in the face of taxpayer fatigue, many of the boards will have debt coming off. A key strategy over this period will be to consider how the community can have debt roll off, and not simply replace that debt to control taxes.

Mr. Gates reported the desire for better active communication, and the table was struck by the commonality of experience of all of the boards. He suggested that they are more like one board with six different missions. It was suggested that when everyone goes back to their individual boards, conversations might occur that help determine how this can be leveraged. It was noted that not every issue involves all boards, but often more than one board has an interest, and when decisions can be made jointly, people are much more willing to listen to the decision makers. He was encouraged by the positive response to this, and desire was expressed to move ahead with this process.

Mr. Aeshleman suggested leveraging governing bodies, especially on legislative issues, and for legislative outreach. Other opportunities included addressing debt service. Another issue involves demographic changes with a growing population of more services to more people. They also considered how governments leverage intergovernmental agreements, and how decisions made today may limit decisions by future boards.

Mr. Barber reported that his table also discussed the future of IGov. Beyond 300 or 400 people, most residents do not fully comprehend what IGov does. The fact that this group met is very important. It was suggested that this kind of meeting occur twice a year, and set firm priorities to give IGov something to focus on such as infrastructure or debt burden. Barber noted that to some extent IGov has been driven by the Village, but he suggested that going forward it needs commitment by all governing bodies. Ultimately this might mean that a staff person is needed to assist with this. Barber acknowledged Teresa Powell, Sheryl Marinier and others for their help.

Mr. Herman liked the analogy of “looking up” and mentioned hearing different perspectives in each discussion. He mentioned the analogy of a big beach ball where it is possible to put pressure on one area impacting another area, but today’s discussion was balanced among all issues and concerns. He explained that further meetings of each board should occur to consider any action to be taken as a result of today’s discussion, and noted that no action had been determined today.

Mr. Herman concluded by noting that the payoff today was for board members to feel better educated, and have a better understanding about other boards. The group agreed that this goal had been met.

Public Comment

There was no public comment.

PUBLIC
COMMENT

Adjournment

Mr. Spatz thanked the members of the Assembly planning committee, Jim Gates, Graham Brisben, Paul Aeschleman, Vic Guarino, Colette Lueck, Teresa Powell, Sheryl Marinier and the custodial staff at Brooks for their help.

ADJOURNMENT

It was moved by Mr. Gates and seconded by Mr. Baron that the meeting be adjourned at 11:25 a.m.

Board President

Board Secretary