

VILLAGE OF OAK LAWN, ILLINOIS  
MUNICIPAL CENTER @ 9446 S. RAYMOND AVENUE  
**PRESIDENT & BOARD OF TRUSTEES**  
**FINANCE COMMITTEE MEETING MINUTES #2012-02**  
**TUESDAY - MAY 1, 2012**

**I. ROLL CALL:** by Village Clerk Jane M. Quinlan at 6:09 p.m.

Village President: Dave Heilmann

Village Trustees: Cynthia Trautsch-by phone at 6:10 p.m. Robert J. Streit  
Thomas E. Phelan Carol R. Quinlan  
Thomas M. Duhig Alex G. Olejniczak-arrived at 6:15 p.m.

Village Manager: Larry R. Deetjen-arrived 6:40 p.m.  
Finance Director: Brian J. Hanigan  
Director of Community Development & Growth Management: Jack Gallagher  
Village Treasurer: James McGovern

President Heilmann asked for a motion to allow Trustee Trautsch to participate remotely by phone due to employment purposes.

Trustee Streit moved, seconded by Trustee Quinlan to allow Trustee Trautsch to participate remotely by phone due to employment purposes.

**ROLL CALL: TRUSTEE PHELAN-YES TRUSTEE STREIT-YES**  
**TRUSTEE DUHIG-YES TRUSTEE QUINLAN-YES**

**MOTION PASSED 4-0.**

**II. APPROVAL OF MEETING MINUTES: FINANCE COMMITTEE MEETING DATED FEBRUARY 8, 2012:**

Trustee Streit moved, seconded by Trustee Duhig to approve the Finance Committee Meeting Minutes #2012-01 dated February 8, 2012.

**ROLL CALL: TRUSTEE TRAUTSCH-ABSTAIN TRUSTEE STREIT-YES**  
**TRUSTEE PHELAN-ABSTAIN TRUSTEE QUINLAN-YES**  
**TRUSTEE DUHIG-YES**

**MOTION PASSED 3-0-2.**

**III. UNAUDITED VILLAGE OPERATING RESULTS FOR 2011:**

Finance Director Hanigan discussed that the audit is going very well. He has a list of any open items if the Board would like to see it. There should be no major surprises. The Village had a preliminary operating surplus of \$175,000 dollars for 2011. Revenues were off by \$250,000 dollars from budgeted revenues primarily due to delays from the State of Illinois of approximately \$200,000 dollars. Operating expenditures were under budget by approximately \$425,000 dollars. Every department is under budget at this point in the year although the Fire Department's actual overtime during the first quarter of \$263,281 dollars exceeds the entire annual budget of \$250,500 dollars and is on pace to be between \$1.3 million and \$1.4 million dollars for the year as the spring and summer months approach.

The Board asked Mr. Hanigan questions regarding the budgeted numbers for certain departments for 2011, including educational reimbursements, paramedic ambulance fees, memberships and energy and electrical. Trustee Olejniczak complimented adjudicator Russ Miller. In less than a full year of running the new adjudication, we collected \$54,169 dollars in fines. Trustee Streit stated we are having a problem with collections. Mr. Hanigan will discuss this problem of collections with Trustee Streit.

**IV. SUMMARY AND REVIEW OF THE VILLAGE CASH POSITION AND ACTUAL OPERATING RESULTS FOR THE FIRST QUARTER OF THE YEAR VS. THE 2012 MUNICIPAL BUDGET AND 2011 RESULTS:**

Finance Director Hanigan discussed for the 1<sup>st</sup> quarter, the Village has a current cash position of \$8.9 million dollars in the General Fund, including the Build America Bonds, which has about \$2.5 million dollars of it. In the 1<sup>st</sup> quarter, we received \$3,440,000 dollars for the one time Target payment and we received our property tax money about a month early. Our revenues are really on track, even though the Target payment and the property tax money being received a month early are way overstated.

Village Treasurer James McGovern stated we are probably tracking at about 90 to 91% of budget. If that holds true, we will come up \$1.4 or \$1.5 dollars short in property taxes. Finance Director Hanigan stated that will be offset by payments received from prior years of property transfers. There is a lag of 10%, but we tried to budget that.

The Board discussed permits and fines and had some questions. Finance Director Hanigan stated that the Village tries to be as conservative as possible on the building permits line.

Trustee Olejniczak had questions on the rental property licensing numbers. Finance Director Hanigan stated there are a lot of properties that are not registered with the Village. Trustee Streit stated it is approximately two thirds of rental properties that are not registered with the Village. The Board discussed how to get the word out better to the public regarding making sure rental properties are registered with the Village. The Board wants to revisit how we put notices out about rental properties. Trustee Olejniczak stated the problems with the rental properties start out with lawn issues and then more and more issues follow. When staff hears of a problem, they do a great job trying to correct it.

Trustee Olejniczak stated staff has done a great job of bringing in a steady source of grants to fund projects. This number has gotten consistently better year after year.

Finance Director Hanigan discussed on the expense side, every department head, including the Fire Department are under budget. The Fire Department overtime budget has already been spent for the year. Workers' compensation is better in the Fire Department this year. Trustee Olejniczak stated when you run high in overtime, you can run high workers' compensation. Mr. Hanigan stated that 50% of our workers' compensation is the Fire Department.

Trustee Phelan questioned the water sales line item. Staff discussed this is a timing issue. Village Manager Deetjen discussed that something has been happening at water meetings and he wanted the Board to be aware of it. Orland Park, Tinley Park and Palos Park are supplying water to unincorporated areas and making money on this. They should not be just selling water because the contracts are with Oak Lawn. He discussed that years ago Oak Lawn should have paid attention to this. Trustee Streit discussed that the attorney that negotiated the contracts on our behalf, negotiated theirs too, and that was Klein, Thorpe & Jenkins. Village Manager Deetjen discussed that there will be no water extensions. Water meters were also discussed by Mr. Deetjen.

#### **V. INFRASTRUCTURE FUNDING STATUS AND PRIORITIZATION:**

Village Manager Deetjen stated that the Village is in good shape with infrastructure improvements.

Finance Director Hanigan discussed the scheduled summary of projects that Public Works Director Steve Barrett and Village Engineer Jack Gallagher have put together. He talked about the funding for these projects. The total amount for the projects is \$16.2 million dollars. Mr. Hanigan asked why the Village does not contract all of the street work out, instead of doing some of the work in-house. The Board and staff discussed this issue. Finance Director Hanigan stated we have a cash balance of a little less than \$2.5 million dollars left for infrastructure improvements after the \$16.2 million dollars.

The Board discussed power lines at 111<sup>th</sup> & Cicero and where the money comes from to bury some of the lines. Hamilton Partners has advised the Village on what to do, especially south of Cicero Avenue. Trustee Streit discussed this idea with the Mayor of Alsip and he is not for the idea.

Trustee Phelan asked when the Board is going to see the proposal on developing 111<sup>th</sup> & Cicero. Village Manager Deetjen discussed the development agreement is now in draft form. The key to that agreement will give the Village the option from an exit strategy to sell and recoup or to hold onto the land long term. He met with the owners of the muffler shop and what they are looking for is not what the Village wants to pay, but we are close within reason. They do have another site outside of Oak Lawn. Mr. Deetjen will be meeting with Flapjacks on Friday.

#### **VI. FINANCING PROPOSALS FROM PROSPECTIVE LENDERS ON 111<sup>TH</sup> AND CICERO:**

Finance Director Hanigan has received five proposals from area banks. He stated that the proposal from Fifth Third Bank was the best of the five proposals. He discussed that Standard Bank has some issues going forward in his opinion. He was concerned that Standard Bank was getting ready to sell. He stated the Village could move all of their deposits from Standard and go to Wintrust with our deposits and ask them to work with the Village on the Village paying rent in their new building. Trustee Phelan discussed, depending on the length we are going to go, right out of the blocks Fifth Third is better, but five, seven or ten years, Wintrust might be better on a pro rated basis. Village Manager Deetjen stated both Fifth Third and Wintrust want to serve the Village. Mr. Hanigan stated in fairness to Standard Bank, five years ago they came in when the Village had a problem with money and getting interest overnight. Standard Bank has also been good in helping out with the festivals the Village hosts. President Heilmann stated Fifth Third has also been good. When the Village missed out on \$75,000 dollars, Fifth Third did fund us. Finance Director Hanigan stated the Village should have two banks.

Finance Director Hanigan discussed that the Village will be going out to bid for a Third Party Administrator. He passed out a list of companies that do this. Trustee Olejniczak discussed that Underwriters Safety & Claims was a good firm. Mr. Hanigan stated he got the listing of the five companies independently.

The Board discussed going out to bid for the street repaving. Village Engineer Jack Gallagher explained the process.

Trustee Streit discussed that he went to a table top exercise today for the upcoming Summit and the Village is well prepared for this. He discussed the Village having terrorism insurance to protect the Village against lawsuits. Finance Director Hanigan stated the Village already has this, but will double check on it. Trustee Streit stated the Village has to be prepared for this.

**VII. DISCUSSION OF PLANNING AND DEVELOPMENT COMMISSION MAY 7<sup>TH</sup> AGENDA FOR ADVOCATE CHRIST MEDICAL CENTER PHASE TWO PETITIONS:**

Village Manager Deetjen discussed that Trustee Duhig was concerned with the impact the proposed petitions will have on the community. Trustee Quinlan would like to see a 5 year plan. President Heilmann stated the hospital does have a plan through 2017 that was presented to the Board in 2008. Trustee Olejniczak stated they never did an impact study on the neighborhood. He is getting questions from residents on this. Trustee Trautsch stated this does have an impact on the whole Village. Trustee Duhig stated this is property tax and no revenue.

Village Manager Deetjen explained the two phases of the Advocate expansion and he felt the petitions were thoroughly prepared. Phase two will go before the Planning & Development Commission on May 7, 2012. For the bed tower in phase two, they are asking that it does not exceed 170 feet and this is 11 stories in height.

Trustee Duhig stated this expansion will impact our Village for the next 25 to 50 years and we really want to make sure we get it right. Trustee Duhig did an analysis on the petition proposals from Advocate regarding the project. Many things on the drawings are not real clear. Residents in the area have some concerns they would like addressed. There are areas where we should be able to get air rights revenue with an antenna at the hospital. He asked Advocate to look at building over the street and they stated they could not do that. He is looking for every way he can to bring some revenue into the Village. Advocate owns 50 pin numbers on properties right around the hospital.

Village Manager Deetjen stated that it is how we go about negotiating to get most of what the Village is asking for. Trustee Olejniczak asked Mr. Deetjen how the negotiating on a hospital fee is going. Mr. Deetjen discussed that we are in the \$200,000 dollar range right now and we are still far apart with the hospital on agreeing to a hospital fee number.

Village Engineer Jack Gallagher stated all of the petitions are variances to the zoning. These are basically asking for a favor from the community. Advocate is also using Village services.

Trustee Trautsch clarified that the hospital is asking for more height and we will be setting a precedent if we allow this.

Village Manager Deetjen stated the reason they are asking for more height in density is so they do not create more impervious surfaces, they will have more structured detention on site than ever before and more parking spaces. Going up in height is the proper thing to do as long as there are no shadows cast on residential property.

Trustee Duhig stated we were all concerned a few months ago with talk of a 9 story office building in District 3. This is not talk, but a 170 foot tall building

President Heilmann stated this is also connected to a level one trauma center. He encouraged the Village to set up a meeting with the hospital and discuss the issues that Trustee Duhig is concerned about.

Trustee Duhig stated we are here today because of nine petitions put before our Planning & Development Commission that left them really scratching their heads. Our staff does not necessarily have the capabilities of all of these areas that are affected here.

Village Engineer Jack Gallagher stated that the Village's engineering consultant reviews Advocate's plans. We could have a planning firm give us a plan review.

Trustee Trautsch does not understand how Advocate can say that they do not have money because of the type of clientele they have, but yet they want to do this expansion to increase this type of clientele.

President Heilmann does not think they are saying that they do not have money. He thought they might help to underwrite the other Advocate Hospitals, but does not know that for sure. There is a charitable amount that they have to write off every year.

Trustee Streit gave kudos to Trustee Duhig for the work he has taken on regarding the expansion and stated Trustee Duhig has raised some good points. Trustee Streit stated we could request that Advocate pay for a plan review, engineering costs and an impact study regarding the expansion.

Village Manager Deetjen discussed a dollar amount for the hospital impact fee.

Trustee Phelan stated that Advocate is not spending all of this money on Oak Lawn, but on Advocate. The hospital is saying that Park Ridge is so much better than us. Village Manager Deetjen stated Advocate President Ken Lukhard is getting pushback from corporate in Oak Brook. Village Manager Deetjen will go to Advocate's Pat Lyons tomorrow regarding the Village's concerns. Trustee Streit stated we would want to make sure all of the sewers and streets are as new as the buildings.

Trustee Duhig stated that traffic is horrific on the main artery streets going into Advocate.

Finance Director Hanigan discussed having another meeting in June to address the audit.

**VIII. ADJOURNMENT:**

Trustee Streit moved, seconded by Trustee Quinlan to adjourn at 8:33 p.m.

**VOICE VOTE. ALL VOTED AYE. MOTION PASSED UNANIMOUSLY.**