

**MINUTES**  
**Finance Committee**  
**October 23, 2018 – 6:30 p.m.**  
**Village Hall of Tinley Park – Council Chambers**  
**16250 S. Oak Park Avenue**  
**Tinley Park, IL 60477**

Members Present: J. Curran, Chairman  
M. Pannitto, Village Trustee  
C. Berg, Village Trustee

Members Absent: None

Other Board Members Present: None

Staff Present: D. Niemeyer, Village Manager  
B. Bettenhausen, Village Treasurer  
M. Zonsius, Assistant Village Treasurer  
M. Thomas, Information Technology Manager  
D. Framke, Marketing Director  
P. Connelly, Village Attorney  
L. Godette, Deputy Village Clerk  
L. Carollo, Commission/Committee Secretary

**Item #1** - The Finance Committee meeting was called to order at 6:45 p.m.

**Item #2 – CONSIDER APPROVAL OF THE MINUTES OF THE SPECIAL FINANCE COMMITTEE MEETING HELD ON APRIL 17, 2018** – Motion was made by Trustee Pannitto, seconded by Trustee Berg, to approve the minutes of the Special Finance Committee meeting held on April 17, 2018. Vote by voice call. Chairman Curran declared the motion carried.

**Item #3 – DISCUSS RESOLUTION TO INCLUDE CASH PAYMENTS RELATED TO HEALTH INSURANCE AS IMRF (ILLINOIS MUNICIPAL RETIREMENT FUND) EARNINGS** – The Village of Tinley Park has long provided a stipend of a maximum of \$684 annually to full-time employees who have elected not to participate under the Village’s available health insurance. The stipend has been included as taxable earnings to the employee, and has also been historically considered taxable earnings for IMRF (Illinois Municipal Retirement Fund).

In 2017, the IMRF Board conducted a periodic review of its definitions of reportable earnings. As part of this review, at the December 2017 IMRF Board meeting, a resolution was approved, defining that at the option of a participating unit of government, IMRF reportable earnings includes all cash payments made separately from salary and made in lieu of employer provided health insurance or cash payments made in association with or related to healthcare benefits. The IMRF Board’s action required that any participating unit of government must affirmatively allow IMRF reporting of such compensation by adoption of a resolution by its governing body.

IMRF previously considered these payments as a reportable bonus or award, but with their recent action they have created a specific definition for such payments in lieu of health benefits. In order to continue consistent reporting of this health insurance stipend as presently redefined by the IMRF, the Village Board must approve the draft resolution, which was available to the Finance Committee for review.

This resolution will maintain the status quo on this type of payment and is consistent with how these payments have been processed for at least 40 years.

Motion was made by Trustee Pannitto, seconded by Trustee Berg, to recommend Resolution to Include Cash Payments Related to Health Insurance as IMRF Earnings be brought to the Village Board for future consideration and approval. Vote by voice. Chairman Curran declared the motion carried.

**Item #4 – DISCUSS ACCEPTING THE ANNUAL REPORT FROM THE TINLEY PARK**

**POLICE PENSION FUND** - Village Treasurer, Brad Bettenhausen presented a summary of the required reporting to municipality by the Tinley Park Police Pension Board. Detailed items included total assets as of April 30, 2018, income expected for upcoming year, expenses, investments, participants, benefit disbursements and funding ratio as of May 1, 2018. Currently, there are 73 participants in the fund. Beneficiary payments for fiscal year ended April 30, 2018 totaled \$3,655,203. The actuarial asset rate of return is approximately 6.56% and the funding ratio is 75.9%. The summary also included the Levy request for 2018.

**Item #5 – DISCUSS 2018 TAX LEVY AND ABATEMENTS** – Below are the options for the 2018 Village levy request (taxes payable in 2019). All options presume that the Village Board's Tax Abatement policy will continue unaltered.

- Option 1 – Same as last year
- Option 2 – Prior extended levy
  - 2A - Reduced loss & Cost
  - 2B – Full Loss & Cost
- Option 3 – Village tax cap formula
  - 3A – Regular growth only
  - 3B – Growth including TIF

Under all options provided above, a Truth in Taxation Act Notice or hearing would not be required since the increase in the Village's overall levy request would fall below the 5% threshold and would not require the extra actions called for under the Act.

Under Illinois statutes, although Tinley Park Public Library has a governing Board, it is considered part of the Village for both budget and levy purposes.

Mr. Bettenhausen also provided the Finance Committee with a presentation on the 2018 Tax Levy Property Tax Trends.

Staff is suggesting a levy request of \$20,959,040, represented by option 3B above, for the Village as well as consider staffing and capital priorities that have been identified by the Village Board.

Motion was made by Trustee Berg, seconded by Chairman Curran to recommend approval of Option 3B – Growth including TIF for the 2018 Village levy request be brought to the Village Board for future consideration and approval. Vote by voice. Chairman Curran declared the motion carried.

Four ordinances to abate a portion or all of the levy requirements to provide for debt service on the Village's outstanding general obligation bonds in accordance with the Village Board's long established fiscal policies and past practice will be included on the November 6 Village Board meeting agenda and possibly December 4. These abatements provide instruction to the Cook and Will County Clerks to supersede the required levy information contained within the related bond ordinances and bond orders.

The proposed abatements represent 75.4% of the total debt service levy requirements for tax year 2018. The Village has been abating portions of its debt service levy requirements every year since 1982. Inclusive of the currently proposed abatements, Village property owners have saved nearly \$82.5 million in real estate taxes over the 37-year period.

**Item #6 – DISCUSS COOK COUNTY 2019 SCAVENGER SALE AND NO CASH BID**

**PROGRAM** – The Cook County Scavenger Sale occurs in odd numbered years and includes tax parcels where the property taxes are 3 or more years unpaid and delinquent. The next sale will occur in 2019.

In the Scavenger Sale process, the County will accept virtually any bid in settlement of the delinquent taxes. Bidding begins with a minimum bid of \$250 and progresses in \$50 increments. The buyer will receive a delinquent tax lien on the property, a statutory process follows and if the owner does not redeem the property the buyer can request a tax deed through the Circuit Court of Cook County and become the property owner. The primary objective of the Scavenger Sale is to get the delinquent properties “sold” and returned to the active tax rolls; however, this goal is not achievable for some properties as they have no intrinsic value.

The Village can acquire parcels scheduled for the Scavenger Sale under a “No Cash Bid” program. This program does not require any outlay of cash to acquire the properties. The objectives of the program are to transfer properties to a local government that can utilize the property for its exempt purposes or to assemble properties to encourage economic development to return the properties to the active and productive tax rolls.

The Finance Committee was given a copy of a list of all identified parcels for Tinley Park expected to be on the Scavenger Sale and identification of parcels recommended for acquisition under the No Cash Bid program.

Motion was made by Chairman Curran, seconded by Trustee Berg, to recommend Cook County 2019 Scavenger Sale and No Cash Bid program be brought to the Village Board for future consideration and approval. Vote by voice. Chairman Curran declared the motion carried.

**Item #7 – DISCUSS ORDINANCE TO CONFIRM TERMINATION OF THE OAK PARK**

**AVENUE TIF (TAX INCREMENT FINANCING) DISTRICT** - P. Connelly, Village Attorney discussed with the Finance Committee the Oak Park Avenue TIF will expire this year. Mr. Connelly explained to the Committee the process in closing out the TIF and an ordinance to confirm termination of the Oak Park Avenue TIF District will be required.

Motion was made by Trustee Pannitto, seconded by Trustee Berg, to recommend Ordinance to Confirm Termination of the Oak Park Avenue TIF District be brought to the Village Board for future consideration and approval. Vote by voice. Chairman Curran declared the motion carried.

**Item #8 – RECEIVE COMMENTS FROM THE PUBLIC** – Chris Swik asked several questions regarding the Oak Park Avenue TIF and IMRF, which were answered to his satisfaction.

**ADJOURNMENT**

Motion was made by Trustee Pannitto, seconded by Trustee Berg, to adjourn this meeting of the Finance Committee. Vote by voice call. Chairman Curran declared the motion carried and adjourned the meeting at 7:29 p.m.

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