



2010 BUDGET WORKSHOP

Office of the Village Manager and Finance
Department

Report to the Board of Trustees
November 26, 2009

Budget Summary



- Proposed budget has a deficit of approximately \$1.4 million
- We will be expanding “Senior Center” bus services from 3 days to 5 days. This is important because buses are used to transport seniors to a “hot lunch” that is served 5 times a week.
- Economic development “fund” started although at lower level than desired
- Police services level maintained with all 5 vacancies unfilled
- Both gang and tactical units continued
- We now operate two motorman units with 3 trained motorcycle officers
- Bicycle patrol is continued
- Senior citizens police officer liaison continued
- Wage freeze in place for all employees, except police and emergency telecommunicators
- First time in 15 years that we only have 1 vacancy in emergency dispatch which will help with overtime
- Continued aggressive local street repaving program for budget year following 2 successful and consecutive years of “ramping” street miles paved to a higher level

- 103rd Street from Pulaski Road to Cicero Avenue 2004 budget deficit loan from the MFT fund will be fully paid
- Sewer master plan implemented following the success of the water master plan
- Fire surplus equipment will be sold and traded in to field a more versatile fire-rescue unit
- Continuous improvement in technology – GIS mapping; emergency dispatching; and financial reporting
- Completion of “redundant” emergency dispatching center at EOC, fire station #2

The Not So Good News!



- State legislators actions followed by state labor board and arbitrator decisions have confirmed to favor labor and impose “unfounded” mandates upon the Village
- Some local labor unions have reinstated wage freezes all labor has refused to modify retiree health care benefits to more fairly reflect the marketplace and the economic downturn
- Local sales tax revenue and state shared income tax continues to dramatically fall off to levels equivalent to several prior fiscal years. In other words, these two critical local revenue sources are not merely leveling off, they are falling.
- Our business is about people and therefore it is labor intensive. Further cuts require layoffs and/or further wage/benefit concessions

- Our benchmarking of other communities indicates we still have areas of budget cuts that can be made while sustaining a high level of service
- Auto industry and permits for both new commercial and residential construction

Village of Oak Lawn proposed 2010 Budget



LOCAL FUNCTION

FY 2010 vs. FY 2008

Executive Administration	Down
Legal Services	Down
Community Services	Down
Finance – Administration	Down
Community Dev. & Growth Management	Down
Streets	Down
Buildings & Grounds	Down
Police	Up
Fire	Up

Overtime *



	<u>FY 2008 Actual</u>	<u>FY 2010 Proposed</u>
Police	\$403,103	\$334,000
Fire	\$300,681	\$250,000
DPW-Streets	\$209,684	\$140,000
DPW-Water	\$152,568	\$152,000
DPW-Equip. Maint.	\$18,709	\$25,000
Building & Grounds	\$12,098	\$5,000
Finance & Admin.	\$6,741	\$3,000
IT	<u>\$2,423</u>	<u>\$1,000</u>
	\$1,106,007	\$910,000

* Does not include emergency communications overtime

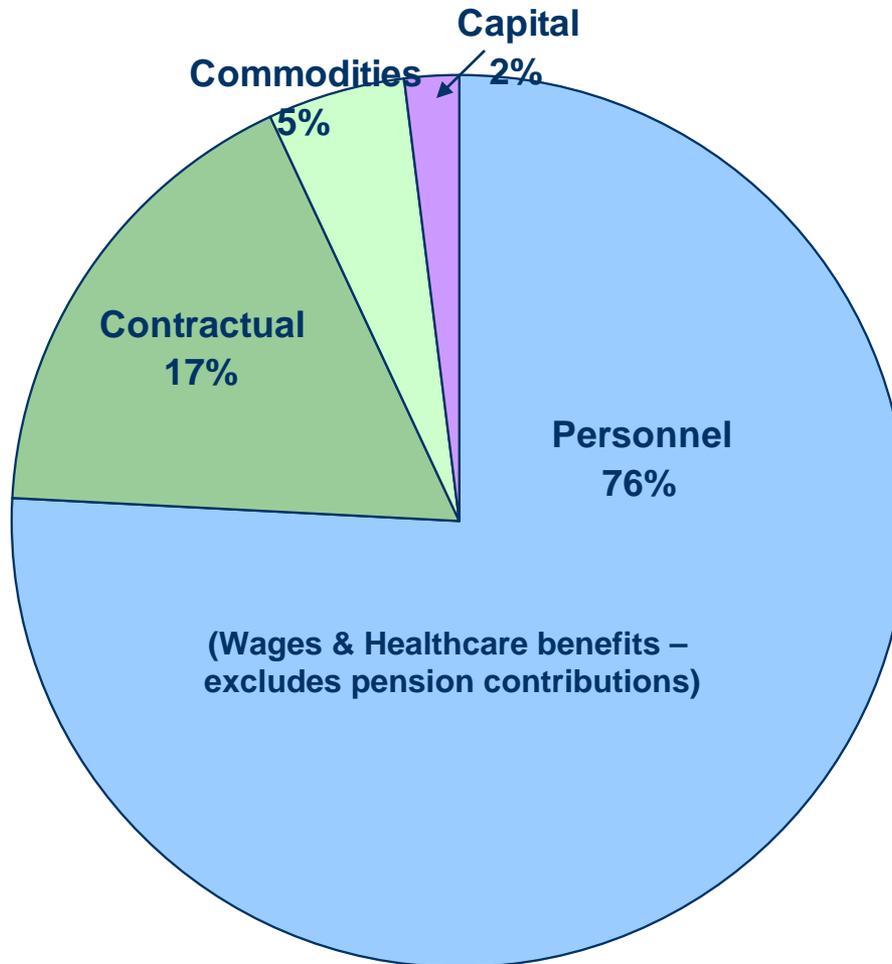
Summer Help



FY 2009
\$174,000

FY 2010 Proposed
\$125,000

Where Does Your 2010 General Fund Tax Dollar Go to?



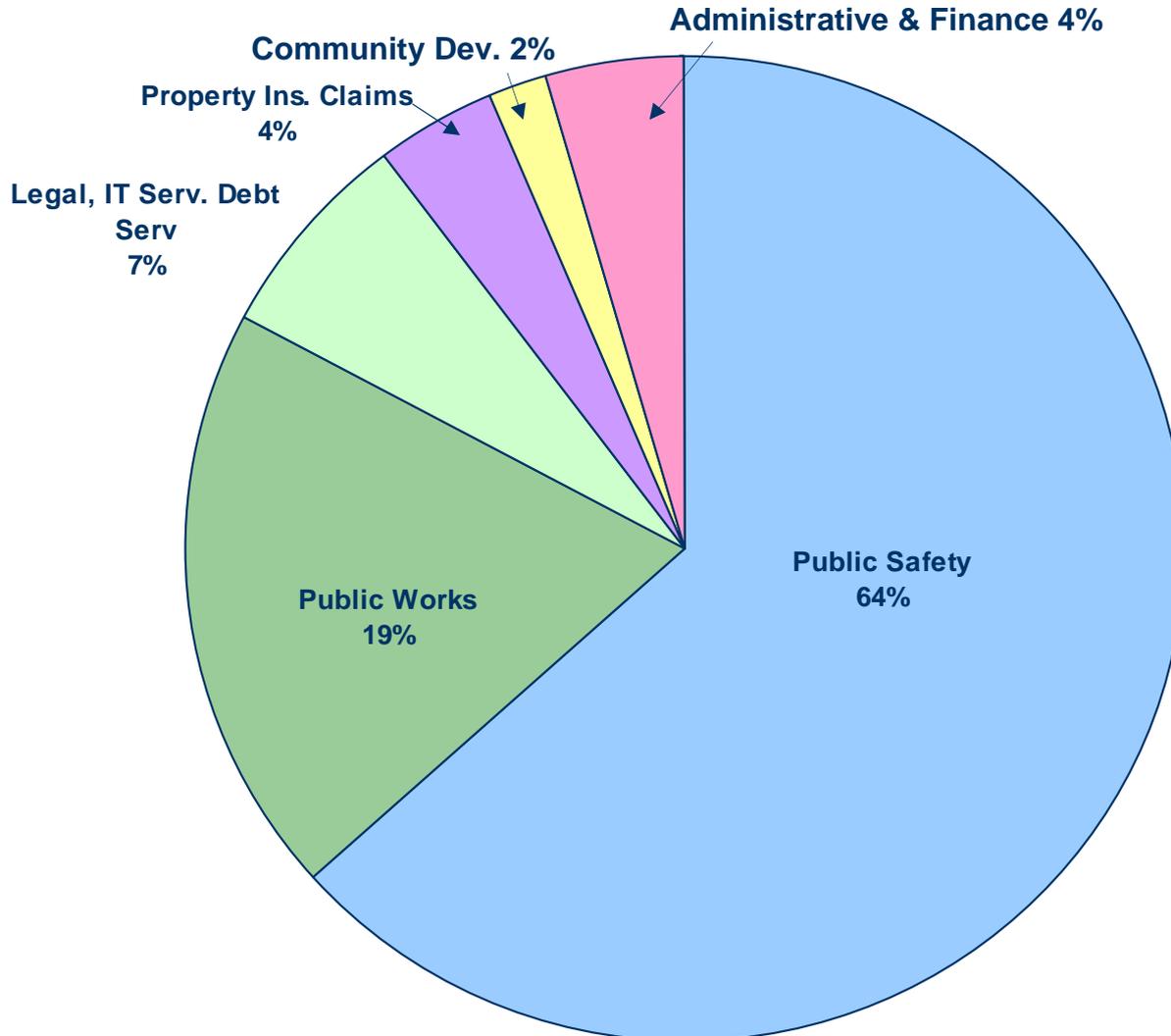
Personnel
352 full –time workers,
78 part-time

Contractual Services
Legal , Electric,
Paving Services,
Tax Rebates

Commodities
Fuel, Salt, & Asphalt

Capital
Trucks, Cars, Economic
Development
(Land, Buildings)

What Does Your FY 2010 Tax Dollar Go For?



Village of Oak Lawn

Change in Fund Balance (in millions)



	2007	2008	2009
Revenues	\$43.2	\$40.9	\$37.5
Expenses	<u>42.1</u>	<u>42.5</u>	<u>40.3</u>
Change in Fund Balance	1.1	(1.6)	(2.8)
Fund Balance @ Beg. Of Yr	<u>4.4</u>	<u>5.5</u>	<u>3.9</u>
Fund Balance @ End of Yr	\$ <u>5.5</u>	\$ <u>3.9</u>	\$ <u>1.1</u>

Note: Village Departmental expenses were budgeted at \$40,316 for 2009 and are forecasted to be \$40,323 based on October's actual operating results and our estimates for the remaining two months of the year.

Village of Oak Lawn 2009 Change in Fund Balance Summary (in 000's)



	Revenue Shortfall	2009 Budget	2009 Actual
Sales and Use Tax	\$ (1,300)	\$ 12,600	\$ 11,300
Income Tax	(1,000)	5,400	4,400
Real Estate Transfer Tax	(300)	700	400
Interest Income	(90)	100	10
Building & Alarm Permits	<u>(100)</u>	<u>300</u>	<u>200</u>
2009 Decrease in Fund Balance	\$ <u><u>(2,790)</u></u>	\$ <u><u>19,100</u></u>	\$ <u><u>16,310</u></u>

Revenue Alternatives (continued)

Options	Yearly Revenue Raised	Cost per Year	Who pays
1% Increased Liquor Tax (based on Drinking & Eating Places & Packaged Liquor)	\$150,000 + 334,475 For a total of \$484,475	\$11.90	40% Residents and 60% Non-Residents
Food Tax	\$1,386,300	\$42.56	50% Residents and 50% Non-Residents
Home Rule Sales Tax on General Merchandise (.5% to 1%)	\$773,100	\$23.74	50% Residents and 50% Non-Residents

Revenue Alternatives

Options	Yearly Revenue Raised	Cost per Year	Who pays
PROPERTY TAX – max 5% 16,285 Property Owners	\$639,864	\$39.29	90% Residents & 10% Business Owners
*Utility Tax (A) – Electric (based on 1300 Kilowatts monthly)	\$454,000	\$21.93	90% Residents & 10% Business Owners
Utility Tax (B) – Electric (based on 1300 Kilowatts monthly)	\$821,000	\$39.03	90% Residents & 10% Business Owners
Vehicle Fuel Tax (A) (3 cents)	\$712,500	\$0 to \$30 per vehicle	45% Residents and 55% Non-residents
*Vehicle Fuel Tax (B) (5 cents)	\$1,031,250	\$0 to \$40 per vehicle	45% Residents and 55% Non-residents

* Staff Recommendations