THE VILLAGE OF
OAK LAWN

First 2014 Budget Meeting
October 16, 2013

Upcoming Meetings:

Second - November 6, 2013
Third - November 20, 2013

Past Treasurer's Presentations:

August 13, 2013
September 24, 2013

Overview of Presentation

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2013 SAVINGS FOR RESIDENTS

CURRENT CONDITIONS

INCREASING REVENUE

ELIMINATING THE STRUCTURAL DEFICIT

MEASURES TO ADDRESS PENSION UNDERFUNDING

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SAVINGS FOR RESIDENTS

Electrical Aggregation

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February 2013

- Verde Price: 5.1 cents
- ComEd Price: 8.3 cents
- Annual savings projected:
  - $6.2 Million total
  - $146/household

June 2013

- Verde Price: 5.1 cents
- ComEd Price: 5.9 cents
- Annual savings projected:
  - $1.5 Million total
  - $79/household

Refuse Collection Annually

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Total Savings:

- Saved with Republic
  - Non Seniors $523,610
  - Seniors $162,086

Savings per Household:

- Saved with Republic
  - Non Seniors $46.68
  - Seniors $40.20

Historic Quarterly Rates

	2014	2013	2012
Non Seniors	$53.82	$53.43	$65.10
Seniors	$50.73	$49.50	$59.55

Recycling Collection Annually

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- Gained through Recycling
  - 2006 $146,909 (includes 60,137 from Audit Resolution)
  - 2007 $ 33,936 (Waste Mgt)
  - 2008 $190,585 (Veolia)
  - 2009 $ 22,299 (Veolia)
  - 2010 $103,964 (Veolia)
  - 2011 $191,651 (Veolia)
  - 2012 $107,566 (Veolia)
  - 2013 $ 66,910 YTD (Republic) Electronic $5,196 YTD

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CURRENT CONDITIONS

Approaches (Breakout to Follow)

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Revenue Increases	Revenue Increases + Cut to Departments	Revenue Increases + Cut to Departments	Cuts to Departments & Services
Budget Gap closed by significant revenue increases.	Budget Gap resolved by revenue increases with some cuts to department and significant revenue increases	Budget Gap resolved with more cuts to Village departments and services but some revenue increases.	Budget Gap fully resolved through cuts to Village services and department cuts.

Where to Cut?

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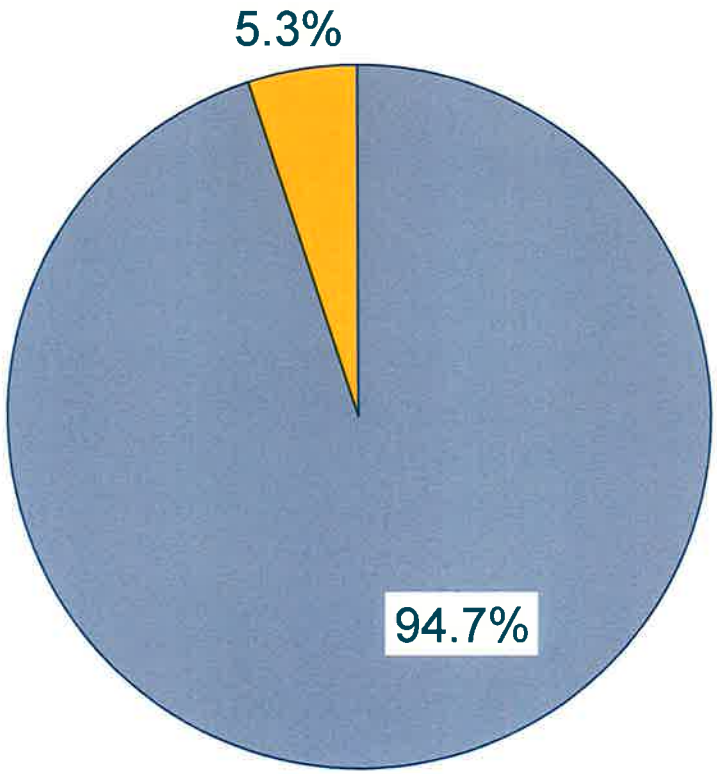
Total Budget



- Personnel, Commodities, & Contractual Obligations
- Discretionary Spending

2013 BUDGET (Discretionary)

(In thousands)

2013 General Fund Budget	$ 50,744	
Salaries	(25,741)	Included OVT $1,325
Benefits	(10,224)	
Refuse	(3,187)	
Debt & Capital Equipment Notes	(2,100)	
Gasoline, Salt & Electricity	(785)	
Lobbyist	(66)	
Legal	(876)	
ETSB & Transfers	(780)	
Tax Rebates	(1,039)	
Insurance W/C & General Liability	(900)	
Insurance Premiums	(150)	$465,000 total premium
Emerald Ash Borer	(340)	
Fire Pension	(1,200)	
Police Pension	(1,200)	5.35%
Total Discretionary	$ 2,156	

2014 BUDGET PROJECTION UPDATE
(*Includes Levy for Corporate Bond & Interest)

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	Approved 2013	Projected 2014 24-Sep-13	Projected 2014 16-Oct-13	Changes
Revenue				
Sales Tax	$ 13,440,885	$ 13,709,672	$ 14,294,628	584,956
Income Tax	5,033,370	5,217,088	5,986,207	769,119
Property Tax *	14,718,995	14,718,995	14,718,995	-
Other Taxes	4,317,971	4,541,380	4,541,380	-
Service Charges and Fines	12,452,761	11,152,791	11,507,404	354,613
Transfers	780,000	780,000	780,000	-
MFT	-	600,000	600,000	-
Total Revenue	50,743,982	50,719,927	52,428,614	1,708,688
Expenditures				
Personnel	25,740,621	25,523,207	25,865,692	342,485
Benefits	10,224,367	10,780,262	9,387,366	(1,392,896)
Commodities	1,979,723	2,096,803	1,915,049	(181,754)
Contractual	9,043,311	8,933,502	8,724,496	(209,006)
Legal	875,500	650,000	850,000	200,000
Debt & Capital *	2,100,460	2,637,020	1,932,978	(704,042)
Transfers to Fund TIF Debt	-	400,000	400,000	-
Streets & Alleys	-	2,000,000	3,490,000	1,490,000
Transfers	780,000	780,000	747,000	(33,000)
Additional ETSB Subsidy	-	-	438,783	438,783
Property Tax Rebate	-	-	1,000,000	1,000,000
Total Expenditures	50,743,982	53,800,794	54,751,364	950,570
Net Rev over Exp	-	**(3,080,867)**	**(2,322,750)**	**758,117**
Pension Underfunding	4,398,855	5,034,000	5,034,000	-
Retiree Medical Underfunding	675,109	615,050	615,050	-
Real Total Expenditures	**55,817,946**	**59,449,843**	**60,400,414**	**950,570**
Real Net Rev over Exp	(5,073,964)	(8,729,917)	(7,971,799)	758,117

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INCREASING REVENUE

Three New Measures

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- Expanded red light camera system expected to generate $200,000 in additional revenue.

- Video gaming licensing expected to generate $70,000 in additional revenue.
  - Amusement operator license: $1,025 (20 operators)
  - Machine fee: $215 (93 machines)
  - Video gaming license: $1,000 (30 establishments)

- Fire-Rescue ambulance fee increase and other fees.

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ELIMINATING THE STRUCTURAL DEFICIT

Measures Taken

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- Board decision August 13, 2013 to not fill 12 vacant positions (8 are funded by general fund).
- Round One of expense cutting saved $500,000.
- Round Two of expense cutting has resulted in a savings of another $1,000,000.
  - Reflects United Healthcare benefits savings
  - Selected expenses reduced
  - Realignment of ongoing capital equipment replacement schedule
  - Elimination of summer help program

Measures to be Taken

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- Attrition of Positions
- Outsourcing
- Layoffs

Projected Personnel Levels

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	Dec 2000	Sept 2007	Oct 2009	April 2010	Jan 2011	Dec 2012	Mar 2013	Sept 2013	Est. 2014
Police Sworn	103	103	102	99	104	108	107	109	107
Fire Sworn	100	89	84	85	80	80	77	75	72
Non-Sworn	199	170	166	164	159	160	160	153	146
Part Time	81	83	78	76	78	99	82	84	32

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MEASURES TO ADDRESS PENSION UNDERFUNDING*

*Decision to increase funding levels may vary by pension fund based on Board of Trustees policy discussion and direction

DEBT LIMIT & PENSION BOND AS AN ALTERNATIVE (in thousands)

THE VILLAGE OF OAK LAWN

Year	Statutory Debt Limit *	General Obligation Debt	Non Home Rule Debt Capacity
2003	$ 87,508	$ 28,930	$ 58,578
2004	86,828	35,455	51,373
2005	89,647	42,810	46,837
2006	101,991	40,970	61,021
2007	103,320	38,229	65,092
2008	110,376	35,841	74,535
2009	123,720	47,095	76,625
2010	128,563	73,044	55,519
2011	129,785	75,869	53,916
2012	109,493	89,326	19,558
2013	99,609	90,092	9,517

* 8.625% of EAV

Municipal Utility Tax

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Electricity

- Projected New Revenue:
  - $1,335,131
- Impact per Household:
  - $2.41 monthly
  - $28.93 annually

Natural Gas

- Projected New Revenue:
  - $1,329,163
- Impact per Household:
  - $2.55 monthly
  - $30.98 annually