Fourth 2020 Budget Workshop

November 19, 2019
6:30PM

Village of Oak Lawn Management Team

Agenda – November 19, 2019

THE VILLAGE OF
OAK LAWN

6:30 Introduction

6:35 Changes in General Fund Budget

6:45 Revenue Discussion - Property Taxes {Option #1}
and Real Estate Transfer Tax {Option #2}

7:15 Public Works Update

Changes in 2020 General Fund Budget as presented in 1st Budget Workshop

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Dept	Acct/Description	$ Change	Reason
	Net (Loss) as presented in 1st Budget Workshop	**$(854,118)**	
1999	38136 – Water & Sewer Fund Transfer	$ 200,000	Allocation of General Overhead costs in relation to the water meter project
1000	40010 – Liquor Commissioner	$(1,960)	Updated per discussion at 1st workshop and finalized per ordinance amount.
1300	48925 – Extra Help 50565 – FICA 50570 – IMRF	$11,075	Updated to reflect actual personal per discussion with Finance Director
1900	51400 – Relocation Costs	$6,500	Updated per discussion at 1st workshop.
2500	51615 – Generator Maint/Repair	$ (10,000) $ 4,000 $ 5,000	Finalized with Department Head in preparation of the 2nd Budget Workshop
	Revised Net (Loss) as presented in 2nd Budget Workshop	**$(639,503)**	

Changes in 2020 General Fund Budget as presented in 2nd Budget Workshop

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Dept	Acct/Description	Amount	Reason
	Net (Loss) as presented in 2nd Budget Workshop	**$ (639,503)**	
1999	30315 – Amusement Tax / Push Tax	$ 896,000	New proposed tax
1700	50470 – Self-Insured medical Stop Loss Excess	$ 184,000	2019 Year-end results are projecting more favorable results than PY
1700	50550 – Insurance Claims	$ (100,000)	Met with Third Party Administrator (TPA) and claims on the horizon are higher than projected due to installment payments coming due
1900	49521 – Overtime	$ (186,862)	Increased Fire Department overtime
2300	64200 – Salt	$ (36,864)	Adjusted based on final negotiated price for salt
2400	66500 – Gas/Diesel Fuel	$ (114,640)	Accounted for increased State of Illinois gasoline tax ($.43 on Regular and $.57 on Diesal)
	Revised Net Income as presented in 3rd Budget Workshop	**$ 2,131**	FY20 Surplus

Changes in 2020 General Fund Budget as presented in 3rd Budget Workshop

Dept	Acct/Description	Amount	Reason
	Net (Loss) as presented in 2nd Budget Workshop	**$ 2,131**	
1999	30210 – Current Levy – VOL	4,800	To match the proposed Tax Levy increase $ for $ with the pension increase
1999	30816 – Traffic Fines – Camera Program (SafeSpeed)	(361,700)	Cancellation of Contract
1999	38197 – Loan Proceeds	361,700	Impact of cancellation of SafeSpeed contract will be funded through additional sales taxes or an increase in the Village's revolving line of credit.
1000	40040 – Commissioners/Bd Members	2,100	Commissioner Restructure – New Commission for Liquor Advisory Board
	Revised Net Income as presented in 3rd Budget Workshop	**$ 4,831**	FY20 Surplus

Revenue Discussion

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- **Revenues**
  - Property Taxes
    - 1st Levy increase since Tax Levy 2012
    - 2012 Tax Levy Year Amount = $15,183,855
    - 2018 Tax Levy Year Amount = $14,238,535
    - Proposed 2019 Tax Levy Year Amount = $14,816,741
      - After the Loss % applied by Cook County the amount levied will be $15,273,215 (an increase of $1,034,680)
      - Increase in 2019 Tax Levy is the directly correlated to the Increase in the Police and Fire Pension Funding plans
        FY19 Funding (Police $4,350,589, Fire $4,299,731 = $8,650,320)
        FY20 Funding (Police $4,920,000, Fire $4,765,000 = $9,685,000)

Property Tax Levy

THE VILLAGE OF
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METHOD OF PROJECTION:	2019 Levy	Loss	Total Levy	Estimated Collection *
Coporate	9,838,147	295,144	10,133,291	9,842,500
Police Pension	2,190,000	65,700	2,255,700	2,191,000
Fire Pension	2,190,000	65,700	2,255,700	2,191,000
IMRF	-	-	-	-
Total Corporate Levy	14,218,147	426,544	14,644,691	14,224,500
2009A GO Bonds	428,644	21,432	450,076	437,200
2015 GO Bonds	169,950	8,498	178,448	173,300
Total Bond & Interest Levy	598,594	29,930	628,524	610,500
Total 2019 Levy	14,816,741	456,474	15,273,215	14,835,000

* Estimated collection is based at 97.13% based on historical loss of 2.87% per audited financial statements.

	2018 Levy	Loss	Total Levy	Estimated Collection *
Coporate	9,225,989	276,780	9,502,769	9,244,300
Police Pension	1,885,000	56,550	1,941,550	1,888,700
Fire Pension	1,885,000	56,550	1,941,550	1,888,700
IMRF	-	-	-	-
Total Corporate Levy	12,995,989	389,880	13,385,869	13,021,700
2009A GO Bonds	426,463	21,323	447,786	435,600
2015 GO Bonds	385,600	19,280	404,880	393,900
Total Bond & Interest Levy	812,063	40,603	852,666	829,500
Total 2018 Levy	13,808,052	430,483	14,238,535	13,851,200

* Estimated collection is based at 97.28% based on historical loss of 2.72% per audited financial statements.

Property Tax Levy and Collections

Village of Oak Lawn, Illinois

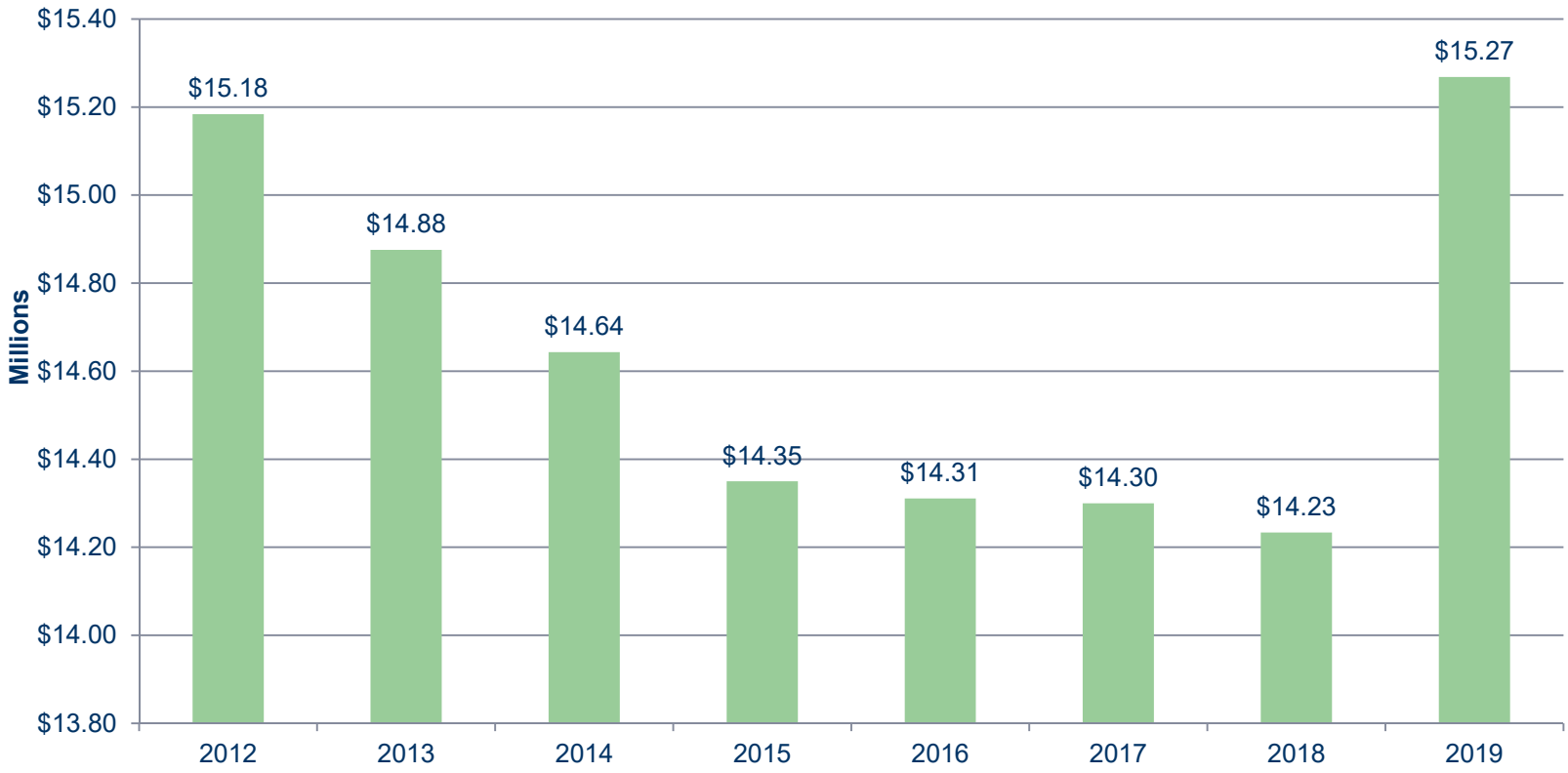
Property Tax Levies and Collections

Last Ten Fiscal Years

Levy Year	Tax Levied	Collected within the Fiscal Year of Levy		Collections In Subsequent Years*	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2018	$ 14,233,600 Note	N/A	N/A	N/A	N/A	N/A
2017	14,300,002	$ 13,946,982	97.53%	$ -	$ 13,946,982	97.53%
2016	14,310,902	14,023,824	97.99%	60,119	14,083,943	98.41%
2015	14,349,837	14,020,707	97.71%	34,275	14,054,982	97.95%
2014	14,643,279	14,186,137	96.88%	70,322	14,256,459	97.36%
2013	14,875,735	14,408,177	96.86%	40,823	14,449,000	97.13%
2012	15,183,855	14,729,427	97.01%	37,430	14,766,857	97.25%
2011	15,073,329	14,625,230	97.03%	(1,301)	14,623,929	97.02%
2010	15,031,395	14,401,724	95.81%	80,766	14,482,490	96.35%
2009	15,008,519	13,185,681	87.85%	1,201,912	14,387,593	95.86%

Note: Cook County removed a portion of the abatement on the Series 2015 GO Bonds for $4,700 plus 5% loss percentage of $235 for a total of $4,935. This is a difference between the Final Property Tax Levy and what was presented in the Village annual CAFR on page 180.

TAX LEVY PER YEAR



Note: FY20 Property Tax Increase entirely due to the additional pension contributions towards the Police and Fire underfunded liability.

Revised Pension Funding Plan

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Revised Funding Plan

	Police			Fire			
	Annual Funding Allocated from the Tax Levy	Additional Annual Funding Required from the General Fund	Total Annual Police Funding Recommended	Annual Funding Allocated from the Tax Levy	Additional Annual Funding Required from the General Fund	Total Annual Police Funding Recommended	Total Contributions
12/31/2019	1,885,000	2,465,589	4,350,589	1,885,000	2,414,731	4,299,731	8,650,320
12/31/2020	2,190,000	2,730,000	4,920,000	2,190,000	2,575,000	4,765,000	9,685,000
12/31/2021	2,360,000	2,980,000	5,340,000	2,360,000	2,670,000	5,030,000	10,370,000
12/31/2022	2,600,000	3,160,000	5,760,000	2,600,000	2,695,000	5,295,000	11,055,000
12/31/2023	2,600,000	3,580,000	6,180,000	2,600,000	2,960,000	5,560,000	11,740,000
12/31/2024	3,010,000	3,590,000	6,600,000	3,010,000	2,815,000	5,825,000	12,425,000
12/31/2025	3,115,000	3,905,000	7,020,000	3,115,000	2,975,000	6,090,000	13,110,000
12/31/2026	3,115,000	4,325,000	7,440,000	3,115,000	3,240,000	6,355,000	13,795,000
12/31/2027	3,115,000	4,745,000	7,860,000	3,115,000	3,505,000	6,620,000	14,480,000
12/31/2028	3,115,000	5,165,000	8,280,000	3,115,000	3,770,000	6,885,000	15,165,000
12/31/2029	3,115,000	5,585,000	8,700,000	3,115,000	4,035,000	7,150,000	15,850,000
12/31/2030	3,115,000	6,005,000	9,120,000	3,115,000	4,300,000	7,415,000	16,535,000
12/31/2031	3,115,000	6,425,000	9,540,000	3,115,000	4,565,000	7,680,000	17,220,000
12/31/2032	3,115,000	6,845,000	9,960,000	3,115,000	4,830,000	7,945,000	17,905,000
12/31/2033	3,115,000	6,885,000	10,000,000	3,115,000	5,095,000	8,210,000	18,210,000
12/31/2034	3,115,000	6,885,000	10,000,000	3,115,000	5,360,000	8,475,000	18,475,000
12/31/2035	3,115,000	6,885,000	10,000,000	3,115,000	5,625,000	8,740,000	18,740,000
12/31/2036	3,115,000	6,885,000	10,000,000	3,115,000	5,890,000	9,005,000	19,005,000
12/31/2037	3,115,000	6,885,000	10,000,000	3,115,000	6,155,000	9,270,000	19,270,000
12/31/2038	3,115,000	6,885,000	10,000,000	3,115,000	6,420,000	9,535,000	19,535,000
12/31/2039	3,115,000	6,885,000	10,000,000	3,115,000	6,685,000	9,800,000	19,800,000
12/31/2040	3,115,000	6,885,000	10,000,000	3,115,000	6,885,000	10,000,000	20,000,000
12/31/2041	3,115,000	6,885,000	10,000,000	3,115,000	6,885,000	10,000,000	20,000,000
12/31/2042	3,115,000	6,885,000	10,000,000	3,115,000	6,885,000	10,000,000	20,000,000
12/31/2043	3,115,000	6,885,000	10,000,000	3,115,000	6,885,000	10,000,000	20,000,000

Revenue Discussion

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Revenues con't

- Amusement Tax / Push Tax
  - 2020 budget for $896,000
  - Implementation date unknown
  - Projected revenues were estimated based on net wagering activity within the Village and assumed a $2 max bet

- Home-Rule Sales Tax
  - 2020 budget is $4,271,600
  - Tax Rate at 0.75% (Total Sales Tax in Village is 9.75%)
  - The board could increase the tax rate to 1.00% (Total Sales Tax in the Village would be 10.00%. Last increase effective 7/1/12
  - A full year increase will be approximately $1.4m – However, the State will not pass the increase until their new fiscal year on July 1st (potential revenue in the FY2020 budget could be $700,000)

Revenue Discussion

THE VILLAGE OF OAK LAWN

- **Revenues con't**
  - Real Estate Transfer Tax
    - 2020 budget for $1,043,000
    - Tax Rate is $5 per $1,000
    - The board could increase the tax rate to either double ($10) or triple ($15) the rate per $1,000. For each increase, the resulting additional transfer tax revenue would be an approximate $1m for each $5 increase

Tax Rate Comparison

	Chicago	Orland Park	Tinley Park	Oak Lawn	Evergreen Park	Chicago Ridge	Palos Heights
Population	2,716,000	58,765	56,668	56,087	19,542	14,186	12,403
Taxes							
Property Tax Levy *	$1,446,323,547	$50,946,246	$27,079,128	$14,238,535	$9,016,407	$7,241,783	$8,222,156
Home Rule Sales Tax	1.25%	0.75%	0.75%	0.75%	0.75%	N/A	N/A
MUT - Natural Gas	8.24%	N/A	N/A	5.15%	N/A	N/A	5.15%
GUT - Natural Gas (Per Therm)	$0.063	N/A	N/A	$0.050	N/A	N/A	N/A
MUT - Electricity:							
First 2,000 kilowatt hours	$0.628	N/A	N/A	$0.553	N/A	N/A	$0.575
Next 48,000 kilowatt hours	$0.412	N/A	N/A	$0.363	N/A	N/A	$0.394
Next 50,000 kilowatt hours	$0.371	N/A	N/A	$0.328	N/A	N/A	$0.308
Next 400,000 kilowatt hours	$0.361	N/A	N/A	$0.318	N/A	N/A	$0.307
Next 500,000 kilowatt hours	$0.350	N/A	N/A	$0.308	N/A	N/A	$0.306
Next 2,000,000 kilowatt hours	$0.330	N/A	N/A	$0.294	N/A	N/A	$0.305
Next 2,000,000 kilowatt hours	$0.324	N/A	N/A	$0.288	N/A	N/A	$0.278
Next 5,000,000 kilowatt hours	$0.319	N/A	N/A	$0.284	N/A	N/A	$0.258
Next 10,000,000 kilowatt hours	$0.314	N/A	N/A	$0.279	N/A	N/A	$0.237
Next 20,000,000 kilowatt hours	$0.309	N/A	N/A	$0.274	N/A	N/A	$0.216
Real Estate Transfer Tax	$5.25 per $500	N/A	N/A	$5.00 per $1,000	$5.00 per $1,000	N/A	N/A
Hotel / Motel Tax	4.50%	5.00%	6.00%	8.00%	N/A	7.00%	N/A

Public Works Update

2020 Streets Resurfacing List (Draft)

THE VILLAGE OF OAK LAWN

Village of Oak Lawn
Department of Public Works
2020 Street Resurfacing List

DRAFT

		Street		Length	Width	Square Yards	Cost/Sq. Yd. Cost	PCI	Notes
1		Kenton Avenue	107th Street - 111th Street	2,680	30	8,933			School
2		Kilbourn Avnue	103rd Street - 104th Street	570	29	1,837			School/CDBG
3		104th Street	Kilbourn Av - Kenneth Av	325	27	975			School/CDBG
4		Kenneth Avenue	104rd Street to 104th Street	580	27	1,740			School/CDBG
5		Kilpatrick Avenue	110th Street ot 111th Street	625	29	2,014			
6		109th Street	Central Avenue to East Dead End	625	31	2,153			
7		Wick Drive	103rd Street to Harnew Road South	625	25	1,736			
8		Harnew Road South	Wick Drive to 5009 Harnew Road South	785	25	2,181			
9		Lavergne Avenue	107th Street to 109th Street	1,300	27	3,900			
10		101st Place	Kenton Av - Kilbourn Av	600	28	1,867			
11		Kilpatrick Avenue	99th Street to 99th Place	380	25	1,056			
12		Keeler Avenue	95th Street to 662' North	662	38	2,795			
13		Komensky Avenue	93rd Street to 93rd Place	250	32	889			
14		101st Place	Menard East to Dead End	465	28	1,447			CDBG
15		Massasoit Avenue	100th Street North to Dead End	920	29	2,964			
16		51st Avenue	96th Street North to Dead End	410	26	1,184			CDBG
17		Spring Road	Oak Center Drive to Harnew Road East	980	28	3,049			
18		90th Street	5373 90th Street to Central Av	1,240	29	3,996			
19		90th Street	48th Court to 49th Av	300	26	867			
20		48th Court	8936 to 9020	650	26	1,878			
21		Alexander Place	55th Av to 55th Court	360	28	1,120			
22		55th Avenue	SW Hwy to 9319 55th Av	250	29	806			School/Carnival
23		Oak Park Avenue	98th Street to 99th Street			1,583			Split with Chicago Ridge
24		96th Place	New England Av to Avon Av	1,160	28	3,609			
25		89th Street	Menard Av to Major Av	635	32	2,258			
				17,377					
						3.29	Miles		
						17,377	Linear Ft.		
		Alley							
26		97th Street-98th Street	Brandt Av to 49th Av				$222,840		

2020 Cost Esimate
$3,353,206 Streets
222,840 Alley
223,954 Engineers
$3,800,000