



Village of Oak Park

Review of Long-range Financial Planning Model

May 21, 2026

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The background is a solid teal color with several overlapping, semi-transparent circles of varying shades of teal, creating a layered, abstract effect. The circles are positioned on the right side of the frame, with some overlapping each other and the teal background.

Background

Information Used

- Actual revenues and expenditures from FY2020 through FY2024
- Estimated year-end revenues and expenditures for FY2025
- Approved budget for FY2026
- Capital projects list for FY2026 through FY2030

Funds Reviewed

- General Fund
- Police and Fire Pension Funds
- Debt Service Fund
- Combined Capital Funds
 - Includes Buildings, Equipment, Fleet and Capital Improvement Fund
- Water/Sewer Fund
- Parking Fund

Assumptions

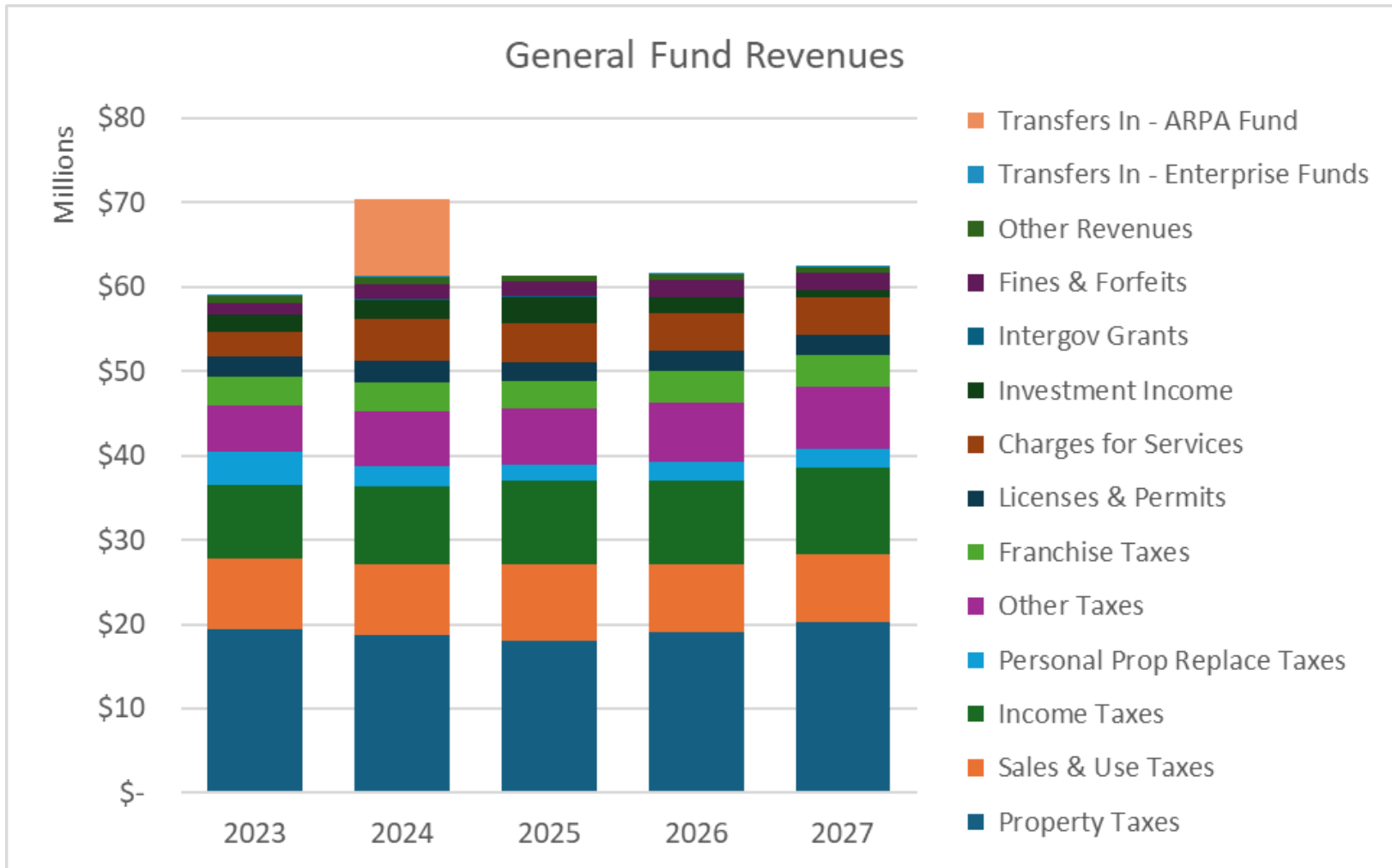
Operating Assumptions

- Property taxes rise 3.0% annually
 - Other revenues grow at 2.5%
- Property values appreciate at 2.5% annually
 - Adjusted with \$100 million in development projects in 2025-2026
- Personnel costs grow 3.0% annually
 - Health insurance grows at 4.0%
- Supplies, services, utilities, other operating costs rise 3.0% annually
- Pension contributions updated with most recent statements

Fund Review

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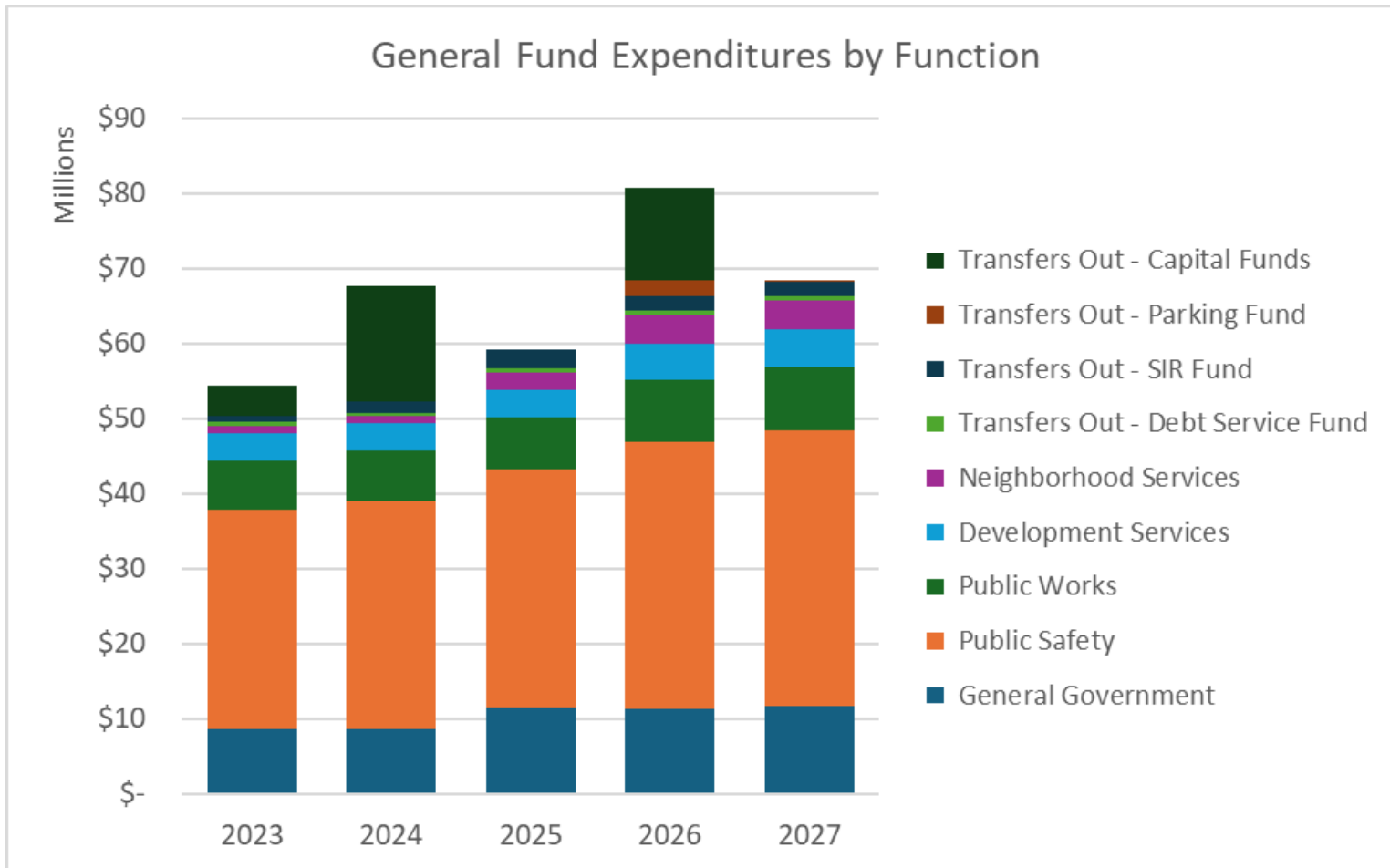
General Fund - Revenues



- Revenues look fairly stable through FY2027
- Sales & use taxes fell approx. \$600,000 in 2025
- Big one-time ARPA grant included in FY2024



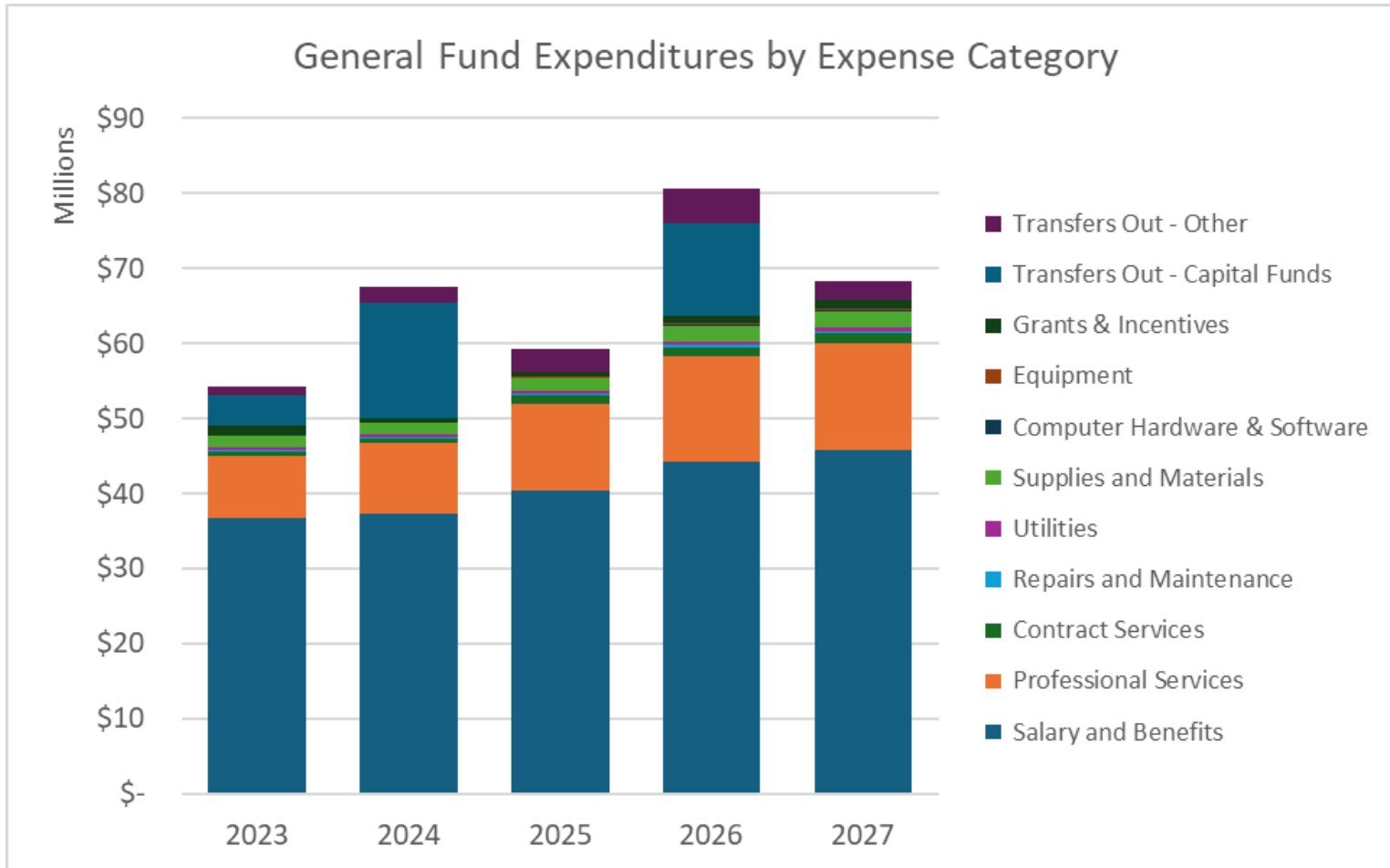
General Fund - Expenditures



- FY2025 shows 34% growth in General Government expenditures
- FY2026 budget shows significant increases in Public Safety (12%), Public Works (21%), Development Svcs (28%)
- \$10.7 million transfer out projected for FY2026 to pay for streetscape project



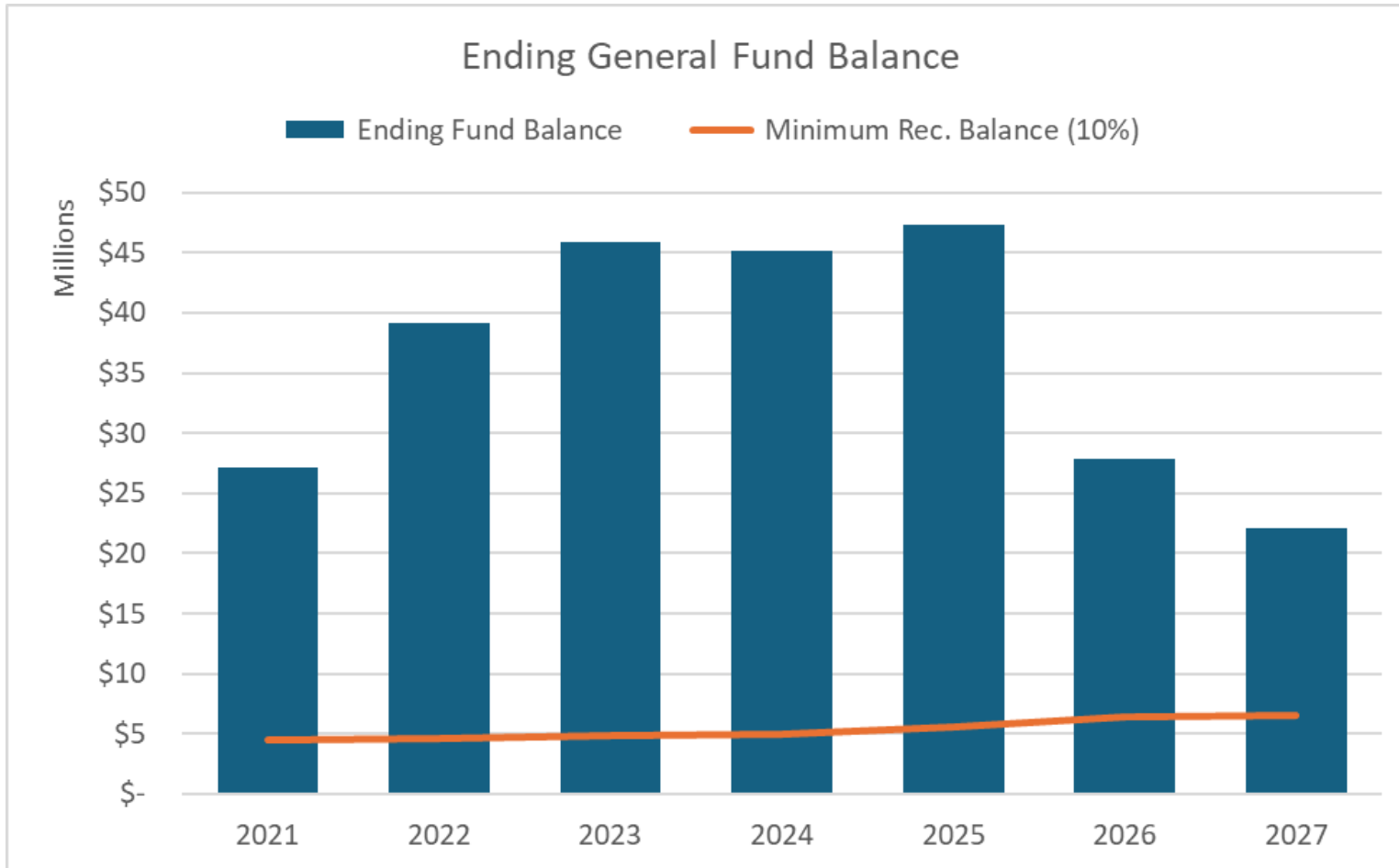
General Fund – Expenditures (cont.)



- Personnel costs rise by 10% in FY2026 budget
- Professional services rose by 21% (\$2.0 million) in FY2025; increase another 21% in FY2026 budget.
- \$10.7 million capital transfer still shown for FY2026



General Fund – Fund Balance



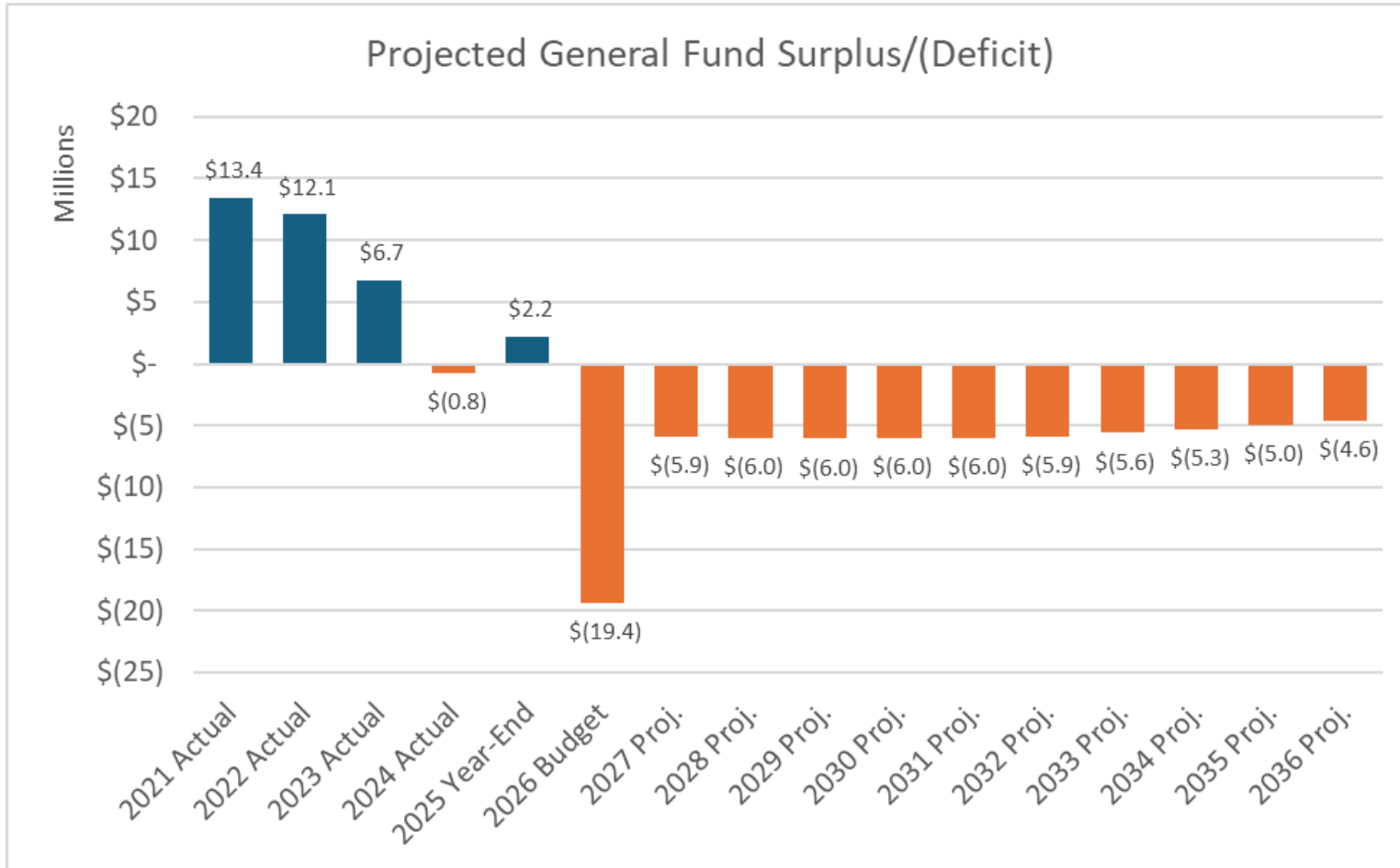
- \$10.7 million fund transfer for streetscape in FY2026 is projected to reduce fund balance



Projections

- Projections based on FY25 year-end figures and FY26 budget numbers.
- Baseline values inflate annually based on assumptions described earlier.

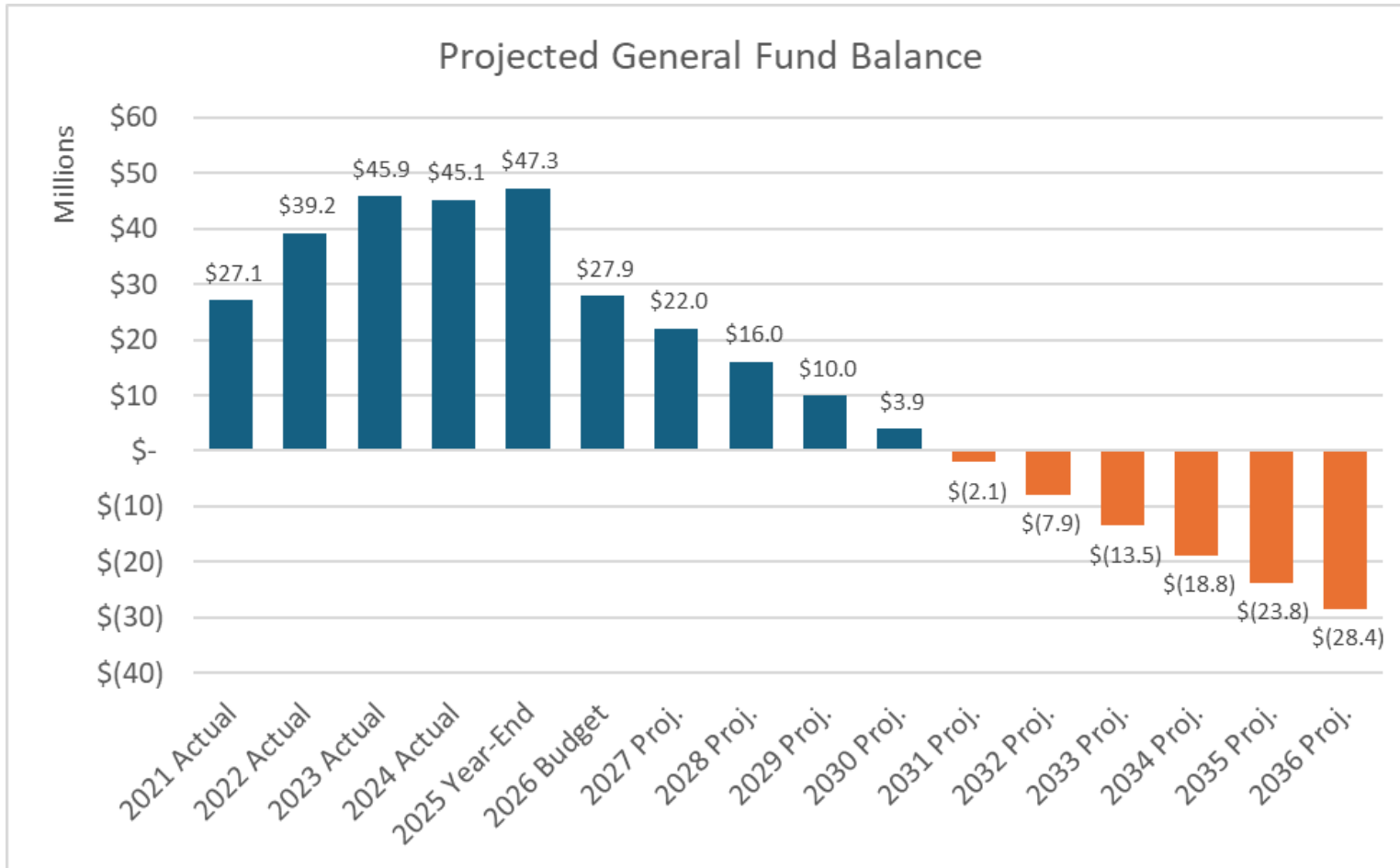
General Fund – Revenues Less Expenses



- Recent financials indicate that FY25 will show surplus of \$2.2 million.
- Large transfer out in FY26 causes significant one-time imbalance.
- Without revenue increases and/or reductions in expenses, General Fund trend is not sustainable.



General Fund – Projected Fund Balance

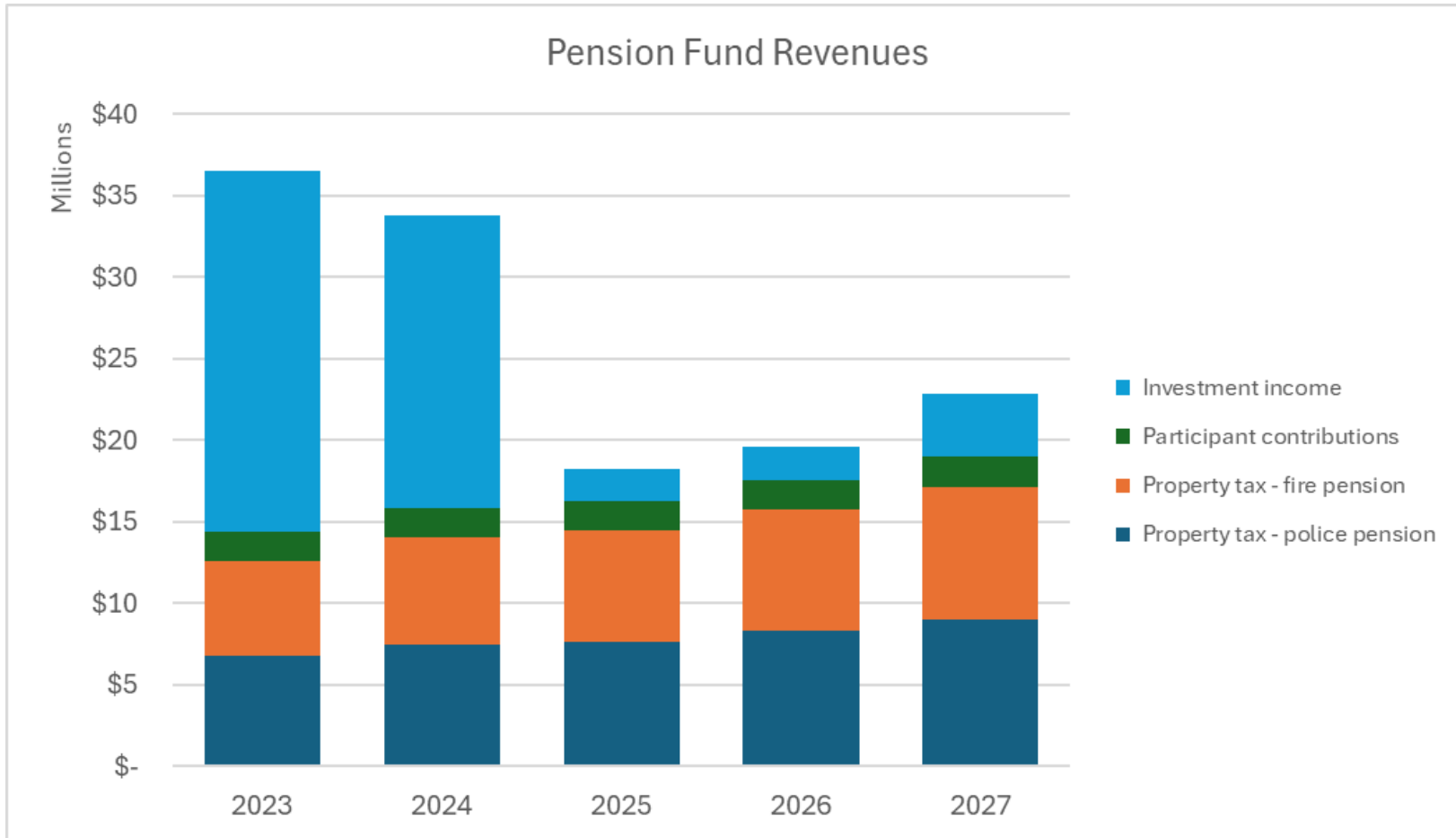


- If adjustments are not made, annual shortfalls are expected to deplete General Fund reserves by FY2030.



Other Funds

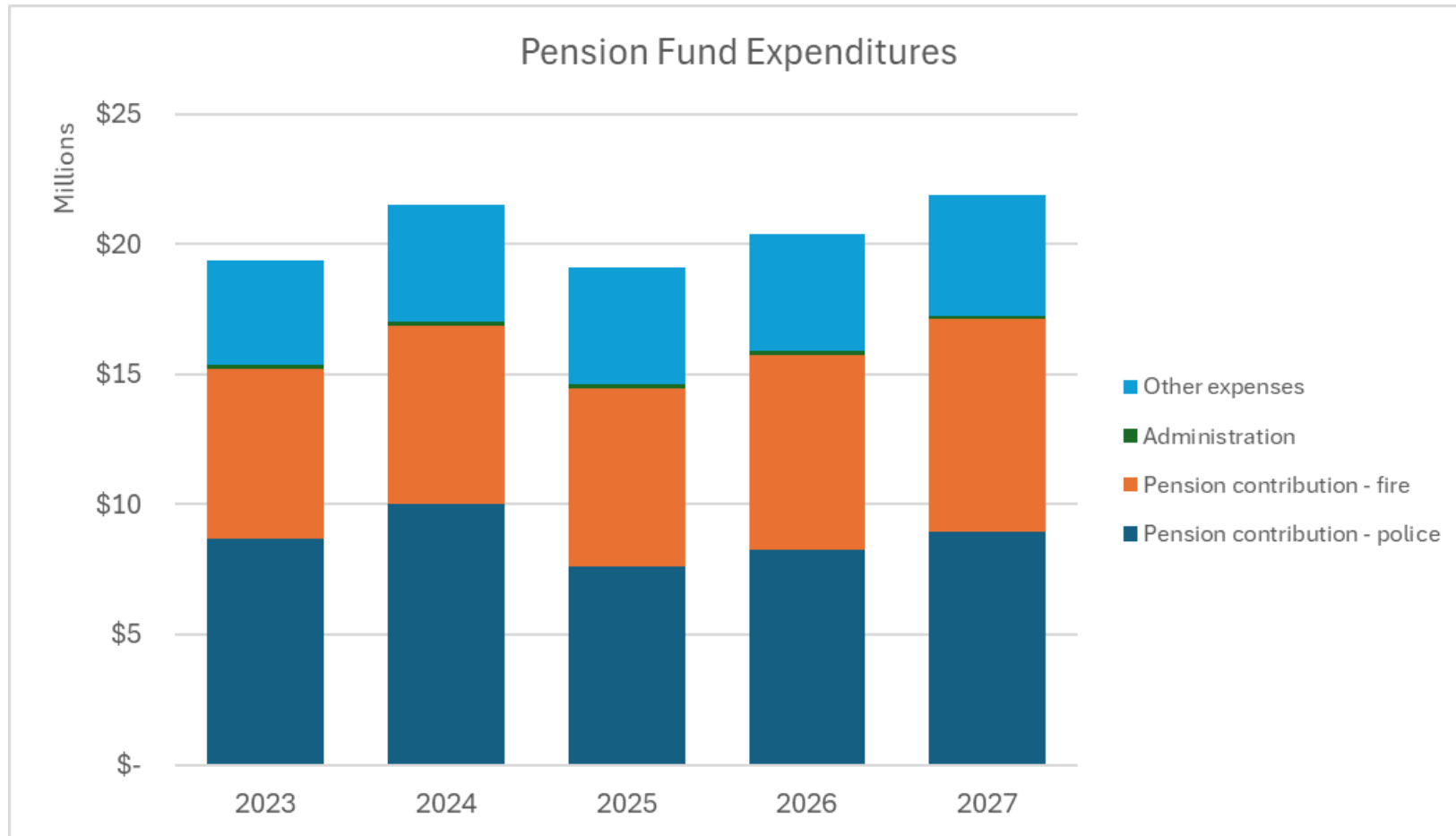
Pension Funds - Revenues



- Investment income was very high in FY2023 and 2024
- Levy increases of 8.3% for Police and 9.3% for Fire projected for FY2026 and FY2027



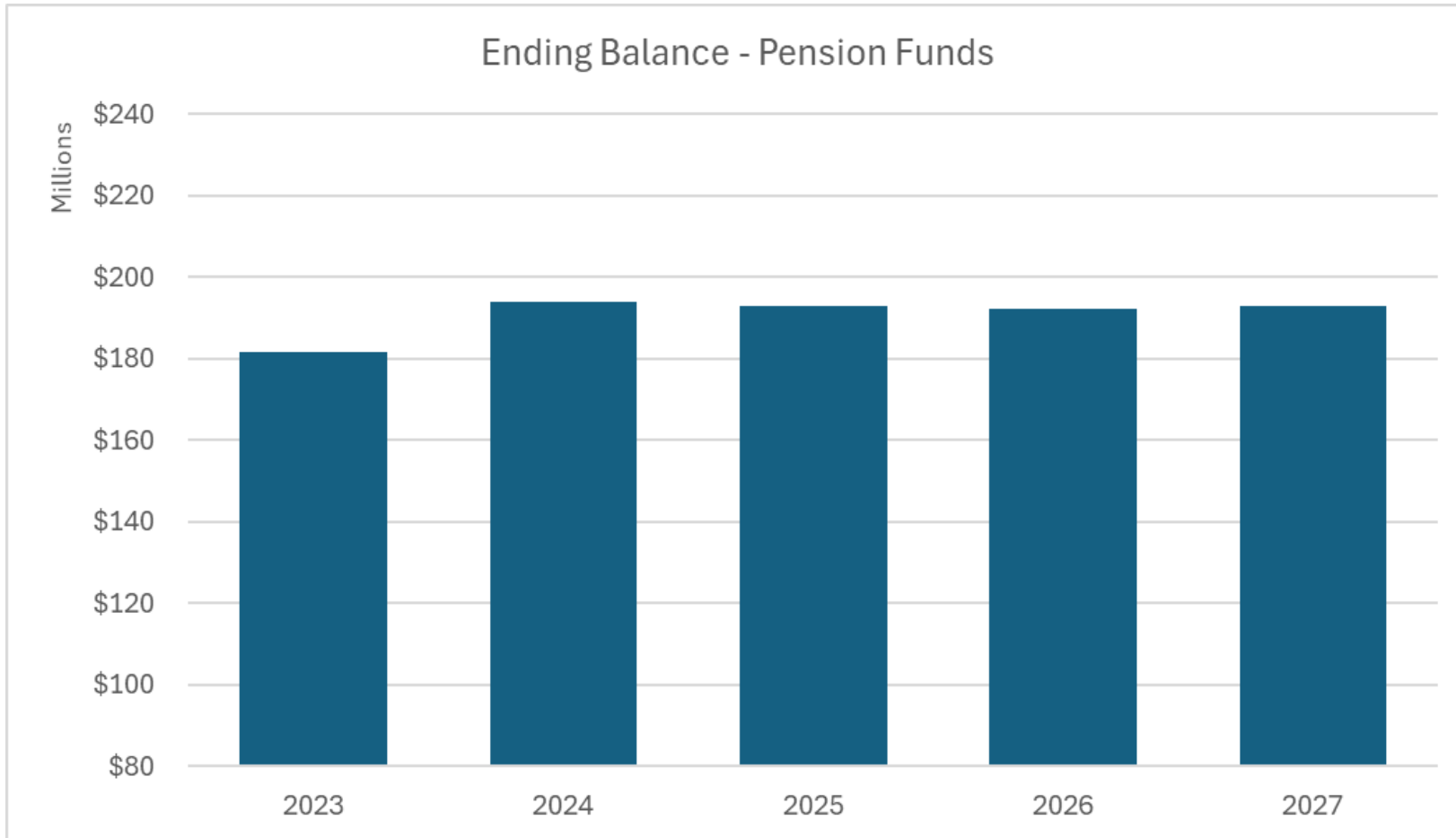
Pension Funds - Expenditures



- Growth in pension contributions is in line with levy increases



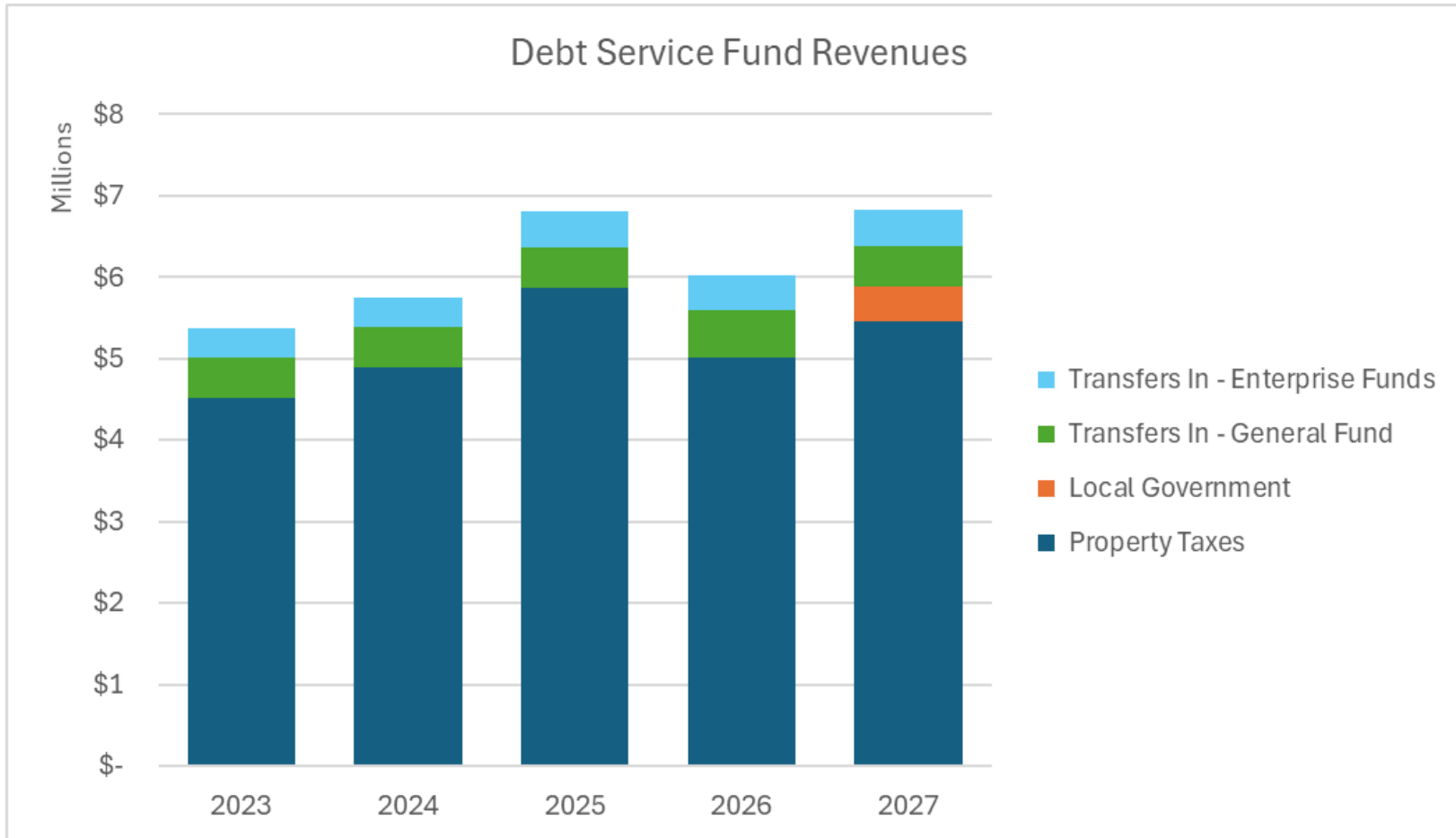
Pension Funds – Fund Balance



- Fund balance steady since FY2024



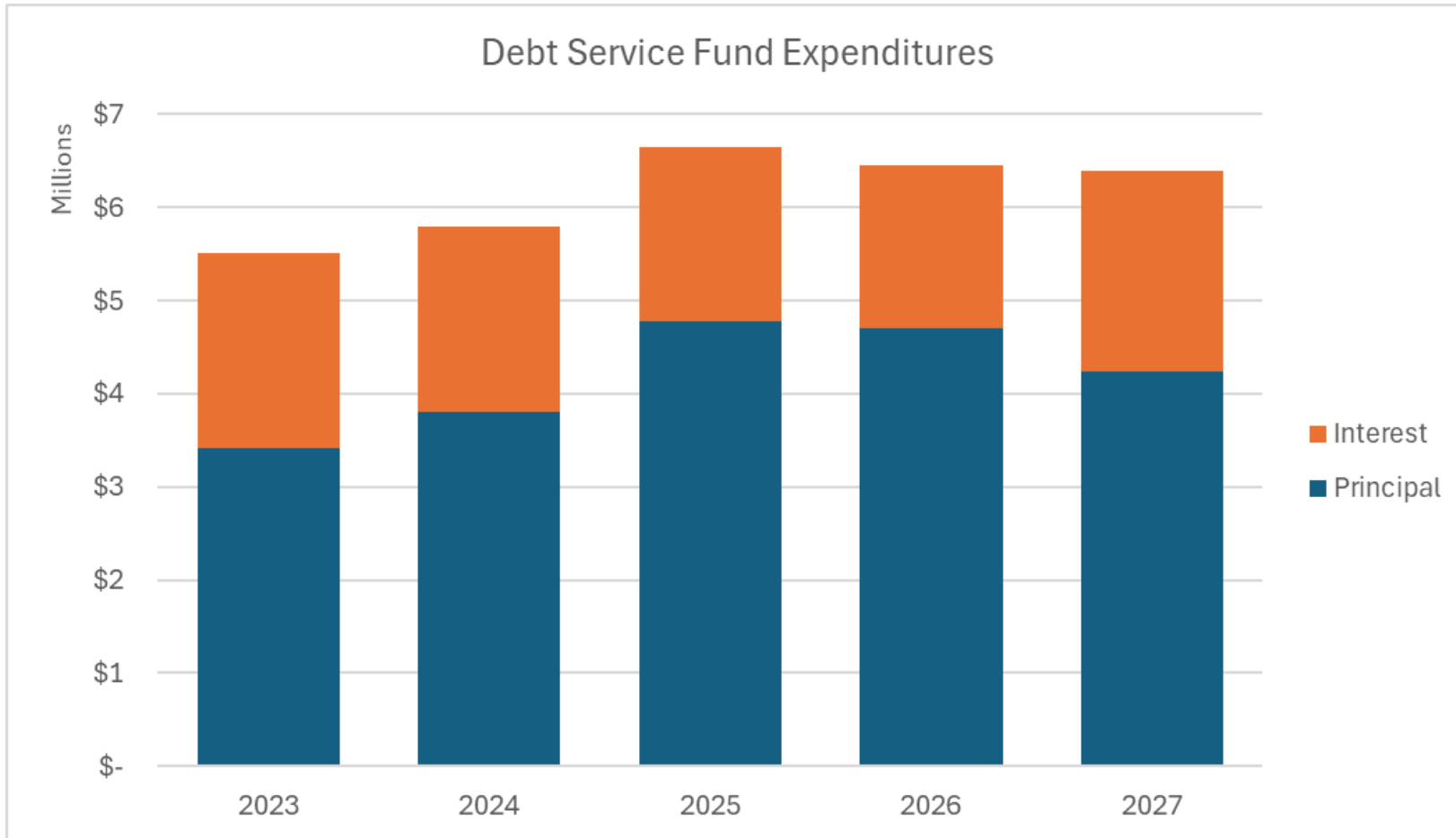
Debt Service Fund - Revenues



- Significant growth in property tax revenues FY2023 through FY2025
- Lower tax revenues in FY2026 budget



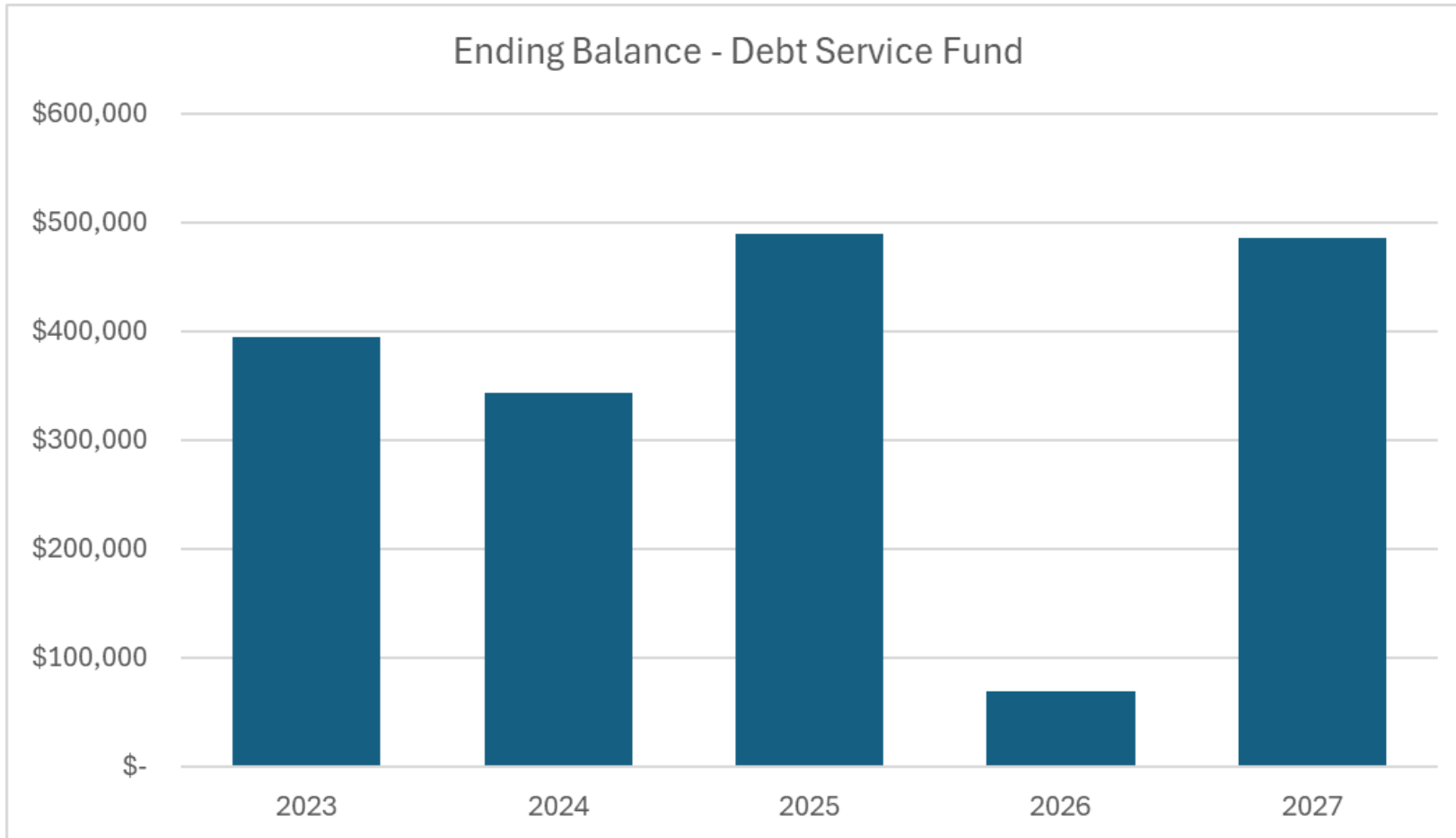
Debt Service Fund - Expenditures



- Debt refunding lowers total expenses in FY2026.
- Principal and interest payments look stable through FY2032.
- Additional debt service may be needed if capital projects are financed with bonds.



Debt Service Fund – Fund Balance



- Fund balance projected to remain close to \$500,000 through FY2033 when existing debt retires.
- Debt financing on future capital projects will affect debt service levy.



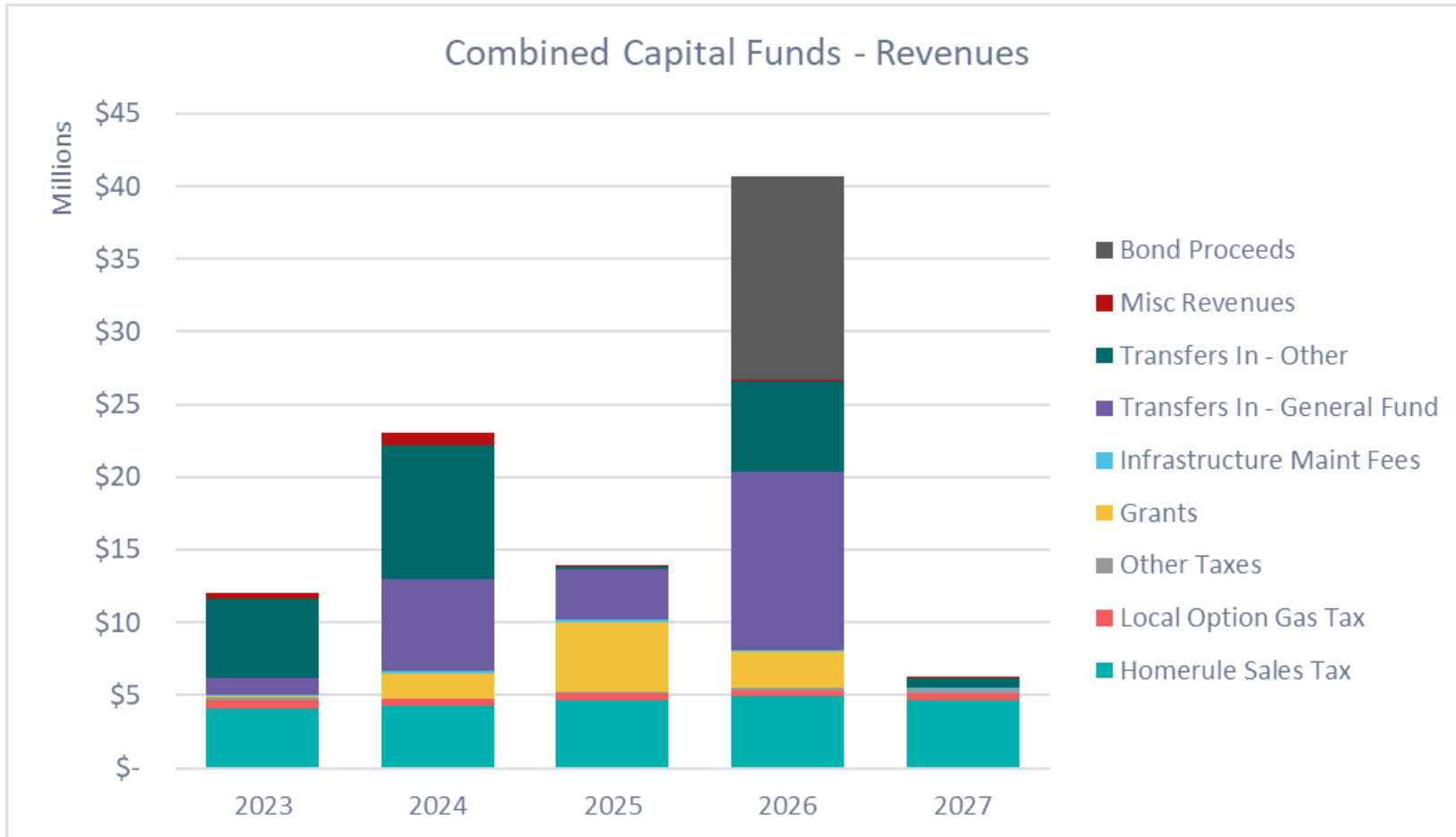
Capital Projects

	FY2026	FY2027	FY2028	FY2029	FY2030
Capital Projects Fund	29,526,134	11,021,000	9,175,000	7,325,000	7,365,000
Bldg Improvements	2,708,050	7,473,679	1,797,634	2,902,570	2,136,820
Fleet Replacement	3,945,643	1,219,000	3,420,000	1,235,000	2,012,000
Equip Replacement	903,261	1,042,675	797,570	797,570	807,570
Combined Total	37,083,088	20,756,354	15,190,204	12,260,140	12,321,390

- Outlays from Capital Funds will average \$19.5 million in coming years
- Village Campus construction not included in these totals



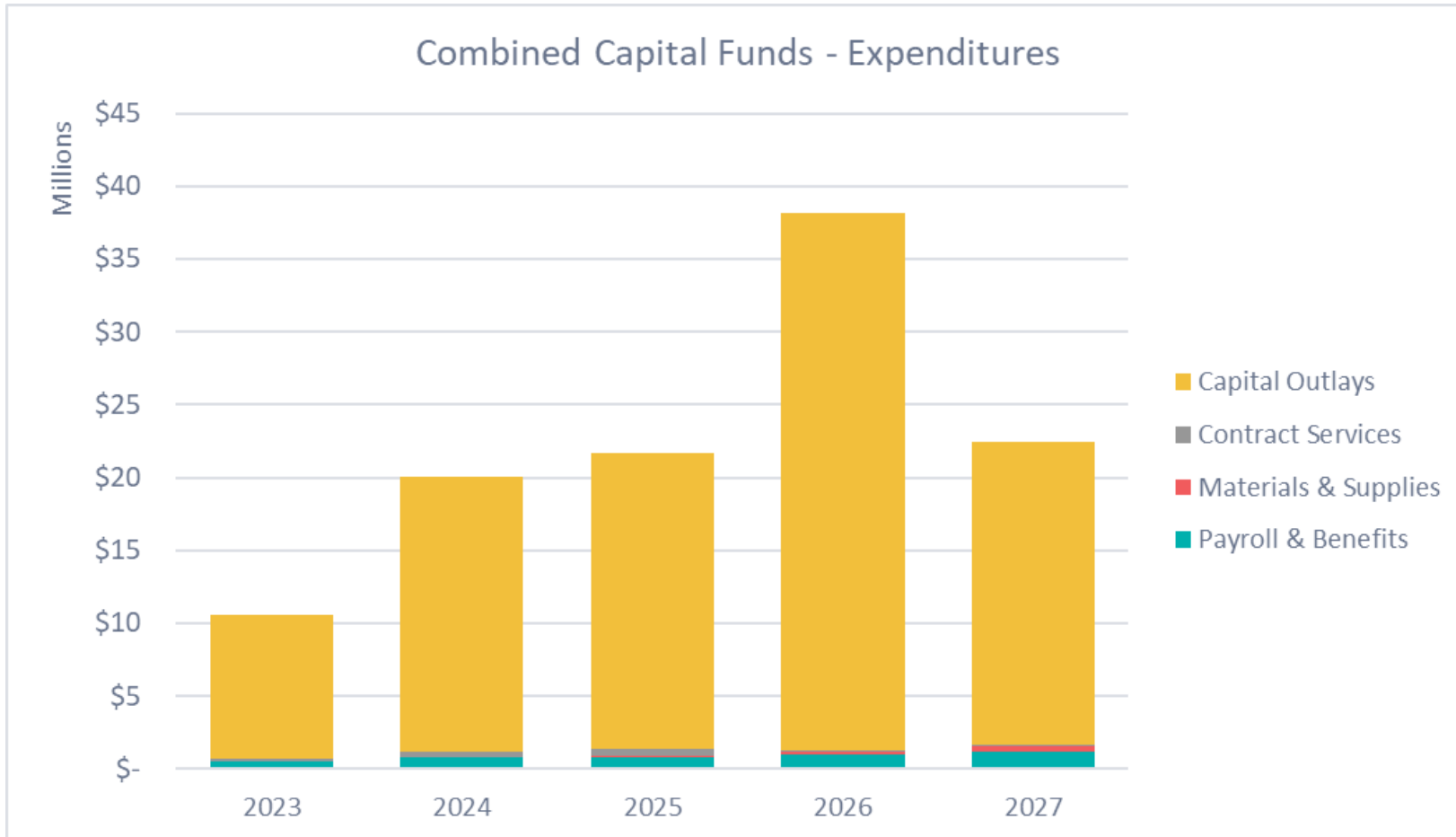
Capital Funds - Revenues



- FY2026 heavily dependent on fund transfers and long-term financing
- Dedicated tax revenues for FY2027 estimated at \$5.3 million



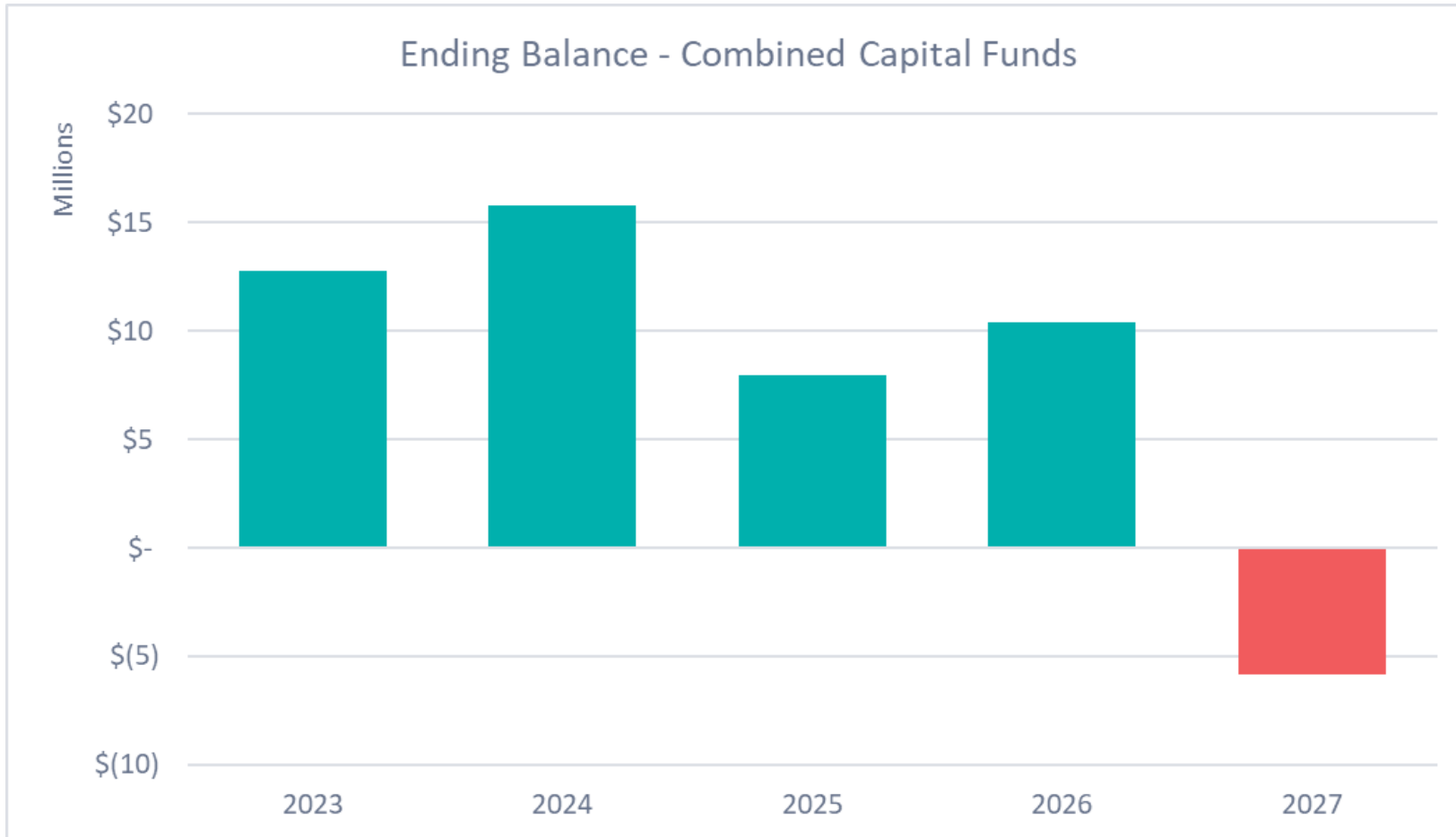
Capital Funds - Expenditures



- Capital outlays in FY2026 are significantly higher than baseline
- Expenditures are much higher than revenues
 - FY2027 outlays of \$22 million against \$6 million in revenue

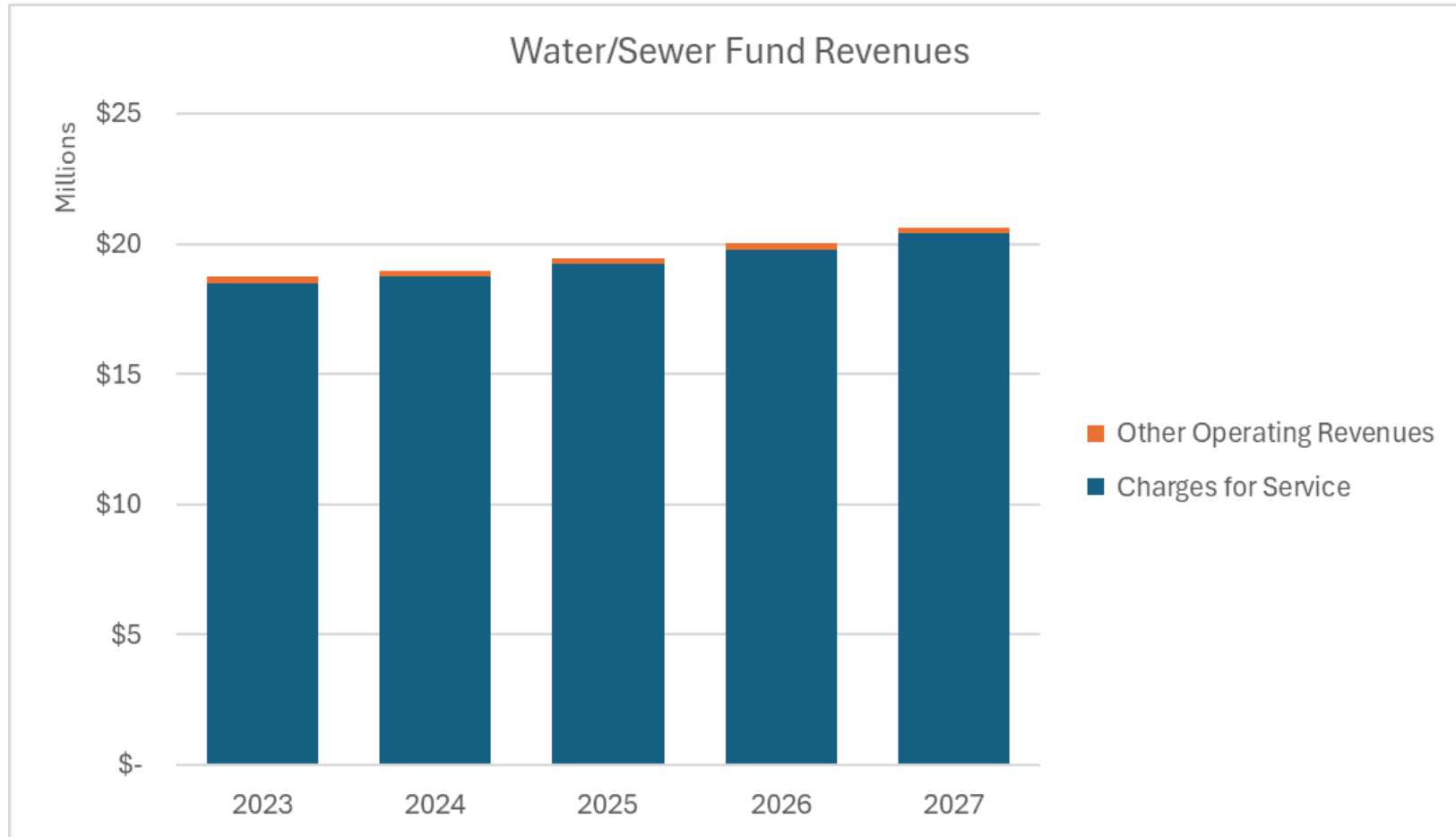


Capital Funds – Fund Balance



- Fund balance was \$15 million at the end of FY2024
- Excess project costs lead to \$50 million negative fund balance by FY2027
- Capital planning process will need to identify new revenues, debt financing, and/or project deferrals

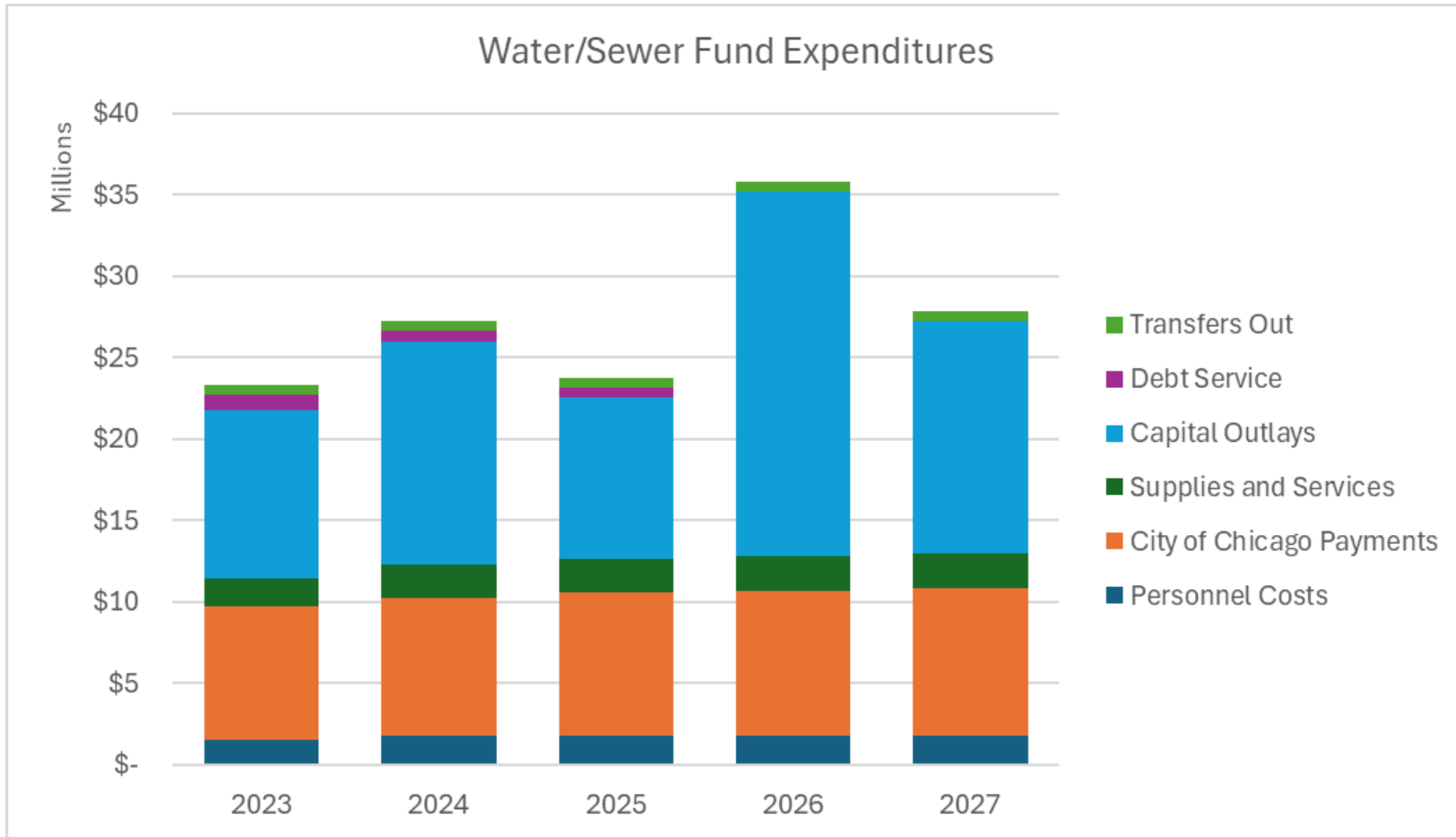
Water/Sewer Fund - Revenues



- Revenue growth of 2.5% to 3.0% anticipated for coming years.



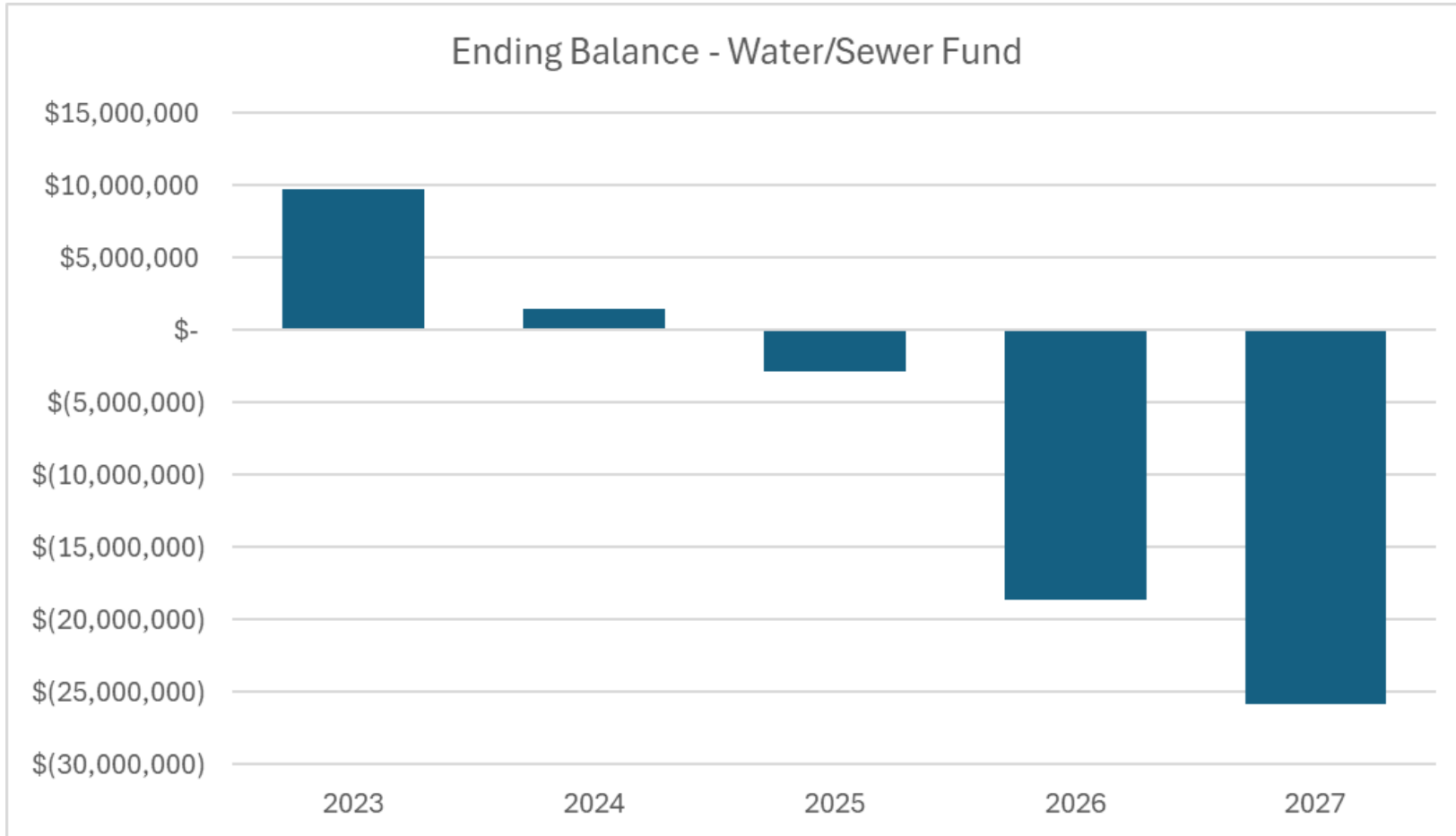
Water/Sewer Fund - Expenditures



- Capital outlays are primary driver of annual performance (surplus or deficit)



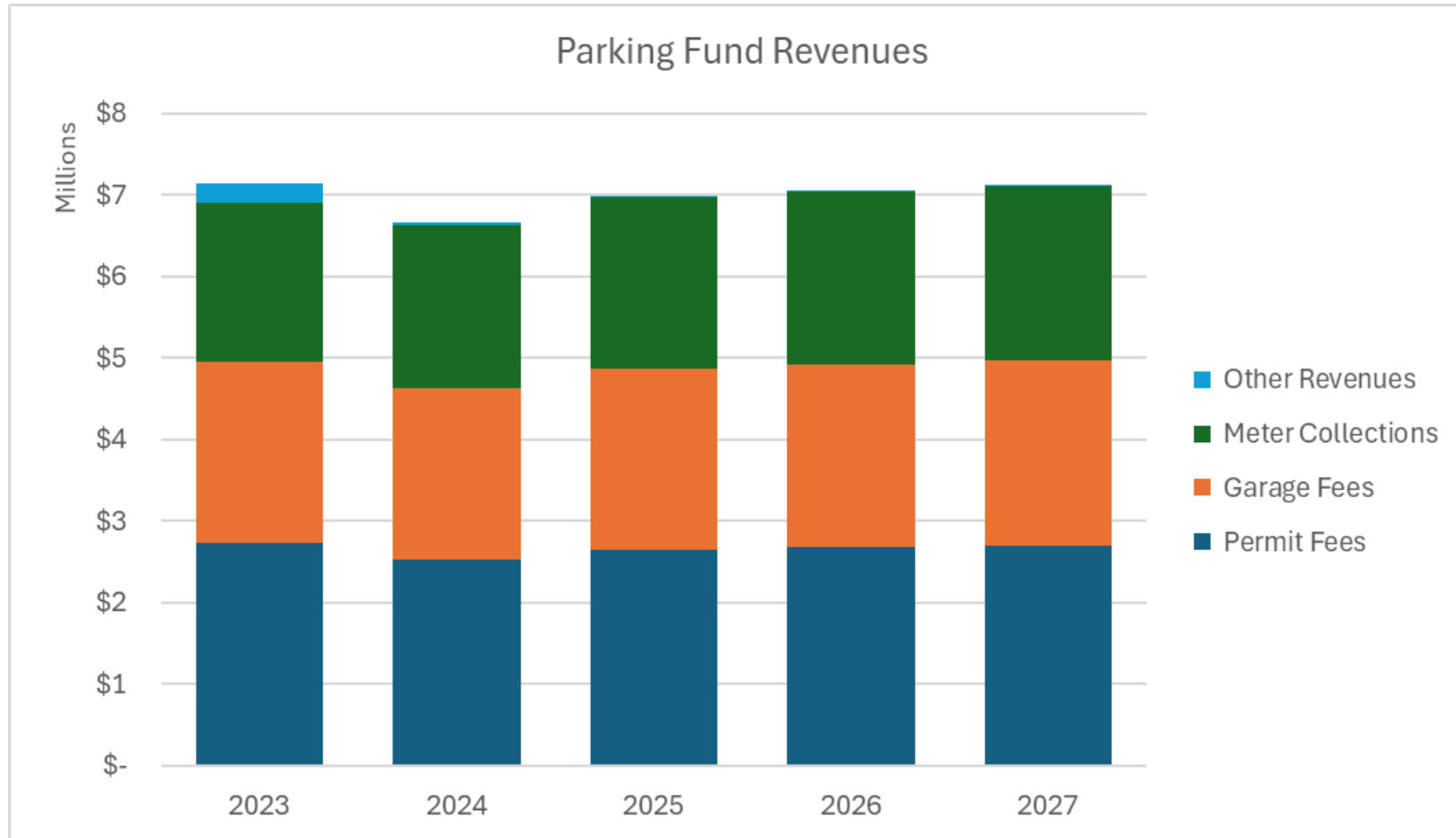
Water/Sewer Fund – Fund Balance



- Rate increases will be needed to pay for capital projects
- Current revenues can only fund \$5.5 million to \$7.0 million of capital per year



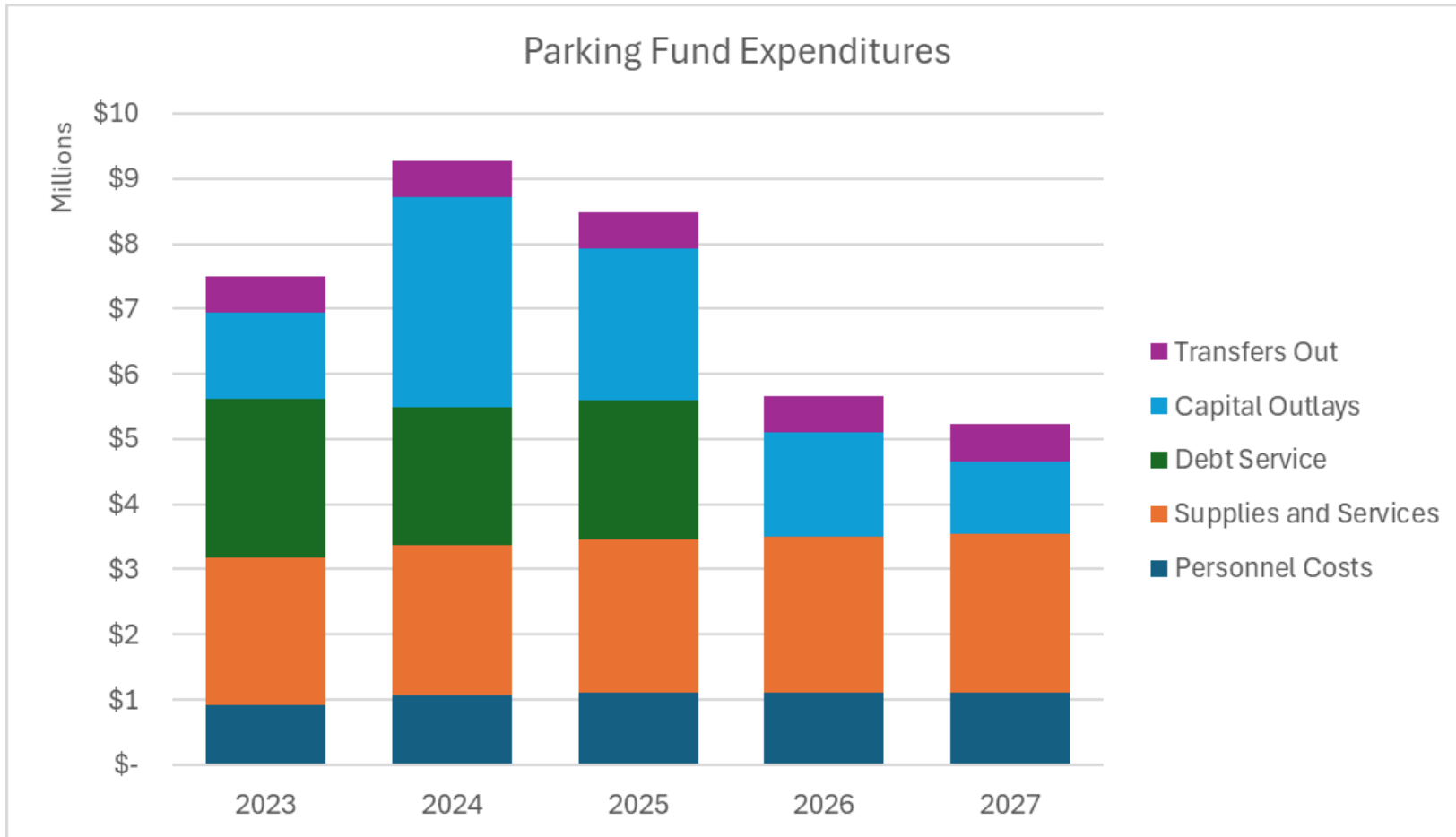
Parking Fund - Revenues



- 7% decrease in revenues in FY2024
- 5% increase in FY2025 budget
- 1% increases projected for future revenue growth



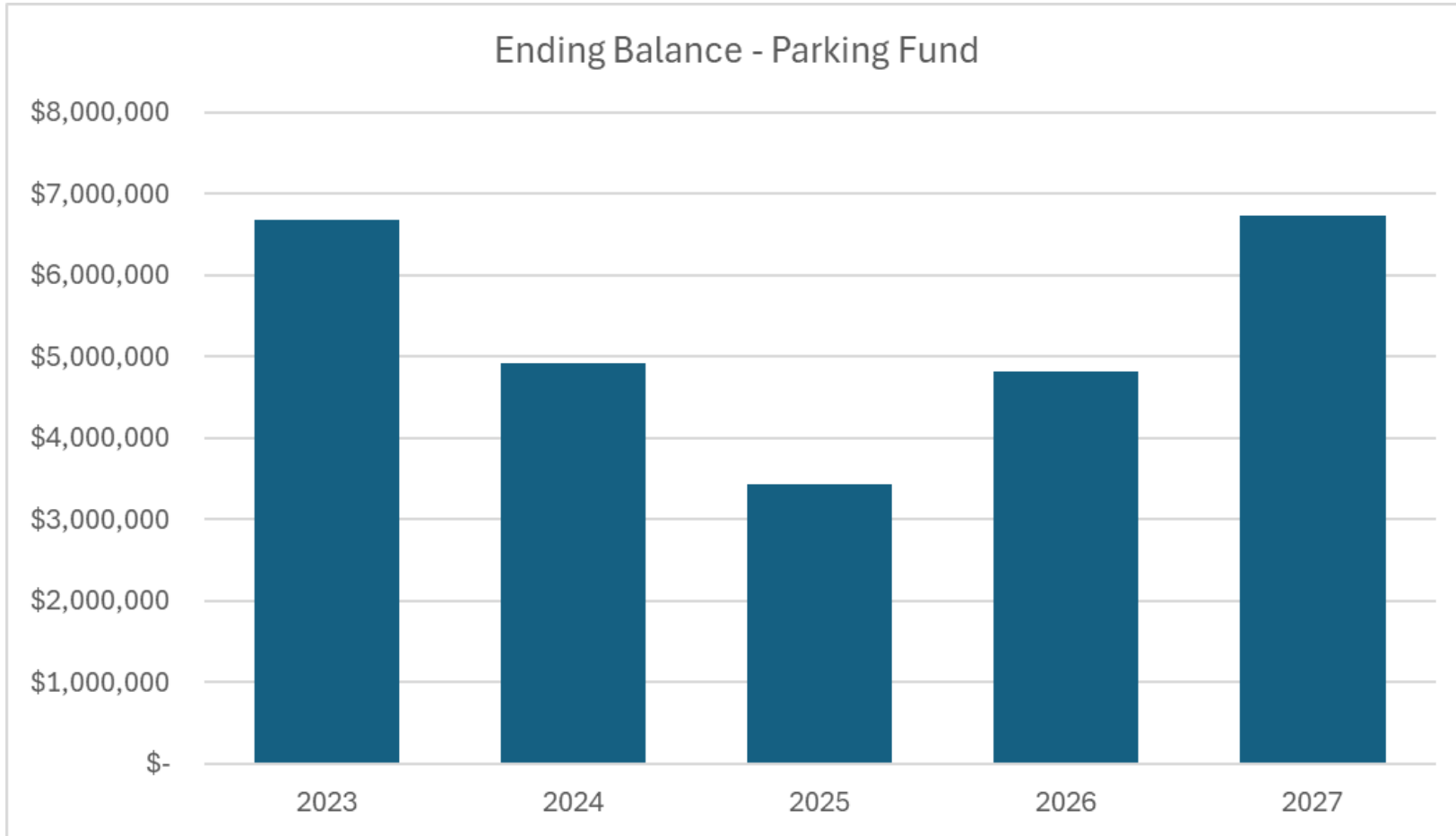
Parking Fund - Expenditures



- Debt service obligations go away after FY2025
- Future capital outlays expected to be lower than in FY2024 and FY2025



Parking Fund – Fund Balance



- Fund balance rebounding after large capital outlays in FY2024 and FY2025



Findings and Recommendations

General Fund

- General Fund shows consistent imbalance between revenues and expenses in coming years.
- Start taking steps now to address shortfalls.
 - Moderate changes today can prevent major changes in the future.
- Prioritize revenue enhancements and expense reductions based on fiscal impacts and difficulty of implementation.

Other Funds

- Pension funds likely to put continuing pressure on tax levy rate.
- Debt service fund looks stable through FY 2032.
 - \$3 million annual debt service falls away in FY 2033.
- Debt service levy will be impacted by financing for future capital projects.
- Water/Sewer Fund provides operating surpluses, but capital needs are more than surpluses can cover.

Capital Planning

- General Fund, Capital Funds, and Water/Sewer Fund each show future fund balance problems due to expected capital outlays.
- Capital project lists should be reviewed to identify projects eligible for alternative funding sources.
- Where current resources are insufficient, projects may need to be delayed or financed through long-term debt.

Questions?

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