

MEMORANDUM

To: The Village of Oak Park Board of Trustees
From: The Oak Park Taxing Bodies Efficiency Task Force
Submitted by: David Pope, Chairperson
Regarding: Task Force Interim Recommendation Regarding Jurisdictional Consolidation

The Taxing Bodies Efficiency Task Force is continuing its work in accordance with the Village Board's direction. We are continuing with the identification and development of efficiency recommendations to submit to the Village Board for your consideration in August. There is, however, one recommendation that, if supported by the Village Board, would require initial action prior to August. In turn, we are submitting at this time this Interim Recommendation for your consideration.

The Taxing Body Efficiency Task Force submits for your consideration the following recommended actions:

- 1) That the Village Board undertake to evaluate in greater detail and pursue as appropriate the consolidation of co-terminus jurisdictions including, but not limited to the Village of Oak Park, Oak Park Township, the Oak Park Public Library, and the Park District of Oak Park.

And

- 2) That the Village of Oak Park place a Jurisdictional Consolidation Referendum question substantially similar to the following question, but vetted for legal referendum compliance requirements, on the November 2018 ballot for consideration by the voters of Oak Park:

"Seeking ways to reduce the property tax burden experienced by Oak Park residents, shall the community consider the merger and consolidation of co-terminus taxing districts – these include but are not limited to the Village of Oak Park, Oak Park Township, the Oak Park Public Library, and the Park District of Oak Park".

Background:

The Taxing Body Efficiency Task Force has received considerable input during its evaluation process regarding many issues, including the issue of potential governmental consolidation. Information has been received regarding operational efficiencies that the various governing bodies have achieved as independent bodies as well as potential additional efficiency benefits that could result from

consolidation. Regarding consolidation, the Task Force has also received some concerns, both from representatives of a number of governing bodies and from some members of the general public, regarding whether any such consolidation could have a negative impact upon service levels in the community.

The Task Force recognizes that consolidation-related efficiencies could result from a number of potential sources including:

- A) Elimination of duplicate activities (e.g. reduction of substantially similar and redundant “back-office” functions and positions);
- B) Streamlining of similar functions (e.g. having one consolidated payroll system);
- C) Consolidated establishment of government priority setting and corresponding taxation and spending decisions;
- D) Reduced capital reserve requirements for working capital and risk capital;
- E) Spreading infrastructure and capital investment expenditures over time in a way that balances spending and respects the impacts of the resulting tax burden on taxpayers;
- F) Clarity regarding consolidated authority and responsibility for decisions and their resulting impacts.

The Task Force recognizes that these potential savings opportunities warrant further evaluation and corresponding action. The timeline and staffing resources available to the Task Force limit the degree of detailed financial analysis that can be conducted prior to the deadline for the submission of the Task Force’s recommendations in August. However, based upon its work conducted to date, the Task Force recognizes that there is sufficient evidence supporting the savings opportunities that would likely result from consolidation to warrant additional work to develop more specific financial estimates for such potential savings. Hence Recommendation #1 shown above.

The Task Force is also recommending that the Village Board act in a timely fashion to place an advisory referendum question on the ballot for the November, 2018, general election. The question would determine whether voters would support even the consideration of potential jurisdictional consolidation in order to capture operational and capital efficiencies to help reduce the tax burden on the community. The rationale for such a referendum question is that some individuals in the community have suggested that jurisdictional consolidation should not or cannot be explored at all (due to: 1) existing legal limitations; 2) the representation that there is broad public opposition to consolidation; and/or 3) the lack of a sufficiently robust and detailed business case supporting consolidation).

The referendum recommendation is forwarded to the Village Board because it helps to address all three of these concerns identified above:

- 1) Legal limitations regarding consolidation can be changed more easily if one can show general public support for considering such a change. A referendum result in favor would make public support for this position clear. A referendum result opposed to the question would make public opposition clear.

- 2) Each “side” of this question will attempt to claim that general public opinion supports their position. This will result in efforts that are more focused on community organizing and mobilizing turnout from individuals, rather than understanding the broad-scale impacts of any such consolidation measure that may be considered. A referendum result will take some of the “theater” out of the consideration of the issue and allow it to be considered more on its merits (including the general level of support for or opposition to consolidation generally).
- 3) The work necessary to develop a detailed business case and set of associated implementation recommendations will be easier to justify if there is a demonstrated level of support for consideration of the issue. Answering the question of whether such broad scale support exists or not can most compellingly be achieved through a referendum vote of the general public.

These two related recommendations are being advanced for the Village Board’s review and action at this time due to timing considerations regarding the placement of a question on the November 2018 ballot. At its July 10th meeting, the Task Force voted 5-2 in favor of advancing these recommendations to the Village Board for your consideration.

As additional background material, The Task Force developed a set of questions to be used in evaluating each of the potential opportunities under review. These questions, and the associated answers for this item are provided as an attachment to this memo. In addition, the Task Force asked Village Attorney Paul Stephanides to develop a memo with information outlining the referendum process and any associated timelines. His memo is attached as well. Also, the Task Force requested information from each of the governing bodies regarding efficiency opportunities. The Task Force received specific replies from Oak Park Township and from the Park District of Oak Park, which are included for your review, and a less formal response from the Oak Park Public Library regarding its statutory authority under the current legal and governmental structure. We have included that communication along with my response as well.

Please don’t hesitate to reach out to me with any questions. I can be contacted directly at 312-498-6001.