

Fiscal Year 2024

VILLAGE OF OAK PARK

INTRODUCTORY BUDGET PRESENTATION

Village Board of Trustees
July 31, 2023

Tonight's Presentation

- Review of Budget Requirements & Fund Accounting
- Review of Historical Property Tax & Sales Tax Data
- Development of Village Manager's Recommended & Proposed Budget
- Village Board Review and Adoption Schedule

Review of Budget Requirements & Fund Accounting

Municipal Code Requirements

- January 1 - December 31 fiscal year
- Budget adoption prior to the start of the Fiscal Year
- Submission of budget proposal by Village Manager on/before first regular meeting in November containing estimates of revenues and recommended expenditures that conform with good fiscal management practice
- Recommended budget must show specific fund for each anticipated expenditure
- A minimum of one public hearing prior to final Board action
- Copies of proposed budget available to the public at least 10 days prior to hearing
- Board may revise and pass budget without prior hearing, inspection of notice after the public hearing

Fund Accounting

- The use of *Fund Accounting* for the Village's revenues and expenditures is required as the Village is a municipal corporation established under State Law
- The Financial Accounting Foundation (FAF) requires the use of Generally Accepted Account Principles (GAAP) established by the Government Accounting Standards Board (GASB).
- Among the basic principles of governmental GAAP is fund accounting.

Fund Types

- **General Fund** is the Village's primary operating fund - accounts for all financial resources of general government, except those required/approved to be accounted for in another fund
- **Enterprise Funds** are used to account for business-like activities – assumes costs of functions/systems borne by the users, not property tax supported:
 - **Water and Sewer**: Accounts for water purchases and maintenance and operations of the underground infrastructure
 - **Parking**: Accounts for the administration/operation of public parking garages, lots and meter system
 - **Environmental Services**: Accounts for refuse collection /recycling internal support and contractual services

Fund Types *continued*

- **Capital Funds** account for improvements to the public way, maintenance of Village-owned property and equipment intended to be depreciated
- **Internal Service Funds** account for/allocate costs for functions such as liability insurance and employee health care program costs
- **Grant Funds** are used to ensure compliance reporting to granting agency
- **Special Revenue Funds** account for activity segregated from general operations or not accounted for elsewhere
- **Fiduciary Funds- Police and Firefighters' Pensions.** These are independent of the Village and have separate Boards

Village Expenses by Fund and Type

FY 2023 (for comparison purposes only)

Fund Types (All Funds)

General	71,775,937
Enterprise	38,363,976
Fiduciary	17,545,000
Internal Service	16,919,186
Capital	26,151,815
Special Revenue	28,697,412
Total	199,453,326

Expenditure Types (GF Only)

Personal Services	32,815,754
Fringe Benefits	20,765,314
Materials & Supplies	2,599,891
Contractual	10,691,734
Capital Outlay	144,744
Grants	1,618,500
Interfund Transfers Out	3,140,000
Total	71,775,937

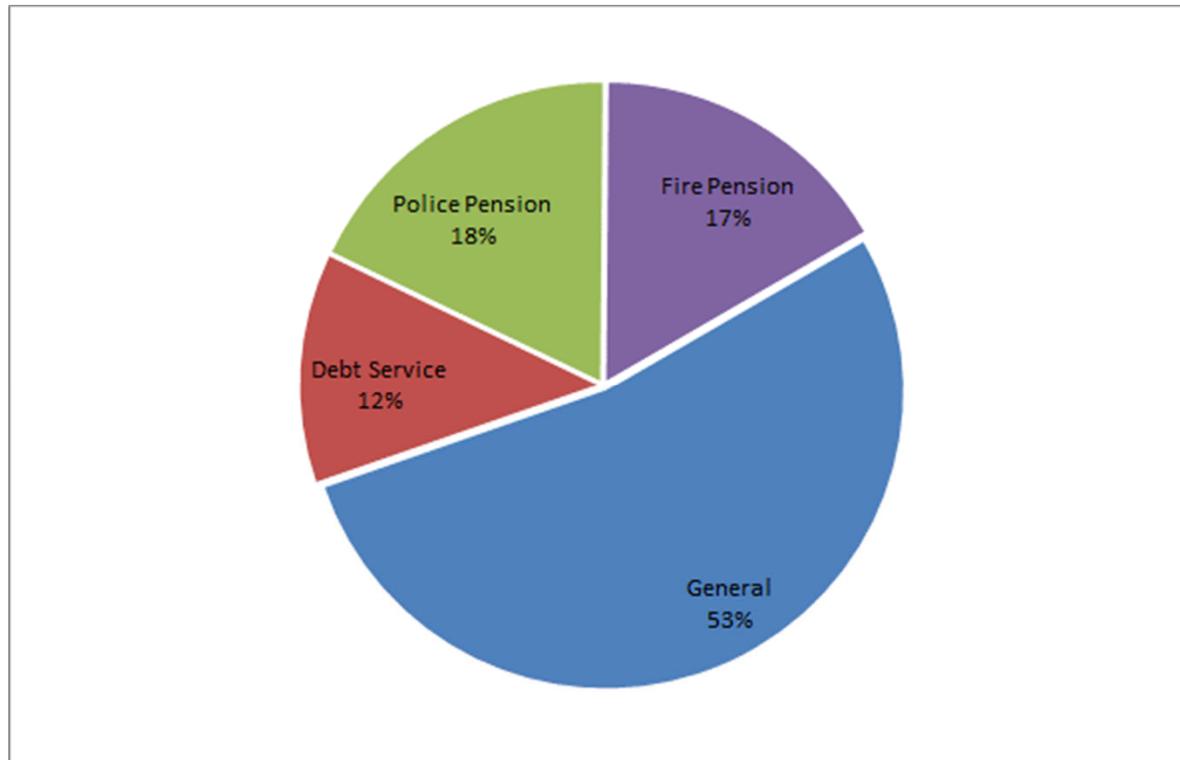
Property Tax Levy

Tax Year 2022 (FY23)

	<u>VOP Levy</u>	County "Loss" <u>Add On</u>	<u>Total Levy</u>	<u>Percent of Total</u>
General	19,147,982	574,439	19,722,421	53%
Debt Service	4,399,535	219,977	4,619,512	12%
Police Pension	6,497,788	194,934	6,692,722	18%
Fire Pension	<u>5,973,017</u>	<u>179,191</u>	<u>6,152,208</u>	<u>17%</u>
TOTAL	<u>36,018,322</u>	<u>1,168,540</u>	<u>37,186,862</u>	<u>100%</u>
Agency EAV (Tax Year 2021)			1,870,149,740	
Calculated Percentage			1.99%	

Property Tax Levy

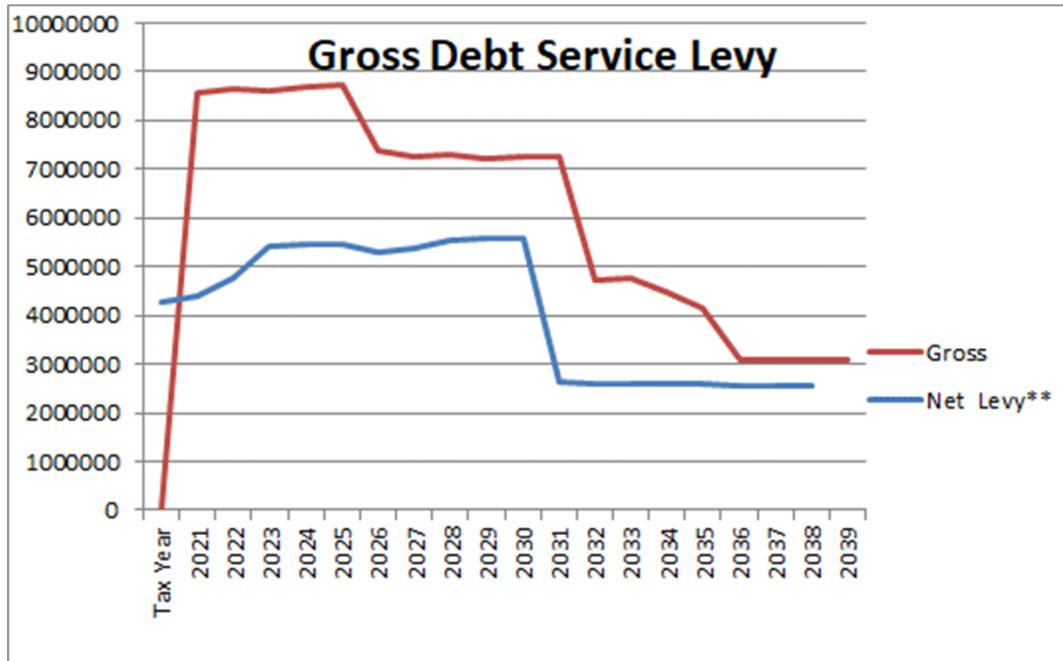
Tax Year 2022 (FY23)



Gross Debt Service Property Tax Levy

***assumes total abatements of enterprise debt (water/parking) and partial abatement for debt issued for alleys/street resurfacing (series 2015B and 2016D)*

<u>Tax Year</u>	<u>Budget Year</u>	<u>Gross Levy</u>	<u>Net Levy**</u>
2021	2022	8,578,091	4,285,013
2022	2023	8,625,655	4,399,535
2023	2024	8,603,727	4,765,331
2024	2025	8,684,520	5,430,723
2025	2026	8,711,465	5,444,353
2026	2027	7,386,687	5,450,667
2027	2028	7,239,755	5,304,005
2028	2029	7,281,355	5,357,491
2029	2030	7,220,214	5,533,651
2030	2031	7,274,260	5,587,698
2031	2032	7,271,508	5,585,368
2032	2033	4,721,464	2,620,749
2033	2034	4,753,960	2,604,538
2034	2035	4,457,855	2,611,983
2035	2036	4,144,800	2,603,838
2036	2037	3,084,181	2,587,495
2037	2038	3,089,687	2,535,439
2038	2039	3,086,975	2,534,117
2039	2040	3,088,412	2,532,897



Projected Outstanding Debt Balances

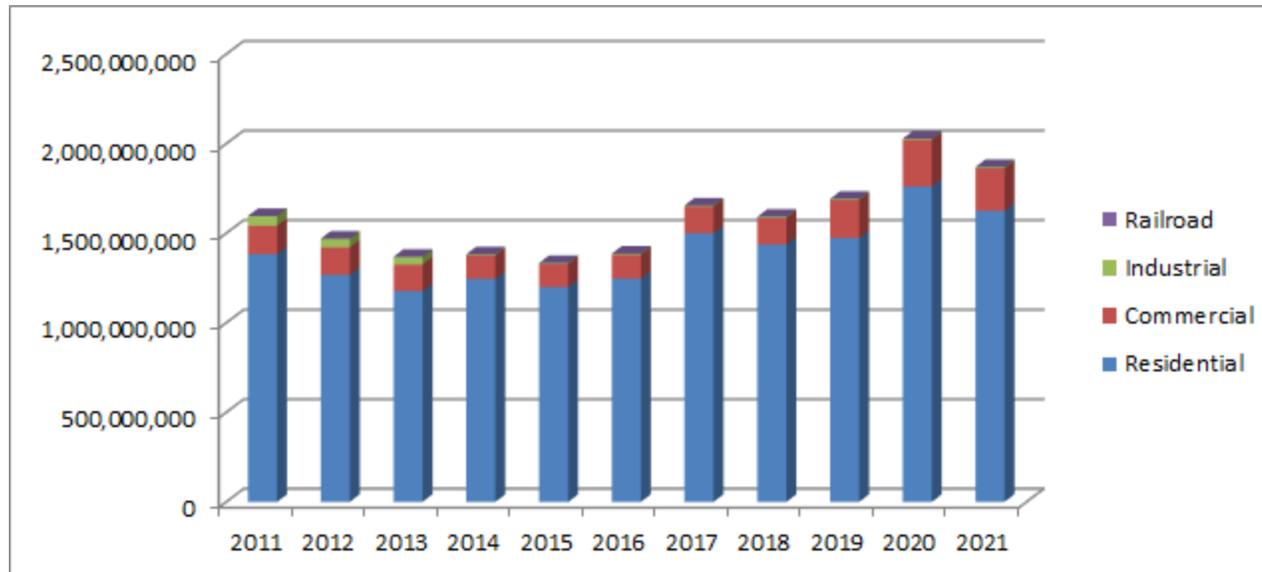
<u>Bond Series or Loan</u>	2023 New Debt/				<u>12/31/23 Balance</u> Principal
	<u>1/1/23 Balance</u>	Refundings	2023 Debt Payments		
	Principal	Principal	Principal	Interest	
2010C	335,000	-	(335,000)	(13,400)	-
2012A	2,370,000	-	(630,000)	(47,400)	1,740,000
2015A	8,460,000	-	(980,000)	(253,800)	7,480,000
2015B	6,375,000	-	(260,000)	(216,188)	6,115,000
2016A (Refunded 2006B)	20,125,000	-	(185,000)	(634,839)	19,940,000
2016B					
2016D (2016 CIP)	8,305,000	-	(800,000)	(254,281)	7,505,000
2016E (L&F Garage)	8,225,000	-	(475,000)	(294,031)	7,750,000
2017A (2017 and part of 2018 CIP)	12,735,000	-	(320,000)	(400,138)	12,415,000
2018A (Refunded 2006C)	4,105,000	-	(985,000)	(131,485)	3,120,000
2020A	11,120,000	-		(265,344)	11,120,000
2020B (Refunded 2011B)	2,495,000	-	(950,000)	(101,000)	1,545,000
2021 (Refunded 2016B)	3,375,000	-	(235,000)	(62,470)	3,140,000
Huntington Bank (Sweeper)	197,465	-	(48,024)	(3,633)	149,441
Huntington Bank (Fire Truck)	91,792	-	(91,792)	(3,066)	0
TOTAL	88,314,257	-	(6,294,816)	(2,681,074)	82,019,441

Equalized Assessed Valuation (EAV) by Type

EAV Allocation by Type

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Railroad</u>	<u>Total</u>
2011	1,383,444,292	158,040,103	54,880,906	538,498	1,596,903,799
2012	1,268,623,126	152,355,629	48,602,242	581,655	1,470,162,652
2013	1,177,616,951	147,197,290	43,727,696	674,123	1,369,216,060
2014	1,245,449,945	130,674,617	6,194,369	686,942	1,383,005,873
2015	1,199,866,188	127,872,693	5,900,388	802,244	1,334,441,513
2016	1,246,938,421	132,519,945	6,391,541	803,610	1,386,653,517
2017	1,500,233,150	148,386,046	6,349,852	807,105	1,655,776,153
2018	1,437,736,326	147,481,387	6,425,790	862,773	1,592,506,276
2019	1,473,432,236	211,679,487	6,395,649	964,045	1,692,471,417
2020	1,761,316,839	259,336,341	7,018,010	1,010,788	2,028,681,978
2021	1,624,877,193	238,164,665	6,097,094	1,010,788	1,870,149,740
10 Yr. Average	1,392,684,970	168,518,928	17,998,503	794,779	1,579,997,180
Average % to Total	88%	11%	1%	0%	100%

Equalized Assessed Valuation (EAV) by Type



Comparable Property Tax Rates

Sorted by Per Capita Levy (low to high)

<i>Sorted by Tax Rate</i>	2020		Tax Yer 2021	Municipal	Per Capita
<u>Municipality</u>	<u>Census Population</u>	<u>TY 2021 EAV</u>	<u>Levy Amount</u>	<u>Tax Rate</u>	<u>Levy</u>
Glenview	48,705	3,066,000,015	15,557,041	0.508	319.41
Orland Park	58,703	2,329,779,630	14,028,631	0.603	238.98
Skokie	67,824	2,630,029,029	15,902,434	0.605	234.47
Northbrook	35,222	2,652,818,431	21,865,786	0.825	620.80
Park Ridge	39,656	1,653,812,219	14,429,845	0.873	363.88
Niles	30,912	1,356,230,818	12,144,334	0.896	392.87
Elk Grove Village	32,812	2,197,239,338	20,125,977	0.976	613.37
Mt. Propsect	56,852	1,846,400,810	19,469,003	1.055	342.45
Des Plaines	60,675	2,191,255,966	25,223,825	1.152	415.72
Arlington Heights	77,676	3,121,995,763	38,042,660	1.219	489.76
Oak Lawn	58,362	1,211,273,708	14,908,036	1.231	255.44
Evanston	78,110	3,220,856,133	48,884,008	1.518	625.84
Oak Park	54,583	1,870,149,740	37,184,572	1.989	681.25
Berwyn	57,250	796,885,732	32,760,338	4.111	572.23

Sales Tax- Comparable Communities

Calendar Year 2022

<u>Calendar Year 2022 Sales Tax</u>			
	2020		
	Census	ROT	ROT
	<u>Population</u>	<u>Total</u>	<u>Per Cap</u>
Niles	30,912	18,548,794	600.05
Mt. Propsect	56,852	31,075,788	546.61
Glenview	48,705	22,921,405	470.62
Orland Park	58,703	24,501,107	417.37
Elk Grove Village	32,812	12,690,601	386.77
Northbrook	35,222	10,120,794	287.34
Oak Lawn	58,362	14,462,261	247.80
Skokie	67,824	18,317,643	270.08
Des Plaines	60,675	14,798,322	243.89
Arlington Heights	77,676	15,670,460	201.74
Evanston	78,110	12,987,309	166.27
Park Ridge	39,656	5,200,214	131.13
Oak Park	54,583	5,956,634	109.13
Berwyn	57,250	5,966,457	104.22

Tax Levy Rates & Percentage to Total Tax Year 2021

<u>District</u>	<u>Levy Rate</u>	<u>Levy % to Total</u>
School District 97	4.777	38.3%
School District 200	3.037	24.4%
Village of Oak Park	1.988	16.0%
Oak Park Public Library	0.537	4.3%
Park District Oak Park	0.590	4.7%
Cook County	0.504	4.0%
Metropolitan Water Reclamation	0.382	3.1%
Triton Community College	0.315	2.5%
Township	0.209	1.7%
Oak Park Mental Health	0.089	0.7%
Consolidated Elections	0.019	0.2%
DesPlaines Mosquito Abatement	0.014	0.1%
Suburban TB Sanitarium	-	0.0%
TOTAL	12.461	100.0%

Hypothetical Effect of Levy Increases

Village Levy Increase	1,000,000
Most Recent Villagewide EAV (TY 2021)	1,870,149,740
Estimated Village Levy Percentage	0.05%

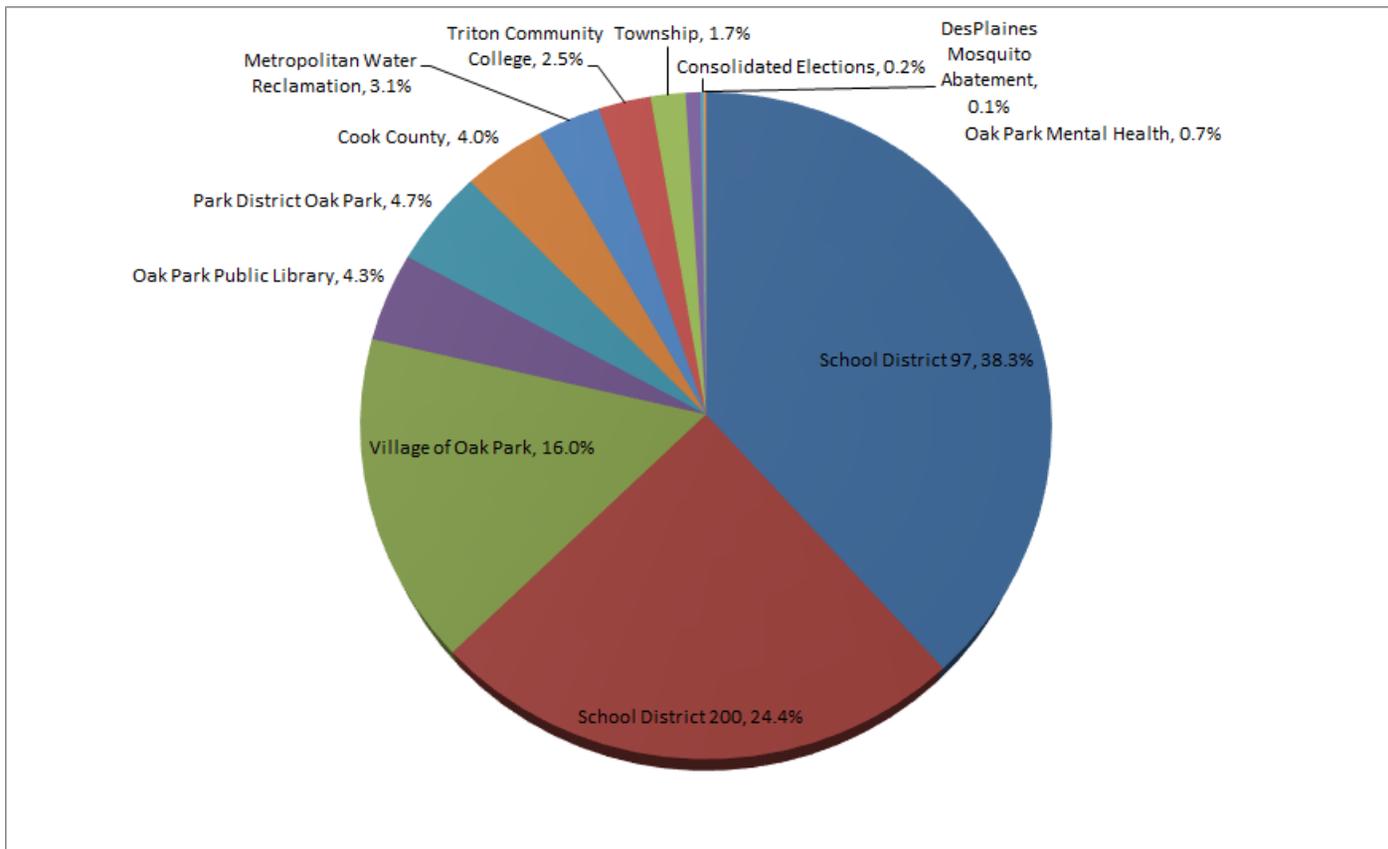
Home Market Value	250,000
County Assessment Percentage	10%
Assessed Value	25,000
Actual tax year 2021 EAV Factor	3.0027
EAV Base	75,068
Village Levy Percentage (From Above)	0.05%
Estimated Tax From Additional Levy	\$ 40

Home Market Value	500,000
County Assessment Percentage	10%
Assessed Value	50,000
Actual tax year 2021 EAV Factor	3.0027
EAV Base	150,135
Village Levy Percentage (From Above)	0.05%
Estimated Tax From Additional Levy	\$ 80

Home Market Value	750,000
County Assessment Percentage	10%
Assessed Value	75,000
Actual tax year 2021 EAV Factor	3.0027
EAV Base	225,203
Village Levy Percentage (From Above)	0.05%
Estimated Tax From Additional Levy	\$ 120

Home Market Value	1,000,000
County Assessment Percentage	10%
Assessed Value	100,000
Actual tax year 2021 EAV Factor	3.0027
EAV Base	300,270
Village Levy Percentage (From Above)	0.05%
Estimated Tax From Additional Levy	\$ 161

Tax Levy Rates & Percentage



Top Taxing District Levy Comparisons

Top Five Oak Park Taxing Districts			
	Tax Year	Tax Year	%
	2020	2021	Increase/
<u>Taxing District</u>	<u>(FY 21)</u>	<u>(FY 22)</u>	<u>Decrease</u>
School District 97	87,774,657	89,332,068	1.77%
School District 200	73,409,473	74,842,073	1.95%
Village of Oak Park	34,970,245	36,018,330	3.00%
Park District of Oak Park	10,774,372	11,026,372	2.34%
Oak Park Public Library	9,456,664	9,740,364	3.00%

Sales & Local Liquor Tax Historical Data

	General Merchandise	Food	Drinking/ Eating	Apparel	Furniture/ Household	Lumber/ Hardware	Automotive/ Gas	Drugs/ Misc Retail	Agriculture/ Others	Manufacturers	Total Sales Tax
Calendar Year 2022 Retailers' Occupation	191,371	1,110,122	1,111,566	120,349	69,958	80,102	736,525	2,049,103	407,759	79,779	5,956,634
Calendar Year 2022 Home Rule	154,926	357,089	1,097,480	117,981	69,898	78,733	398,527	1,389,618	355,451	41,993	4,061,696
Total	346,297	1,467,211	2,209,046	238,330	139,856	158,835	1,135,052	3,438,721	763,210	121,772	10,018,330
Calendar Year 2021 Retailers' Occupation	179,298	1,058,551	1,023,098	111,660	69,210	83,398	720,661	2,147,070	297,129	73,147	5,763,222
Calendar Year 2021 Home Rule	142,748	352,845	1,010,594	109,459	69,179	82,686	338,071	1,627,773	233,426	41,020	4,007,801
Total	322,046	1,411,396	2,033,692	221,119	138,389	166,084	1,058,732	3,774,843	530,555	114,167	9,771,023
Calendar Year 2020 Retailers' Occupation	155,823	1,098,666	845,095	75,196	32,505	70,119	578,225	1,057,272	174,008	31,547	4,118,456
Calendar Year 2020 Home Rule	123,267	306,554	836,155	73,300	32,490	69,771	253,394	527,735	135,446	19,931	2,378,043
Total	279,090	1,405,220	1,681,250	148,496	64,995	139,890	831,619	1,585,007	309,454	51,478	6,496,499
Calendar Year 2019 Retailers' Occupation	140,195	1,076,533	985,792	111,018	66,365	64,128	557,501	904,052	233,329	32,110	4,171,023
Calendar Year 2019 Home Rule	111,177	338,149	973,249	108,884	66,365	63,412	256,479	402,069	198,195	21,475	2,539,454
Total	251,372	1,414,682	1,959,041	219,902	132,730	127,540	813,980	1,306,121	431,524	53,585	6,710,477
Yearly Average Combined MT & HR	299,701	1,424,627	1,970,757	206,962	118,993	148,087	959,846	2,526,173	508,686	85,251	8,249,082
% to Total Sales Tax	3.6%	17.3%	23.9%	2.5%	1.4%	1.8%	11.6%	30.6%	6.2%	1.0%	

Capital Improvement Plan (CIP)

- The 5-Year Projected CIP plan labels each project with a priority rating of A-D, & F describes each project in detail and includes detailed funding information.
- The CIP lists only the top priorities listed as “A – Essential & Immediate” in the document for the five year period (2024 – 2028). *However items listed as “A” are further prioritized during the budget process in order to recommend which projects are recommended for the next fiscal year.*
- Projects will be reviewed in detail during the September Finance Committee meeting workshops.
- Projects are listed in no particular order
- CIP scheduled to be reviewed by Finance Committee on September 11, September 26, and October 2 (VMO remote, if needed). Target date for CIP adoption is October 16th.

RESOURCES USED FOR BUDGETING

- Village Board Goals
- Prior Annual Citizen Survey
- 5-Year Capital Plan
- Village's Guiding Principals & Values
- Core Services
- Operational Priorities
- Climate Ready Oak Park

Timeframe for Preparation

- Departments work with CFO to prepare detailed information regarding projected revenues & expenses, organizational charts, overview of each department, prior year accomplishments, and a detailed work plan for the next fiscal year as well as determining FY23 year end estimates
- CIP Department Submittals in Early August
- Operating Budget Submittals in Early September

Timeframe for Preparation

- Finance Department and VMO review of preliminary projections and budget data for CIP in mid-August
- Finance Department and VMO review of preliminary projections and budget data for Operating Budgets and all remaining Funds in mid-September

Timeframe for FY24 Recommendation

- Village Manager & CFO determine and communicate additional target reductions as necessary for Operating Budgets after review with Directors (September)
- Village Manager submits draft recommended FY24 Budget to Village Board in early October for review/discussion by Finance Committee who will meet during October to recommend action to Village Board
- Manager and CFO update Recommended Budget for November Public Hearings based upon additional actual revenue and expenditure data

Timeframe for FY24 Recommendation

- Village Manager & CFO determine and communicate additional target reductions as necessary for Operating Budgets after review with Directors (September)
- Operating budget review (Special Board meetings) based on staff requests scheduled for October. All changes based on meetings to be reflected in Proposed Budget.
- FY24 Proposed Budget distributed to Village Board on November 3rd.
- Official Public Hearings on Proposed Budget* (November)
- Continued Village Board Review (November)
- Budget (Operating) Adoption (December)
- * All Finance Committee, Special Board, and Regular Village Board meetings are open to the public

Policy Parameters

- Village Board through the development of its Board Goals established a maximum 3% property tax increase (after diverting the levy increase required to annually fund police and fire pensions) as well as policy initiatives that Department Directors have been assigned to identify necessary appropriations to support initiatives for which formal policy direction is anticipated. It is anticipated that in the near future, the Finance Committee will meet to discuss some recommended possible modifications to this policy with some added flexibility, dependent on the financial circumstances in a given budget year.
- The Village Board, by resolution, has an established Fund Balance Policy for the General Fund which provides for an unreserved fund balance goal of no less than 10% and no more than 20% of the current year's estimated operational expenses shall be maintained. Of this balance, cash and investments should compose no less than 60%.
- Personnel expenses (wages and benefits) account for approximately 75% of the General Fund budget and it is the Village's practice in the General Fund to appropriate expenditures reflecting an approximate 95 percent staffing level. All positions, both vacant and filled are budgeted and vacancies are accounted for in the budget by appropriating a contra-expense appropriation. This typically ranges from \$1.2 - \$1.5 million in "turnover savings".

Anticipated Schedule: Finance Committee

- September: At least two meetings and one tentative date scheduled to review/discuss CIP with a Village Board adoption target date of October 16th.
- October: At least three meetings (Special Board) to thoroughly discuss operating budgets and all Funds, including General, Special Revenue, Internal Service, and Enterprise.

Anticipated Schedule: Village Board

- November: Legal hearings include the Truth in Taxation on 11/6/23, Public Budget Hearing on 11/20/23. Other meeting dates to review budget will be disclosed separately.
- December: Target date for adoption of the FY24 budget along with corresponding abatement and levy ordinances is 12/4/23.

Fiscal Year 2024

VILLAGE OF OAK PARK

INTRODUCTORY BUDGET PRESENTATION

Village Board of Trustees
July 31, 2023