Oak Park

FY2027 Budget Kickoff and Preliminary Fiscal Outlook

Fiscal Year 2027

Village Board Meeting

July 21, 2026

Update on the FY2027 Budget

The Village kicked off its 2027 budget process in June. The process is off to a successful start and has several notable changes for Board awareness.

- **Using new platforms to draft budgets, streamlining across departments and building process efficiencies for future years.**
- **Conducting multiple rounds of department meetings to help meet submission deadlines, revise quickly, and prioritize Board review.**
- **Creating a more interactive public-view of the 2027 budget book and moving towards a more broadly accessible document.**

FY27 Update: Federal Trends

1. Federal spending is gradually declining in areas like education, housing, transportation, and public safety.

This means federal grants supporting state and local services will shrink relative to the overall economy in the coming decade.

2. Interest rates are rising or staying flat and are projected to remain elevated above historically low rates of the 2010s and early 2020s.

This means municipalities will face increased borrowing costs for things like infrastructure and capital projects.

3. A tight labor market is increasing costs to attract and retain workers.

This means higher salaries and benefits for new employees.

FY27 Update : State Trends

1. State revenues are rising more slowly than average and are expected to persistently be outpaced by costs in the coming years.

This is prompting the State to signal flat budgets, and cuts in some cases, in future financial planning.

2. The enacted FY27 State budget did not increase the Local Government Distributive Fund allocation, resulting in lower projected distributions to the Village.

This is expected to result in a decrease in general-purpose revenue distributed to the Village compared with FY26.

3. States like Illinois are being targeted by the Federal government for state and local laws and practices (e.g., sanctuary city policies).

This may further hamper receipt of federal funds or increase associated costs.

FY27 Update : Local Trends

FY27 represents a transition away from reliance on one-time pandemic-era resources and toward a budget supported by recurring revenues.

The projected FY26 reduction in General Fund balance includes the use of available cash to advance eligible capital expenditures.

The planned estimated $18 million GO bond issuance is expected to reimburse those capital expenditures and restore a substantial portion of General Fund liquidity.

This bond issuance does not create recurring operating revenue and will result in future debt-service obligations.

Separately, recurring operating expenditures are projected to grow faster than recurring revenues. The FY27 budget process is focused on expenditure discipline, operational efficiencies, service prioritization, and sustainable recurring revenues.

Key Changes

Order of Operations

Sequence starts with *Operating budgets*, then the *Personnel*, then *Capital.*

Technology

Budgets are drafted and reviewed using a new online system, *Euna Budget*

Timeline

We started earlier with new deadlines for draft budgets and revised review stages.

Efficiency Targets

Targeting a 3% budget increase, paired with a 2% cost savings. *Note: excludes personnel costs.*

Communications

Budget book will include shorter public narratives focused on efficiency and performance outcomes.

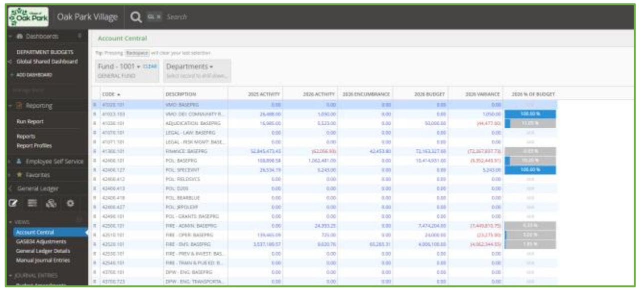
Collaboration

Finance is working with departments and prioritizing transparent recommendations with VMO.

Technology Update: BS&A and Euna

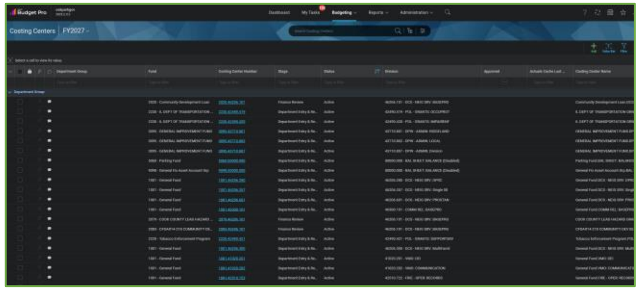
We transitioned in June to two systems used for enterprise resource planning and budgeting.

BS&A Cloud



The Village transitioned from its previous on-premise ERP system to *BS&A Cloud.* This system is used for all aspects of Village finances.

Euna Budget



Euna is used to draft FY27 budgets. Budgets flow to Directors, Finance, then VMO for review, before proceeding for Board review.

Finance is using *OpenBook* for this year's public-facing budget book.

Looking Forward	**Plans for these two systems include *transparency portals*, an *online budget book, data visualizations for our CIP and budget, ACFR,* and *improved integrations.***

Driving Strategies for Budget

As a result of budget trends, we adopted several strategies for the 2027 fiscal year.

Limiting Operating Expenditure Growth

- We are targeting a 3% increase in non-personnel budgets.

Identifying Realistic Opportunities for Savings

- Each department is submitting a written narrative of the cost efficiencies it is pursuing, targeting ~2% in savings, based on non-personnel operating costs from FY26 budget.

Strategic Personnel Decisions

- While personnel costs are not subject to the 3% operating cap, new FTE requests must align with direct service delivery needs and Board strategic goals through the Village Manager.

Program Revenues

- For all revenues in department-assigned costing centers, departments provided a preliminary FY27 budget and will discuss with VMO and Finance Committee.

Public-Facing Communications

Department Work Plans will be included in the budget appendix.

Performance and goals content will be concise, specific, and aligned with Board goals.

New section communicates how we are limiting spending of tax dollars.

Budget data is captured via Euna and ported to OpenBook.

Department Narrative	
Brief description of the department, its mission, and value to the community. ***Division A:*** *description of division* ***Division B:*** *description of division*	
2026 Performance Outcomes	**2027 Goals and Initiatives**
Overview of major wins from this year, focused on priority KPIs and quantifiable outcomes.	*Overview of department initiatives* *Overview of how department initiatives tie to Village Board Goals, tied to priority KPIs and core programs.*
Efficiency and Cost Savings Narrative	
Explanation of where the department is finding efficiencies, targeting 2% of FY2026 non-personnel budget.	
Department Budget	
This portion will be filled out automatically based on Euna budget submissions.	

Anticipated Budget Timeline

June - July

- Department drafts
- Operating baseline meetings
- Personnel forecasts

August

- VMO draft review
- Capital Plan Development
- Board review (Aug 20)

September

- Department budget presentations to Finance Committee

October

- Department budget presentations to Finance Committee
- CIP adoption (10/27)

November

- Budget Follow-up
- Tax levy review
- Recommended budget (11/19)

December

- Truth in taxation hearing
- Budget adoption (12/1)

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