



Date: December 5, 2017

To: Village President and Board of Trustees

Fr: Cara Pavlicek, Village Manager

Re: FY18 Budget Reductions

Cc: Department Directors

The Village Board met on Monday, November 13, 2017, in Room 101 to review reductions to the FY18 Recommended Budget and specifically discuss the October 30, 2017 Finance Committee's review of the General Fund and the request for \$2.5 million in reductions to the recommended FY18 General Fund budget be identified, excluding public safety and infrastructure.

The Village Board met again on Monday, November 27, 2017 in Room 101 to review possible increases to Parking Fees and changes to services (such as valet parking) and a General Fund discussion related to the Village Clerk's Office.

Department Directors additionally met on December 5, 2017 and identified the final reductions to the General Fund budget to reduce \$1 million in Transfers of Motor Fuel Tax Funds from the General Fund to the Capital Fund. This was possible by recommending a reduction in Capital budget expenditures by \$1 million via deferral of \$300,000 in consulting services for specific traffic studies and a Village-wide pavement conditions study to a future year and by reallocating \$700,000 of ADA accessible street improvements to the CDBG Fund (rather than using MFT as the revenue source). The CDBG funds were available due to the elimination of the Village Hall elevator improvements in the CIP.

Attached is a summary of these changes which have now been incorporated into the Budget based upon the Board discussion and staff's recommendation.

As background, the Department Directors identified the initial list of potential expenditure reductions. Department Directors has also identified revenue increases which would require new ordinances to be developed for future consideration. The summary includes those revenues where there was a consensus of the Village Board based upon the November 13, 2017 meeting.

Some budget reductions have additionally been identified through the typical course of developing the budget – by that I mean Department Directors submitted their budget in July of 2017 and some annual expenditures have since been competitively bid and therefore actual expenditure numbers are now available and they are less than the initially identified budget number. A specific example is the purchase of road salt which was bid and resulted in a reduction of \$20,000 to that line item in the Public Works operating budget in the General Fund. Any of this type of expenditure reduction which was already incorporated into the November 6, 2017 draft of the recommended budget are not included in the attached spreadsheet.

The spreadsheet also identifies those items which staff was directed to “add” to the budget as part of the Finance Committee meetings and/or Village Board Special Meetings.

In developing the reductions, Directors were asked to identify potential services which could be eliminated and therefore result in permanent reduction in services, rather than a one-time reduction. I did not assign a flat percentage reduction to each department. Additionally, staff was asked to avoid areas of service that the Village Board has prioritized historically.

The spreadsheet does not achieve the \$2.5 million in reductions requested at this time. However, the recommended budget also provides for personnel wage/benefit savings related to vacancies that can be achieved overtime. All proposed changes are identified in department organizational charts and the Position Control Chart included in the recommended budget. I want to emphasize that the reductions do not propose layoffs or furlough days. Again, I am not proposing any layoffs of employees. It is my goal that the Village move forward with the employees we have today. However, in order to continue to improve the Village’s financial position, there will need to be changes to employees’ assigned duties and when vacancies occur, we may need to move individual employees to key positions that are vacant, and eliminate the employees old position. Any employee who, as a result of the budget process, is asked to take on new work assignments will only be asked such in accordance with the applicable Personnel Rules and Regulation and Collective Bargaining Agreement.

Thank you and please let me know of any questions.

Attachment

Village of Oak Park					UPDATED 12-11-2017
FY18 Budget					
Recommended Levy Reduction Options					
<u>Description</u>	<u>GL#</u>	<u>Department</u>	<u>- Recommended</u>	<u>Reduction Frequency</u>	<u>Notes</u>
External support (judges)	1001.41030.401.530667	Admin Adjudication	22,000	Ongoing	Reduce emergency hearings for Administrative Boots, require pre-scheduling.
Conferences/training	1001.41110.101.530650	Communications	2,500	One-time	
Public info promos	1001.41110.101.530666	Communications	2,500	One-time	
Eliminate newsletter issues	1001.41110.101.530667	Communications	2,700	Ongoing	Reduce from nine to six annual OP/FYI newsletters
Eliminate newsletter issues	1001.41110.101.550601	Communications	10,230	Ongoing	Reduce from nine to six annual OP/FYI newsletters
Eliminate newsletter issues	1001.41110.101.550603	Communications	11,700	Ongoing	Reduce from nine to six annual OP/FYI newsletters
VOP TV equipment	1001.41110.101.570710	Communications	2,500	One-time	Defer purchase
VOPTV Software	1001.41110.101.570711	Communications	1,800	One-time	Defer purchase
Eliminate two planning interns	1001.46202.101.510501	DCS	15,000	One-time	Seasonal hire
External support	1001.46202.101.530667	DCS	50,000	One-time	South town plan
Sign replacement	1001.46205.101.560634	DCS	100,000	One-time	Stage 2 wayfinding project
Retail rehab grants	1001.46205.101.585651	DCS	30,000	One-time	Proposed new program for small business marketing
Retail rehab grants	1001.46205.101.585651	DCS	15,000	One-time	Holiday décor grant for business districts
Housing rehab property grants	1001.46206.300.585612	DCS	150,000	One-time	Multi family housing incentives
Rental reimbursements	1001.46206.300.585653	DCS	50,000	One-time	Mult family incentive
External support	1001.46250.101.530667	DCS	30,000	One-time	Scanning/digitizaion of older records
Conferences/training	1001.41300.101.530650	Finance	1,300	One-time	
Collection agency expense	1001.41300.101.530654	Finance	14,000	One-time	
External support	1001.41300.101.530667	Finance	5,000	One-time	
Bank charges	1001.41300.101.530675	Finance	5,600	One-time	
Printing	1001.41300.101.550601	Finance	1,000	One-time	
Postage	1001.41300.101.550603	Finance	500	One-time	
Travel/mileage	1001.41300.101.550605	Finance	100	One-time	
Books/subscriptions	1001.41300.101.550606	Finance	400	One-time	
Paper supply	1001.41300.101.560617	Finance	1,700	One-time	
Office supplies	1001.41300.101.560620	Finance	500	One-time	
Clothing	1001.41300.101.560625	Finance	500	One-time	
Equipment rental	1001.41300.101.560670	Finance	4,200	One-time	
Interfund transfer:Self Insured Retention Fund	1001.41300.101.591826	Finance	250,000	One-time	Reduce GF transfer by \$250,000
Interfund transfer:Capital Fund	1001.41300.101.591895	Finance	1,000,000	One-time	Reduce GF transfer by \$1,000,000 and increase ADA funding for streets in CDBG Fund by \$700,000
External support	1001.42500.101.530667	Fire	37,500	One-time	Deferred fire inspector contractor for six months - use staff 7G
Printing	1001.42500.101.550601	Fire	250	One-time	
Computer equipment	1001.42510.101.570710	Fire	3,000	One-time	Defer replacement of EOC equipment
Training	1001.41080.101.530652	Human Resources	8,000	One-time	Reduce professional local training for front line & supervisory staff
Temporary services	1001.41080.101.530658	Human Resources	75,000	One-time	Reduce funding for departments to hire temporary staffing to fill vacancies due to FMLA absences or turnover
External support	1001.41040.101.530667	Information Tech	10,000	Ongoing	Emergency consulting
Telecommunications	1001.41040.101.540690	Information Tech	20,000	One-time	Verizon
Telecommunications	1001.41040.101.540690	Information Tech	12,000	One-time	Defer internet upgrade by 3 months

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Software licenses	1001.41040.101.550663	Information Tech	7,700	Ongoing	Airwatch
Software licenses	1001.41040.101.550663	Information Tech	950	Ongoing	Papercut (tracks print activity)
Software licenses	1001.41040.101.550663	Information Tech	2,000	One-time	Dropbox
Software licenses	1001.41040.101.550663	Information Tech	2,000	Ongoing	Rapid notify extra use charges
External support	1001.43700.101.530667	Public Works	100,000	One-time	Remove permit/inspection consultant support
General contractals	1001.43740.761.530660	Public Works	20,000	One-time	True down to actual bid
Seasonal employees	1001.43800.101.510518	Public Works	30,000	One-time	Eliminate four interns
External support	1001.43800.741.530667	Public Works	115,000	One-time	Eliminate cycle pruning inspector; remove contingency for tree removal/emergencies
Fuel	1001.43900.731.560636	Public Works	5,000	One-time	Removes built in contingency
Fuel	1001.43900.732.560636	Public Works	25,000	One-time	Removes built in contingency
Fuel	1001.43900.733.560636	Public Works	10,000	One-time	Removes built in contingency
Fuel	1001.43900.734.560636	Public Works	10,000	One-time	Removes built in contingency
Vacant Positions - defer hiring 7/1/18	Various	VMO	249,497	Ongoing	Estimated annualized \$249,497
Vacant Positions - eliminate	Various	VMO	222,404	Ongoing	Est. annualized \$444,808 - includes of Parking Fund staffing reductions
Conferences/training	1001.41010.101.530650	VMO	6,100	One-time	
Board/commission support	1001.42010.101.530662	VMO	25,000	One-time	Maintain recognition events, eliminate room rentals, food and beverage expenditures, move from USPS notice of public hearings for Transportation and Parking to electronic notifications
		SUBTOTAL EXP	2,777,131		
Police Impoundment Penalty	TBD	Revenue	30,000	Ongoing	\$550 fine Imposed at time of vehicle impoundment in cases of felony arrest where vehicle must be impounded
Boot fee	TBD	Revenue	2,500	Ongoing	Currently \$125- increase to \$150
Boot tow	TBD	Revenue	2,500	Ongoing	Currently \$125- increase to \$150
Special event revenue	TBD	Revenue	78,000	Ongoing	Bill full cost of Village expenditures
Towing stolen autos	TBD	Revenue	10,000	Ongoing	
		SUBTOTAL REV	123,000		
TOTAL POTENTIAL LEVY REDUCTION			2,900,131		
NEW EXPENSES					
Small business support	1001.46205.101.xxxx	DCS	(50,000)	Ongoing	Small business rehab sales tax rebate
Fire pension employer contribution	1001.42500.101.520525	Fire	(400,000)	One-time	Voluntary additional contribution toward fire pension
D97 Holmes School contribution	5040.43730.101.xxxx	Water/Sewer Fund	(40,000)	One-time	relocation of water main - Water/Sewer Fund Locations
Gov QA software for FOIAs	1001.41100.101.57711	VCO	(10,000)	One-time	purchase of FOIA Software, if Laserfische is insufficient
		SUBTOTAL NEW EXPENSES	(500,000)		
ADJUSTED POTENTIAL LEVY REDUCTION			2,400,131		