



Fiscal Year 2020 Budget Presentation & Review of Fiscal Impact of COVID-19 Pandemic

May 18, 2020

Objectives of Presentation

- Offer initial projections about revenue and expense impacts of pandemic
- Offer strategies for addressing the fiscal side of this emergency

Oak Park Economy

- Oak Park began Staying at Home March 20, 2020
- Illinois began Staying at Home March 21, 2020
- As a result, economic activity has greatly decreased

Village Services

Village Services have changed significantly

- Public Health Services
- Emergency Services
- Remote Services

However, the expenses of operating a functional municipal government remain or in some cases have increased

The next 6 – 18 months

- The revenue forecast due to the pandemic-induced economic downturn is significant
- General Fund Balance of \$13.9 million will be depleted by mid FY21
- There is no single right answer to this fiscal response to COVID-19

FY 2020 Budget Overview



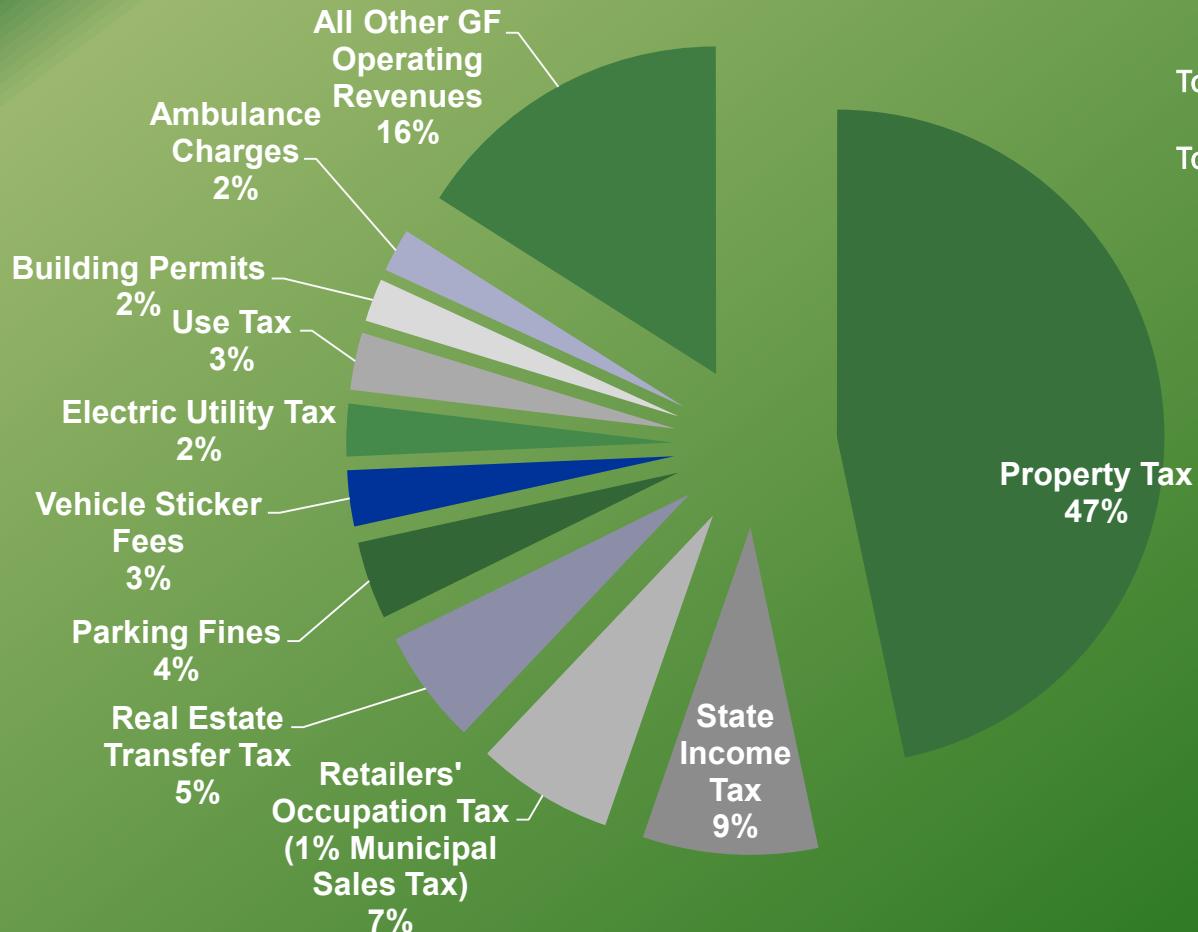
Total Budgeted
Revenues*:
\$156,971,180

Total Budgeted
Expenditures **=
\$168,684,968

* Less Inter-fund Transfers-In
** Less Inter-fund Transfers-Out

General Fund Operating Revenues

General Fund Operating Revenues



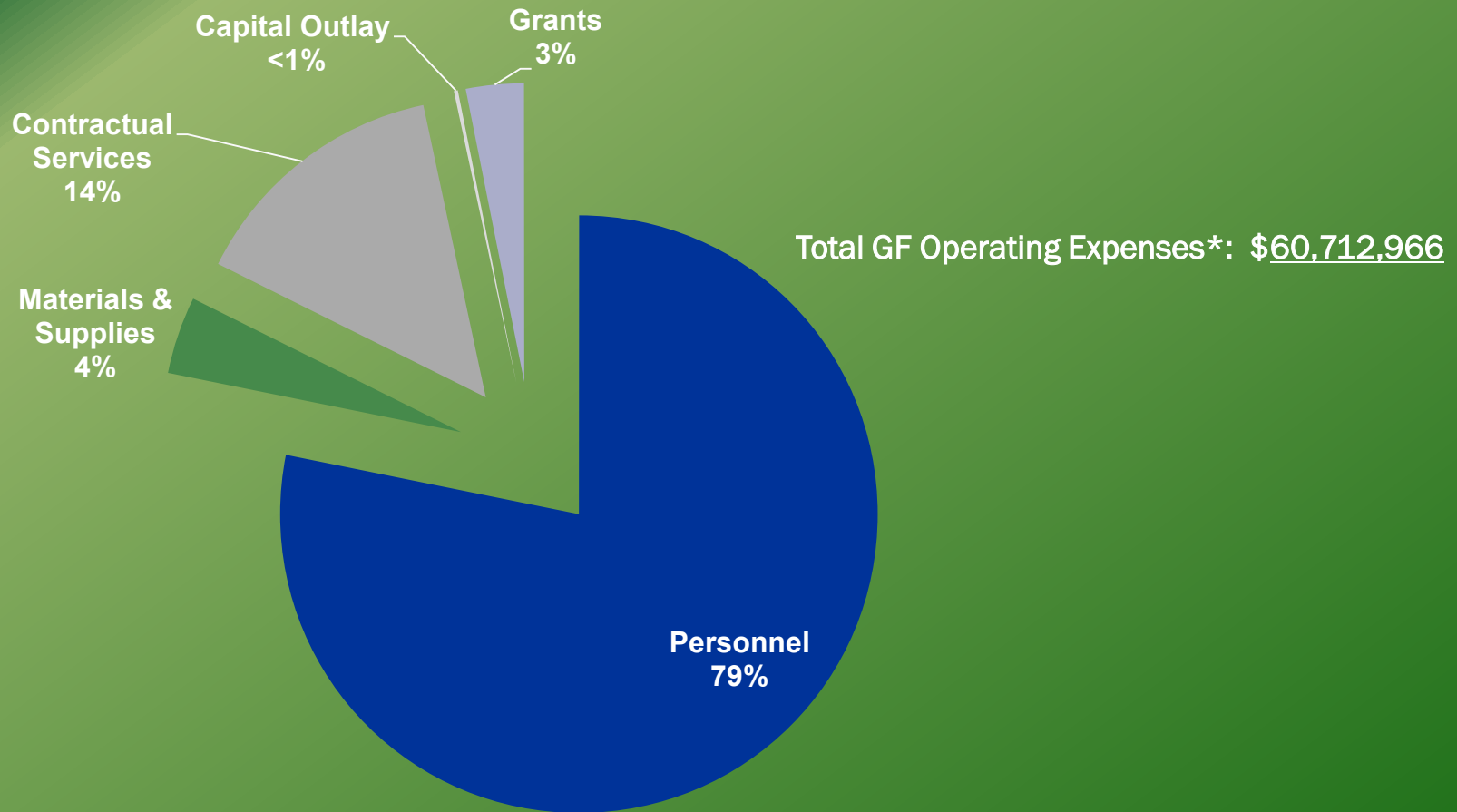
Top Ten Revenues: \$53,491,610 (87%)

Total GF Operating Revenues*: \$61,602,966

* Note: Total GF Operating Revenues excludes \$2,080,000 in Inter-fund Transfers

** Note: Home Rule Sales Tax is included in the Capital Improvement Fund

General Fund Expenses by Category



* Note: Total GF Operating Expenses does not include \$2,970,000 in Inter-fund transfers

No Single Right Answer

- There are many moving parts which we do not control
- In this unprecedented time, uncertainty is unavoidable and projections will likely be wrong
- However the difficult policy decisions recommended will be based upon the best information we have available

Where to Begin

- Reduce Materials or Contractual Costs
- Reduce Spending
- Find New Resources

Proposed Budget Reductions by Fund

<u>Fund</u>	Net Proposed Reduction <u>(Increase)</u>
General	1,369,814
Travel, Training and Wellness	30,000
Federal RICO	143,124
Motor Fuel	500,000
CDBG	(680,107)
Downtown TIF	(1,370,084)
Sustainability	215,000
Capital Building Improvements	3,282,630
Capital Fleet	362,996
Capital Main**	7,956,669
Debt Service**	-
Water/Sewer	3,910,508
Environmental Services	7,520
Parking	1,530,802
Self Insured Retention	(250,000)
 TOTAL	 <u><u>17,008,872</u></u>

**Excludes interfund transfers-out

Reduce Materials or Contractual Costs

- Review Contractor costs and renegotiate where possible
- Eliminate lower value or no-use programs
- Rethink subsidies, as painful as this may be

Reduce Spending

- Reduce capital asset investments
- Defer some purchases
- Re-examine maintenance and replacement standards
- Refinance Debt

Find New Resources

- Increase interfund charges and/or transfers where there is a case for it
- Reassess internal service fund cost allocations
- Consider monetizing assets
- Implement new or revised fees where appropriate
- Consider borrowing/debt for capital rather than depleting cash

Find New Resources (cont.)

- FEMA/IEMA financial assistance
- Public Health Grant
- Rebuild Illinois Fast-Track Public Infrastructure Program
- CDBG CARES Award



Next Steps

June 1: Board Discussion

June 15: Consideration of Amended
FY20 Budget