



## Agenda Item Summary

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### **Submitted By**

Cara Pavlicek, Village Manager

### **Reviewed By**

LKS

### **Agenda Item Title**

**Additional Review of General Fund Expenses**

### **Overview**

Pursuant to the requests of the Village Board of Trustees, this item is a review the recommended General Fund and potential expenditure reductions based upon the discussion at the November 12, 2018 special meeting of the Village Board.

### **Staff Recommendation**

Board direction is requested so that an updated budget document can be submitted to the Village Board for adoption on December 3, 2018.

### **Fiscal Impact**

Within the background text below, reductions to the recommend FY19 budget are submitted with a brief analysis for the Village Board's consideration. *Please note, the attached recommended FY19 budget dated October 30, 2018 do not contain the reductions below.*

In total, the recommendations below total:

\$354,818 in General Fund reductions in FY19

\$ 80,000 in Capital Fund reductions in FY19

\$ 85,000 in General Fund savings in FY18

\$519,818 total

### **Background**

The Finance Committee of the Village Board held four meetings in October 2018 to review and discussion the recommended FY19 budget.

The Village Board held a public hearing on November 5, 2018 and Special Meeting on November 12, 2018 regarding the recommended FY19 budget.

On November 12, 2018, there was consensus from the Village Board to hold a meeting on November 26, 2018

and review reductions in FY19. While there were many individual perspectives expressed as part of the Village Board's discussion, reductions in General Fund expenditures in order to minimize fund any 2019 expenditures with General Fund balance was noted by several Trustees. In addition, in preparing the recommendations below, staff took into account input received from individual Trustees.

#### Recommended General Fund Reductions in FY19

Reduce request by one (1) to hire additional Police Officers (reduction of \$120,000): Interim Chief Reynolds has examined staffing and concluded that the Department could reduce its staffing request from three (2) new Police Officers to two (2) new Police Officer. This would require that an existing vacant position, Investigative Support Officer, would not be filled. However, with the addition of two new Police Officers the Department could still achieve the goals of the Interim Police Chief and increase investigative staff which is a complement to patrol staffing levels.

Discontinue Alliance for Innovation Membership (reduction of \$4,000). The Village has been a member of the Alliance for Innovation which provides staff in the Village with access to online information regarding municipal services. A review with Department Director's indicates that the value of the member is not sufficient and much of the municipal information available can be obtained by staff via other avenues.

Reduce funding for Oak Park Economic Development Corporation (EDC) (reduction of \$71,000). Traditionally, the EDC has not utilized their full allocation pursuant to the Operating Agreement between the Village and the EDC which establishes annual Village funding of \$721,500 through August 2021. Annual unspent funds are returned to the Village. Based on recent information from the EDC, they will return approximately \$50,000. It is recommended that the Village reduce the FY19 funding to \$650,000 and present an amended Operating Agreement to reflect the same in early 2019.

Reduce fund to the Oak Park Area Arts Council and eliminate the 2019 Sculpture Walk (reduction of \$30,000). Staff discussed the possibility of not moving forward with the 2019 Sculpture Walk with the Oak Park Area Arts Council. Executive Director Camille Wilson-White estimates that it would be a savings of approximately \$30,000. She is open to taking next year to consider alternative public art installations that might be more cost effective and could be installed in each business district. An example is an installation that uses rain activated art such as <https://rain.works/>.

Keep funding flat for the Oak Park Regional Housing Center (reduction of \$33,618). In FY19, the Federal CDBG funding already approved by the Village Board for the Regional Housing Center was increased over the prior year by \$33,618 and this allocation was combined with a recommendation for consistent, or flat, General Funds of was \$425,000. Staff has communicated with the Oak Park Regional Housing Center and they are comfortable lowering their General Revenue fund request by \$33,618 in order to be at the same level of funding as 2018. Staff has also discussed the need for the Housing Center to develop a strategic plan for the future of the organization. Subject to Board approval, the contract performance measures are being updated as part of the Grant Fund Agreement for 2019 which will be presented to the Village Board following the FY19 Budget adoption.

End Participation in the Youth Interventionist Intergovernmental Agreement (IGA) (reduction of \$61,200). The Village of Oak Park has participated in this program for the last 19 years, and most recently entered into an

agreement for 2018/2019 and 2019/2020, with the caveat that the Village could terminate its participation providing notice of termination to all other parties on or before June 1, 2019. In 2018, the Village of River Forest voted to not renew participation. While it is recommended the Village no longer fund this activity, staff supports the work done by the Township. This recommendation is simply that the Township should utilize its taxing authority to support the activities rather than shifting the costs to the Village.

Move away from policy of development Business District Plans and rely upon the Village's adopted Comprehensive Plan (**reduction of \$35,000**). By streamlining and re-imagining the Village's planning focus, this action would also acknowledge that the seven existing business district plans are outdated and, going forward, would not be updated in favor of increased reliance on the Village wide Comprehensive Plan. Like all professionally managed communities, Oak Park has a recently updated Comp Plan that provides planning guidance for all areas of the Village. Above and beyond the Comp Plan, Oak Park is unique in that it has seven independent planning documents, completed ten to fifteen years ago, designed to guide decisions made specifically in smaller business district areas. Each of these outdated business district plans were completed by consultants at significant expense. No plans were ever created for the North Avenue or the Garfield @ Harlem Business Districts. If the Village eliminates the creation and updating of business district plans then taxpayer money will be saved.

Delay building improvements at Fire Station 3 locker room renovation (**reduction in Capital Fund of \$50,000**). While the proposed work to renovate and divide the current locker room at Fire Station 3 into a two facilities for male and female staff will be required in 2020, current staffing levels allow for deferral of this work from 2019, to 2020.

Delay employee computer workstation updates (**reduction in Capital Fund of \$30,000**). The Equipment Replacement fund provides for a four year replacement cycle for employee computer workstations and in FY2019, Police, Fire and IT as scheduled for an update at a cost of \$65,000. The reduction of \$30,000 would allow for \$35,000 to address Fire needs in FY19, and push back Police and IT to 2020 (and subsequently other departments in future years).

Amend the FY18 current year end estimated to reflect the anticipated reduction in contractual building permitting and inspection services (**reduction of \$85,000 in current year expenses**). This item is noted to highlight that such cost savings in FY18 in the General Fund results in an increase in Fund Balance at the start of FY19.

### **Alternatives**

The Board could request additional information.

### **Previous Board Action**

The Finance Committee of the Village Board held four meetings in October 2018 to review and discussion the recommended FY19 budget.

The Village Board held a public hearing on November 5, 2018 and Special Meeting on November 12, 2018 regarding the recommended FY19 budget.

### **Citizen Advisory Commission Action**

N/A

**Anticipated Future Actions/Commitments**

The Village Board will be asked to adopt the FY19 budget on December 3, 2018.

**Intergovernmental Cooperation Opportunities**

N/A

**Performance Management (MAP) Alignment**

N/A