



Fourth 2019 Budget Workshop

November 28, 2018
6:00PM

Village of Oak Lawn Management Team

Agenda – November 28, 2018



6:00 Introduction

6:15 Changes in General Fund Budget

6:30 Capital Improvements

7:00 Debt Summary

7:30 Pension Funding & Retiree Health
Obligations

7:45 Budget Recap

Changes in 2019 General Fund Budget as presented in 1st Budget Workshop



Dept	Acct/Description	\$ Change	Reason
	Net (Loss) as presented in 1st Budget Workshop	\$ (708,425)	
1999	30210 – Current Levy – VOL	\$ (50,000)	Decrease property tax levy
1999	30996 – Civic Contribution/Donation	\$ 150,000	Master Power Supply Agreement
2600	51110 – Dispatch Contractual Services	<u>\$ 296,910</u>	Finalized OLREC Budget and increase in true-up due to additional surcharge revenue rec'd by OLREC.
	Revised Net (Loss) as presented in 2nd Budget Workshop	\$ (311,515)	***
	*** Open enrollment for Employee Health Insurance closes on November 19, 2018. Upon closure, Management expects a favorable adjustment for total employee medical costs. This adjustment will help further close the current budget gap.		

Changes in 2019 General Fund Budget as presented in 2nd Budget Workshop



Dept	Acct/Description	Amount	Reason
	Net (Loss) as presented in 2nd Budget Workshop	\$ (311,515)	
1999	30325 – Storage Facility Tax	\$ 40,000	New proposed tax
1999	30335 – Municipal Utility Tax – Natural Gas (NICOR)	\$ 18,000	Growth in Commercial developments (i.e.. Advocate & 111 th & Cicero)
1999	30336 – Municipal Utility Tax – Electricity (ComEd)	\$ 42,000	Growth in Commercial developments (i.e.. Advocate & 111 th & Cicero)
1999	30765 – Paramedic Ambulance Fees	\$ 78,533	Renegotiated terms for Medical Billing Services Contract (Reduced fees from 4.00% to 3.75%)
Various	50400 - 50410 – Insurance	\$ 305,620	Open enrollment for Employee's closed and adjusted premiums based on actual Employee selection's
1900	49521 – Overtime	\$ (622,638)	Increased Fire OT based on historical and current interest arbitration
2600	50610 – Contingency/Special Serv	<u>\$ 450,000</u>	Removal of contingency for retro-active pay and certain capital expenditures
	Revised Net (Loss) as presented in 4th Budget Workshop	\$ -	FY19 Balanced Budget



Capital Improvements

Capital Improvement Summary



Description	2019 Budget (Proposed)	2018 Budget (Prior Year)
Information Technology	\$ -	\$ 387,550
Police Department	485,000	560,800
Police Department (Strike Force)	240,000	-
Fire Department	-	50,000
Streets Division	2,679,000	2,838,060
Equipment Maintenance	-	-
Building and Grounds	255,000	245,000
Water Department (Retail)	617,000	540,000
Sewer Department	1,373,000	1,626,393
Water Department (Regional)	290,000	600,000
Commuter Parking Tower	<u>150,000</u>	<u>327,500</u>
Total Capital Improvements	\$ 6,089,000	\$ 7,175,303

Note: The previous year had an additional ~\$1.0 million of capital improvements to be funded by \$355k of Equitable Sharing revenue as provided by the Police Department and \$600k of Water Regional System revenue. In FY19, the capital funding for the majority of departments was reduced.

Capital Improvement Detail Information Technology



A/C Number	Description	2019 Budget (Proposed)	2018 Budget (Final)	2018 Actual (YTD)
100-2600-9999-50610	Servers	\$ -	\$ 60,000	\$ -
100-2600-9999-50610	ERP System *	\$ -	327,550	-
	Total Information Technology	\$ -	\$ 387,550	\$ -

* Contingent based on the performance of the General Fund Operations in 2018. The ERP system has been tabled until the completion of the installation of residential water meters.

Capital Improvement Detail Police Department



A/C Number	Description	2019 Budget (Proposed)	2018 Budget (Final)	2018 Actual (YTD)
200-1800-9999-70230	Police Vehicles (QTY – 4)	\$ 160,000	\$ 205,800	\$ 166,256
200-1800-9999-70140	Squad Room Flooring	30,000	-	-
610-6100-6110-69250	In-Car Video Systems	-	100,000	9,750
610-6100-6110-70150	Machine & Equipment	5,000	20,000	10,047
610-6100-6110-70210	Furniture & Fixtures	85,000	135,000	141,242
610-6100-6110-70230	Vehicles (Drug Forfeiture)	150,000	100,000	51,417
610-6130-6130-70230	Vehicles (County –DUI)	40,000	-	-
610-6130-6180-70230	Vehicles (County – Forfeited)	<u>15,000</u>	<u>-</u>	<u>-</u>
	Total Police Department	\$ 485,000	\$ 560,800	\$378,712

Capital Improvement Detail Police Department (Chicago Strike Force)



A/C Number	Description	2019 Budget (Proposed)	2018 Budget (Final)	2018 Actual (YTD)
610-6170-6110-69250	Computer & Electronic Equipment	\$ 100,000	-	-
610-6170-6110-70150	Machine & Equipment	20,000	-	-
610-6170-6110-70210	Furniture & Fixtures	20,000	-	-
610-6170-6110-70230	Vehicles	<u>100,000</u>	-	-
	Total Police Department (Chicago Strike Force) *	\$ 240,000	\$ -	\$ -

* The Village serves as the fiduciary agency for the Organized Crime Drug Enforcement Task Force (OCDETF) also known as “Chicago Strike Force” under the “Guide for Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies” as published by the U.S. Department of Justice and U.S. Department of Treasury.

Capital Improvement Detail Fire Department



A/C Number	Description	2019 Budget (Proposed)	2018 Budget (Final)	2018 Actual (YTD)
200-1900-9999-70170	Computer & Electronic Equipment	\$ -	\$ -	\$ 10,979
200-1900-9999-70230	Vehicle	-	<u>50,000</u>	<u>30,939</u>
	Total Fire Department	\$ -	\$ 50,000	\$ 41,918

Capital Improvement Detail

Street Division



A/C Number	Description	2019 Budget (Proposed)	2018 Budget (Final)	2018 Actual (YTD)
200-4000-9999-55300	Street Resurfacing	\$ 1,860,000	\$ 1,869,075	\$ 1,694,516
200-4000-9999-55300	Street Resurfacing (CDBG Eligible)	240,000	220,185	250,318
200-9999-9999-55300	103 rd Cicero to Pulaski 103 rd Cicero to Central	-	-	13,470
200-2300-9999-55520	Sidewalk Replacement (50/50 Program)	175,000	175,000	70,683
200-2300-9999-55540	Sidewalk Replacement (100 Program)	125,000	125,000	-
200-2300-9999-70230	Vehicles	279,000	-	105,625
200-2300-9999-70240	Museum Drive Ext. & Traffic Signal *	-	448,800	11,363
	Total Street Department	\$ 2,679,000	\$ 2,838,060	\$ 2,145,975

* Funding source is unavailable at this time; however, the Village plans on using Incremental TIF property taxes to fund the completion of this project within the Patriot Station TIF. The Village is projecting the TIF will begin to receive incremental property taxes from the AMG Medical Building on the 2nd Installment of Tax Levy Year 2019 (August, 2020).

Capital Improvement Detail Buildings and Grounds



A/C Number	Description	2019 Budget (Proposed)	2018 Budget (Final)	2018 Actual (YTD)
200-2500-9999-70140	Building Improvements	\$ 105,000	\$ -	\$ -
200-2500-9999-70250	Light Poles	150,000	-	-
200-4000-9999-70140	5210 Property Maintenance Program	-	140,000	4,365
200-9999-9999-70150	Village Green – Playground Equipment	-	<u>105,000</u>	<u>78,433</u>
	Total Buildings and Grounds	\$255,000	\$ 245,000	\$ 82,798

Capital Improvement Detail Water Department (Retail)



A/C Number	Description	2019 Budget (Proposed)	2018 Budget (Final)	2018 Actual (YTD)
810-8120-8135-57725	Hydrant Maintenance	\$ 20,000	\$ 95,000	\$ 95,104
810-8120-8140-69500	Wireless Remote Readers for Meters	20,000	150,000	402,470
810-8120-8120-70140	Storage Garage Roofs & Doors	16,000	-	-
810-8120-8120-70150	Various Equipment	50,000	-	-
810-8120-8125-70150	Lawn Mowers (Qty – 2)	16,000	-	-
810-8120-8120-70230	Pick-up Trucks (Qty-2)	35,000	35,000	-
810-8120-8120-70260	Water Main CIPP Lining	450,000	250,000	-
810-8120-8135-70270	Hydrants	<u>10,000</u>	<u>10,000</u>	<u>24,438</u>
	Total Water Department (Retail)	\$ 617,000	\$ 540,000	\$ 522,012

Capital Improvement Detail Sewer Department



A/C Number	Description	2019 Budget (Proposed)	2018 Budget (Final)	2018 Actual (YTD)
810-8160-8180-69600	Sanitary Sewer Inspection and Rehabilitation	\$ 1,250,000	\$1,301,393	\$ 645,252
810-8160-8180-70150	Machine & Equipment (Scada & Trailer)	68,000	75,000	75,000
810-8160-8165-70230	1 Ton Dump Truck w/ Plow & Spreader	55,000	85,000	80,672
810-8160-8165-70230	Compact Wheel Loader for Snow Removal	-	15,000	-
810-8160-8185-69600	Residential House Purchase	-	<u>150,000</u>	<u>103,778</u>
	Total Sewer Department	\$1,373,000	\$1,626,393	<u>\$1,271,250</u>

Capital Improvement Detail Water Department (Regional)



A/C Number	Description	2019 Budget (Proposed)	2018 Budget (Final)	2018 Actual (YTD)
810-8130-8130-69250	Security Camera System (Harker)	\$ 50,000	\$ 50,000	\$ -
810-8130-8130-69250	Security Camera System (Reich)	50,000	50,000	-
810-8130-8120-69500	Chicago Meter Replacement	70,000	300,000	52,868
810-8130-8120-70150	Machine & Equipment	110,000	-	-
810-8130-8120-70230	Bobcat w/ Brush (Reich)	-	60,000	58,622
810-8130-8130-70260	Harker Pump #9 (Replace or Rebuild)	-	100,000	30,705
810-8130-8130-69400	Office Furniture (Reich)	<u>10,000</u>	<u>40,000</u>	-
	Total Water Department (Regional)	\$ 290,000	\$ 600,000	\$ 142,195

Capital Improvement Detail Commuter Parking Lot



A/C Number	Description	2019 Budget (Proposed)	2018 Budget (Final)	2018 Actual (YTD)
350-9999-9999-51700	Tower Maintenance Program	\$ 25,000	\$ 327,500	\$ 246,021
350-9999-9999-70150	Machine & Equipment	<u>125,000</u>	-	-
	Total Commuter Parking Lot	\$ 150,000	\$ 327,500	\$ 246,021

Debt Summary

Total Governmental Debt



	Beginning Balance	New Issues	Payments / Refundings	Ending Balance
2013	\$ 89,325,841	\$ 3,898,703	\$ 4,697,743	\$ 88,526,801
2014	88,526,801	2,187,468	4,297,160	86,417,109
2015	86,417,109	9,112,142	19,012,036	76,517,215
2016	76,517,215	624,348	4,797,172	72,344,391
2017	72,344,391	22,476,154	23,978,651	70,841,894
2018	70,841,894	246,419	4,367,267	66,721,046

Governmental Debt Summary (GO Bonds)



	Beginning Balance	New Issues	Payments / Refundings	Ending Balance
2013	\$ 64,824,633	\$ -	\$ 3,613,573	\$ 61,211,060
2014	61,211,060	-	3,754,920	57,456,140
2015	57,456,140	8,475,000 *	12,726,140	53,205,000
2016	53,205,000	-	4,315,000	48,890,000
2017	48,890,000	22,250,000 **	3,985,000	67,155,000
2018	67,155,000	-	3,585,000	63,570,000

• The Village issued Series 2015 in the amount of \$8,475,000 to refund Series 2004, 2004A, 2005A, 2005B, 2005C

** The Village issued Series 2017 in the amount of \$22,250,000 to refund the 2012 Promissory Note.

Governmental Debt (GO Bonds by Series)



Series	Beginning Balance	New Issues	Payments / Refundings	Ending Balance	Funding Source
2009 A	\$ 7,625,000	\$ -	\$ 970,000	\$ 6,655,000	TIF Triangle & Train Station TIF Incremental Property Taxes, Corporate Tax Levy and Water & Sewer Fund Transfer
2010 A	27,165,000	-	1,130,000	26,035,000	Vehicle Fuel Taxes & Motor Fuel Taxes
2011 B	1,225,000	-	295,000	930,000	Library Transfer
2012	3,750,000	-	180,000	3,570,000	Special Service Area Fund Sales Taxes & Tax Levy
2015	5,140,000	-	1,010,000	4,130,000	Commuter Parking Lot TIF & Train Station TIF Incremental Property Taxes and Corporate Tax Levy
2017 A	20,190,000	-	-	20,190,000	Cicero Gateway TIF Incremental Property Taxes
2017 B	<u>2,060,000</u>	<u>-</u>	<u>-</u>	<u>2,060,000</u>	Cicero Gateway TIF Incremental Property Taxes
Total	\$ 67,155,000	\$ -	\$ 3,585,000	\$ 63,570,000	

Governmental Debt (Notes Payable)



	Beginning Balance	New Issues	Payments / Refundings	Ending Balance
2013	\$ 24,501,208	\$ 3,898,703	\$ 1,084,170	\$ 27,315,741
2014	27,315,741	2,187,468	542,240	28,960,969
2015	28,960,969	637,142	6,285,896	23,312,215
2016	23,312,215	624,348	482,172	23,454,391
2017	23,454,391	226,154	19,993,651 *	3,686,894
2018	3,686,894	246,419	782,267	3,151,046

Note: The Notes Payable include the capital loans and the 2012 Promissory Note for the Cicero Gateway TIF. The 2012 Promissory Note was refunded during 2017 with GO Refunding Bonds, Series 2017.

Business-Type Debt Summary



- The Village's Retail System has outstanding notes payable that were used for capital purchases.
- The Village's Regional System has outstanding General Obligation Loans that were related to the Regional System and are reimbursed to the Village by the communities in the Regional Water System. In addition, the Regional Water System is in the process of a \$221.3M project. See next page for further details.

Business-Type Debt (IEPA Water Project Summary)



System Debt - Summary

IEPA Debt

● Harker Facility (L17 – 4590)

- Amount Drawn \$12,688,550
- Fully drawn
- Project complete
- Rate: 1.94%
- \$766,560 of principal was forgiven
- First debt payment made in June 2017; total debt service in 2018 was \$754,678

● Reich Facility (L17 – 5080)

- \$27,631,015
- Amount drawn and outstanding \$26,462,927
- 95% complete
- Rate: 1.995%
- First Debt Payment was made June 2018; total debt service in 2018 was \$1,530,041

● Transmission Main BP4A (L17 – 5082)

- \$26,047,057
- Amount drawn \$12,810,239
- 50% complete
- Rate: 1.64%

● Booster Stations (L17 – 5081)

- Amount outstanding \$3,112,655
- 100% complete
- Rate: 1.86%
- First debt payment made in October 2017; total debt service in 2018 was \$191,770

Other Debt

● Northern Trust Line

- Outstanding as of November 1, 2018
 - Tax exempt (\$18 million):
 - \$13,701,871 drawn (\$4.3 million available)
 - Taxable (\$2 million)
 - \$701,524 drawn (\$1.3 million available)
- Rate: LIBOR + 60 bps – Approximately 2.16% and 2.70%
- Extension subject to rating agency discussion and receipt of AA rating

Total Business-Type Debt



	Beginning Balance	New Issues	Payments / Refundings	Ending Balance
2013	\$ 10,121,642	\$ 51,624	\$ 537,497	\$ 9,635,769
2014	9,635,769	721,976	504,428	9,853,317
2015	9,853,317	159,455	552,023	9,460,749
2016	9,460,749	198,567	464,494	9,194,822
2017	9,194,822	468,378	649,408	9,013,792
2018	9,013,792	149,686	839,396	8,324,082

Business-Type Debt Summary (Regional - GO Bonds)



	Beginning Balance	New Issues	Payments / Refundings	Ending Balance
2013	\$ 9,630,000	\$ -	\$ 405,000	\$ 9,225,000
2014	9,225,000	-	405,000	8,820,000
2015	8,820,000	-	430,000	8,390,000
2016	8,390,000	-	430,000	7,960,000
2017	7,960,000	-	455,000	7,505,000
2018	7,505,000	-	485,000	7,020,000

Business-Type Debt Summary (Regional - GO Bonds by Series)



Series	Beginning Balance	New Issues	Payments / Refundings	Ending Balance	Funding Source
2006	\$ 4,165,000	\$ -	\$ 145,000	\$ 4,020,000	100% by Outside Water communities by contractual agreement
2011 A	<u>3,340,000</u>	<u>-</u>	<u>340,000</u>	<u>3,000,000</u>	100% by Outside Water communities by contractual agreement
Total	\$ 7,505,000	\$ -	\$ 485,000	\$ 7,020,000	

Business-Type Debt Summary (Retail - Notes Payable)



	Beginning Balance	New Issues	Payments / Refundings	Ending Balance
2013	\$491,642	\$ 51,624	\$ 132,497	\$ 410,769
2014	410,769	721,976	99,428	1,033,317
2015	1,033,317	159,455	122,023	1,070,749
2016	1,070,749	198,567	34,494	1,234,822
2017	1,234,822	468,378	194,408	1,508,792
2018	1,508,792	149,686	354,396	1,304,082

Note: The Notes Payable include the capital loans and the 2012 Promissory Note for the Cicero Gateway TIF. The 2012 Promissory Note was refunded during 2017 with GO Refunding Bonds, Series 2017.

Total Debt Summary



Description	Series #	Ending Balance
Governmental – GO Bonds		\$ 63,570,000
Governmental – Notes Payable		3,151,046
Business-Type – GO Bonds		7,020,000
Business-Type – Notes Payable		<u>1,304,082</u>
Total General Obligation Unlimited Tax (GOULT) Debt		75,045,128
Less: Water Debt w/ Contracts	Series 2006 & 2011A	(7,020,000)
Less: Library w/ separate Tax Levy	Series 2011B	(930,000)
Less: Special Service Area (SSA)	Series 2012	<u>(3,570,000)</u>
Total Debt less other taxing agencies obligations		63,525,128

Based on the 2017 EAV of \$1,185,569,994, the Villages pro-forma 8.625% “Debt Ceiling” guideline for Non-Home Rule Municipalities is ~\$102.2 million.

Pension Funding and Retiree Health Obligation

Pension Funding



Year	Actual Employer Contributions			Total	Total Expenditures	% of Total Expenditures
	Police	Fire	IMRF*			
2019 **	\$ 4,350,589	\$ 4,299,731	\$ 910,020	\$ 9,560,340	\$ 58,311,617	16.4%
2018 **	3,906,815	3,887,620	1,079,401	8,873,836	58,365,982	15.2%
2017	3,456,103	3,446,219	1,140,443	8,042,765	56,527,107	14.2%
2016	2,957,525	2,957,525	1,150,615	7,065,665	54,952,735	12.9%
2015	2,457,525	2,461,238	1,130,809	6,049,572	56,077,738	10.8%
2014	1,712,766	1,713,395	1,161,442	4,587,603	53,195,161	8.6%
2013	1,196,279	1,196,975	1,148,141	3,541,395	50,652,163	7.0%
2012	1,004,965	992,584	1,042,180	3,039,729	54,444,483	5.6%
2011	839,883	526,846	931,759	2,298,488	38,914,287	5.9%

* Includes OLREC & Water & Sewer Fund employees

** 2018 & 2019 line items are based on budgeted figures

Budget Recap



➤ Overall Balanced Budget

- Overall General Fund Expenditures presented are a slight reduction from 2018 (FY19 = \$58.31M, FY18 = \$58.37M)
- Scheduled Police and Firefighter pension contributions as per the funding policy are expected to be met for the 8th consecutive year
- The Village continues to pay down interfund debt balances
- Debt retirement on track with funding policy for the pension contributions
- Village Property Tax Levy is below the previous year's tax levy for the 6th consecutive year
- Continued investment and rehabilitation of aging infrastructure for the 10th consecutive year
- Cicero Gateway TIF continues to exceed expectations. Progression of Phase II ongoing with expected property sale in 4th quarter of 2019

Budget Expenditures Recap



Description	2018 Budget (Final)	2018 Actual (Projected)	2019 Budget (Projected)
Personnel:			
Salaries	\$ 23,301,842	\$ 22,326,419	\$ 23,277,479
Overtime	2,604,910	3,710,543	3,209,138
Part-Time Employee's	579,311	495,830	365,551
Vacation & Sick Benefit	562,000	724,533	680,000
Contractual/Incentives/Differentials	1,521,543	1,404,761	1,543,716
Commissioners/Board Members	31,605	39,687	33,605
FICA	701,425	791,292	697,346
IMRF	727,748	766,345	516,763
Police & Fire Pension Contributions	7,794,435	7,794,435	8,650,320
Insurance	<u>6,125,606</u>	<u>4,851,384</u>	<u>5,464,528</u>
Total Personnel	43,950,425 75.3%	42,905,229 76.1%	44,438,446 76.2%
Contractual:			
Refuse Pickup	3,425,000	3,445,256	3,480,000
Dispatch Services	1,175,000	1,157,454	826,770
Rental Inspections	185,000	203,259	192,000
School Crossing Guard Services	-	150,059	328,750
Repairs & Maintenance	1,107,306	957,947	1,116,542
Consultant Services	594,600	521,128	625,030
Union EE Testing	174,736	133,124	225,416
Telephone & Internet Services	335,114	348,443	315,365
Tax Rebates	950,000	998,000	996,000
Legal	768,000	746,244	767,500
Insurance (Property, Liability, WC, Claims)	1,188,500	918,397	869,110
Special Events	193,000	188,534	244,080
Energy (Electrical & Gas)	184,000	157,749	184,000
Other	<u>1,687,474</u>	<u>1,205,490</u>	<u>1,184,327</u>
Total Contractual	11,967,730 20.5%	11,131,085 19.8%	11,354,890 19.5%

Budget Expenditures Recap (Con't)



Description	2018 Budget (Final)	2018 Actual (Projected)	2019 Budget (Projected)
Commodities:			
Supplies & Materials	\$ 200,025	\$ 163,868	\$ 198,325
Copier Lease & Supplies	77,339	71,522	79,200
Asphalt, Cement and Street Materials	112,500	86,926	114,500
Salt and Calcium Chloride	188,000	184,591	214,464
Gas/Diesel Fuel	375,000	371,711	375,000
Special Events	68,400	57,556	68,200
Other	440,135	251,215	491,535
Total Commodities	<u>1,461,399</u> 2.5%	<u>1,187,389</u> 2.1%	<u>1,541,224</u> 2.6%
Capital:			
Computer & Electronic Equipment	-	76,360	-
Machine & Equipment	-	7,700	-
Light Poles	50,000	50,000	50,000
Capital Lease	50,400	109,972	65,000
Total Capital	<u>100,400</u> 0.2%	<u>244,032</u> 0.4%	<u>115,000</u> 0.2%
Transfers:			
Transfer to Bond/Interest	886,028 1.5%	881,508 1.6%	862,057 1.4%
Total General Fund	\$58,365,982	\$56,349,243	\$58,311,617