

# 2020–2021 Budget Preparation

November 12, 2019

Presented by Colleen Julian, Finance Director



**CITY OF OAK FOREST  
ANNUAL LEVY  
SUMMARY**

	<b>ANTICIPATED 2019</b>	<b>2018</b>	<b>INCREASE</b>	<b>PERCENT INCREASE</b>
	<u>LEVY</u>	<u>LEVY</u>	<u>(DECREASE)</u>	<u>(DECREASE)</u>
REVENUE OTHER THAN PROPERTY TAX	12,545,925	12,204,597	341,328	2.80%
EXPENDITURES PER BUDGET SUMMARY	19,215,844	18,661,782	554,062	2.97%
SURPLUS ALLOCATED TO FUND BALANCE	-	-	-	
LEVY AMOUNT NEEDED FOR CORPORATE FUND	6,669,919	6,457,185	212,734	3.29%
PLUS PENSION FUNDS	3,227,690	3,047,189	180,501	5.92%
TOTAL CORP & SPECIAL PURPOSE PROP TAXES	<u>9,897,609</u>	<u>9,504,374</u>	<u>393,235</u>	4.14%
TOTAL AGGREGATE LEVY PLUS UNCOLLECTIBLE %	10,194,538	9,789,505	405,032	4.14%
PLUS DEBT SERVICE				
DEBT SERVICE '12	1,041,950	1,053,200	(11,250)	
DEBT SERVICE '08A AND '09A	-	-	-	
DEBT SERVICE '08B AND '09B	-	-	-	
DEBT SERVICE '13	166,639	170,260	(3,621)	
DEBT SERVICE '15A	392,025	381,825	10,200	
DEBT SERVICE '15B	111,400	112,150	(750)	
DEBT SERVICE '16A	470,000	465,100	4,900	
DEBT SERVICE '16B	662,400	659,350	3,050	
LESS ABATEMENT	<u>(1,802,464)</u>	<u>(1,788,685)</u>	<u>(13,779)</u>	
TOTAL DEBT SERVICE	1,041,950	1,053,200	(11,250)	-1.07%
TOTAL DEBT SERVICE LEVY PLUS UNCOLLECTIBLE %	1,094,048	1,105,860	(11,812)	-1.07%
PROPOSED TAX LEVY AFTER ABATEMENT	<u><u>11,288,585</u></u>	<u><u>10,895,365</u></u>	<u><u>393,220</u></u>	3.61%

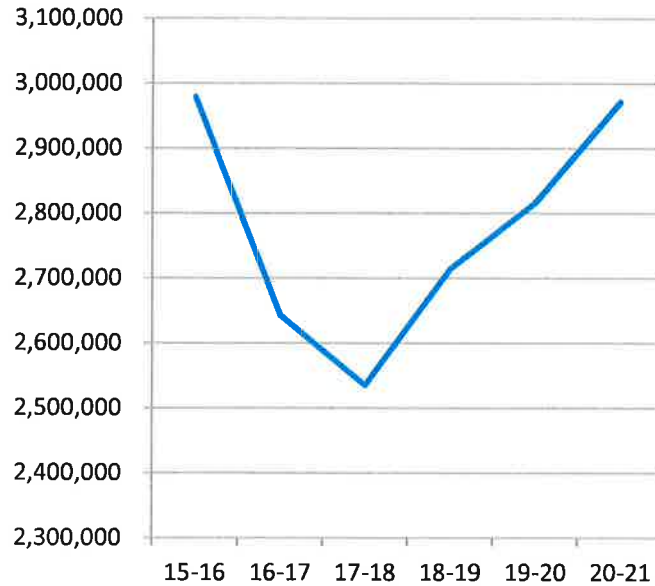
# 2019 Levy Calculation

- ▶ Total increase \$393K or 3.61%
- ▶ Total FT positions remain at 124
- ▶ Police and Fire Pension contributions increased \$181K, or 5.92%
- ▶ Changes to revenue
  - State shared revenues increased \$185K or 5%
  - Income tax projected to increase back to FY 2016 amount



# State Income Tax 6 Year History

Year	Description	Amount	% Increase (Decrease)
15-16	Actual	2,979,979	
16-17	Actual	2,643,103	-11%
17-18	Actual	2,535,647	-4%
18-19	Actual	2,714,802	7%
19-20	Estimate	2,817,172	4%
20-21	Estimate	2,972,361	6%




# 2018 Levy Calculation

- ▶ Salaries increase \$454K or 3.9%
  - Includes buyouts at separation
- ▶ Health/life insurance increase \$68K or 3.5%
- ▶ GL and WC insurance decrease \$2K or .16%
- ▶ Transfer \$125K from General to TIF 3



# Salary Adjustments FY19

- ▶ Non-union – estimated 2.5% increase.
  - ▶ Clerical – Union contract estimated 2.5% increase 5/1/20.
  - ▶ Fire – Union contract expires 4/30/20. Estimated 2.5% increase 5/1/20.
  - ▶ Police – Union contract requires 2.5% increase 5/1/20.
  - ▶ Telecommunicators – Union contract requires 2.5% increase 5/1/20.
  - ▶ PW – Union contract requires 2.5% increase 5/1/20.
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**CITY OF OAK FOREST  
 AUTHORIZED PERSONNEL  
 FULL-TIME POSITIONS**

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
ADMINISTRATION	8	8	8	9	9	9	9	9	9	9
FIRE DEPARTMENT	27	27	27	27	27	27	27	27	27	27
POLICE DEPARTMENT	53	53	54	54	54	54	54	54	54	54
PUBLIC WORKS DEPARTMENT	27	25	25	25	25	27	27	27	27	27
BUILDING DEPARTMENT	4	4	4	4	5	5	5	5	5	5
COMMUNITY DEVELOPMENT DEPT	0	0	0	0	0	0	1	2	2	2
<b>TOTAL FULL-TIME POSITIONS</b>	<b>119</b>	<b>117</b>	<b>118</b>	<b>119</b>	<b>120</b>	<b>122</b>	<b>123</b>	<b>124</b>	<b>124</b>	<b>124</b>

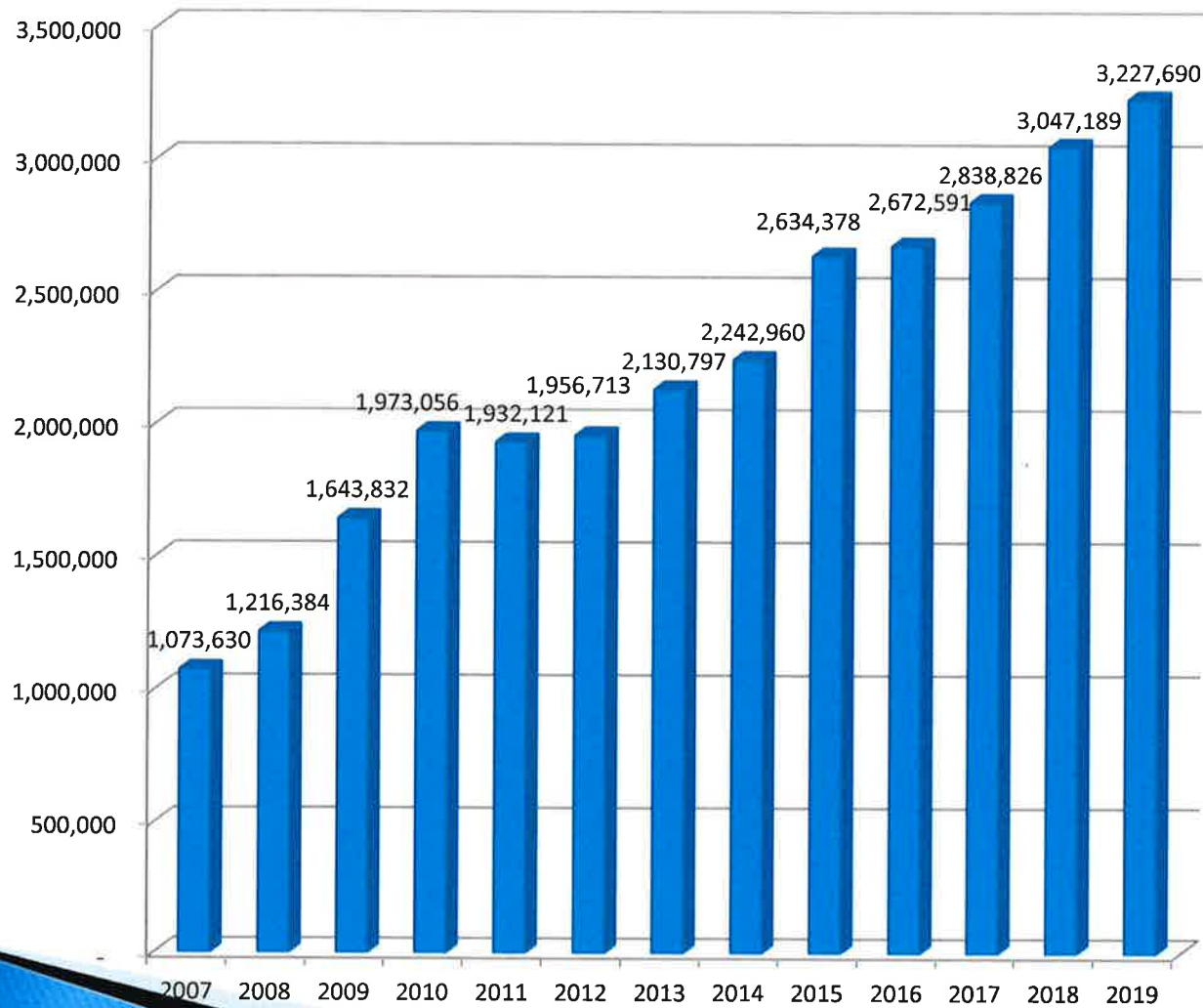
# Actuarial Computation of Pension Contributions

<u>Assumptions</u>	<u>City's Actuary</u>	<u>DOI</u>
Interest Rate	7%	6.75%
Amortization Period	14 years	21 years
Amortization %	100%	90%
Mortality Table	2014 updated for mortality improvements	2000
Police Contribution	2,241,234	1,563,018
Fire Contribution	986,456	636,830





# Police and Fire Pension Fund Annual Contribution

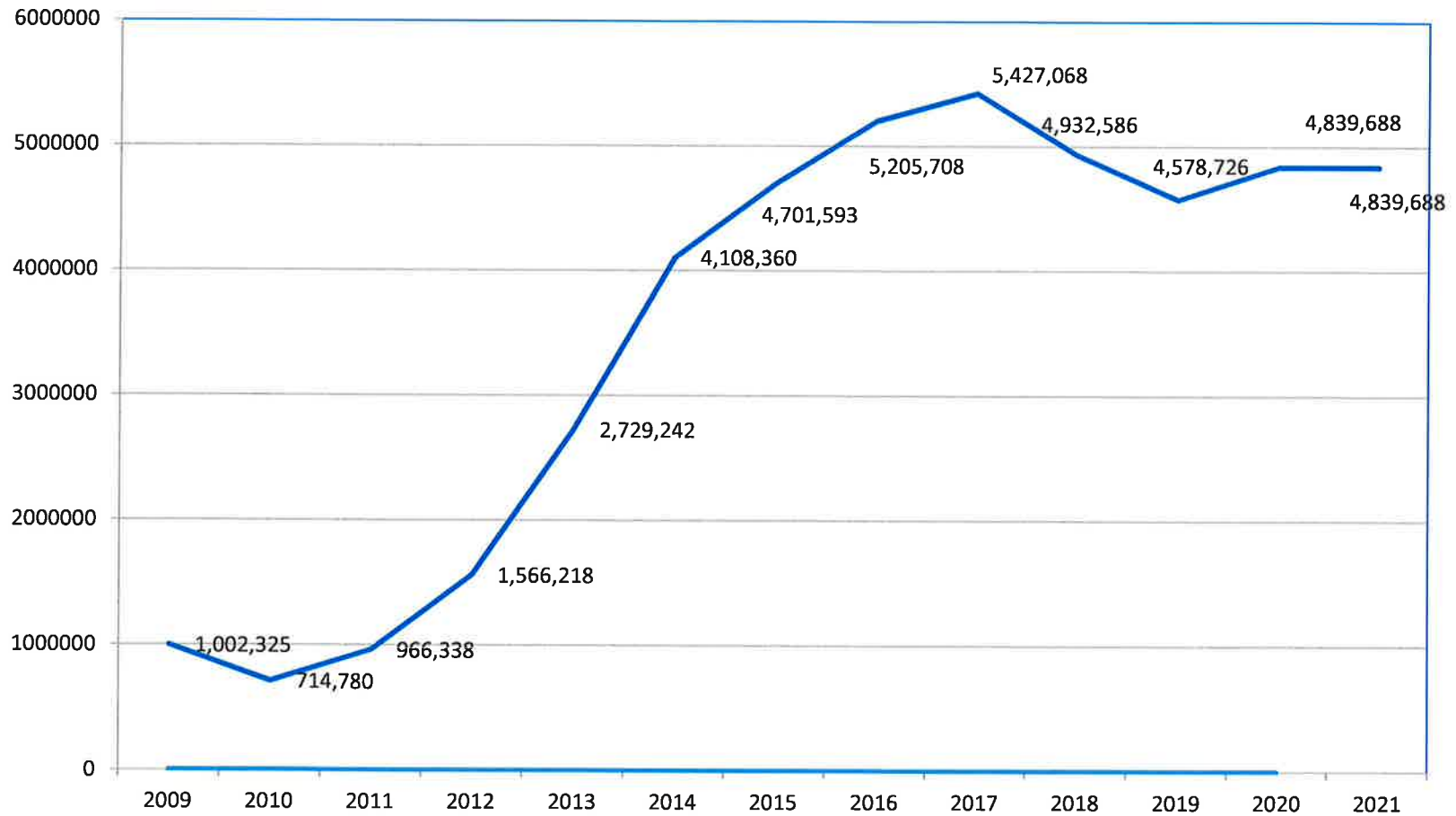


**CITY OF OAK FOREST  
FUND BALANCE ESTIMATE  
GENERAL FUND**

	<b>APPROVED 19-20 BUDGET</b>	<b>REQUESTED 20-21 BUDGET/LEVY</b>
<b>BEGINNING OF YEAR FUND BALANCE</b>	4,578,726	4,839,688
<b>SURPLUS(DEFICIT)</b>	260,962	-
<b>ESTIMATED END OF YEAR FUND BALANCE</b>	<u>4,839,688</u>	<u>4,839,688</u>

The City's reserve policies require fund balance to equal 25-35% of expenditures, or \$4.8 million, to protect against the need to reduce service levels or raise taxes and fees due to revenue shortfalls or unpredicted expenditures. The fund balance for the General Fund as of April 30, 2020 is expected to be \$4.8 million. The city also has working cash of \$400K, which increases fund balance to \$5.2, or 27% of annual expenditures. Since this exceeds the policy requirement, the city doesn't need to budget a surplus to increase fund balance.

# Fund Balance Projection - General Fund



# Municipal Sales Tax Allocation

Total Municipal Sales Tax 1%  
\$1,286,000



# Timeline

- ▶ Levy due last Tuesday in December
- ▶ Need to pass levy ordinance by the December 10, 2018



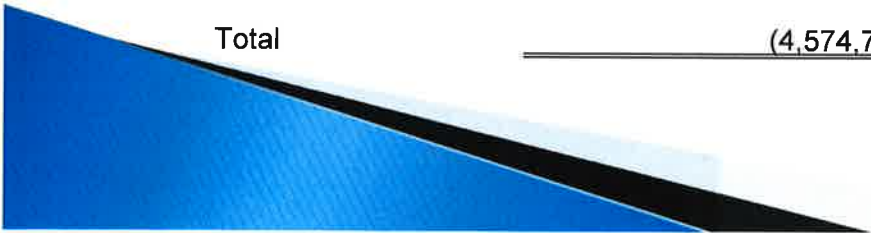
# TIF Funds

- ▶ TIF districts fund balances improving significantly
- ▶ Loan balances \$1.6M (Down from \$3.45M)
  - Pay \$1.85M principal this past year
  - Pay \$1.1M next year
  - Reduced interest more than \$90K annually
  - Pay off in 3 years



**City of Oak Forest  
TIF Funds**

	Fund Bal 30-Apr-18	Fund Bal 30-Apr-19	Change
TIF 1	(194,729)	(90,175)	104,554
TIF 2 PROJECT FUND	640,326	511,763	(128,563)
TIF 3	(1,560,504)	(1,394,440)	166,064
TIF4	(437,067)	(313,817)	123,250
TIF6	(366,874)	(400,335)	(33,461)
TIF 7	(2,702,290)	(1,443,123)	1,259,167
TIF 5	46,414	90,160	43,746
Total	<u>(4,574,724)</u>	<u>(3,039,967)</u>	<u>1,534,757</u>



Q & A

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