

# Measure A Extension First Public Hearing

November 14, 2023

Agenda Item 16.1







# Measure A Overview

- $\frac{3}{4}$  Percent Sales and Use Tax
- \$36 million average in General Revenue each year (17%)
- Tax will sunset after 10 Years
- Extension requires two Public Hearings to Adopt Findings





# Background

## APPROVED BY VOTERS

Measures A and B were approved by voters as a General Tax.

## MEASURE B

- Nonbinding advisory measure
- Created 120 new police positions
- Advised 65% prioritized for Law Enforcement & Crime Prevention

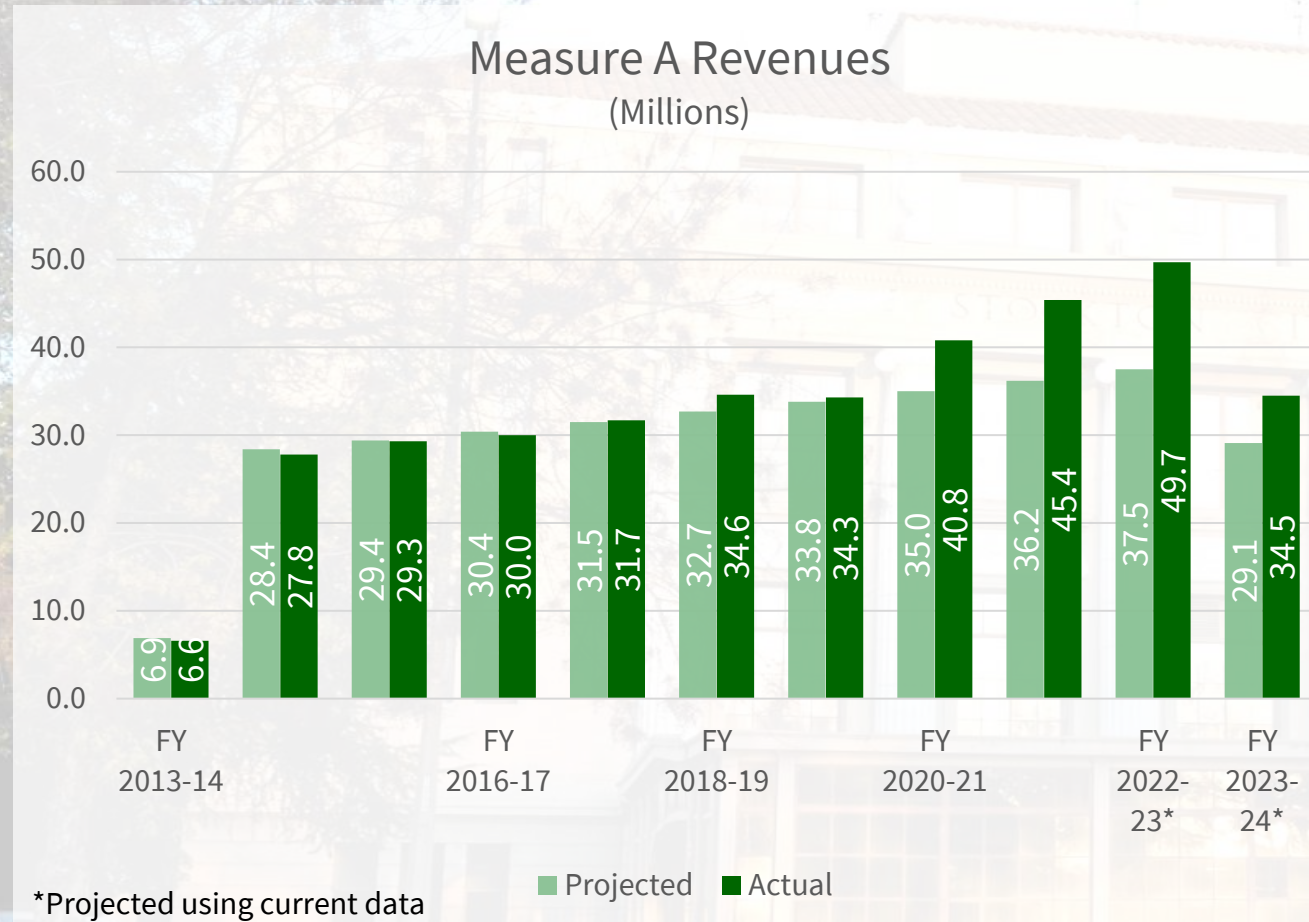
## AUDITS

Subject to the General Fund (ACFR) Audit, Agreed Upon Procedures Attestation, and Most recently an internal performance audit

## HEALTHY CITY

Instrumental to a fiscally healthy City that can perform basic services for its Citizenry in response to the bankruptcy

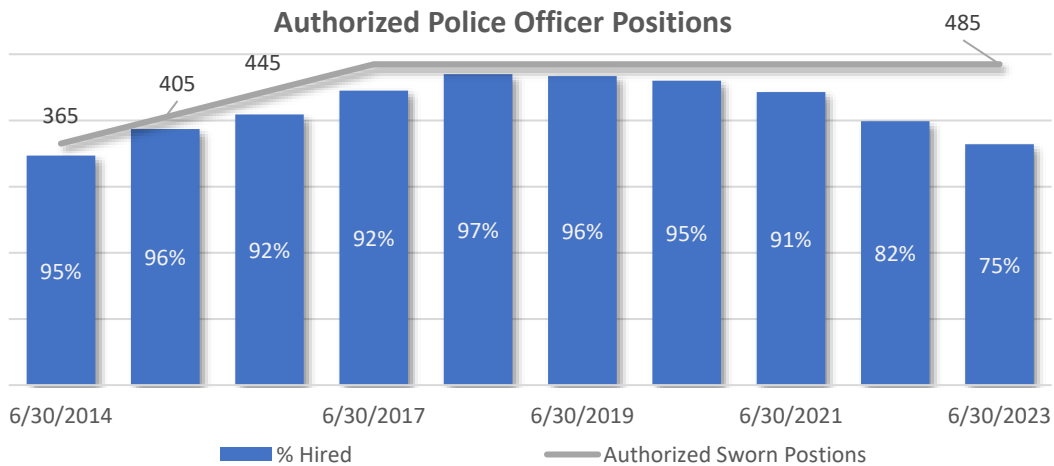
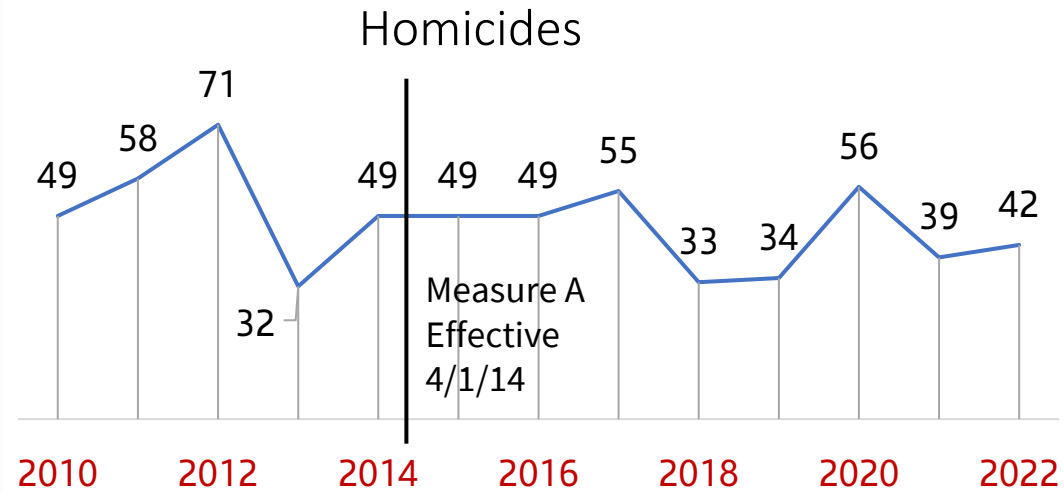
# Revenues



- Revenues have been steady with modest increases
- Expected to return to a normal level within the next several fiscal years if tax is re-adopted.
- Pandemic Increases should be viewed as an anomaly and these levels are not likely to be sustained moving into the future.



# Marshall Plan Recommendations



## OPERATION CEASEFIRE

This partner-based violence reduction strategy using respectful, direct communication with highest-risk youth and young adults has been implemented.

## OFFICE OF VIOLENCE PREVENTION/ OUTREACH WORKERS

OVP staff has doubled. In 2022 alone, OVP assisted 115 clients in securing employment, provided relocation support to 76 families, connected 109 clients with social services, and conducted 45 conflict mediations.

## NEIGHBORHOOD BETTERMENT TEAM

In FY 2021-22 this team completed 3 missions, resulting in 1,556 inspections, 187 enforcement actions, 5 property clean-ups, 10,065 sq. ft. of graffiti removal, and 86 abandoned vehicles.

## ADD POLICE OFFICERS

Before Measure A, 347 filled of 365 positions. Budgeted positions increased to 485. By FY 2017 – 445 of 485 filled (92%), peak filled positions was reached in FY 2018 with 470 and stayed over 90% filled until 2021. Filled sworn positions at 6/30/2023 were 364.

# General Fund Service Highlights

In addition to Law Enforcement  
and Crime Prevention efforts...

...Measure A has made these  
bankruptcy recovery items  
possible.

## REOPENED FIRE STATION 1

Firefighting tools, furniture, and  
equipment, 9 firefighting  
positions.

## REOPENED THE FAIR OAKS LIBRARY

## IMPROVED AND MAINTAINED PARKS AND REC CENTERS

Including Weber Point, Pixie  
Woods, Van Buskirk, and Victory  
Park

## ALLOWED FOR TREE & STREET MAINTENANCE EFFORTS

## POLICE HELICOPTER AND UNMANNED AIR SUPPORT PROGRAM

## RESUMED COST-OF-LIVING ADJUSTMENTS FOR POLICE

## EXPANDED THE FIRE DISPATCH CENTER

## ALLOCATED \$2 MILLION FOR EXPANDED YOUTH PROGRAMMING

## RESUMED STAFF TRAINING

## IMPLEMENTED A MODERNIZED HUMAN RESOURCES AND FINANCIAL SYSTEM

## RESTORED POSITIVE BALANCES TO INTERNAL SELF-INSURANCE FUNDS

Previously negative (\$48 million!)





# Sunset Provisions and Findings

# Sunset Provision

Section 17 of the ordinance

**Sunset of Tax.** (a) The taxes imposed by this Ordinance shall remain effective until the soonest to occur of the following:

- (i) the City Council repeals, or the voters repeal, this Ordinance;
- (ii) the City Council determines that the City has experienced economic recovery as defined in Section 18 of this ordinance, or
- (iii) ten (10) years from the date the taxes imposed by this Ordinance are first collected. However, the voters hereby authorize the Council to extend the sunset of the taxes pursuant to paragraph (b) of this Section 17.

SUNSET



# Economic Recovery Requirement

Economic Recovery is measured annually after the audited financial reports and presented to the oversight committee.

Per the table, revenues have not yet reached peak bankruptcy levels, adjusted for inflation.

## Detailed Adjusted Revenues compared to CPI-Adjusted Peak Revenues

*(Dollars in Millions)*

	21-22 ACFR page 24	21-22 Gen Fund Portion Only	22-23 Gen Fund Budget
Revenues	303.97	287.25	285.35
Sale of Capital Assets	0.02	0.02	0.06
	303.99	287.26	285.41
Minus Measure A Revenues		(45.41)	(42.08)
Gen. Fund Revenue after Adjustments		241.85	243.33
Fully Adjusted Revenue Over/(Under)		<b><u>\$(23.10)</u></b>	<b><u>\$(41.51)</u></b>

# Extension and Findings

Section 17 (b) The City Council may extend the sunset of the taxes imposed by this ordinance as follows. The Council shall hold two publicly noticed meetings at least 14 days apart and shall adopt findings based on evidence before it that:

## **REVENUES CONTINUE TO BE NECESSARY**

The revenues provided by the taxes imposed by this Ordinance continue to be necessary to accomplish the purposes stated in Section 21\* of this Ordinance

### **\*SECTION 21**

The proceeds of the taxes imposed by this Ordinance may be used for any lawful purpose of the City, as authorized by ordinance, resolution or action of the City Council.

## **EMPLOYEE COMPENSATION IS NOT EXCESSIVE**

The total compensation paid to City Employees is not excessive when compared to those of other similarly situated public-sector employees

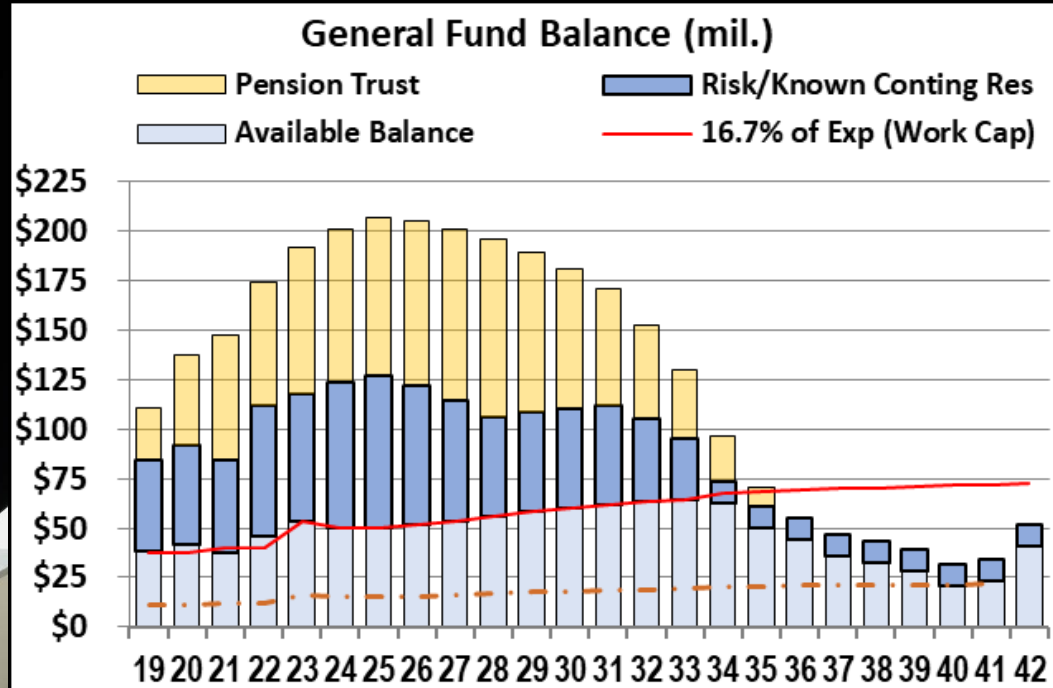


# Measure A is NECESSARY!

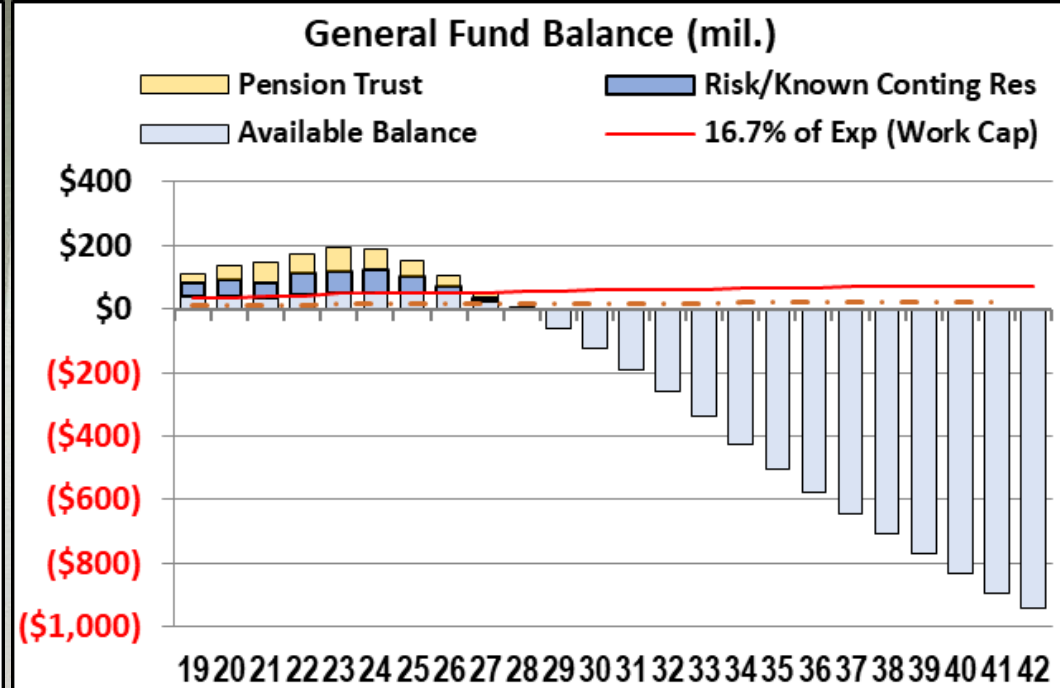
- 17% of General Fund
- Loss = Massive cuts to nearly every service area
- Effective Elimination of Violence Prevention
- Closure of three fire stations doubling response times
- Reduction of Library Open Hours
- Closure of Oak Park Ice Rink
- Severe reductions in park maintenance and watering
- Reduced cleanups of homeless encampments
- Reduced police force and response times

# Impact of Sunset on Long-Range Financial Plan

## Fund Balance with Measure A



## Fund Balance without Measure A



Without Measure A the City will expend its reserves by the end of FY 2027-28 and become insolvent unless significant cuts to vital city services are made.

SUNSHINE



# Employee Salaries are **NOT** excessive Compared to Similarly Situated Agencies

## **MOUS ARE REGULARLY NEGOTIATED**

The City uses an external consultant who compares City employee compensation to other agencies' compensation

## **THE MIDDLE OF THE MARKET RATE**

The independent consultant gathers salary and benefits data from these agencies that helps the City target the labor market median for each position.

## **MARKET ADJUSTMENTS**

Market adjustments based on the compensation study are negotiated and included in the successor labor agreements



# Updating the Measure B Spending Plan with the Extension





# Better Strategies

- The Measure A Performance Audit released in October 2023 recommended:
  - Leverage Salary Savings for greater retention
  - Create expenditure Guidelines to help identify Measure B eligible costs
- To address these recommendations, the City will:
  - Reimagine Key Performance Indicators (KPIs) and **publish successes**
  - Develop **Expenditure Guidelines** that will clarify and encourage Measure B eligible expenditures
  - Reallocate salary savings to affect **more effective retention** and recruitment

# A New Retention Plan

The City is proposing a new plan that represents a historic breakthrough to the City's Police recruitment and retention problems.

- Convert 60 unfilled positions of the 120 authorized to be used toward retention and recruitment
- Existing budgeted funds will be reprogrammed for this purpose
- All additional compensation items are subject to the extension of Measure A and will be reviewed annually for economic feasibility

Expected to make the City a much more competitive option in the Law Enforcement recruitment marketplace.



A photograph of a city street intersection. In the background, a tall, multi-story brick building with many windows stands prominently. To its right is a Regal Cinemas 16 theater. The street is paved and has traffic lights. A white car is visible on the right side of the street. The sky is overcast. The text "Next Steps" is overlaid on the right side of the image.

# Next Steps

- A second public hearing will be held on December 5, 2023
- An ordinance and the findings will be presented for adoption